

**BY-LAWS**  
**OF**  
**SAVANNAH LAKES**  
**PROPERTY OWNER'S ASSOCIATION, INC.**

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**TABLE OF CONTENTS**  
**OF**

**THE BY-LAWS**

<u>Descriptive Headings</u>	<u>Page</u>
<b>PURPOSE</b>	
1.01 Purpose . . . . .	1
<b>OFFICES - REGISTERED AGENT</b>	
2.01 Principal Place of Business . . . . .	1
2.02 Registered Office . . . . .	1
2.03 Registered Agent . . . . .	1
<b>MEMBERSHIP</b>	
3.01 Membership . . . . .	2
3.02 Compliance . . . . .	2
3.03 Ownership . . . . .	2
3.04 Mailing Address . . . . .	2
<b>MEETINGS OF MEMBERS</b>	
4.01 Place of Meetings . . . . .	3
4.02 Annual Meetings . . . . .	3
4.03 Special Meetings . . . . .	3
4.04 Adjourned Meetings . . . . .	3
4.05 Notice of Meetings . . . . .	3
4.06 Waiver of Notice . . . . .	4
4.07 Quorum of Members . . . . .	4
4.08 Organization . . . . .	4
4.09 Conduct of Business . . . . .	4
4.10 Voting List . . . . .	4
4.11 Record Date . . . . .	5
4.12 Voting Rights . . . . .	5
4.13 Proxies . . . . .	6
4.14 Consent of Members in Lieu of Meeting . . . . .	6

**Descriptive Headings**

**Page**

**BOARD**

5.01 Number . . . . .	6
5.02 Election and Term . . . . .	6
5.03 Quorum of Directors . . . . .	7
5.04 Compensation . . . . .	7
5.05 Vacancies . . . . .	7
5.06 Removal . . . . .	7
5.07 Powers and Duties . . . . .	7
5.08 Reliance Upon Records . . . . .	9
5.09 Limited Liability . . . . .	9
5.10 Special or Adjourned Meeting . . . . .	9
5.11 Action Without a Meeting . . . . .	9
5.12 Meeting by Telecommunications . . . . .	9

**OFFICERS**

6.01 Election and Offices . . . . .	10
6.02 Terms and Compensation . . . . .	10
6.03 Removal . . . . .	10
6.04 President . . . . .	10
6.05 Vice President . . . . .	11
6.06 Secretary . . . . .	11
6.07 Treasurer . . . . .	11
6.08 Secretary-Treasurer . . . . .	12
6.09 Delegation of Authority . . . . .	12
6.10 Vacancies . . . . .	12

**BY-LAWS**

7.01 By-laws . . . . .	12
7.02 Omissions From By-laws . . . . .	13
7.03 Declaration . . . . .	13

**CORPORATE TRANSACTIONS**

8.01 Contracts . . . . .	13
8.02 Loans . . . . .	13
8.03 Receipts . . . . .	13
8.04 Disbursements . . . . .	13
8.05 Bank Accounts . . . . .	13
8.06 Annual Report . . . . .	13

<u>Descriptive Headings</u>	<u>Page</u>
8.07 Fiscal Year . . . . .	14
8.08 Corporate Seal . . . . .	14
8.09 Administration . . . . .	14
8.10 Rules . . . . .	14
8.11 Insurance . . . . .	14
8.12 Maintenance of Common Areas . . . . .	14
8.13 Budget and Determination of Assessments . . . . .	14
8.14 Enforcement of Assessment Lien Rights . . . . .	15
8.15 Protect and Defend . . . . .	15
8.16 Manage . . . . .	15
8.17 Meetings . . . . .	15
8.18 Personnel . . . . .	15
8.19 Administration . . . . .	15
8.20 Managing Agent . . . . .	15
8.21 Act for the Association . . . . .	15

**COMMON AREAS**

9.01 Ownership . . . . .	16
9.02 Right of Use . . . . .	16
9.03 Delegation of Use . . . . .	16
9.04 Provisions of Use . . . . .	16
9.05 Rules of Use . . . . .	17

**ASSESSMENTS**

10.01 General . . . . .	17
10.02 Commencement . . . . .	17
10.03 Purpose of Assessments . . . . .	18
10.04 Annual Assessment . . . . .	18
10.05 Special Assessment . . . . .	18
10.06 Change in Annual Assessment . . . . .	18
10.07 Uniformity of Assessments . . . . .	19
10.08 Dates of Assessment . . . . .	19
10.09 Effect of Non-Payment of Assessment . . . . .	19
10.10 Subordination of the Lien to Mortgages . . . . .	19

**INDEMNIFICATION**

11.01 Actions Other Than By or In the Right of the Association . . . . .	20
11.02 Actions By or In the Right of the Association . . . . .	20

<u>Descriptive Headings</u>	<u>Page</u>
11.03 Indemnification of Successful Party . . . . .	21
11.04 Determination of Right to Indemnification . . . . .	21
11.05 Advance of Expenses . . . . .	21
11.06 Settlement . . . . .	21
11.07 Other Rights . . . . .	21
11.08 Insurance . . . . .	22
11.09 Savings Clause . . . . .	22
11.10 Subsequent Legislation . . . . .	22
11.11 Survival . . . . .	22

**OTHER PROVISIONS**

12.01 Not for Profit . . . . .	22
12.02 Applicable Law . . . . .	23
12.03 Headings . . . . .	23
12.04 Inspection of Books and Records . . . . .	23
12.05 Interpretation . . . . .	23
12.06 Severability . . . . .	23

<b>DEFINED TERMS</b> . . . . .	23
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**BY-LAWS**  
**OF**  
**SAVANNAH LAKES**  
**PROPERTY OWNER'S ASSOCIATION, INC.**

The name of the Association shall be Savannah Lakes Property Owner's Association, Inc.

**PURPOSE**

1.01 **Purpose.** The purposes for which the Association is formed are: (i) to organize, govern, and operate an association to provide for the acquisition, construction, management, maintenance, and care of property located within Savannah Lakes, (ii) to acquire, own, and provide for the maintenance and management of common areas located within the Savannah Lakes addition, (iii) to provide maintenance services for the property located within Savannah Lakes, and (iv) to provide for the enforcement of the Declaration.

**REGISTERED AGENT AND OFFICES**

2.01 **Principal Place of Business.** The initial principal place of business shall be 464 N. Financial Center Terrace, Mustang, Oklahoma 73064. The Association's principal office may be established at such other places as the Board may from time to time designate.

2.02 **Registered Office.** The Association shall have and maintain in Oklahoma a registered office which may be, but need not be, the same as the principal place of business. The Association, by resolution of the Board, may change the location of the Association's registered office in this state to any other place in this state. Upon the adoption of such resolution, an amendment to or amended certificate of incorporation shall be executed, acknowledged, and filed in accordance with the law.

2.03 **Registered Agent.** The Association shall have and maintain in Oklahoma a registered agent on whom service of process may be had and whose business address is identical to the registered office of the Association. The Association, by resolution of the Board, may change, from time to time, the registered agent. Upon the adoption of such

resolution, a restated or an amended Certificate of Incorporation shall be executed, acknowledged, and filed in accordance with the law.

## MEMBERSHIP

3.01 Membership. Record ownership of a fee or undivided interest in a Lot is required in order to qualify for Membership in this Association. Any person on becoming an owner of a Lot shall mandatorily and automatically become a Member and be subject to the By-laws. Such Membership shall terminate without any formal Association action whenever such person ceases to own a Lot, but such termination shall not relieve or release any such former owner from any liability or obligation incurred under or in any way connected with this Association during the period of such ownership and Membership in this Association, or impair any rights or remedies which the owners have, either through the Board or directly, against such former owner and former Member arising out of or in any way connected with ownership and Membership and the covenants and obligations incident thereto. The foregoing shall not include persons who hold an interest in a Lot merely as security for the performance of an obligation. No owner shall have more than one Membership for each Lot.

3.02 Compliance. Each Member shall strictly comply with the provisions of the recorded Declaration, these By-laws and any amendments thereto, and each rule or regulation of the Association then in force.

3.03 Ownership. Each Member, on becoming an owner of a Lot, shall furnish to the Board a true and correct copy of the original or certified copy of the recorded instrument vesting that person with an interest or ownership of the Lot, which copy shall remain in the files of the Association. A Member shall not be deemed to be in good standing nor shall such Member be entitled to vote at any annual or special meeting of Members unless and until this requirement is met.

3.04 Mailing Address. Members shall have one registered mailing address for a Lot that will be used by the Association for mailing of statements, notices, demands, and all other communications. Such registered address shall be the single mailing address of a person or persons, regardless of the actual number of co-owners of a Lot, to be used by the Association. Such registered address of an owner or owners shall be furnished by such Member to the Board within fifteen (15) days after transfer of title, or after a change of address, and such registration shall be in written form and signed by all of the owners of the Lot.

## MEETINGS OF MEMBERS

4.01 Place of Meetings. The Members shall hold all meetings at such place as the Board shall designate in the notice for such meetings or, if not so designated, at the registered office of the Association.

4.02 Annual Meetings. The Members shall hold their annual meetings for the election of Directors and for the transaction of other proper business, as may come before such meetings, at such time, date, and place as the Board shall determine by resolution. In the event the annual meeting of Members is not held or the Board is not elected at such annual meeting, the Board may be elected at a special meeting held for that purpose, and it shall be the duty of the Board to call such special meeting. Any business which may be transacted at an annual meeting of the Members may be transacted at a special or an adjourned meeting.

4.03 Special Meetings. The president, Board, or one or more Members owning not less than one-fourth (1/4) of the total Lots may, at any time and for any purpose, call a special meeting of the Members. No special meeting shall be called or held within thirty (30) days of the preceding meeting of the Members.

4.04 Adjourned Meetings. If a Quorum of Members is not present at an annual, special, or adjourned meeting of Members, such meeting may be adjourned by those present from day to day, or from time to time, until a Quorum of Members is obtained. The adjournment and the reasons therefor shall be recorded in the minutes. When a meeting of Members is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. Any business which may have been transacted at the original meeting may be transacted at the adjourned meeting. If the adjournment is for more than thirty (30) days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each Member of record entitled to vote at the meeting.

4.05 Notice of Meetings. The Board shall give written notice of each meeting of Members, whether annual or special, which shall state the place, date, and hour of the meeting, and, in the case of a special meeting, the purpose or purposes for which the meeting is called. The written notice of any meeting shall be given not less than ten (10) nor more than sixty (60) days before the date of the meeting to each Member entitled to vote at such meeting. Notice shall be by United States mail to each Member at such Member's registered address as it appears on the records of the Association. An affidavit of the secretary that the notice has been given, in the absence of fraud, shall be prima facie evidence of the facts stated therein. The Association will maintain a list of Members entitled to vote at each meeting.



4.06 Waiver of Notice. Whenever these By-laws require written notice, a written waiver of notice, signed by the Member entitled to notice, whether before or after the time stated in the notice, shall constitute the equivalent of notice. Attendance of a Member at any meeting shall constitute a waiver of notice of such meeting, except when the Member attends the meeting for the express purpose of objecting to the call of the meeting and makes such objection at the beginning of the meeting. A written waiver of notice need not specify either the business to be transacted at, or the purpose or purposes of any regular or special meeting of Members.

4.07 Quorum of Members. The Members may continue to transact any and all business properly before the meeting despite the loss of a Quorum of Members, if a Quorum of Members was established and the meeting properly convened. In the absence of a Quorum of Members, the Members that own a majority of the Lots who are then present, in person or by proxy, or any Officer entitled to preside at such meeting may adjourn the meeting to another place, date, or time.

4.08 Organization. The Board shall have the right to designate the chairman. In the absence of such designation, the highest ranking Officer who is present shall call to order any meeting of Members, determine the presence of a Quorum of Members, and act as chairman of the meeting. In the absence of the secretary or an assistant secretary, the chairman shall appoint the secretary of the meeting.

4.09 Conduct of Business. Subject to the authority of the Board, the chairman of any meeting of Members shall determine the order of business and the procedure at the meeting, including such regulations of the manner of voting and the conduct of discussion as the chairman deems appropriate for the good of the Members present.

4.10 Voting List. The secretary shall maintain a complete current list of the Members entitled to vote at the meeting, arranged in alphabetical order, showing the address of each Member and the number of Lots registered in the name of each Member. The Association shall make the list available for examination by any Member, for any purpose germane to the meeting, during ordinary business hours, either at a place within the city where the meeting is to be held or at the place designated in the notice of the meeting. The secretary shall produce and keep the list at the meeting during the entire duration of the meeting, and any Member who is present may inspect the list at the meeting. The list shall constitute presumptive proof of the identity of the Members entitled to vote at the meeting and the number of Lots each Member owns. The failure to comply with this paragraph shall not invalidate any action taken at the meeting, provided that any Director who has willfully neglected or refused to produce the list shall be ineligible for election to any office at such

meeting. A determination of Members entitled to vote at any meeting of Members pursuant to this paragraph shall apply to any adjournment thereof.

4.11 **Record Date.** In order that the Association may determine the Members entitled:

a. To notice of or to vote at any meeting of Members or any adjournment thereof, the Board may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board, and which record date shall not be more than sixty (60) nor less than ten (10) days before the date of such meeting. If no record date is fixed by the Board, the record date for determining Members entitled to notice of or to vote at a meeting of Members shall be at the close of business on the day next preceding the day on which notice is given or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of Members of record, entitled to notice of or to vote at a meeting of Members, shall apply to any adjournment of the meeting; provided, however, that the Board may fix a new record date for the adjourned meeting.

b. To consent to Association action in writing without a meeting, the Board may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board, and which date shall not be more than ten (10) days after the date upon which the resolution fixing the record date is adopted by the Board. If no record date has been fixed by the Board, the record date for determining Members entitled to consent to Association action in writing without a meeting, when no prior action by the Board is required, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the Association. Delivery shall be by hand or by certified mail, return receipt requested. If no record date has been fixed by the Board and prior action by the Board is required, the record date for determining Members entitled to consent to Association action in writing without a meeting shall be at the close of business on the day on which the Board adopts the resolution taking such prior action.

4.12 **Voting Rights.** Each Member shall be entitled to one vote for each Lot registered in such Member's name on the record date for the meeting; provided, however, when a Lot is owned by more than one person or Member, only one Member is entitled to vote, there shall only be one vote per Lot. Persons holding Lots in a fiduciary capacity shall vote such Lots. Persons whose Lots are pledged shall be entitled to vote such Lots. A plurality of the votes cast shall determine the election of Directors, however, a majority of the votes cast shall determine all other matters unless specified otherwise herein, such as paragraph 8.13, subparagraph 9.04c, subparagraph 9.04e, and paragraph 10.05. The Members may vote by voice on all matters; provided, however, upon demand by any Member

entitled to vote, or such Member's proxy, the Members shall vote by ballot and each ballot shall state the name of the Member or proxy voting, the number of Lots voted, and such other information as the Association may require under the procedure established for the meeting.

4.13 **Proxies.** A Member may exercise any voting rights in person or by proxy. The appointment by an instrument in writing, which the Member, or the Member's authorized attorney-in-fact, has subscribed and which has been delivered to the secretary at or before the meeting. A proxy is not valid after the expiration of three years after the date of its execution, unless the Member executing the proxy specifies in the proxy a longer period. The attendance at any meeting of a Member who previously has given a proxy shall not have the effect of revoking the proxy unless such Member notifies the secretary in writing prior to the voting of the proxy. A duly executed proxy shall be irrevocable if it states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power.

4.14 **Consent of Members in Lieu of Meeting.** The Members may take any action which may be taken at any annual or special meeting of Members without a meeting, without prior notice, and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the Members owning not less than the minimum number of Lots that would be necessary to authorize or take such action at a meeting at which all Lots entitled to vote thereon were present and voted. Every written consent shall bear the date of signature of each Member who executes the consent and no written consent shall be effective to take the Association action referred to therein unless, within sixty (60) days of the earliest dated consent delivered to the Association, written consents signed by a sufficient number of Members to take action are delivered to the Association. Prompt notice of the taking of the Association action without a meeting by less than unanimous written consent shall be given to those Members who have not consented in writing.

## **BOARD**

5.01 **Number.** The initial Board shall consist of one Director. Directors must be legally competent to enter into contracts, but need not be a Member. The authorized number of Directors of the Association may be changed by a resolution of the Board or the Members. A resolution of the Members electing Directors shall evidence the fixing of the number of Directors constituting the Board.

5.02 **Election and Term.** Each Director shall hold office until the election and qualification of a successor or until such Director's earlier death, removal, or resignation. Any Director may resign at any time upon written notice to the Association. Directors shall

be elected at an annual or special meeting of Members or by written consent of the Members. The term of office of a Director shall begin immediately after election and shall continue for one year or until the election and qualification of a successor or until such Director's earlier death, removal, or resignation. There must be, at all elections of the Directors subsequent to the initial Board, (i) present, in person or by proxy, Members that have a majority of the votes or (ii) a written consent of the Members that have a majority of the votes.

**5.03 Quorum of Directors.** Every act done or decision made by a majority of the Directors present at a meeting duly held at which a Quorum of Directors is present shall be the act of the Board; provided, however, in the absence of a Quorum of Directors, then a majority of the Board may adjourn any meeting of the Board from day to day, but may not transact any business, except the filling of any vacancy on the Board as provided for in these By-laws.

**5.04 Compensation.** Directors shall receive no compensation for their services as Directors.

**5.05 Vacancies.** Any vacancy in the Board may be filled by the affirmative vote of a majority of the remaining Directors, even though less than a Quorum of Directors, or by a sole remaining Director, and each Director so chosen shall hold office until his successor is elected at an annual or special meeting of Members or by written consent of the Members that have a majority of the votes. A vacancy in the Board shall exist upon the death, removal, or resignation of any Director, or if the authorized number of Directors is increased, or if the Members fail at any annual or special meeting of Members to elect the full authorized number of Directors to be voted for at such meeting.

**5.06 Removal.** Any Director, or the entire Board, may be removed from office, with or without cause, by a majority vote of the Members at any annual or special meeting of Members. In the event that any one or more Directors, or the entire Board, are removed, new Directors may be elected at the same meeting. The Board shall declare vacant the office of a Director upon any Director's death, removal, or resignation, or if any Director is declared of unsound mind by an order of a court, or convicted of a felony, or may do so if, within sixty (60) days after notice of such Director's election, such Director does not either accept such office in writing or attend a meeting of Board and fulfill such other requirements or qualifications as these By-laws provide.

**5.07 Powers and Duties.** Subject to the limitations of the law, all corporate powers shall be exercised by, or under the authority of, and the business and affairs of the Association shall be controlled by, managed by, or under the direction of the Board. Without

prejudice to such general powers, but subject to the limitations herein set forth, the Board shall have the following powers:

- a. To conduct, manage, direct, and control the affairs and business of the Association, and to make such rules and regulations therefor, not inconsistent with law and these By-laws, as the Board may deem best.
- b. To appoint an executive committee, and any other committees, which the Board deems advisable, and to delegate to the executive committee, or any such other committee, subject to the control of Board, any of the powers and authority of the Board; provided, however, that any such executive committee shall act only in the interval between meetings of the Board and shall be subject at all times to the control and direction of the Board.
- c. To elect and remove at pleasure all the officers, agents, and employees of the Association, to prescribe such duties for them as may not be inconsistent with law and these By-laws, and to fix the terms of their offices and their compensation.
- d. To designate, from time to time, the office of the Association, and to designate, from time to time, any place or places where meetings of Members and meetings of the Board shall or may be held.
- e. To adopt, name, and use a corporate seal; to alter the forms of such seal from time to time, as in the judgment of the Board may seem best; and to authorize the seal of the Association to be affixed to all papers which the Board may believe appropriate.
- f. Subject to the approval of the Members, to adopt, amend, or repeal these By-laws.
- g. To designate a time in the future as a record date for the determination of the Members entitled to notice of and to vote at any meeting of Members. Only Members of record on the date so designated shall be entitled to notice of and to vote at such meeting, notwithstanding any transfer of any Lot on the books of the Association after any record date so designated; provided, however, such designated time shall not exceed thirty (30) days preceding the date of any meeting of the Members.
- h. To generally do and perform every act and thing whatsoever that may pertain to the office of a Director or to a Board.

5.08 Reliance Upon Records. A Director, in the performance of such Director's duties, shall be fully protected in relying in good faith upon the records of the Association and upon such information, opinions, reports, or statements presented to the Association by any of the Association's Officers or employees, or by any other person as to matters the Director reasonably believes are within such Officer's, employee's, or other person's competence and who have been selected with reasonable care by or on behalf of the Association.

5.09 Limited Liability. No Directors shall have personal liability to the Association or its Members for monetary damages for breach of fiduciary duty as a Director; provided, however, this provision shall not eliminate or limit the liability of a Director:

- Members;
- a. For any breach of the Director's duty of loyalty to the Association or its
  - b. For acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; or
  - c. For any transaction from which the Director derived an improper personal benefit.

5.10 Special or Adjourned Meeting. Any business which might be done at a regular or annual meeting of the Board may be done at a special or at an adjourned meeting of the Board, if the time and place of such adjourned meeting is fixed at the meeting adjourned.

5.11 Action Without a Meeting. Any action required or permitted to be taken at any meeting of the Board may be taken without a meeting if all Directors consent thereto in writing, and a written record or memorandum thereof is filed in the minute book of the Association.

5.12 Meeting by Telecommunications. The Board may participate in a meeting of the Board by means of conference telephone or similar telecommunications equipment by means of which all persons participating in the meeting can hear and speak to each other. Such participation shall constitute presence in person at such meeting.

## OFFICERS

6.01 **Election and Offices.** The Officers of the Association shall be a president and a secretary. The Association may also have, at the discretion of the Board, a vice president, a treasurer, a secretary-treasurer, and such other officers as the Board may deem necessary. The Officers shall be selected by the Board and shall be Directors. The same person may be selected for and hold any two or more offices as allowed by law, and any Officer may execute, acknowledge, or verify any instrument in more than one capacity if such instrument is required by law or these By-laws to be executed, acknowledged, or verified, as the case may be, by any two or more Officers. The Board may, in its sole discretion, elect at any time additional vice presidents, one or more assistant secretaries, and one or more assistant treasurers with such powers as the Board shall from time to time prescribe. The Board may require any Officer, employee, or agent to give a bond or other security for the faithful performance of such person's duties.

6.02 **Terms and Compensation.** The term of office shall be fixed and determined by the Board and may be altered by the Board from time to time, at any time, at the pleasure and in the sole discretion of the Board. No Officer shall receive any compensation for serving as an Officer.

6.03 **Removal.** Any Officer, employee, or agent may be removed by the Board, with or without cause, whenever in the judgment of the Board the best interests of the Association will be served thereby,

6.04 **President.** The president shall be the chief executive officer of the Association and shall in general supervise and control all of the business and affairs of the Association, subject to the control of the Board. The powers and duties of the president shall be as follows:

- a. To preside at all meetings of Members.
- b. To call special meetings of Members and all meetings of the Board.
- c. To affix the signature of the Association to all leases, obligations, bonds, contracts, and other papers and instruments of the Association.
- d. To supervise and control, subject to the control of the Board, all the Officers, employees, and agents of the Association.

e. To perform in general all of the duties incident to the office of president and such other duties as, from time to time, may be assigned to the president by the Board.

**6.05 Vice President.** The Board shall have, in its sole discretion, the right and authority to determine whether or not, and how many, if any, a vice president shall be elected. In the event there shall be a vice president, then in the absence, disability, or death of the president, the vice president shall take the place and perform the duties of the president; provided, however, in the event there shall be more than one vice president, then the vice president in the order designated at the time of their election, or in the absence of any designation, then the order of their election, shall take the place of the president. In the event there shall be a vice president, the vice president will perform in general all of the duties incident to the office of vice president and such other duties as, from time to time, may be assigned to the vice president by the president or by the Board. The Board shall have, in its sole discretion, the right and authority to elect and appoint different types of vice presidents such as, but not limited to, executive vice president and senior vice president.

**6.06 Secretary.** The powers and duties of the secretary shall be as follows:

- a. To keep full and complete minutes of the meetings of the Board and the meetings of Members.
- b. To make service and publication of all notices in accordance with the provisions of these By-laws or as required by law; provided, however, in the absence, inability, refusal, or neglect of the secretary to make service or publication of any notice, then such notice may be served and published by the president, or by any person authorized by the president, or by the Board, or by the majority of the Members.
- c. To be custodian of the corporate records and to supervise and control the keeping of the accounts and books of the Association.
- d. To perform in general all of the duties incident to the office of secretary and such other duties as, from time to time, may be assigned to the secretary by the president or the Board.

**6.07 Treasurer.** The Board shall have, in its sole discretion, the right and authority to determine whether or not a treasurer shall be elected. In the event there shall be a treasurer, then the powers and duties of the treasurer shall be as follows:

- a. To have charge and custody of and be responsible for all funds of the Association.



b. To receive all monies belonging to or paid to the Association and to provide receipts therefor; to deposit such monies as the treasurer shall be directed by the Board with one or more banks to be designated by the Board; and to maintain full and complete records of the funds received and the disbursements thereof.

c. To render to the Members at the annual meeting and to the Board and president, at any meeting or from time to time, whenever the Board or the president may require, an accounting of all transactions and of the financial condition of the Association.

d. To exhibit, or cause to be exhibited, on request during business hours, the books of the Association to the Board, to any committee appointed by the Board, to any Director or to any other person entitled to inspect such books.

e. To perform in general all of the duties incident to the office of treasurer and such other duties as, from time to time, may be assigned to the treasurer by the president or by the Board.

6.08 Secretary-Treasurer. The Board shall have, in its sole discretion, the right and authority to determine whether or not to combine the office of secretary and the office of treasurer into one office, such office to be designated as the secretary-treasurer. In the event there shall be a secretary-treasurer, then the duties of the secretary-treasurer shall be those set forth above for the office of secretary and the office of treasurer.

6.09 Delegation of Authority. Notwithstanding any provision of these By-laws to the contrary, the Board may delegate the powers or duties of any Officer to any other Officer or agent.

6.10 Vacancies. The Board may fill any vacancy in any office, due to the death, resignation, removal, disqualification, or any other cause, of any Officer in the manner set forth in these By-laws for the regular appointment to such office.

### BY-LAWS

7.01 By-laws. The By-laws may be amended from time to time by a majority vote of the Members. The By-laws may be repealed and new restated By-laws established by a majority vote of the Members. The By-laws will continue in full force and effect until amended or repealed and replaced by new By-laws. Any purported oral amendment, termination, recession, modification, or supplement shall be void.

7.02 Omissions From By-laws. Omissions from these By-laws shall not be deemed any limitation upon the powers or duties of the Board or the Officers.

7.03 Declaration. In the event of a difference between the Declaration and these By-laws, the terms and conditions of the Declaration shall control.

### CORPORATE TRANSACTIONS

8.01 Contracts. The Board may enter into contracts within the scope of the Board's duties and powers. The Board may authorize any Officer or agent to enter into any contract or execute and deliver any instrument in the name and on behalf of the Association. The Board may make such authorization general or special.

8.02 Loans. The Board shall have the authority to borrow funds granted by the provisions of the Declaration and these By-laws. Unless the Board has authorized such action, no Officer or agent shall contract for a bank loan or similar loan on behalf of the Association or issue any evidence of indebtedness in the name of the Association.

8.03 Receipts. The president, and such other persons as the Board shall determine, shall deposit all funds of the Association in such banks, trust companies, or other depositories as the Board may select or as any Officer, agent, or attorney of the Association to whom the Board has delegated such power may select. For the purpose of deposit and collection for the account of the Association, the president, and any other Officer, agent, or attorney of the Association whom the Board has authorized, may endorse, assign, and deliver checks, drafts, and other orders for the payment of money payable to the order of the Association.

8.04 Disbursements. The president, and other persons as the Board shall determine, shall issue all checks, drafts, and other orders for the payment of money, notes, and other evidences of indebtedness issued in the name of or payable by the Association.

8.05 Bank Accounts. The Board may authorize the opening and keeping of general and special bank accounts with such banks, trust companies, or other depositories as the Board may select or as any Officer, agent, or attorney of the Association to whom the Board has delegated such power may select. The Board may make such special rules and regulations with respect to such bank accounts, not inconsistent with the provisions of these By-laws, as the Board may deem expedient.

8.06 Annual Report. The Board shall prepare and deliver an annual report to the Members.

8.07 **Fiscal Year.** The fiscal year of the Association shall end on the last day of December, unless the Board shall, by proper resolution, provide for a different fiscal year.

8.08 **Corporate Seal.** The Board may provide for a suitable seal containing the name of the Association. Any authorized Officer may keep and use the seal or duplicates of the seal if and when the Board so directs. It shall not be necessary to the validity of any instrument, executed by any authorized Officer or Officers, that the execution of such instrument be evidenced by the corporate seal. All documents, instruments, contracts, and writings of all kinds signed on behalf of the Association by any authorized Officer or Officers shall be effective and binding on the Association without the corporate seal, the same as if the execution had been evidenced by the corporate seal.

8.09 **Administration.** To administer and enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations, and all other provisions set forth in the Declaration.

8.10 **Rules.** To establish, make, and enforce compliance with such rules as may be necessary for the operation, use, and occupancy of the common areas, with the right to amend same from time to time. A copy of such rules and regulations shall be delivered or mailed to each Member within five (5) days following the adoption thereof.

8.11 **Insurance.** To insure the Association and to obtain and maintain comprehensive general liability insurance coverage for at least one million dollars (\$1,000,000.00) per occurrence, for bodily injury and property damage. The Board may require that all Officers, Directors, and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity insurance or bonds. The premium on such fidelity insurance or bonds shall be a common expense of the Association.

8.12 **Maintenance of Common Areas.** To keep in good order, condition and repair all of the common areas and all items of common personal property used by the Members in the enjoyment of the entire premises.

8.13 **Budget and Determination of Assessments.** The Board shall prepare a budget for the Association, at least annually, and determine the amount of common expenses payable by the Association to meet the common expenses of the Association. The Board shall make a recommendation to the Membership (i) to adjust, decrease, or increase the amount of the Annual Assessment, (ii) to remit or return any excess funds, reserve for deferred maintenance, and reserve for replacement to the Members at the end of each operating year, and (iii) to levy and collect any Special Assessment, whenever, in the opinion of the Board, it is necessary to do so in order to meet increased operating or maintenance

expenses or costs, or additional capital expenses, or because of emergencies. In accordance with Article V of the Declaration, either or both (i) a change in the annual maintenance assessment or the basis of the maintenance assessment and (ii) any Special Assessment for capital improvement shall be approved by two-thirds (2/3) of the vote of the Quorum of Members, who are voting in person or by proxy, at a meeting duly called for such purpose.

8.14 **Enforcement of Assessment Lien Rights.** The Board shall collect delinquent assessments by suit or otherwise and to enjoin or seek damages from a Member who may be in default as provided in the Declaration and these By-laws. The Board shall collect interest at the rate of eighteen percent (18%) per annum in connection with assessments remaining unpaid more than thirty (30) days from the due date for payment thereof, together with all expenses, including attorney's fees incurred.

8.15 **Protect and Defend.** To protect and defend Savannah Lakes from loss and damage by suit or otherwise,

8.16 **Manage.** To make repairs, additions, alterations, and improvements to the common areas consistent with managing the Association in a first class manner and consistent with the best interests of the Members.

8.17 **Meetings.** To meet at least once each quarter; provided, that any Board meeting may be attended and conducted by telephone or other device which permits all of the Directors in attendance to participate in such meeting. Any action required to be taken at any meeting of the Board, or any action which may be taken at such meeting, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Directors.

8.18 **Personnel.** To designate, employ, and dismiss the personnel necessary for the maintenance and operation of the common areas or other administration of the Association.

8.19 **Administration.** The Board shall carry on the administration of the Association and to do all things necessary and reasonable in order to carry out the governing and the operation of the Association.

8.20 **Managing Agent.** The Board may employ a management agent who shall have and exercise all of the powers granted to the Board by the Declaration and By-laws.

8.21 **Act for the Association.** The Board shall take any action and perform any duties on behalf of the Association unless such action or duties require a vote of the Members. If such action or duties which require a vote of the Members is approved by a vote

of the Members, then the Board shall have the power to take such action and perform such duties on behalf of the Association.

### COMMON AREAS

9.01 Ownership. Certain portions of Savannah Lakes when dedicated and platted, contain common areas that were deeded to and which will ultimately be owned by the Association.

9.02 Right of Use. Each Member may use the common areas of Savannah Lakes in accordance with the Declaration subject to provisions and rules set forth in this Article IX.

9.03 Delegation of Use. Any Member may delegate, in accordance with the By-laws, such Member's right of enjoyment to the common area and facilities to the members of such Member's family, subject to such rules, regulations, and limitations as the Association may, from time to time, establish.

9.04 Provisions of Use. Every Member shall have a right and easement of enjoyment in and to the common areas and such easement shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

- a. The right of the Association to limit the number of guests of Members, the common areas which may be used by guests or Members, and the conditions under which common areas may be used by Members or their guests, subject to the terms and conditions set forth herein.
- b. The right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the common areas.
- c. The right of the Association, in accordance with these By-laws and with the approval of a two-thirds (2/3) vote of a Quorum of Members at a duly called meeting, to borrow moneys for the purpose of improving the common areas or any portion thereof, and the right of said mortgagee in said properties shall be subordinate to the rights of the Members.
- d. The right of the Association to suspend the voting rights and right to use of the recreational facilities by a Member for any period during which any assessment against such Member's Lot remains unpaid; and for a period not to exceed sixty (60) days for an infraction of its published rules and regulations.

e. The right of the Association to dedicate or transfer all or any part of the common areas to any public agency, public authority, or utility for such purposes and subject to such conditions as may be agreed to by the Members; provided, however, that no such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer and signed by two-thirds (2/3) of all of the Members is filed of record in the office of the County Clerk for Canadian County, Oklahoma.

9.05 **Rules of Use.** Any other provision hereof to the contrary notwithstanding, all Members shall have and possess the right to use and enjoy all of the common areas and all facilities and improvements thereon owned by the Association, which right may not be denied to any Member without consent of the majority of the Members; provided, however, that the Board may from time to time establish rules and regulations governing the use of the Association's common areas by Members and their guests; provided, further, however, that such rules and regulations as from time to time adopted shall be uniform as to all Members.

## **ASSESSMENTS**

10.01 **General.** All Members, by acceptance of a deed for a Lot, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to pay to the Association (i) the Annual Assessment, and (ii) the Special Assessment. Both Assessments are to be fixed, established, and collected from time to time as hereinafter provided. The Annual Assessment and the Special Assessment, together with such interest thereon and costs of collection thereof as hereinafter provided, shall be a charge on the Lot and shall be a continuing lien upon the Lot against which each such Assessment is made. Such lien shall be paramount and superior to any homestead or other exemption provided by law. Each Assessment, together with such interest thereon and cost of collection thereof as is hereinafter provided, shall also be the personal obligation of the Member who was the owner of such Lot at the time the Assessment became due.

10.02 **Commencement.** The Assessments imposed hereunder shall be due and payable annually in advance. No Assessment shall be payable by a Member owning a Lot in any additional portions of the property being platted until such time that at least fifty percent (50%) of the Lots in that particular section (phase) of such development are transferred to Members other than the Declarant; provided, however, at no time shall Declarant be responsible for the payment of any Assessment for any Lot or unplatted property within the existing property. Upon Assessments becoming payable, the Association or Declarant shall give notice to the Members owning such Lots, and such Assessment shall

be paid within thirty (30) days of receipt of said notice, with such payment to be prorated to the end of that Annual Assessment period.

10.03 Purpose of Assessments. The Assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety, and welfare of the Members and, in particular, for the improvement, maintenance, repair, and operation of the common areas and maintained areas, services, and facilities devoted to this purpose and related to the use and enjoyment of the common areas and facilities, including, but not limited to, the maintenance of insurance thereon, repairs, replacements, and additions thereto, ad valorem and other property taxes and assessments levied thereon, for the cost of labor, equipment, materials, management, and supervision thereof, and utility services for the common areas. Only the Declarant, or its agents, shall be authorized to maintain or improve those parts of the common area to which the Declarant still holds legal title.

10.04 Annual Assessment. The Annual Assessment shall be on a calendar year basis. The initial Annual Assessment shall be one hundred, eighty dollars (\$180.00) per Lot per full calendar year, effective on and after                     , 200. The Annual Assessment may be increased by a vote of the Members as hereinafter provided in paragraph 10.06. The Board may, after consideration of current maintenance costs and future needs of the Association, fix the actual Annual Assessment at a lesser amount. Declarant shall not be assessed any Annual Assessment or Special Assessment whatsoever.

10.05 Special Assessment. In addition to the Annual Assessment, the Association may levy in any assessment year a Special Assessment, applicable to that year only, for the purpose of defraying in whole or in part the cost of any construction or reconstruction, unexpected repair or replacement of a capital improvement upon the common area, including the necessary fixtures and personal property related thereto, provided that any Special Assessment shall have the assent of two-thirds (2/3) of the vote of the Quorum of Members, who are voting in person or by proxy, at a meeting duly called for this purpose, written notice of which shall be sent to all Members at least fifteen (15) days in advance and which shall set forth the purpose of the meeting, and provided further, that the maximum amount of any Special Assessment which may be assessed against any Member in any Assessment year shall not exceed an amount equal to twice the maximum Annual Assessment for the same year.

10.06 Change in Annual Assessment. The Association may change the Annual Assessment or the basis of the Annual Assessment fixed by paragraph 10.04, or both, prospectively for any one year period and at the end of such one year period, for each succeeding period of one year, provided that any such change shall have the assent of two-thirds (2/3) of the vote of the Quorum of Members, who are voting in person or by proxy, at

a meeting duly called for this purpose, written notice of which shall be sent to all Members at least fifteen (15) days in advance and which shall set forth the purpose of the meeting.

**10.07 Uniformity of Assessments.** Every Annual Assessment and Special Assessment established under this article shall be fixed at a uniform rate for all Lots.

**10.08 Dates of Assessment.** The Annual Assessment shall commence on the first day of the month following the sale of at least fifty percent (50%) of the Lots in that particular section of the development. Annual Assessments shall be on a calendar year basis, with the first payment prorated to the first day of the next calendar year. Subsequent annual assessments shall become due and payable upon the first day of each calendar year. The due date of any Special Assessment shall be fixed in the resolution authorizing such Special Assessment.

**10.09 Effect of Non-Payment of Assessment.** If any Assessment is not paid on or before the due date, the date specified in paragraph 10.09, then such Assessment shall be delinquent and until paid shall be in lien on the Lot. The personal obligation of the owner of the Lot to pay such assessment shall continue for the statutory period, and shall not pass to the successor in title unless expressly assumed by the successor. If the Assessment is not paid within thirty (30) days after the delinquency date, the Assessment shall bear interest from date of delinquency at eighteen percent (18%) per annum. The Association may bring legal action against all and any Lot owners personally obligated to pay the same and/or an action to foreclose the lien against the Lot. There shall be added to the amount of such Assessment the costs of preparing and filing the complaint in such action, and in the event a judgment is obtained, such judgment shall include interest on the Assessment as above provided and a reasonable attorney's fee to be fixed by the court, together with the costs of the action.

**10.10 Subordination of the Lien to Mortgages.** The lien of the Assessment provided for herein shall be subordinate to the lien of any mortgage or mortgages now or hereafter placed upon the Lot subject to Assessment; provided, however, that such subordination shall apply only to the Assessments which have become due and payable prior to a sale or transfer of such Lot pursuant to a decree of foreclosure, or any other proceeding in lieu of foreclosure. Such sale or transfer shall not, however, relieve such Lot from liability for any assessment thereafter becoming due, nor from the lien of any subsequent Assessment.



## INDEMNIFICATION

11.01 Actions Other Than By or In the Right of the Association. The Association shall have the power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, other than an action by or in the right of the Association, by reason of the fact that such person is or was a Director, Officer, employee, or agent of the Association, or is or was serving at the request of the Association as a Director, Officer, employee, or agent of another Association, partnership, joint venture, trust, or other enterprise, or by reason of any action alleged to have been taken or omitted in such capacity, against expenses, including attorney's fees, judgments, fines, and amounts paid in settlement actually and reasonably incurred by such person or on such person's behalf in connection with such action, suit, or proceeding and any appeal therefrom, if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Association, and, with respect to any criminal action or proceeding, had no reasonable cause to believe such person's conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which such person reasonably believed to be in or not opposed to the best interests of the Association, and, with respect to any criminal action or proceeding, had reasonable cause to believe such person's conduct was unlawful.

11.02 Actions By or In the Right of the Association. The Association shall have the power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action or suit by or in the right of the Association to procure a judgment in its favor by reason of the fact that such person is or was a Director, Officer, employee, or agent of the Association, or is or was serving at the request of the Association as a Director, Officer, employee, or agent of another Association, partnership, joint venture, trust, or other enterprise, or by reason of any action alleged to have been taken or omitted in such capacity, against expenses, including attorney's fees, actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit, and any appeal therefrom, if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Association and except that no indemnification shall be made in respect of any claim, issue, or matter to which such person shall have been adjudged to be liable to the Association unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such costs, charges, and expenses which court shall deem proper.

**11.03 Indemnification of Successful Party.** To the extent that a Director, Officer, employee, or agent of the Association has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in paragraphs 11.01 or 11.02, or in defense of any claim, issue, or matter therein, such person shall be indemnified against expenses, including attorney's fees, actually and reasonably incurred by such person in connection therewith.

**11.04 Determination of Right to Indemnification.** Any indemnification under paragraphs 11.01 or 11.02, unless ordered by a court, shall be paid by the Association only as authorized in the specific case upon a determination that indemnification of the Directors, Officer, employee, or agent is proper in the circumstances because such person has met the applicable standard of conduct set forth in paragraphs 11.01 or 11.02. Such determination shall be made by the Board by a majority vote of a quorum consisting of Directors who were not parties to such action, suit or proceeding, if such a quorum is not obtainable, or, even if obtainable, a quorum of disinterested Directors so directs, by independent legal counsel in a written opinion or by the Members.

**11.05 Advance of Expenses.** Expenses incurred by a Director, Officer, employee, or agent in defending a civil, criminal, administrative, or investigative action, suit, or proceeding may be paid by the Association in advance of the final disposition of such action, suit, or proceeding; provided, however, that the payment of such expenses incurred by a Director, Officer, employee, or agent in advance of the final disposition of such action, suit, or proceeding shall be made only upon receipt of an undertaking by or on behalf of the Director, Officer, employee, or agent to repay all amounts so advanced in the event that it shall ultimately be determined that such Director, Officer, employee, or agent is not entitled to be indemnified by the Association as authorized in this article. The Board may, by proper resolution, and upon written approval of such Director, Officer, employee, or agent, authorize the Association's counsel to represent such person in any action, suit, or proceeding, regardless of whether the Association is a party to such action, suit, or proceeding.

**11.06 Settlement.** If in any action, suit, or proceeding, including any appeal, within the scope of paragraphs 11.01 or 11.02, the person to be indemnified shall have unreasonably failed to enter into a settlement, then, notwithstanding any other provision of this article, the indemnification of the Association to such person, if any, in connection with such action, suit, or proceeding should be considered not to exceed the total of the amount at which settlement could have been made and the expense incurred by such person prior to the time such settlement could reasonably have been affected.

**11.07 Other Rights.** The indemnification and advancement of expenses provided by this article shall not be deemed exclusive of any other rights to which any Director,

Officer, employee, or agent seeking indemnification or advancement of expenses may be entitled under any law, agreement, vote of Members, or disinterested Directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding office or while employed by or acting as agent for the Association.

11.08 **Insurance.** The Association shall have the power to purchase and maintain insurance on behalf of any person who is or was a Director, Officer, employee, or agent of the Association, or is or was serving at the request of the Association as a Director, Officer, employee, or agent of another Association, partnership, joint venture, trust, or other enterprise against any liability asserted against such person and incurred by such person or on his behalf in any such capacity, or arising out of his status as such, whether or not the Association would have the power to indemnify him against such liability under the provisions of this article.

11.09 **Savings Clause.** If this article, or any portion hereof, shall be invalidated on any ground by any court of competent jurisdiction, then the Association may nevertheless indemnify each Director, Officer, employee, or agent as to costs, charges, and expenses, including attorney's fees, judgments, fines, and amounts paid in settlement with respect to any action, suit, or proceeding, whether civil, criminal, administrative, or investigative, including an action by or in the right of the Association, to the full extent permitted by any applicable portion of this article that shall not have been invalidated and to the full extent permitted by applicable law.

11.10 **Subsequent Legislation.** If the laws of Oklahoma are amended to further expand the indemnification permitted to Directors, Officers, employees, or agents, then the Association shall have the right to indemnify such persons to the fullest extent permitted by such laws, as so amended.

11.11 **Survival.** The indemnification and advancement of expenses provided by or granted pursuant to this article, unless otherwise provided when authorized or ratified, shall continue as to a person who has ceased to be a Director, Officer, employee, or agent and shall inure to the benefit of the heirs, executors, and administrators of such a person.

## **OTHER PROVISIONS**

12.01 **Not for Profit.** The Association is not for profit, and as such the Association does not afford pecuniary gain, incidentally or otherwise, to its Members. The Association does not have authority to issue capital stock.

12.02 **Applicable Law.** The terms and provisions of these By-laws and any dispute arising hereunder shall be construed by and governed by the laws of the State of Oklahoma, without giving effect to the conflicts of laws provisions therein. The courts of the State of Oklahoma shall have the sole and exclusive jurisdiction in any case or controversy arising under these By-laws or by reason of these By-laws.

12.03 **Headings.** The descriptive paragraph headings contained in these By-laws are for convenience only and are not intended to describe, interpret, include, or conclusively define all the subject matter in the paragraphs accompanying such headings and such headings should not be resorted to for interpretation of these By-laws.

12.04 **Inspection of Books and Records.** Any Member in person, or by attorney or other agent upon written demand under oath stating the purpose thereof, shall have the right during the usual hours of business to inspect for any proper purpose the Association's books and records, and to make copies or extracts therefrom. A proper purpose shall mean a purpose reasonably related to such person's interest as a Member. In every instance where an attorney or other agent shall be the person who seeks the right to inspection, the demand under oath shall be accompanied by a power of attorney or such other writing which authorizes the attorney or other agent to so act on behalf of the Member.

12.05 **Interpretation.** All words used herein shall be interpreted as singular or plural as the context may require. All pronouns, and any variations thereof, used herein shall be interpreted as masculine, feminine, or neuter as the context may require.

12.06 **Severability.** If any portion of these By-laws shall be held to be void, invalid, or unenforceable, for any reason whatsoever, the balance thereof shall nevertheless be carried into effect.

#### **DEFINED TERMS**

Whenever used in these By-laws, the following capitalized terms, or derivatives thereof, and the following capitalized words, or derivatives thereof, shall have the respective meanings set forth after them, unless otherwise expressly provided herein:

13.01 **Annual Assessment.** The term "Annual Assessment" shall mean (i) the annual assessment for the cost of the maintenance, labor, equipment, materials, management, employees, insurance, taxes, etc. as provided for in paragraph 10.04 and (ii) "annual maintenance assessments" referred to in the Declaration.

13.02 **Assessments.** The term "Assessments" shall mean, as applicable, either or both, Annual Assessment and Special Assessment.

13.03 **Association.** The term "Association" shall mean the Savannah Lakes Property Owner's Association, Inc., an Oklahoma corporation.

13.04 **Board.** The term "Board" shall mean the then current board of directors of the Association.

13.05 **By-laws.** The term "By-laws" shall mean these by-laws of the Association, and as from time to time amended,

13.06 **Declarant.** The term "Declarant" shall mean Desta Limited Partnership, or Savannah Lakes, L.L.C., as applicable, or the successors, if any.

13.07 **Declaration.** The term "Declaration" shall mean (i) the Declaration of Covenants and Restrictions of Savannah Lakes filed for record in the office of the County Clerk of Canadian County, Oklahoma on March 6, 1997, and recorded in Book 2053 at Page 586 of the records of Canadian County, Oklahoma, (ii) the Amendment and Correction of Declaration of Covenants and Restrictions of Savannah Lakes filed for record in the office of the County Clerk of Canadian County, Oklahoma on January 27, 1998, and recorded in Book 2122 at Page 861 of the records of Canadian County, Oklahoma, (iii) the Declaration of Covenants and Restrictions of Savannah Lakes 2nd Addition filed for record in the office of the County Clerk of Canadian County, Oklahoma on May 26, 2000, and recorded in Book 2345 at page 802 of the records of Canadian County, Oklahoma, and (iv) any subsequent amendments thereto.

13.08 **Director.** The term "Director" shall mean an individual, or individuals, as the case may be, who is serving as a Director on the Board of the Association.

13.09 **Lot.** The term "Lot" shall mean any single-family residential lot located in the Savannah Lakes addition and subject to the Declaration, and shall apply to and include the owner or co-owners of a fractional interest in such lot.

13.10 **Member.** The term "Member" shall mean any member of the Association in good standing. Each Member shall be considered as being in good standing if (i) such Member's assessments made and levied against such Member and the Lot or Lots owned by such Member are paid in full to date and (ii) if no requirement of these By-laws and no rule or regulation of the Association then in force have been violated.

13.11 **Officers.** The term "Officers" shall mean the president, vice president, treasurer, secretary and any other positions appointed by the Board in accordance with these By-laws.

13.12 **Quorum of Directors.** The term "Quorum of Directors" shall mean when the Board consists of one Director, then one Director shall constitute a quorum. In the event there shall be more than one Director, then the majority of the total number of Directors shall constitute a quorum for the transaction of business.

13.13 **Quorum of Members.** The term "Quorum of Members" shall mean the presence, in person or by proxy, of the Members that own a majority of all of the Lots entitled to vote at any meeting shall constitute a quorum for the purpose of convening or reconvening any meeting of Members.

13.14 **Savannah Lakes.** The term "Savannah Lakes" shall mean the property and those Lots in the Savannah Lakes Addition, an addition to the city of Mustang, Canadian County, Oklahoma, as described in the Declaration. In addition to the property and Lots described in the Declaration, other adjacent or adjoining properties may be included, which may include, but not be limited to, an additional part of the Northwest Quarter (NW 1/4) of Section Twenty-seven (27), Township Eleven (T-11-N), Range Five West (R-5-W) of the Indian Meridian, Canadian County, containing 42.49 acres more or less, in which event the owners of such Lots in said additional property shall also be Members and subject to these By-laws.

13.15 **Special Assessment.** The term "Special Assessment" shall mean a special assessment for capital improvements as provided for in paragraph 10.05.

Adopted this \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_\_\_, by the undersigned, being all of the Directors.

**"Board"**

\_\_\_\_\_  
Robert L. Crout, Director