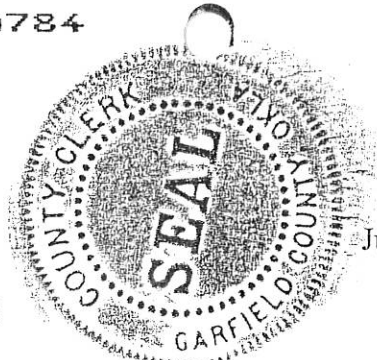


RETURN TO : Bill Ward
 502 S. Fillmore
 Enid, Okla 73703



July 31, 2004

BYLAWS
 OF
SPRING VALLEY HOMEOWNERS ASSOCIATION, INC.
 (An Oklahoma Not for Profit Corporation)

9073
 State of Oklahoma
 County of Garfield
 RECORDED

8/06/2004 10:57AM
 Bk 1717 Pg 784

Kathy R. Hughes
 County Clerk
 By P.V.

ARTICLE I

NAME AND LOCATION

The name of the Association is the **SPRING VALLEY HOMEOWNERS ASSOCIATION, INC.**, a not for profit corporation (hereinafter referred to as the "Association"). The principal office of the corporation shall be located at 502 South Fillmore, Enid, Garfield County, Oklahoma, but meetings of members and directors may be held at such places within the State of Oklahoma, as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

The term "Governing Instruments" as used in these Bylaws shall refer to the *Agreement and Declaration of Cross Easements* recorded on October 11, 2002 in Book 1610 at Pages 83-93 in the Office of the Garfield County Clerk (the "Easements"); the *Protective Covenants* relating to the **Spring Valley Ski Ranch** (the "Ranch") Subdivision recorded on May 18, 2000 in Book 1491 at Page 43 in the Office of the Garfield County Clerk and the *Revised Protective Covenants* recorded on August 6, 2004 in Book 1717 at Page 77 in the Office of the Garfield County Clerk (the "Protective Covenants"); the official plat of the Ranch recorded on May 18, 2000 in Plat Cabinet 1 of Plats at Slides 75B and 76A and the additional plat recorded on May 24, 2004 in Plat Cabinet 1 of Plats at Slide 85B (the "plat"); the Articles of Association executed contemporaneously herewith (the "Articles"); and these Bylaws. The terms "Association", "Common Area", "Lot", "Owner", "Property" and any other such terms as used in these Bylaws shall have the meanings set forth in the *Governing Instruments*.

ARTICLE III

MEMBERSHIP IN ASSOCIATION

Section 1. Membership. Every Owner shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any residential building site, unit or lot in the Ranch Subdivision (hereinafter collectively referred to as the

425

"Lot"). Every Owner shall have a right and easement of enjoyment in and to the Lake Area as defined or described in these Bylaws and in the other *Governing Instruments*.

Section 2. Qualifications and Rights of Members. The qualifications and rights shall be as follows:

- (a) Every beneficial owner, as distinguished from a security owner, of a Lot shall be a member.
- (b) Membership shall include an undertaking by the homeowner to comply with and be bound by these Bylaws, the *Governing Instruments*, and all policies, rules and regulations at any time adopted by the Association in accordance with these Bylaws or the *Governing Instruments*.
- (c) Membership in this Association shall terminate on such member's ceasing to be a beneficial owner of a Lot.

Section 3. Voting Rights. Each Member in good standing shall be entitled to vote on each matter submitted to a vote of the members, provided that each member shall be the sole beneficial owner of a Lot in the Ranch Subdivision. A member shall have one vote for each Lot of which he or she is a beneficial owner. Where two or more owners own a Lot, only one vote for such Lot shall be allowed, and such joint owners shall designate and register with the Secretary of the Association the name of the owner who will be entitled to cast such single vote. Where two Lots are assessed as one, that owner shall have one vote.

- (a) at membership meetings, all votes shall be cast in person or by proxy registered with the Secretary. No proxy shall be valid after six months from the date of its execution, unless otherwise provided in the written proxy.
- (b) the Board of Directors is authorized to establish regulations providing for voting by mail.

Section 4. Assignments of Rights. A Member may assign his or her membership rights to the tenant residing in or on the Member's Lot. Such assignment shall be effective upon the filing with the Secretary of a written notice of assignment signed by the Member.

ARTICLE IV

PURPOSES AND POWERS OF THE ASSOCIATION

The purposes for which the Association has been formed are to:

- (a) develop a community designed for safe, healthful and harmonious living.
- (b) promote the collective and individual property and civic interest and rights of all persons owning property in the Ranch subdivision.
- (c) provide for the use, improvement, maintenance, operation and repair of the gateways, gate lights, security lights, gate phone, public easements, parkways, grass plots, landscaped areas, sprinkler system, roadways, parking areas and any facilities of any kind dedicated to community use, and other open spaces within the area known as **Spring Valley Ski Ranch**, which now exist or which may hereafter be installed or constructed in such subdivision, and to enter into agreements with appropriate entities to provide for the use, maintenance, operation and repair of the ski lake and adjacent land and facilities owned, leased or otherwise operated by the Ranch and **Spring Valley Ski Club** (the "Club"), respectively (referred to herein as the "Common Areas").
- (d) ensure that the owners maintain in good condition and order all vacant and unimproved lots or tracts of land now existing or that hereafter shall exist in the tract, and further assisting the owners of such lots or tracts of land in preventing them from becoming a nuisance and a detriment to the beauty of the tract and to the value of the improved property therein, and to take any action with reference to such vacant and improved lots or tracts of land as may be necessary or desirable to keep them from becoming such nuisance or detriment.
- (e) establish rules and regulations to distribute among the owners of the property the costs of the use, improvement, maintenance and repair of the Common Areas, including any improvements and amenities located thereon.
- (f) aid and cooperate with the members of the Association, the Association's Building Approval Committee and all property owners in the enforcement of such conditions, covenants, and restrictions on and appurtenant to their property as are now in existence, all in accordance with the *Protective Covenants* of the Ranch, as amended from time to time, as well as any other conditions, covenants, and restrictions as shall hereafter be approved by a two-thirds vote of the members of the Association.
- (g) in general but in connection with the foregoing, to establish rules and regulations for the use of all property located in or on the Ranch and the *Common Areas*, including any improvements and amenities located thereon, and to do any and all things necessary to promote the health, safety, pleasure, recreation, and general welfare of the resident and owners in and of the Ranch.
- (h) arrange social and recreational functions for its members.

- (i) establish rules of conduct for Members and their guests while in or on the Ranch and the *Common Areas*, and to establish penalties for infractions, including denial of usage for a temporary period or permanently.
- (j) exercise any and all power that may be delegated to it from time to time by the owners of real property in the tract.
- (k) refrain from engaging in political activity or the pursuit of any political purpose of any kind or character.

In furtherance of these purposes, the Association (by action of its Directors unless otherwise noted in these Bylaws or other *Governing Instruments*) shall generally have full power to:

- (a) exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in Bylaws and in the *Protective Covenants*, as the same may be amended from time to time as therein provided, the *Protective Covenants* being incorporated herein by reference as if set forth at length;
- (b) fix, levy, collect and enforce payment by any lawful means of all charges or assessments pursuant to the terms of the *Protective Covenants*; and pay all expenses incurred in connection therewith or in conjunction with the activities of the Association, including expenses for utilities, waste and garbage removal, office expenses and expenses related to the use, maintenance and repair of the Common Areas pursuant to Article IV or otherwise incident to the conduct of the affairs of the Association;
- (c) acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association and to exercise all the rights, powers, and privileges of ownership to the same extent as a natural person, subject, however, to the requirements of the *Protective Covenants*;
- (d) participate in mergers and consolidations with other nonprofit corporations organized for the same purposes or annex additional property and open space, provided that, except as otherwise provided in the *Protective Covenants*, any such merger, consolidation or annexation shall have the assent of two-thirds of the votes of the members; and
- (e) have and to exercise any and all powers, rights and privileges which an

incorporated association organized under the Corporation Law of the State of Oklahoma by law may now or hereafter have or exercise.

ARTICLE V

PROPERTY RIGHTS

Section 1. Owner's Easement of Enjoyment. Every Member shall have a right and easement of enjoyment in and to the Lake Area which shall be appurtenant to and shall pass with the title to every Lot, subject, however, to the right of the **SPRING VALLEY HOMEOWNERS ASSOCIATION** to suspend the voting rights and right to use the Common Areas or the recreational facilities by a Member for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed 60 days for each separate infraction of its published rules and regulations.

Section 2. Delegation of Use. Any Member may delegate, in accordance with the Bylaws, his right or enjoyment to the Lake Area and facilities to the members of his family, his tenants, or contract purchasers who reside on the property.

ARTICLE VI

MEETING OF MEMBERS

Section 1. Annual Meetings. Annual meetings of the Members shall be held in July of each year at a date, time and place within the County of Garfield, State of Oklahoma selected by the Board of Directors of the Association.

Section 2. Special Meetings. Special meetings of the Members may be called at any time by the Board of Directors, or upon written request of a majority of the Members delivered to the Secretary of the Association. The special meeting shall be held within thirty days by the President or the Board of Directors if requested by a majority of the Members. No meeting shall be called or held within sixty days of the preceding meeting.

Section 3. Notice of Meetings. Written notice of each meeting of the Members shall be given by personally delivering or mailing a copy of the notice to each Member not less than fourteen (14) days before the date of the meeting. The notice shall specify the place, day and hour of the meeting. In the case of a special meeting, the notice shall state the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of Members or proxies entitled to cast 50% of the votes of the Membership shall constitute a quorum for any meeting of the Members.

A majority of the quorum voting can approve or disapprove any actions considered at a meeting set forth by these Bylaws. If a quorum is not present or represented at any meeting, a majority of the Members present may adjourn the meeting from time to time, without further notice.

Section 5. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Lot.

Section 6. Voting by Mail. Where directors or officers are to be elected by Members, or where there is an act requiring the vote of the Members, such election or vote on such proposed action may be conducted by mail in such manner as the Board of Directors may determine.

Section 7. Informal Action of Members. Any action required to be taken at a meeting of the Members, or any other action which may be taken at a meeting of the Members, may be taken 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 a majority of Members and shall be delivered to the Association by delivery to its principal place of business or to the Secretary or Assistant Secretary of the Association.

ARTICLE VII

BOARD OF DIRECTORS AND BUILDING APPROVAL COMMITTEE SELECTION AND TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of not less than one (1) or more than seven (7) Directors, who must be Members of the Association. The Board of Directors shall also serve as the Building Approval Committee.

Section 2. Term of Office.

(a) The terms of office of the four (4) Charter Directors, who represent the original owners, shall be permanent. If a Charter Director shall cease to be an Owner and qualified for Membership in the Association, the remaining Charter Directors shall appoint a successor who is qualified as an Owner to serve in his stead. The Charter Directors of the Board of Directors are the following:

<u>Charter Directors</u>	<u>Term of Office</u>
William C. Ward	Permanent
Dana LaMunyon	Permanent
Todd A. Kuykendall	Permanent
Greg Kuykendall	Permanent

(b) The terms of office of the remaining Director(s), who shall represent the owners of individual residential units or Lots, shall be three (3) years following election and until a successor Director has been elected and qualified. The Directors shall be elected in accordance with the schedule below and shall consist of the following:

<u>Directors</u>	<u>Term of Office</u>
Residential Lot Owner #1	3 years
Residential Lot Owner #2	3 years
Residential Lot Owner #3	3 years

The Director(s) who represent the residential lot owner shall be elected only when the following conditions have been met and after election shall serve for a term of three years until a successor Director has been elected and qualified:

- Residential Lot Owner Director #1 - After 60% of the Lots have been sold
- Residential Lot Owner Director #2 - After 80% of the Lots have been sold
- Residential Lot Owner Director #3 - After 100% of the Lots have been sold

Section 3. Nominations and Elections of Residential Lot Owner Directors. Nominees for Director must be a Member of the Association. A Nominating Committee shall be appointed by the Board of Directors and such Nominating Committee shall nominate the prospective members of the board each year. Such nominations shall be voted upon by the Members at the annual meeting of the Members in July of each year. The candidate(s) receiving the majority of votes from the Members casting votes shall be declared the duly elected Directors of the Association. Cumulative voting is not permitted. The term of an elected Director shall begin on July 1st of the year of election.

Should an elected or appointed Director cease to be a Member of the Association, his or her membership on the Board shall automatically terminate not later than sixty (60) days thereafter upon appointment by the Board of Directors of a substitute Director to fulfill the term of office.

Section 4. Removal. Any director, other than a Charter Director, may be removed from the Board, with or without cause, by a majority vote of the Members of the Association. In the event of a Director's death, resignation or removal, pursuant to these Bylaws, his or her successor shall be selected by the remaining Members of the Board and shall serve for the remainder of the unexpired term.

Section 5. Compensation. No Director shall receive compensation for any service rendered to the Association. However, any Director may be reimbursed for actual expenses incurred in the performance of Director duties.

Section 6. Meetings. Regular meetings of the Board of Directors shall be held at least annually at such place and hour as may be fixed from time to time by resolution of the Board, without the necessity of further notice. Special meetings of the Board of Directors or the Building Approval Committee may be called by request of the President or any Director after not less than seven (7) days notice. A majority of the Directors may waive notice of any meeting.

Section 7. Quorum. A majority of the Board of Directors setting as such or as the Building Approval Committee shall constitute a quorum for the transaction of business at any meeting. If less than a majority of the Board of Directors are present, a majority of those present may adjourn the meeting from time to time, and without further notice.

Section 8. Manner of Acting. The actions of a majority of the Directors present at a meeting at which a quorum is present shall be the actions of the Board of Directors or of the Building Approval Committee.

Section 9. Action Taken Without a Meeting. The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

ARTICLE VIII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have the power to:

- (a) adopt and publish rules and regulations governing the use of the Common Areas including any improvements and amenities located thereon, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;
- (b) suspend indefinitely the voting rights and the right of use of any recreational facilities located in or on any Common Area during any period in which the Member is in default in the payment of any assessment levied by the Association;
- (c) suspend for a period not to exceed sixty (60) days the voting rights and the right of use of any recreational facilities located in or on any Common Area for each separate infraction of the Association's published rules and regulations;
- (d) exercise for the Association all powers, duties and authority vested in or

delegated to this Association and not reserved to the Members by other provisions of these Bylaws or the other *Governing Instruments*; and

- (e) employ a manager, independent contractors, or other employees or contractors as they deem necessary, and to prescribe their duties.

Section 2. Duties. It shall be the duty of the Board of Directors to:

- (a) keep a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such a statement is requested in writing by a majority of the Members;
- (b) supervise all officers, agents and employees of this Association, and see that their duties are properly performed;
- (c) as more fully provided in the *Governing Instruments* to:
 - (1) establish the amount of the annual assessment against each Lot not later than October 31st for the following year; provided, however, that the annual assessment shall be \$500.00 per Member until and unless changed at a regular or special meeting as provided for in **Article XII**.
 - (2) establish the amount of each special assessment as more particularly set forth in **Article XII**;
 - (3) send written notice of each change in annual assessment to every Lot Owner subject thereto not later than the 15th day of November for the following year, and to send written notice of each special assessment to every Lot Owner at least thirty (30) days in advance of its due date; and
 - (4) foreclose the lien against a Lot if the Owner thereof has not paid the assessment thereon within such time as the Board of Directors may determine, or bring an action at law against the Lot Owner personally obligated to pay the same, or both;
- (d) issue, or cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid; a reasonable charge may be made by the Board for the issuance of these certificates. (If the certificate states that an assessment has been paid, the certificate shall be conclusive evidence of payment with respect to any person relying on the certificate.);

- (e) cause all officers or employees having fiscal responsibilities to be bonded, if and as it may deem appropriate; and
- (g) cause the Common Areas to be maintained.

ARTICLE IX

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Association shall be a President, a Vice-President, a Secretary, and a Treasurer, all of whom must be Members of the Association, and an Assistant Secretary and Assistant Treasurer who need not be Members. The officers of this Association shall be elected annually by the Board at the annual meeting of the Board of Directors each fiscal year and shall hold office for one (1) year unless such officer shall sooner resign, be removed, or otherwise become disqualified to serve.

Section 2. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of the notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of the resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to the vacancy shall serve for the remainder of the term of the officer replaced.

Section 7. Multiple Offices. Not more than two offices may be held by the same person. The offices of President and Vice President or President and Secretary shall not be held by the same person. The President and Vice President shall be either a members of the Board of Directors or their spouse.

Section 8. Duties. The duties of the officers are as follows:

President

- (a) The President shall preside at all meetings of the Members and of the Board of Directors and see that orders and resolutions of the Board are carried out. The President shall exercise general supervision of the affairs and activities of the Association and shall serve as Chairman of the Building Approval Committee and as a member ex officio of all other committees established by the Association. The President shall have authority to sign all leases, mortgages, deeds and other

written instruments.

Vice-President

- (b) The Vice-President shall act in the place and stead of the President in the event of the President's absence, inability or refusal to act, and exercise and discharge such other duties as may be required of him by the Board. The Vice-President shall serve as Vice-Chairman of the Building Approval Committee. The Vice-President shall likewise have authority to sign all leases, mortgages, deeds and other written instruments.

Secretary

- (c) The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses when required by law, attest and affix the seal of the Association to all leases, mortgages, deeds and other written instruments; and perform such other duties as required by the Board. The Secretary shall be custodian of the Corporate records and shall serve as the Secretary of the Building Approval Committee.

Treasurer

- (d) The Treasurer shall be a member of the Board of Directors and the Building Approval Committee. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and disburse these funds as directed by resolution of the Board of Directors or on notice signed by the Treasurer and one other officer; keep proper books of account; cause an annual audit of the Association books to be made at the completion of each fiscal year; and prepare an annual treasurer's report to be presented to the Membership at its regular annual meeting, and deliver a copy of each to the Members requesting the same. The books of the Association shall be open and available at the annual meeting and to the membership at any time upon seven (7) days written notice.

Assistant Secretary and Treasurer

- (e) The Assistant Secretary and Treasurer shall assume the duties of the Secretary and Treasurer, respectively, at the request of or in the event of said officer's absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

ARTICLE X

COMMITTEES

The Association shall appoint such committees as deemed appropriate in carrying out its purposes.

ARTICLE XI

BOOKS AND RECORDS

The books, record and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. The *Governing Instruments* of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XII

DUES AND ASSESSMENTS

Section 1. Annual Dues. Annual dues shall be \$500.00 per Member, subject to modification by a majority of the Directors; provided, however, that no increase in dues that exceeds \$200.00 per year shall be effective unless approved by a majority of the Members.

Section 2. Payment of Dues. Annual dues shall be payable in two equal semi-annual installments of \$250.00 each due on the first day of January and the first day of July each year.

Section 3. Special Assessments. Special assessments may be levied on the Members only with approval of sixty percent (60%) of the Members. The procedure to be followed shall be the same procedure provided herein for voting on amendments to these Bylaws. The assessments levied by the Association shall be used exclusively for the purpose of promoting the health, safety, pleasure recreation, and general welfare of the Association's Membership, and in particular for, but not limited to, the improvement and maintenance of properties and facilities devoted to these purposes and related to the use and enjoyment of the Common Areas and the Lake Area, the maintenance and insurance thereon, repairs, replacements and additions thereto, ad valorem or other property taxes and assessments levied thereon, the cost of labor, equipment, materials, management and supervision thereof, and utility services of and for the subdivision.

Section 4. Capital Improvements. In addition to the annual dues and special assessments authorized above, the Association may levy in any assessment year a special assessment

applicable to any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon a Common Area, provided that any such assessment shall be approved by at least sixty percent (60%) of the Members present or voting by proxy at the annual or any special meeting duly called and described in accordance with the requirements for such meeting notices.

Section 5. Assessment Limitations. The combined assessments authorized under Sections 3 and 4 above shall not exceed \$1,500.00 per year per residential unit or lot, nor shall the combined assessments for any consecutive four (4) year period exceed \$4,500.00, except for any Capital Improvements assessments dedicated to the construction of paved streets or roads in the subdivision. Any such assessment for the construction of streets or roads shall require the approval of sixty percent (60%) of the Members and shall not be limited to any fixed dollar amount.

Section 6. Commencement Date. The assessments provided for herein shall become effective as to residential site owners and residential unit owners thirty (30) days after approval by the required percentage of Members.

Section 7. Default in payment of Dues or Assessments.

- (a) When any Member shall be in default in the payment of dues or assessments for a period of sixty days from the date on which such dues or assessments become payable, he or she shall, for purposes of voting, not be considered a member in good standing. Such Member shall not be reinstated until he or she has paid dues and assessment in full, and until such time as such Member is reinstated, he or she shall have no rights of any kind arising out of membership in the Association.
- (b) In addition, as more fully provided in the *Protective Covenants* and the Articles, each Member is obligated to pay these assessments, which are secured by a continuing lien upon the Lot against which the assessment is made, to the Association. The assessment shall bear interest from the due date at the rate of one and one-half percent (1 ½ %) per month plus a late fee of \$25.00. If the assessment is not paid on the due date or within sixty (60) days after written notice of such delinquency from the Association or the Building Approval Committee, the amount of the assessment shall become a formal lien on such Member's unit or lot in favor of the Association, and the Association shall have the right to record a notice of claim of lien and proceed on such claim in accordance with the provisions of Oklahoma Statutes for the foreclosure of a mortgage or deed of trust, with or without power of sale, and interest, costs and reasonable attorney's fees of such action shall be added to the amount of the assessment for the foreclosure and enforcement of liens, or, in the event the Association or

Building Approval Committee shall not record a lien, it shall have the right to commence a personal action against such Member for the collection of the assessment in any court of competent jurisdiction. The lien provided for herein shall be subordinate to the lien of any first lien property real estate mortgage.

- (c) No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or Lake Area or by abandonment of his or her Lot. Sale or transfer of any lot shall not affect the assessment lien. No sale or transfer shall relieve such lot or unit or the owner thereof from liability for any assessments then due or from the lien thereon.

Section 8. Assignment of Dues or Assessments. If any Member whose dues or assessments are paid shall, during the year in which such dues are paid, terminate membership by sale of said lot or unit, the Member shall be entitled to assign to the Buyer of such lot or unit the benefit of the paid up dues and assessments.

ARTICLE XIII

AMENDMENTS

Section 1. Upon not less than ten (10) days written notice prior to any regular or special meeting of the Members, any three (3) Members may propose an amendment to these Bylaws. The proposed amendment shall be signed by the three (3) Members submitting the proposed amendment, shall be read to the Members at the meeting by the Secretary, and shall be discussed by the Members at the meeting at which the proposed amendment is submitted. The proposed amendment shall then be printed and distributed to the Members by mail and shall be voted upon at the next regular or special meeting of the Members. An amendment must be approved by two-thirds of the Members present in person or by proxy at the meeting at which the vote is taken or the proposed amendment shall fail. Anything set forth above in this Article XIII to the contrary notwithstanding, the Board of Directors shall have the absolute unilateral right, power and authority to modify, revise, amend or change any of the terms or provisions of these Bylaws as from time to time amended or supplemented, but this unilateral right, power and authority of the Board may be exercised only if either the Veterans Administration or the Federal Housing Administration or any successor agencies thereto shall require such action as a condition precedent to the approval by such agency of the United States of the Property or any part thereof or any Lots thereon for federally approved mortgage financing purposes under applicable Veterans Administration, Federal Housing Administration or similar programs.

Section 2. In the event of a conflict between the Articles of Association and these Bylaws, the Articles shall control; and in the case of any conflict between the *Protective*

Covenants and the Articles or these Bylaws, the *Protective Covenants* shall control.

ARTICLE XIV

MEMBERS AT RISK/INDEMNIFICATION OF OTHERS

The use of the Lake Area and the Club facilities has inherent risks and each Member acknowledges that he or she and his or her family members and guests use the Club facilities at their own risk. The Members acknowledge that prior to the use of said facilities, each Member, family member and guest will be required to sign an *Indemnification Agreement* holding the Members, the Association, the Ranch, and the Club, their directors, officers, employees, representatives, agents and affiliates (collectively the "Indemnified Parties") harmless from any and all loss, cost, claim, injury, damage, or liability sustained or incurred by him or her resulting from said facility usage and/or from any act or omission, whether due to negligence or otherwise of any Indemnified Party, and each Member hereby holds said Indemnified Parties harmless from all such actions and claims. Further, each Member acknowledges that he or she owes the same obligation to the Indemnified Parties in respect to any loss, cost, claim, injury, damage or liability sustained by any guest or family member of said Member. Should any Member, family member or guest of any Member bring suit against any of the Indemnified Parties in connection with a loss, cost, claim, injury, damage or liability relating to use of the Club's facilities or relating to any event operated, organized, arranged or sponsored by any of the Indemnified Parties or on any other claim or matter in connection with membership in the Association or the Club, the Member acknowledges that he or she shall be liable to the Indemnified Parties for all costs and expenses incurred in the defense of such suit, including court costs and attorney fees through all appellate proceedings.

ARTICLE XIV

MISCELLANEOUS

Section 1. Fiscal Year. The fiscal year of the Association shall begin on the first day of July and end on the 30th day of June of every year.

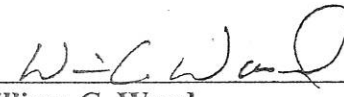
Section 2. Seal. The Association shall have a seal in circular form, having within its circumference the name of the Association.

Section 3. Indemnity. Each officer or director of this Association, including such person's heirs and personal representatives, made a party to any action, suit or proceeding or against whom a claim or liability is threatened, asserted or commenced by reason of the fact that such person was or is an officer or Director of the Association, shall be indemnified and held harmless by the Association against all judgments, fines, amounts paid on account thereof (whether in

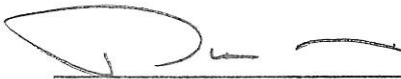
settlement or otherwise) and reimbursed for all expenses, including attorney's fees, actually and reasonably incurred by the person in connection with the defense of any action, suit, proceeding, or claim, whether or not the same proceeds to judgment or is settled or otherwise brought to a conclusion, provided that no person shall be indemnified or reimbursed for costs or expenses arising out of the person's dishonesty with the Association, his willful malfeasance or gross and reckless disregard of such person's duty.

The indemnification provided above is not exclusive but, in addition, any person who is or was an officer or Director of the Association shall be entitled to all reimbursement and indemnity provided by or under applicable provisions of the Oklahoma Business Corporations Act as now in effect or as hereafter amended.

IN WITNESS WHEREOF, we, being all of the Charter Directors of **SPRING VALLEY HOMEOWNERS ASSOCIATION, INC.**, hereunto set our hands this ____ day of August, 2004.



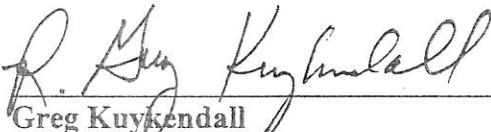
William C. Ward



Dana LaMunyon



Todd A. Kuykendall



Greg Kuykendall

CERTIFICATION

I, the undersigned, do hereby certify:


THAT I am the duly elected and acting secretary of **SPRING VALLEY HOMEOWNERS ASSOCIATION, INC.**, an incorporated association; and

THAT the foregoing revised Bylaws constitute the Bylaws of said Association, as duly adopted at a meeting of the Board of Directors thereof, held on the 8 day of

July, 2004.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 3/ day of

July, 2004.


Michael S. Turley

STATE OF OKLAHOMA)
) ss:
COUNTY OF GARFIELD)

The foregoing instrument was acknowledged before me this 31st day of July, 2004, by Michael S. Turley, Secretary of the **SPRING VALLEY HOMEOWNERS ASSOCIATION, INC.**

My Commission Expires:

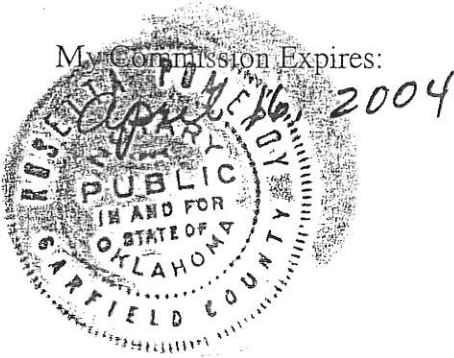
Rosette Pomeroy
Notary Public, Commission No. 00006532

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STATE OF OKLAHOMA)
) ss:
COUNTY OF GARFIELD)

The foregoing instrument was acknowledged before me this 8th day of July, 2004, by William C. Ward, Dana Lamunyon, Todd A. Kuykendall and Greg Kuykendall, Charter Directors of SPRING VALLEY HOMEOWNERS ASSOCIATION, INC.

My Commission Expires:



Rosette Pomeroy
Notary Public, Commission No. 00006582

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