

BY - LAWS

RANSOM CANYON PROPERTY OWNERS ASSOCIATION

A Texas Non - Profit Corporation

ARTICLE I

Meetings of Members

1. **Annual Meeting.** The annual meeting of members of the corporation shall be held in a place in Lubbock County, Texas, as designated by the Board of Directors. The Board of Directors shall be allowed to set the meeting date within the week prior to or the week following the 1st day of April. The meeting will be held at 7:30 o'clock p.m. on the date set. *** The Secretary of the Corporation shall give written notice by mail addressed to each member at his address as it appears on the books of the Corporation, setting forth the date, time, and place of the annual meeting. However, at any meeting at which all members shall be present, or of which all members not present have waived notice in writing, the giving of notice as above required may be dispensed with.

2. **Quorum.** The presence, in person or by proxy, of ten percent (10%) of the members of the Corporation shall be necessary to constitute a quorum for the transaction of business, but a lesser number may adjourn to some future time not less than nor more than ten (10) days later, and the Secretary shall thereupon give at least five (5) days notice by mail to each member entitled to vote who was absent from such meeting. **

3. **Special Meetings.** Special meetings of members may be called at anytime by a majority of the Directors. Notice of such meeting stating the purpose for which it is called shall be served by mail not less than two (2) weeks before the date set for such meeting. The notice shall be directed to a member at his address as it appears on the books of the Corporation but at any meeting at which all members shall be present, or of which members not present have waived notice in writing, the giving of notice as above provided may be dispensed with. The Board of Directors shall call a special meeting of members whenever so requested in writing by twenty-five percent (25%) of the members of the Corporation. No business other than that specified in the call for the meeting shall be transacted at any meeting of the stockholders.

4. Voting. Each member shall be entitled to one (1) vote for each home site lot which he owns in the said Lake Ransom Canyon Addition. At all meetings of the members all matters shall be decided by a majority vote of the members present in person or by written proxy personally signed by the member granting such proxy to another.

5. Order of Business. The order of business at all meetings of the members shall be as follows:

- (1) Roll Call
- (2) Proof of notice of meeting or waiver of notice
- (3) Reading of minutes of preceding meeting
- (4) Report of officers
- (5) Report of committees
- (6) Election of directors (if at an annual meeting or special meeting called for that purpose)
- (7) Unfinished business
- (8) New business
- (9) Adjournment

ARTICLE II

Directors

1. Number. The affairs and business of the Corporation shall be managed by a board of seven (7) directors who shall be members of the Corporation of record and who shall also be residents of Lubbock County, Texas. *

2. How Elected. At the annual meeting of members of the Corporation the seven (7) persons receiving the highest number of the votes cast shall be Directors and shall constitute the Board of Directors for the ensuing year. *

3. Term of Office. The term of office of each of the Directors shall be two (2) years with three (3) Directors being elected one year and four (4) Directors being elected the following year so as to ensure a continuity of service on the Board and to prevent an entirely new Board of Directors taking office every two years. At the time of election of the initial Board of Directors, it shall be determined by lot which three (3) of the five (5) Directors shall serve for a term of one (1) year and which two (2) of the same shall be elected to serve for two (2) years. Each Director shall serve until his successor has been elected and qualified. *

4. Duties of Directors. The Board of Directors shall have the control and general management of the affairs and business of the Corporation. Such Directors shall

in all cases act as a Board regularly convened by a majority and may adopt such rules and regulations for the conduct of their meetings and the management of the affairs of the Corporation as they may deem proper.

5. Directors Meetings. Regular meetings of the Board of Directors shall be held immediately following the annual meeting of the membership and at such other times as the Board of Directors may determine. Special meetings of the Board of Directors may be called by the President at any time and **shall be called by the President or the Secretary** upon the written request of three (3) Directors.

6. Notice of Meetings. Notice of meetings other than the regular annual meeting of Directors held immediately after the annual meeting of the members shall be given by mail to each Director to his address as shown on the books of the Corporation at least five (5) days before the date therein designated for such meeting and shall specify the time and place of such meeting and the business to be brought before the meeting. No business other than that specified in such notice shall be transacted at any special called meeting of the Board except that at any meeting at which every member of the Board of Directors shall be present, although held without notice, any business may be transacted which might have been transacted if the meeting had been duly called and notice thereof given as above provided.

7. Quorum. At any meeting of the Board of Directors four (4) members of the Board shall constitute a quorum for the transaction of business. In the event of a quorum not being present, a lesser number may adjourn the meeting to some future time not more than three (3) days later.

8. Voting. At all meetings of the Board of Directors each Director shall have one (1) vote only irrespective of the number of lots in Lake Ransom Canyon Addition which he may own.

9. Vacancies. Vacancies on the Board of Directors occurring between annual meetings shall be filled for the unexpired portion of the term by a vote of the majority of the remaining Directors.

10. Removal of Directors. Any Director of the Corporation may be removed either with or without cause at any time by a vote of seventy-five percent (75%) of the members of the Corporation at any special membership meeting called for that purpose.

A. Missed Meetings. Any Director missing three (3) consecutive meetings or four (4) meetings in one year will be asked to resign from the Board.*****

11. Disposition of Real Property of the Corporation. Any transfer of any kind of any part of the real property owned by the Corporation must be approved by

an affirmative vote of the members of the Corporation representing fifty-one percent (51%) of the total membership of the Corporation at any annual meeting or specially called meeting of the membership. The written notice sent to each member of record that such meeting is to be held shall contain a notice of the proposal to transfer the real property which shall provide: (1) the identification of the property to be transferred and the person or entity to whom it is proposed to be transferred, (2) the reason (s) for such transfer, and (3) the consideration to be received for such transfer. Such notice shall be mailed to each member of the Corporation not less than thirty (30) days prior to proposed meeting. ****

ARTICLE III

Officers

1. **Number of Officers.** The officers of this Corporation shall be:
 - (1) President
 - (2) Vice President
 - (3) Secretary
 - (4) Treasurer

The offices of Secretary and Treasurer may be combined by agreement of the members at any Annual Meeting.

2. **Election of Officers.** All officers of the Corporation shall be elected annually by the Board of Directors at its meeting held immediately after the meeting of members and officers so elected shall hold office for a term of one (1) year or until their successors have been elected and taken office.

3. **Duties of Officers.** The powers or duties of the officers of the Corporation shall be as follows:

President. The President shall preside at all meetings of the Board of Directors and meetings of the members of the Corporation.

He shall present at each Annual Meeting of the members and Directors a report on the condition of the business of the Corporation.

He shall cause to be called regular and/or special meetings of the Stockholders and Directors in accordance with these By-laws.

He shall appoint and remove, employ and discharge, as well as fix the compensation of all servants, agents, and employees of the Corporation, if any, other than the duly appointed officers, but subject to the approval of the Board of Directors.

He shall sign and make all contracts and agreements in the name of the Corporation.

He shall see that the corporate books, records, reports, etc. are properly kept in accordance with businesslike practice and the applicable Statutes.

He shall enforce the By-Laws and perform all other duties incident to the position and office which he holds.

Vice President. During the absence or inability of the President to render and perform his duties or exercise his powers hereunder as set forth in these By-Laws or in the Acts under which this Corporation was organized, the same shall be performed and exercised by the Vice President. When so acting, the Vice President shall have all of the powers and be subject to all the responsibilities hereby given to or imposed upon the President of the Corporation.

Secretary. The Secretary shall keep the Minutes of all meetings of the Board of Directors and of the members in appropriate books for that purpose.

He shall be custodian of the records and of the seal of the Corporation and shall affix the latter when required.

He shall give and serve all notices provided for under these By-Laws.

He shall keep a membership book in accurate and up-to-date condition showing therein the names and mailing Addresses of all members of the Corporation. Such book shall also show the number of homes and lots owned by each member for voting purposes. Such book shall be open to the inspection of any member of the Corporation at any time.

The Secretary shall attend to all correspondence and perform all duties normally incident to the office of secretary to any corporation.

Treasurer. The Treasurer shall have the care and custody of all funds and properties of the Corporation and shall deposit all such funds in the name of the Corporation in such bank as the Board of Directors may designate. He shall sign, make and endorse in the name of the Corporation all checks or drafts for the payment of money and shall pay out and disburse the funds of the Corporation and receipt therefor under the direction of the President or the Board of Directors.

At all reasonable times he shall make the books of the Corporation open and available to any Director or member of the Corporation upon request.

He shall render a statement of the condition of the finances of the Corporation at each regular meeting of the Board of Directors and at such other times as shall be required of him, and shall render a full financial report at

each annual meeting of the members.

He shall keep a complete and accurate account of all business transactions involving the Corporation and such other records as the Board of Directors may require.

4. **Vacancies - How Filled.** All vacancies in any office shall be filled by the Board of Directors without undue delay at its next regular meeting or at a meeting called specially for that purpose.

5. **Compensation of Officers.** No officer of the Corporation shall receive any salary or other compensation unless such salary or compensation shall have been approved by the members of the Corporation at an annual meeting or at a special called meeting of members called for such purpose.

6. **Removal of Officer.** The Board of Directors may remove any officer by a four-fifths (4/5) vote at any time with or without cause.

ARTICLE IV

Corporation Seal

1. **Seal.** The Seal of the Corporation shall be two concentric circles within which shall be the words, "Ransom Canyon Property Owners Association Inc.," and within the inner circle shall be the words, "Texas Corporate Seal 1966."

ARTICLE V

Transfer of Membership

1. The sale and transfer of a homesite lot within Lake Ransom Canyon Addition shall automatically transfer membership in this Corporation from the former owner to the new owner as to such lot so transferred. No further evidence of change of ownership of membership in this Corporation shall be necessary.

ARTICLE VI


Amendment of By-Laws

1. **How Amended.** These By-Laws may be altered, amended or repealed altogether by a affirmative vote of the members representing fifty-one percent (51%) of the total membership of the Corporation at any annual meeting or special called meeting provided that the written notice sent to each member of record that such meeting is to be held shall contain a notice of the proposal to alter, amend or change the By-Laws and in what respect. Only such changes as have been specifically set forth in the notice of such meeting shall be acted upon

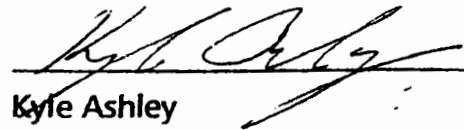
at the meeting. If, however, all of the members of the Corporation at any regular or special meeting, these By-Laws may be amended by unanimous vote of those present without any previous notice having been given as to a proposal to amend the By-Laws.

I, hereby notify that the foregoing is a true and correct copy of the By-Laws of the Ransom Canyon Property Owners Association, a Texas non-profit Corporation, as adopted November 14, 1966, and amended June 5, 1973, December 17, 1979, April 4, 1983, April 7, 1997 and April 3, 2000.

Attest:



Mary Ellen Zwank
Secretary



Kyle Ashley
President

- * Amended June 5, 1973, April 7, 1997
- ** Amended December 17, 1979
- *** Amended April 4, 1983
- **** Amended April 7, 1997
- ***** Amended April 3, 2000