

**BYLAWS**  
**RANSOM CANYON PROPERTY OWNERS ASSOCIATION**  
*A Texas Non-Profit Corporation*

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**ARTICLE I**  
**Definitions**

1. “**Association**” shall mean and refer to the Ransom Canyon Property Owners Association (POA), its successors and assigns, a non-profit corporation organized and existing under the laws of the State of Texas.
2. “**Properties**” shall mean and refer to each respective lot within the Town of Ransom Canyon, Lubbock County, Texas, hereafter referred to as Ransom Canyon. This information is available from the Association Board of Directors and Ransom Canyon Town Hall.
3. “**Common Properties**” or “**Common Areas**” shall mean and refer to those tracts of land within Ransom Canyon, including all structures, landscaping, and any other Properties or facilities owned and maintained by the Association. This information is shown and described on the GIS map available at the Lubbock County Appraisal District website at [lubbockcad.org](http://lubbockcad.org).
4. “**Dedictory Instrument**” shall mean each governing document covering the establishment, maintenance, and operation of the Properties. The term includes Deed of Restrictions, Association Bylaws, and the Articles of Incorporation of the Association.
5. “**Deed of Restrictions**” shall mean any covenant, condition, or restriction contained in any Dedictory Instrument of the Association, whether mandatory, prohibitive, permissive, or administrative.
6. “**Owner**”/“**Owners**” shall mean a person who holds record title to property in Ransom Canyon and includes the representative of a person who holds record title to property in Ransom Canyon.
7. “**Member**” or “**Members**” shall mean and refer to all those Owners of the Properties in Ransom Canyon who pay a Regular or Special Assessment.
8. “**Regular Assessment**” shall mean an annual assessment, charge, fee or dues that is provided for in the Deed of Restrictions. This may also be known as maintenance fees or property dues.

9. “**Special Assessment**” shall mean a one-time assessment, other than a Regular Assessment, that is required of each Member in Ransom Canyon as required by the Dedicatory Instruments:

A. Defraying, in whole or in part, the cost, whether incurred before or after the assessment, of any construction or reconstruction, unexpected repair, or replacement of a capital improvement in Common Areas owned by the Association, including the necessary fixtures and personal property related to the Common Areas;

B. Maintenance and improvement of Common Areas owned by the Association; or

C. Other purposes of the Association as stated in the Dedicatory Instruments for Ransom Canyon.

10. “**Director Vacancy**” shall mean the open position created if a Director dies, becomes incapacitated, resigns, or is no longer a Member.

11. “**Notification**” shall mean the notice given to Members containing the date, hour, place, and general subject of a Regular or Special Meeting, and to include a general description of any matter to be brought up for deliberation in Executive Session.

A. No fewer than ten (10) days and no more than sixty (60) days prior to the meeting, notice shall be provided;

B. Members shall be notified of all meetings through the following methods:

(1) Mailed to each property Owner; or

(2) At least seventy-two (72) hours prior to meeting, notice shall be posted in a conspicuous manner reasonably designed to provide notice to Association Members, the Association’s Common Property, or the Association website; and

(3) Sent by email to the Members’ addresses registered with the Association.

**12. “Absentee Ballot”** shall mean a ballot provided prior to a Meeting of Members at the request of the Member. All Absentee Ballots shall count toward a Quorum. By casting a vote via Absentee Ballot, Members will forgo the opportunity to consider and vote on any actions from the floor on these proposals, if a meeting is held. This means that if there are amendments to these proposals, the vote will not be counted on the final vote of these measures. If a Member desires to retain the ability to vote, the Member may attend any meeting in person. A Member may submit an Absentee Ballot and later choose to attend any meeting in person, in which case, any in-person vote will prevail.

## **ARTICLE II**

### **Meeting of Members**

**1. Annual Meeting:** The Annual Meeting of Members of the Association shall be held at the Ranch House in Ransom Canyon during the week following the 1<sup>st</sup> day of April of each year, at 7:30 p.m. on that day. The Secretary of the Association shall give notice in accordance with the Notification methods set within these Bylaws fifty (50) days prior to the meeting. This notice will set forth the date, time, place of the Annual Meeting, Board of Directors nominees, a proposed annual budget, accounts and reports, and the method for requesting an Absentee Ballot.

**2. Special Meetings:** Special Meetings of Members may be called at any time whenever so requested in writing by twenty percent (20%) of the Members of the Association. The Board of Directors may call Special Meetings of the Members with written request of two (2) Directors. The Secretary of the Association shall give notice in accordance with the Notification methods set within these Bylaws not less than 72 hours before the date set for such meeting. No business other than that specified in the call for the meeting shall be transacted at any Special Meeting of Members.

**3. Quorum:** A Quorum requires the presence of twenty percent (20%) of the total voting lots of the Association for the transaction of business. The presence constitutes representation of those lots in person or by Absentee Ballot. If a Quorum is not established, a lesser number may adjourn to reconvene ten (10) days later with a Quorum, and the Secretary shall give at least five (5) days notice in accordance with the Notification methods set within these Bylaws.

4. **Voting:** Each Member shall be entitled to one (1) vote for each homesite lot, as outlined in the Dedicatory Instruments, or any prorated vote if any Member(s) owns less than one lot in Ransom Canyon as specified in the Lubbock County Tax Roll. At all meetings of Members, all matters shall be decided by a majority vote of the Quorum of Members present, in person, or by Absentee Ballot.

5. **Actions Requiring Vote by Members:**

- (1) Increases in assessments
- (2) Levying of Special Assessments
- (3) Lending or borrowing money
- (4) The adoption or amendment of a Dedicatory Instrument
- (5) The approval of an annual budget or the approval of an amendment of an annual budget that increases the budget by more than ten percent (10%)
- (6) The sale or purchase of real property
- (7) The construction of capital improvements other than the repair replacement, or enhancement of existing capital improvements
- (8) Designated donations on new projects
- (9) Use of Reserves

6. **Order of Business:** The order of business at all Regular Meetings of the Members shall be as follows:

- A. Roll call of Directors; Proof of Quorum
- B. Proof of notice of meeting
- C. Approval of minutes of preceding meeting
- D. Report of Officers
  - (1) Accounts and Reports as listed in Article 7
  - (2) Report of Annual Budget
  - (3) Approval of Annual Budget
- E. Report of committees
- F. Election of directors (if at an Annual Meeting or Special Meeting called for that purpose)
- G. Unfinished business
- H. New business
- I. Adjournment

## ARTICLE III

### Directors

1. **Number:** The affairs and business of the Association shall be managed by a board of seven (7) Directors who shall be Members of the Association of record and shall also be an Owner in Ransom Canyon.

2. **How Elected:** Directors shall be elected at the Annual Meeting of Members. The persons receiving the highest number of votes for the full-term open positions shall become Directors for the ensuing two (2) year period.

3. **Nominations:** The Association must provide notice to Members soliciting candidates interested in running for a position on the board at least fifty (50) days before the date the Association disseminates Absentee Ballots or other ballots to Members for purposes of voting in a board member election. The notice must contain instructions for an eligible candidate to notify the Association of the candidate's request to be placed on the ballot and the deadline to submit the candidate's request. The deadline shall be the tenth (10<sup>th</sup>) day after the date the Association provides the required notice. The Secretary of the Association shall give notice in accordance with the Notification methods set within these Bylaws.

A. **Nepotism:** To avoid creating or maintaining circumstances in which the appearance of favoritism, conflicts or management disruptions exist, no two relatives shall serve as Officers of the Association board simultaneously.

4. **Removal of Directors:**

A. **Removal by Members:** Any Director may be removed, with or without cause, by a majority vote of a Quorum of Members during a meeting of Members.

B. **Removal by Directors:** Any Director may be removed at a Board of Directors' meeting, if the Director:

(1) Failed to attend three (3) consecutive Board of Directors' meetings;

(2) Failed to attend fifty percent (50%) of Board of Directors' meetings within one (1) year;

- (3) Is delinquent in the payment of any assessment for more than thirty (30) days; or
- (4) Is the subject of an enforcement action by the Association for violation of the Governing Documents.

5. **Term of Office:** The term of office shall define the amount of time a Director may serve on the Board of Directors.

A. 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 (2) years.

B. Each Director may serve a maximum of two (2) consecutive terms on the Board of Directors. Following two (2) consecutive terms and after one (1) year, a Member is again eligible to serve as a Director.

C. Term expirations shall be posted on the Association website and any Director changes shall be updated as they occur.

6. **Directors Meetings:**

A. **Regular Meetings:** Regular Meetings of the Board of Directors shall be open and held monthly and at such other times as the Board of Directors may determine. The Secretary of the Association shall give notice in accordance with the Notification methods set within these Bylaws setting forth the date, time, place and agenda of the meeting. The notice shall be sent at least ten (10) days prior to said meeting. At each meeting, the order of business shall be as follows:

- (1) Roll call of Directors, Proof of Quorum
- (2) Proof of notice of meeting
- (3) Approval of minutes of preceding meeting
- (4) Report of officers
  - i. Update on Accounts and Reports
- (5) Report of committees
- (6) Actions taken
- (7) Unfinished business



- (8) New business
- (9) Adjournment

**B. Special Meetings:** Special Meetings of Directors shall be an open meeting and may be called at any time upon written request of two (2) Directors. The Secretary of the Association shall give notice in accordance with the Notification methods set within these Bylaws not less than seventy-two (72) hours before the date set for such meeting. No business other than that specified in the call for the meeting shall be transacted at any Special Meeting of Members.

**C. Executive Session:** Regular and Special Meetings must be open to Members, subject to the right of the board to adjourn a board meeting and reconvene in closed Executive Session to consider the following:

- (1) Actions involving personnel
- (2) Pending or threatened litigation
- (3) Contract negotiations
- (4) Enforcement actions
- (5) Confidential communications with the Association's attorney
- (6) Matters involving the invasion of privacy of individual Owners, or matters that are to remain confidential by request of the affected parties and agreement of the board.

Following an Executive Session, any decision made in the Executive Session must be summarized orally and placed in the minutes, in general terms, without breaching the privacy of the individual Owners, violating any privilege, or disclosing information that was to remain confidential at the request of the affected parties. The oral summary must include a general explanation of expenditures approved in Executive Session.

**D. Meeting Restrictions:** The board may not, unless done in an open meeting for which prior notice was given to Owners, consider or vote on:

- (1) Fines;
- (2) Damage assessments;
- (3) Initiation of foreclosure actions;
- (4) Initiation of enforcement actions, excluding temporary restraining orders or violations involving a threat to health or safety;

- (5) Increases in assessments; \*
- (6) Levying of Special Assessments: \*
- (7) Appeals from a denial of architectural control approval;
- (8) A suspension of a right of a particular Owner before the Owner has an opportunity to attend a board meeting to present the Owner's position, including any defense, on the issue;
- (9) Lending or borrowing money; \*
- (10) The adoption or amendment of a Dedicatory Instrument; \*
- (11) The approval of an annual budget or the approval of an amendment of an annual budget that increases the budget by more than ten percent (10%); \*
- (12) The sale or purchase of real property; \*
- (13) The filling of a vacancy on the board;
- (14) The construction of capital improvements other than the repair, replacement, or enhancement of existing capital improvements; \*
- (15) The election of an officer; \*
- (16) Designated donations on new projects; \* or
- (17) Use of Reserves. \*

\*Asterisk indicates required vote by Members as listed in Article 2, Section 5.

**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, irrespective of the number of lots owned.

**9. Vacancy:** If a vacancy exists, an eligible successor shall be appointed by the board within thirty (30) days. The named successor shall fill the unexpired term of the vacant position.

**ARTICLE IV**  
**Powers and Duties of the Board of Directors**

1. In accordance with the Dedicatory Instruments, the Board of Directors shall have power:

A. To call Special Meetings of the Members with written request of two (2) Directors, and/or it shall call a meeting at any time upon written request of twenty percent (20%) of the voting membership;

B. To appoint and remove at its pleasure all Officers, agents, and employees of the Association, prescribe their duties, fix their compensation, and require of them such security or fidelity bonds as it may deem expedient within the budget;

C. To determine policies, outline plans, and carry into execution all business, activities, and policies subject to the approved budget. Any unapproved expenditure in excess of ten percent (10%) of the annual Regular Assessment fee must be approved by a vote of the Members;

D. To enter into and execute all necessary agreements and instruments incident thereto in the name of the Association within the approved budget;

E. To institute, settle or compromise, in the name of the Association, any necessary legal proceedings to carry into effect the purpose and policies of the Association and to employ legal counsel in connection with any of the foregoing;

F. To borrow money to maintain, repair, or restore the Common Area by a vote of the Members at a Regular or Special Meeting;

G. To levy and collect the assessments applicable to the Association;

H. To adopt and publish rules and regulations governing the use of the Common Property, the Common Area, and facilities thereon and the personal conduct of the Members and their guests while on such premises;

I. To call an Executive Session to discuss any matters consistent with Texas law; and

J. To prepare and approve for presentation an annual budget for the Association to be voted on by the Members of the Association at the Annual Meeting.

2. It shall be the duty of the Board of Directors:

A. To cause to be kept written minutes and records of all proceedings of the Board of Directors, all of which shall be opened to the inspection of the Members at all reasonable times;

B. To report to the membership at the Annual Meeting of Members all actions taken, and plans and projects proposed or undertaken by the Board of Directors. These minutes shall be posted on the Association website in accordance with Notification procedures;

C. To supervise all Officers, agents, and employees of the Association and to see that their duties are properly performed;

D. To prepare a roster of the lots and Regular Assessments applicable thereto, which shall be kept at a location directed by the Board of Directors on behalf of the Association and shall be open to inspection by any Member;

E. To perform any and all other duties, including tax returns for the Association, and powers as put forth in the Dedicatory Instruments, which may be reasonably necessary for the proper conduct of the affairs of the Association; and

F. To establish and maintain a reserve fund for the Association. These reserves must be fully funded at a minimum of one hundred fifty percent (150%) of Regular Assessments.

3. **Conflict of Interest:** All employees, Directors, and other volunteers who are involved in making financial decisions on behalf of the Association will not knowingly take any action or make any statement intended to influence the conduct of the Association in such a way as to confer any financial or personal benefit on such Member or his or her family, or on any business entity in which he or she is an employee or has a significant interest (15%) as a partner, owner, stockholder, director or officer, or on any organization with which he or she may serve as a director or trustee or in a professional capacity.

On an annual basis, all employees and all volunteers serving on the Board of Directors or Finance Committee will complete a statement of possible conflicts of interest they may have in carrying out their responsibilities. These disclosures will remain on file at the Association office and will be available for inspection.

## **ARTICLE V**

### **Officers**

1. **Officer Positions:** The Officer positions of this Association shall be:
  - A. President
  - B. Vice President
  - C. Secretary
  - D. Treasurer

No officer positions may be combined.

2. **Election of Officers.** All Officers of the Association shall be elected annually by the Board of Directors at its meeting held immediately after the Annual Meeting 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 duties of the Officers of the Association shall be as follows:

- A. **President:**

The President shall preside at all meetings of the Board of Directors and meetings of the Members of the Association.

The President shall present at each Annual Meeting of the Members and Directors a report on the condition of the business of the Association.

The President shall facilitate the appointment and removal, employment and discharge, as well as fix the compensation of all agents and employees of the Association, subject to the approval of the Board of Directors as outlined in Art. IV.

The President shall sign and make all contracts and agreements in the name of the Association, subject to the approval of the Board of Directors.

The President shall see that the corporate books, records, reports, etc., are properly kept in accordance with businesslike practices and the applicable statutes.

The President shall enforce these Bylaws and perform all other duties incident to the position and office which he holds and as outlined in these Bylaws.

**B. Vice President:**

The Vice President shall perform all the duties of the President in the absence of the 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 Association.

**C. Secretary:**

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

The Secretary shall be custodian of the records and of the Seal of the Association and shall affix the latter when required.

The Secretary shall give and serve all notices provided for under these Bylaws in Article I, Section 11.

The Secretary shall maintain and record in a book and keep for that purpose, the names of all Members of the Association, together with their addresses and email addresses as registered by such Members. Such book shall also show the number of homesite lots owned by each Member for voting purposes. Such book shall be kept accurate and up-to-date and shall be open to the inspection of any Member of the Association at any time.

The Secretary shall attend to all correspondence and perform all other duties incident to the position and as outlined in these Bylaws.

**D. Treasurer:**

The Treasurer shall have the care and custody of all funds and Properties of the Association and shall deposit all such funds in the name of the Association in such bank accounts as the Board of Directors may designate.

The Treasurer shall sign with one (1) other Officer, make, and endorse in the name of the Association all checks or drafts for the payment of money and shall pay out and disburse the funds of the Association and receipt under the direction of the President or the Board of Directors.

At all reasonable times, the Treasurer shall make the books of the Association open and available to any Director or Member of the Association upon request.

The Treasurer shall render a statement of the condition of the finances of the Association at:

- (1) Annual Meeting of Members;
- (2) Regular Meeting of the Board of Directors;
- (3) Upon request of a Member.

The Treasurer shall keep a complete and accurate account of all business transactions involving the Association and such other records as the Board of Directors may require, and perform all other duties incident to the position and as outlined in the Bylaws.

4. **Compensation of Officers:** No Officer of the Association shall receive any salary or other compensation.

5. **Removal of Officers:** The Board of Directors may remove any officer by a majority vote at any time, with or without cause. Removing an Officer does not necessarily entail removal of the Director from the Board, unless so decided under the conditions set forth in Article 3, Section 4.

**ARTICLE VI**  
**Books and Papers**

1. The books, records and papers of the Association shall at all times be kept at a location directed by the Board of Directors on behalf of the Association and shall, during reasonable business hours, be subject to the inspection by any Member.
  
2. Association Documents shall be retained for the durations listed below:
  - A. Articles of Incorporation, Bylaws, restrictive covenants, other Dedicatory Instruments, and any amendments to same shall be retained permanently.
  
  - B. Financial books and records, including annual budgets, reserve studies, annual financial reports, and bank statements shall be retained for seven (7) years.
  
  - C. Account records (invoice, payment, and adjustment records on an Owner's account) of current Owners shall be retained for five (5) years.
  
  - D. Account records of former Owners shall be retained as a courtesy to that former Owner for one (1) year after they no longer have an ownership interest in the property.
  
  - E. Contracts with a term of one (1) year or more shall be retained for four (4) years after the expiration of the contract term.
  
  - F. Minutes of meetings of the Owners and the Board of Directors shall be retained for seven (7) years after the date of the meeting.
  
  - G. Tax returns and CPA audit records shall be retained for seven (7) years after the last date of the return or audit year.
  
  - H. Any documents not described above may be retained for the duration deemed to be useful to the purpose of the Association, in the discretion of the Board of Directors, its attorney or its managing agent.



3. Upon expiration of the retention periods listed above, the documents shall no longer be considered Association records and shall be destroyed.

## **ARTICLE VII**

### **Accounts and Reports**

1. Accounting and controls must conform to U.S. Generally Accepted Accounting Principles (GAAP). Accounts will not be commingled with accounts of other persons. The following financial reports will be prepared at least annually, to be presented at the Annual Meeting of Members or at a Special Meeting called for that purpose:

A. An income statement reflecting all income and expense activity for the preceding period;

B. A variance report reflecting the status of all accounts in “actual” versus “approved” budget format;

C. A balance sheet as of the last day of the preceding period; and

D. A delinquency report listing all physical addresses which are delinquent by more than two (2) years in paying any assessment and describing the status of any action to collect those delinquent assessments.

## **ARTICLE VIII**

### **Committees**

1. There may be such committees of the Association as the Board of Directors may determine.

## **ARTICLE IX**

### **Records Production and Copying Policy**

1. Association records shall be reasonably available to every Owner. An Owner may also provide access to records to any other person (such as an attorney, CPA, or agent) they designate, in writing, as their proxy for this purpose.

2. An Owner, or their proxy as described in Section 1, above, must submit a written request for access to or copies of records. The letter must:

A. Be sent by certified mail to the Association's address as reflected in its most recent Management Certificate filed in the County public records;

B. Contain sufficient detail to identify the specific records being requested; and

C. Indicate whether the Owner or proxy would like to inspect the records before possibly obtaining copies or if the specified copies of records should be forwarded. If forwarded, the letter must indicate the format, delivery method and address from the below options, respectively:

(1) Format: electronic files or paper copies; and

(2) Delivery method: email, certified mail or personal pick-up.

3. Within ten (10) business days of receipt of the request specified in Section 2, above, the Association shall provide:

A. The requested records, if copies were requested, and any required advance payment made;

B. A written notice that the records are available and offer dates and times when the Records may be inspected, by the Owner or their proxy, during normal business hours at the office of the Association;

C. A written notice that the requested records are available for delivery or pick up;

D. A written notice that a request for delivery does not contain sufficient information to specify the records desired, the format, the delivery method and the delivery address; or

E. A written notice that the requested records cannot be produced within ten (10) business days, but will be available within fifteen (15) additional business days from the date of the notice.

4. The following Association records are not available for inspection by Owners or their proxies:

A. Attorney files and records in the possession of the attorney

B. Attorney-client privileged information in the possession of the Association

5. Association records may be maintained in paper format or in an electronic format. If a request is made to inspect records and certain records are maintained in electronic format, the Owner or their proxy will be given access to the electronic records. Association shall not be required to transfer such electronic records to paper format unless the Owner or their proxy agrees to pay the cost of producing such copies.

6. If an Owner or their proxy inspecting records requests copies of certain records during the inspection, the Association shall provide them promptly, if possible, but no later than ten (10) business days after the inspection or payment of costs, or in accordance with Texas Property Code §209.005(f), subject to Section 3(E), above.

7. The Owner is responsible for all costs associated with a request under this policy, including, but not limited to copies, postage, supplies, labor, overhead and third-party fees (such as archive document retrieval fees from off-site storage locations), as listed in the attached Exhibit A.

8. Any costs associated with a records request must be paid by the Owner or their proxy in advance of delivery. An Owner who makes a request for records and subsequently declines to accept delivery will be liable for payment of all costs under this Policy.

9. On a case-by-case basis, where an Owner request for records is deemed to be minimal in costs and efforts, the Board of Directors reserves the right to waive request procedures under Section 2, above, and/or fees under Section 4, above.

**ARTICLE X**  
**ENFORCEMENT PROCEDURES**

1. Before the board may:
  - A. Suspend an Owner's right to use Common Areas;
  - B. File a suit against an Owner other than a suit to collect any assessment;
  - C. Charge the Owner for property damage; or
  - D. Levy a fine for a violation of the Dedicatory Instruments, the Association or its agent must give written notice to the Owner by certified mail, return receipt requested. The notice must describe the violation or property damage that is the basis for the suspension action, charge, or fine and state any amount due to the Association from the Owner.
  
2. The notice must also inform the Owner that the Owner is:
  - A. Entitled to a reasonable period to cure the violation and avoid the fine or suspension unless the Owner was given notice and a reasonable opportunity to cure a similar violation within the preceding six (6) months; and
  - B. May request a hearing on or before the thirtieth (30th) day after the date the Owner receives notice.
  
3. Hearing Before Board; Alternative Dispute Resolution:
  - A. If the Owner is entitled to an opportunity to cure the violation, the Owner has the right to submit a written request for a hearing to discuss and verify facts and resolve the matter in issue before a committee appointed by the board or before the board, if the board does not appoint a committee.
  - B. If a hearing is to be held before a committee, the notice must state that the Owner has the right to appeal the committee's decision to the board by written notice to the board.

C. The Association must hold a hearing under this section not later than the thirtieth (30<sup>th</sup>) day after the date that the board receives the Owner's request for a hearing and must notify the Owner of the date, time and place for the hearing not later than the tenth (10<sup>th</sup>) day before the date of the hearing.

D. The board or the Owner may request a postponement, and, if requested, a postponement will be granted for a period of not more than ten (10) days. Additional postponements may be granted by agreement of the parties.

E. The Owner or the Association may make an audio recording of the meeting. The hearing will be held in Executive Session affording the alleged violator a reasonable opportunity to be heard.

F. Before any sanction hereunder becomes effective, proof of proper notice will be placed in the minutes of the meeting. Such proof will be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, Director, or agent who delivered the notice. The notice requirement will be satisfied if the alleged violator appears at the meeting.

G. The minutes of the meeting will contain a written statement of the results of the hearing and the sanction, if any, imposed. The board may, but will not be obligated to, suspend any proposed sanction if the violation is cured within a thirty (30) day period. Such suspension will not constitute a waiver of the right to sanction violations of the same or other provisions and rules by any person.

4. Following hearing before a committee, if any, a violator will have the right to appeal the decision to the board. To perfect this right, a written notice of appeal must be received by the managing agent, if any, president, or secretary within ten (10) days after the hearing date.

**ARTICLE XI**  
**MISCELLANEOUS PROVISIONS**

1. The Association shall be required to obtain insurance for the Common Properties for the following purposes:

A. Loss or damage by fire and other perils normally covered by the standard extended coverage endorsements; and

B. All other perils which are customarily covered with respect to projects similar in construction, location and use, including all perils normally covered by the standard “all risk” endorsement, where such is available.

The policy or policies shall be in an amount equal to one hundred percent (100%) of current replacement costs of the Common Properties, exclusive of land, foundations, excavation and other items normally excluded from coverage. The name of the insured under such policies must be the Association, for the use and benefit of the individual Owners. Loss payable shall be in favor of the Association. Such policies may not be cancelled or subsequently modified without at least ten (10) days prior written notice to the Association. Agreed Amount and Inflation Guard Endorsement are required, if available.

2. The Association must maintain comprehensive general liability insurance coverage, covering all of the Common Properties in amounts generally required by institutional mortgage investors for projects similar in construction, location and use, but in any event for at least Ten Million Dollars (\$10,000,000) for bodily injury, including deaths of persons and property damage arising out of a single occurrence. Coverage under such policy shall include, without limitation, legal liability of the insured for property damage, bodily injuries and deaths of persons in connection with the operation, maintenance and use of the Common Properties, and legal liability arising out of the law suits related to employment contracts of the Association. Such policies must provide that they may not be cancelled or substantially modified by any party without at least ten (10) days prior written notice to the Association. Existence of this policy and the face amount is proprietary information to the Association and its Members.

3. Blanket fidelity bonds shall be required to be maintained by the Association for all officers, Directors, trustees, and employees of the Association and all other persons handling or responsible for funds of or administered by the Association.

Should the Association delegate some or all of the responsibility for handling of the funds to a management agent, such bonds must be furnished for its officers, employees and agents handling or responsible for the funds of, or administered on behalf of, the Association.

The total amount of individuals covered by the fidelity bonds shall be based on best business judgment and shall not be less than the estimated maximum of funds, including reserve funds, in the custody of the Association or the management agent, as the case may be, at any given time during the term of each bond. However, in no event may the aggregate amount of such bonds be less than the sum of three (3) months aggregate Regular Assessments on all lots plus reserve funds. Such fidelity bonds must also meet the following requirements:

A. Fidelity Bonds shall name the Association as obligor;

B. The premiums on all bonds required for the Association (except for premiums on fidelity bonds maintained by management agent for its officer, employees, and agents) shall be paid by the Association as a common expense; and

C. The bonds shall provide that they may not be cancelled or substantially modified (including cancellation for non-payment of premium) without at least ten (10) days prior written notice to the Association.

4. The Association shall require Directors and Officers liability insurance for the protection and liability exposure of its Board of Directors in the amount of at least One Million Dollars (\$1,000,000) per occurrence.

5. The Association retains reasonable rights, including easements over the Common Areas, for completion of improvements and making repairs to improvements and to maintain facilities erected on Common Properties within Ransom Canyon. The Association may use any funds to maintain, repair or restore any Common Area or Common Properties, or any contract for such maintenance to be taken care of by any third-party approved by the Board of Directors.

6. The Association shall have the ability, at the sole discretion and direction of the Board of Directors, to engage in fundraising activities to generate revenue for the benefit of the Association. Any new business ventures shall be approved by the Members as set forth in the Dedicatory Instruments.

7. When the context requires, the gender of all words used in these Bylaws includes the masculine, feminine, and neuter, and the number of all words includes the singular and the plural.

8. The board may establish the Association's fiscal year by resolution. In the absence of a board resolution determining otherwise, the Association's fiscal year is a calendar year.

9. The board may adopt rules for conduct of meetings of Members, board and committees.

## **ARTICLE XII**

### **Seal**

1. 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 XIII**

### **Transfer of Membership**

1. The sale and transfer of a homesite lot within Ransom Canyon shall automatically transfer membership in this Association 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 Association shall be necessary.

## **ARTICLE XIV**

### **Amendments**

1. These Bylaws may be amended, at a Regular or Special Meeting of Members, by a vote of a majority of a Quorum of the voting lots present in person or by Absentee Ballot; provided however, that those provisions of these Bylaws which are governed by the Articles of Incorporation of the Association or the Deed of Restrictions for Ransom Canyon may not be amended except as therein provided or as allowed by law.



2. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Deed of Restrictions for Ransom Canyon and these Bylaws, the Deed of Restrictions shall control.

3. A Property Owners Association shall file all Dedicatory Instruments with the County Clerk of Lubbock County wherein all the Dedicatory Instruments are located. A Dedicatory Instrument is not deemed in effect until filed in accordance with Texas Property Code §202.006.

## **EXHIBIT A**

### **Ransom Canyon Copy Fees**

*(In accordance with Texas Administrative Code, Chapter 70, Rule §70.3)*

- A. Black and white 8½"x11" single sided copies = \$0.10 each;
- B. Black and white 8½"x11" double sided copies = \$0.20 each;
- C. Color 8½"x11" single sided copies = \$0.50 each;
- D. Color 8½"x11" double sided copies = \$1.00 each;
- E. PDF images of documents = \$0.10 per page;  
(compact disk = \$1.00 per page);
- F. Labor and overhead = \$18.00 per hour;
- G. Mailing supplies = \$1.00 per mailing;
- H. Postage = at cost;
- I. Other supplies = at cost; and
- J. Third-party fees = at cost.