Incorp. 3/92

BY-LAWS OF

SANDERSON RIVER RANCH LANDOWNER'S ASSOCIATION

A NONPROFIT CORPORATION

ARTICLE 1

GENERAL

1.01. These by-laws govern the affairs of the Sanderson River Ranch Landowner's Association, a Non-profit corporation organized under the Texas Non-Profit Corporation Act. This Association was formed and these by-laws are adopted pursuant to the restrictions and covenants of the Sanderson River Ranch duly recorded in the office of the County Clerk in Terrell County, Texas. The term "property" as used herein shall mean the Sanderson River Ranch located in Terrell County, Texas.

Application

1.02. All present and future owners and occupants of the property and their employees, and any other persons who may use the facilities of the property in any manner are subject to these by-laws. The acceptance of a deed or the act of occupancy to any portion of the property shall constitute an agreement that these by-laws as they may be amended from time to time, are accepted, ratified and will be complied with.

ARTICLE 2

MEMBERS

Classes of Members

2.01. The corporation shall have one class of member. Each owner of the property shall be a member of this Association.

Voting Rights

2.02. Each member shall be entitled to ONE vote on each matter submitted to a vote of the members. per assessment dues

Annual Meetings

2.03. The Annual Meeting of the Association shall be held on the 1st Sat day of April — 4:00 PM of each year. At such meetings the Board of Directors shall be elected by a ballot of the Association owners and any other business as may come before the meeting conducted.

Place of Meetings

2.04. Meetings of the Association owners shall be held at a convenient location on the property or at such other suitable place convenient to the Association owners as may be designated by the Board of Directors.

Special Meetings

2.05. It shall be the duty of the President to call a special meeting of the Association if so directed by resolution of the Board of Directors or upon a petition signed and presented to the Secretary by not less than 50% of the Association members. The notice of the special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

Notice of Meetings

2.06. It shall be the duty of the Secretary to mail a notice of each annual or special meeting of the Association, at least ten and no more than twenty days prior to such meetings, stating the purpose thereof as well as the time and place where it is to be held, to each member of record, at such address as such member shall have designated by a notice in writing to the Secretary. The mailing of a notice of a meeting in the manner provided in this section shall be considered service of notice.

Adjournment of Meetings

2.07. If any meeting of the Association cannot be held because a quorum has not attended, a majority of the members who are present at such meeting, either in person or by proxy may adjourn the meeting to a time not less than 48 hours from the time the original meeting was called.

Order of Business

2.08. The order of business at all meetings of the Association shall be as follows:

A. Roll Call.
B. Proof of notice of meeting.
C. Reading of minutes of preceding meeting.
D. Reports of officers.
E. Report of Board of Directors.
F. Unfinished business.
G. New business.

Quorum

2.09. Except as otherwise provided in these by-laws the presence in person or by proxy of one-third of the members shall constitute a quorum at all meetings of the Association.

Majority Vote

= 70% of quorum

2.10. The vote of a majority of members at a meeting at which a quorum shall be present shall be binding upon all members for all purposes except where in these by-laws a higher percentage vote is required.

ARTICLE 3

OFFICERS

3.01. The officers of the corporation shall be President, Vice-President, Secretary and Treasurer.

3.02. The term of office for Officers shall be for one (1) year, or until their successors are elected and take office. Vacancies occurring in any office shall be filled by appointment by the President for the term remaining subject to approval by the Board of Directors.

3.03. Officers shall have the following responsibilities.

(a) The President shall be responsible for the administration of corporate policy on all matters requiring such decisions between Board meetings. The President shall preside over all regular and special meetings of the members.

(b) The Vice-President shall preside at all meetings in the absence of the President. He/She shall take over the office of President upon the death, resignation or expulsion of the regularly elected President.

(c) The Secretary shall keep all records of the corporation. He/She shall also keep minutes of the meetings, send meeting notices to members for regular meetings, keep an accurate and current list of members from information provided by the Treasurer, and perform other assignments given by the Board of Directors. He/She shall preside at meetings in the absence of the President and Vice-President. The Secretary shall provide the membership with an up-to-date copy of any amendments to the by-laws.

(d) The Treasurer shall keep books of account and attend to the collection of all assessments from members, furnish the financial position of the corporation at each meeting of the Board of Directors, and prepare a written report to the members annually, or more often if required by the Board of Directors, showing receipts and disbursements in detail.

3.04. No officer of the corporation shall capitalize on his/her position in the corporation to further his/her personal interest at the expense of the corporation.

ARTICLE 4

BOARD OF DIRECTORS

Number and Qualification

4.01. The affairs of the Association shall be governed by a Board of Directors composed of eight (8) members of the Association. The Board of Directors shall be elected by a majority of the members present at an annual or special meeting of the Association.

Powers and Duties

4.02. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things except as by law or by these by-laws may not be delegated to the Board of Directors by the members of the Association. Such powers and duties of the Board of Directors shall include, but shall not be limited to, the following:

A. The operation, maintenance, repair, care, upkeep, and replacement of the common elements and roads of the property.

B. Determination of the common expenses required for the affairs of the Association, including, without limitation, the operation and maintenance of the property.

C. The assessment and collection of funds from the property owners for the common expenses and the payment of such common expenses.

D. Employment and dismissal of the personnel necessary for the maintenance and operation of the common elements and roads.

E. Adoption and amendment of rules and regulations covering the details of the operation and use of the property.

F. Opening of bank accounts on behalf of the Association and designating the signatories required therefor.

G. Obtaining of insurance in the name of the association for the property.

H. Such other incidental powers as may be appropriate to the performance of its duties including but not limited to the establishment of a fiscal year for the Board of Directors.

Managing Agent and Manager

4.03. The Board of Directors may employ for the Association a managing agent, or a manager at a compensation established by the Board of Directors, to perform such duties and services as the Board of Directors shall authorize, including, but not limited to, the duties listed herein. The Board of Directors may delegate to the manager or managing agent, which may be individual or corporate, all of the power granted to the Board of Directors by these by-laws.

Nomination of Members of the Board of Administrators

4.04. Nomination for election to the Board of Administrators shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors and two or more members of the Association. the Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled.

Election and Term of Office

4.05. At an annual meeting of the Association, the term of office of the Board of Directors shall be fixed at one year. The members of the Board of Directors shall hold office until their respective successors shall have been elected by the members. Election to the Board of Directors shall be by secret written ballot. The persons receiving the largest number of votes shall be elected.

Removal of Members of the Board of Directors

4.06. At any regular or special meeting of the Association, any one or more of the members of the Board of Directors may be removed with or without cause by a majority of the members of the Association and the successor may then and there or thereafter be elected to fill the vacancy that was created. Any member of the Board of Directors whose removal has been proposed by the members of the Association shall be given an opportunity to be heard at the meeting.

Vacancies

4.07. Vacancies in the Board of Directors caused by any reason other than the removal of a member thereof by vote of the members of the Association, shall be filled by a vote of the majority of the remaining members at a special meeting of the Board of Directors held for that purpose promptly after the occurrence of any such vacancy, even though the members present at such meeting may constitute less than a quorum, and each person so elected shall be a member of the Board of Directors until a successor shall be elected at the next annual meeting of the Association which successor shall serve out the expired term of the member whose removal or absence created the vacancy.

Organizational Meeting

4.08. The first meeting of the Board of Directors shall be held at such time and place as shall be fixed by the incorporator of the Association. The individuals listed in the Articles of Incorporation of the Association shall serve as the first members of the Board of Directors of the Association. The first members of the Board of Directors shall serve until the first annual meeting of the Association, at which time a new Board of Directors shall be appointed by the Association.

Regular Meeting

4.09. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by the majority of the members of the Board of Directors. Notice of regular meetings of the Board of Directors shall be given to each member of the Board of Directors, by mail or telegraph, at least three business days prior to the day named for such meeting.

Special Meetings

4.10. Special meetings of the Board of Directors may be called by the President on three business days' notice to each member of the Board of Directors, given by mail or telegraph, which notice shall state the time, place, and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at lease two members of the Board of Directors.

Waiver of Notice

4.11. Any member of the Board of Directors may at any time waive notice of any meeting of the Board of Directors in writing and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board of Directors at any meeting of the Board of Directors shall constitute a waiver of notice by him of the time and place thereof. If all the members of the Board of Directors are present at a meeting of the Board of Directors no notice shall be required and any business may be transacted at such meeting.

Quorum of Board of Administrators

4.12. At all meetings of the Board of Directors a majority of the members thereof shall constitute a quorum for the transaction of business, and the votes of a majority of the members of the Board of Directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors. If at any meeting of the Board of Directors there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called, may be transacted without further notice.

Compensation

4.13. No member of the Board of Directors shall receive any compensation from the Association for acting as such.

Liability of the Board of Directors

4.14. The members of the Board of Directors shall not be liable to the Association for any mistake of judgment, negligence or otherwise, expect for their own individual willful misconduct or bad faith.

ARTICLE V

OPERATION OF THE PROPERTY

Fixing Assessments

5.01. The Board of Directors shall from time to time, at least annually, prepare a budget for the Association, determining the amount of the common charges payable by the members to meet the common expenses of the Association and allocate and assess such common charges among the members according to their respective interests. The assessment shall be charge to each member based upon the number of acres each member owns in the property and such charge shall not exceed the sum of three hundred ($300.00) per tract per year. The assessments, when collected shall be used by the Association to further its purposes as set forth in these by-laws and in the Articles of Incorporation.

Payment of Assessments

5.02. All owners shall be obligated to pay the assessments assessed by the Board of Directors pursuant to the provisions of Article 5.01 at such time or times as the Board of Directors shall determine.

Collection of Assessment

5.02. The Board of Directors shall assess common charges against the owners from time to time and at least annually and shall take prompt action to collect any assessments due from any owner which remains unpaid for more than thirty (30) days from the due date for payment thereof. All sums assessed by resolutions duly adopted by the Board of Directors against any member shall constitute the personal liability of the member so assessed and shall until fully paid, together with interest thereon at the maximum rate allowed by law from the 30th day following the adoption of such resolutions, constitute a lien against the member's tract which shall be enforceable as provided in Section 5.03.

Default in Payment of Assessments

5.03. If any assessment remains unpaid for more than 30 days from the due date for payment thereof, the Board of Directors on behalf of the Association, may bring action against the member personally obligated to pay the same by filing a complaint in a civil action in the court of applicable jurisdiction in Terrell County, Texas, for the full amount due. Any judgment rendered against a member shall be enforceable in the same manner as is otherwise provided by law. In the event of default in the payment of assessments hereunder, the Board of Directors shall be entitled to pursue any and all remedies afforded at law or in equity, including without limitation, the right of foreclosure of the Association's lien against the member's tract and to bring any personal action against the member for the collection of such as a debt. The Association shall have the power to bid on the tract owned by the owner at any such foreclosure or other public sale, and to acquire, hold, lease, convey and mortgage same.

ARTICLE 6

CONTRACTS, CHECKS, DEPOSITS, AND FUNDS

Contracts

6.01. The Board of Directors may authorize any officer or officers, agent or agents, of the corporation, in addition to the officers so authorized by these by-laws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation. Such authority may be general or confined to specific instances.

Checks and Drafts

6.02. All checks, drafts, or orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the corporation shall be signed by such officer or officers, agent or agents of the corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by the Treasurer or an Assistant Treasurer and counter-signed by the President or a Vice-President of the corporation.

Deposits

6.03. All funds of the corporation shall be deposited from time to time to the credit of the corporation in such banks, trust companies, or other depositaries as the Board of Directors may select.

6.04. The Board of Directors may accept on behalf of the corporation any contribution, gift, bequest, or devise for the general purposes or for any special purpose of the corporation.

ARTICLE 7

BOOKS AND RECORDS

7.01. The corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its members, Board of Directors, and committees having any of the authority of the Board Directors, and shall keep at the registered or principal office a record giving the names and addresses of the members entitled to vote. All books and records of the corporation may be inspected by any member or his agent or attorney for any proper purpose at any reasonable time.

ARTICLE 8

FISCAL YEAR

8.01. The fiscal year of the corporation shall begin on the first day of January and end on the last day of December in each year.

ARTICLE 9

SEAL

9.01. This corporation shall have no seal, and the officers attesting the signatures of those officers authorized to make conveyances wherein a seal is ordinarily used may place in the space usually occupied by a seal the words "This Corporation Has No Seal", or in the alternative, may omit any reference to a seal.

ARTICLE 10

AMENDMENTS

10.01. Amendments to these by-laws may be proposed by the Board of Directors or by any member in good standing and must be made in writing. Notice of amendment shall be submitted at the previous regular meeting of the general membership. Any proposed amendment may be adopted by a two-thirds (2/3) vote at the next regular meeting of the general membership. The Secretary shall be responsible for causing mailing of such proposed amendments to the general membership within one week after adoption.

Adopted by the Board of Directors on ________________, 1992.

____
Robert Hill, Director

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Vicki Stephens, Director

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Craig V. Winborn, Director

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Jesse Stephens Sr., Director

____
Curtis Patterson, Director

____
Rick Fulcher, Director

____
Monte Sparkman, Director

____
Keith Jorgensen, Director

ATTEST:

____
Vicki Stephens, Secretary

SRR - supplement to by laws

ll the landowners are not mentioned on the sheet that was given out t the first meeting. Please at your convenience send me names and addresses of persons not mentioned. A revised copy will be sent out shortly.

ANDERSON RIVER RANCH BY LAWS

1. SANDERSON RIVER RANCH CONTRACT under Restrictions and Covenants 1.-16.

2. PRESIDENT & VICE PRESIDENT are the only two (2) persons authorized to call meeting.

3. MARSHALL OF ARMS officer will be served by officers per meeting on a rotating bases.

4. ACCESS TO PROPERTY
   a. Only immediate family need not be escorted, but must have written consent.
   b. Guests other than immediate family must be escorted by land-owner and have written consent.
   c. Landowners are fully responsible for actions of family and guests.
   d. There are exceptions such as an emergency escort situation.

5. ACCESS OF ROADS
   a. Landowners have access to all main roads.
   b. Guests must be escorted.
   c. NO new main roads will be allowed.
   ** A photo copy will be sent shortly outlining all main roads.

. DEPOSAL OF TRASH
   a. All trash is to be hualed off or burned in a proper fashion.
   b. Burying trash is allowed, only for persons living on property and must be done properly and environmental safe.
   c. There will be a penalty for littering. (with witness) First offense $25.00 Second $50.00 Third $100.00.
   d. In extreme cases a lien can be placed against property.
   ** We must have common curiosity to other owners and keep our ranch clean.

300'VISABILITY
   a. There will be no living quarters, materials or other type of matter within 300' of main roads or property lines.
   b. Exceptions are made to owners who have unusual circumstanses.

ROAD MAINTENANCE FEES
   a. $1 per acre, maxium of $300 per owner. (regardless of #of lots).
   b. A penalty has been scheduled for arrearage, 30 days 10%, 60 days 20%.
   ** In extreme cases a payment plan may be considered.

VICE PRESIDENT AND SECRETARY TREASURER are the two (2) authorized and required signatures on the SRR account.

more information comes my way I will let you know in a reasonable unt of time.

Stephens

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Exhibit "B"

May 13, 1992

Dear Landowners,

This newsletter will go over all changes (approved by a majority vote) in the SRR bylaws and other issues discussed at the April 12th meeting. For those who did not attend the April 12th meeting, enclosed you will find a copy of the bylaws, which are recorded with the State of Texas, and are legal and binding.

Note of Changes;
Page 1, item 2.02 Voting Rights
Landowners shall be entitled to one (1) vote per assessment due. (One vote per lot, regardless of the number of lots or number of owners to a particular lot or lots.) At this point we have 44 possible votes. In the event of a vote needed by mail, I must receive your vote on or before the deadline given or your vote will not be valid. You will be given 10 working days to respond.

Page 1, item 2.03 Annual Meeting:
Annual meeting will be held the 1st Saturday of April at 4:00p.m. each year. This meeting will serve the purpose of electing a new board of directors. One person from 92 board of directors will go forward with the 93 to guide and help along and to discuss future ranch maintenance and plans. This meeting is very important, please make an effort to be there.

Page 3, item 2.10 Majority Vote
Majority vote will be 70% of a quorum. Their must be atleast 1/3 of voting landowners present to form a quorum.

Security
We will no longer have security. The association cannot afford to pay a security person a fair and decent wage. The board voted to discontinue at this point. Future: We may hire a security person during prime hunting seasons. For our biggest threat now are poachers. Of course this will require a majority vote.

Ranch Insurance Inquiry
It would be a non performing, general liability. Everyone is liable for their own, just as you are on any private property situation.

Waterline Passage
Existing water lines cannot be denied by neighboring properties.

Main Roads
I am still waiting for a detailed map of the SRR. It will be sent out shortly identifyi[ng] all main roads. Everyone has access to these roads.

CB channel 19 has been agreed upon as the common channel of the SRR Association. If you use a CB, channel 19 will be our emergency and communciation line. We all, at one time or another will get stuck or breakdown. So if all possible, tune into channel 19.

February 21, 1993

AMENDMENT OF BY LAW

Motion was made in Board of Directors meeting, seconded and unanimously approved the BY LAWS Article 8 paragraph 8.01 by amended to include the annual association dues become payable on January 1st of each fiscal year and are to be paid by January 31st. of the same year.

April 1998

Changes to the BY-Laws by resolution. Please attach this form to your BY-Laws for future reference.

VOTING RIGHTS
2.02 Landowners are entitled to vote as follows: One vote per lot for single lot owners per assessment. One vote for lots that have multiple owners. Multiple lot owners have one vote, not one vote per lot owned. Lot owners who own an individual/single lot/tract and also co-own another lot are classified as multiple lot owners. Ownership is determined by the name on the deed.

BOARD OF DIRECTORS
4.01 The Board of Directors shall consist of the four duly elected officers and four duly elected directors and the President shall not vote at board meetings except in case of a tie. All henceforth shall be considered directors.

FIXING ASSESSMENTS
5.01 Assessment fees are assessed at $1.00 per acre up to a maximum of $300.00 per year. Multiple lot owners whose acreage is more than 300 acres will pay only $300.00 per year. Multiple lot owners whose acreage is less than 300 acres will pay $1.00 per acre per year. The assessments when collected shall be used by the Association to further its purpose as set forth in these by laws and the Articles of Incorporation.

Approved 4/1999

CHANGES TO BY LAWS

BY LAW 4.04 to be inserted after the fourth sentence "BEFORE NOMINATIONS FOR THE ANNUAL MEETING TO ELECT OFFICERS, THE NOMINEES MUST BE CURRENT WITH THEIR MAINTENANCE FEES."

BY LAW 10.01 to be inserted after the first sentence "GOOD STANDING SHALL MEAN THAT ALL MAINTENANCE FEES ARE PAID CURRENT."

Please attach these to your by-laws for future reference.

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