

NOTICE OF PROPOSED BY-LAW AMENDMENTS
TO BE CONSIDERED AT THE
BAR X PROPERTY OWNERS' ASSOCIATION
ANNUAL MEETING OF MEMBERS
10:00 A.M., APRIL 21, 2007

The following is a fair summary of the By-Law amendments that will be considered at the Annual Meeting of the members of the Bar X Property Owners' Association, at 10:00 a.m. on April 21, 2007.

By-Law Article I, Section 4:

- a. The existing By-Law Article I, Section 4, concerning meetings of members and trustees, now reads as follows:
"§4. Meetings of members and trustees shall be held at a public place within the boundaries of BAR X RANCH as may be designated and directed by the Board of Trustees. Meetings will be allowed off site in cases of special circumstances."
- b. A fair summary of the proposed amended version of By-Law Article I, Section 4 is as follows:
"§4. Meetings of members and trustees shall be held at a public place within the boundaries of BAR X RANCH as may be designated and directed by the Board of Trustees. However, meetings of members or trustees will be allowed off site in cases of special circumstances, for example, flooding or other impediments to access to the meeting site in the BAR X RANCH. Notice shall be given as provided in the Bylaws, except that notice of a change in the place for a meeting pursuant to this section shall be given as follows: (1) for a Board of Trustees meeting, to each Trustee at least three hours before the meeting; and (2) for a meeting of members, by posting notice of the change of location at the original meeting site and at a publically accessible point near the original meeting site, at least three hours before the time scheduled for the beginning of the meeting."

By-Law Article III, Section 2:

- a. The existing By-Law Article III, Section 2 concerning honorary members, now reads as follows:
"§2. The Board of Trustees of the Association shall have the right to elect honorary members of the Association, provided that the number of honorary memberships shall not exceed five (5) at any one time. Each honorary member shall be elected for a term of one (1) year, and the same person or persons may be re-elected to hold honorary membership for successive years. All facilities of the Association shall be extended to the honorary members and their immediate families."

Honorary members shall not have any voting rights.”

- b. A fair summary of the proposed amendment of By-Law Article III, Section 2, concerning honorary members, is as follows:
Delete the entire section 2 of Article III.

By-Law Article III, Section 6:

- a. The existing By-Law Article VI, Section 6, concerning transferring membership now reads as follows:
“§6. Membership in the Association is transferrable only upon transfer of the fee interest in the property.”
- b. A fair summary of the proposed amended version of By-Law Article IV, Section 6 is as follows:
“§6. Membership in the Association is transferrable only upon transfer of the fee interest in the property. No person may in any way rent, sell, lease, assign, transfer, give, or convey any privilege of membership in the Association separately from the fee interest in the property.”

By-Law Article IV, Section 4:

- a. Existing By-Law Article IV, Section 4, concerning eligibility to vote at members’ meetings, now reads as follows:
“§4. A member in good standing is entitled to vote at a meeting of the members of the Association. A member in good standing, is one who has paid all required maintenance fees and is not otherwise suspended as of the date of the notice of the meeting. The record date for determining the members entitled to notice at any meeting of members will be January 31st of each year. After a record date is fixed, an alphabetical list of members entitled to receive notice, including their addresses and number of votes each is entitled to cast, will be prepared. The list will contain a listing of all members entitled to vote at the meeting but not entitled to receive notice and will be available for inspection at the principal office of the Association from two business days after notice is given until the meeting is held. Any member entitled to vote at the meeting is entitled access to the list for the purpose of communicating with other members. Any member entitled to vote at the meeting is entitled access to the list for the purpose of communicating with other members. The member or the member’s agent or attorney may make the inspection on written demand and copy the list at a reasonable time and at the member’s expense.”
- b. A fair summary of the proposed amended version of By-Law Article IV, Section 4 is as follows (The phrase “but not entitled to receive notice” is deleted from the fifth sentence. In the last sentence, the phrase “copy the list” has been changed to “receive a copy of the list.”):

"§4. A member in good standing is entitled to vote at a meeting of the members of the Association. A member in good standing, is one who has paid all required maintenance fees and is not otherwise suspended as of the date of the notice of the meeting. The record date for determining the members entitled to notice at any meeting of members will be January 31st of each year. After a record date is fixed, an alphabetical list of members entitled to receive notice, including their addresses and number of votes each is entitled to cast, will be prepared. The list will contain a listing of all members entitled to vote at the meeting and will be available for inspection at the principal office of the Association from two business days after notice is given until the meeting is held. Any member entitled to vote at the meeting is entitled access to the list for the purpose of communicating with other members. The member or member's agent or attorney may make the inspection on written demand and receive a copy of the list at a reasonable time and at the member's expense."

By-Law Article IV, Section 6:

- a. The last sentence of the existing By-Law Article IV, Section 6, concerning the method of voting at meetings of the members, now reads as follows:
"Voting will be by ballot or voice, except that any election of trustees will be by ballot if demanded by any voting member at the meeting before the voting begins."
- b. A fair summary of the proposed amended version of the last sentence of By-Law Article IV, Section 6, concerning the method of voting at meetings of the members, is as follows:
"Voting will be by ballot or voice, except that the election of trustees will be by secret ballot."

By-Law Article V, Section 2:

- a. The second sentence of the existing By-Law Article V, Section, 2, concerning trustees, now reads as follows:
"§2. Trustees need not be Texas residents."
- b. A fair summary of the proposed amended version of the second sentence of By-Law Article V, Section 2, concerning trustees, is as follows:
"§2. Trustees shall be Texas residents."

By-Law Article V, Section 4, second sentence:

- a. The second sentence of the existing By-Law Article V, Section,4, concerning election of trustees, now reads as follows:
"§4. Election to the Board of Trustees shall be by secret written ballot or any

method agreed to by a majority of those voting.”

- b. A fair summary of the proposed amended version of the second sentence of By-Law Article V, Section 4, concerning election of trustees, is as follows:
“§4. Election to the Board of Trustees shall be by secret written ballot.”

By-Law Article V, Section 4, last sentence:

- a. The last sentence of the existing By-Law Article V, Section 4, concerning election of trustees, now reads:
“3. All ballots and proxies shall be received at an official US Postal Service box under the auspices and control of the Election Committee.”
- b. A fair summary of the proposed amended version of the last sentence of By-Law Article V, Section 4, concerning election of trustees, is as follows:
“3. Proxies and ballots mailed to the Association must be received at an official US Postal Service box under the auspices and control of the Election Committee and in compliance with the election rules.”

By-Law Article V, Section 7:

- a. The existing first two sentences of By-Law Article V, Section 7, concerning removal of trustees, now read as follows:
“§7. Any trustee may be removed from the Board, with cause, by a majority vote of the members of the Association present at any meeting entitled to vote. “Cause” is not definitively defined, but can be non-exclusively defined as committing a prohibitive act as set forth in the Bylaws.”
- b. A fair summary of the proposed amendment of By-Law Article V, Section 7, concerning removal of trustees, is the addition of the following sentence after the second sentence:
“§7. Another non-exclusive cause for removal of a trustee is absence from three consecutive Board meetings without satisfactory excuse.”

By-Law Article V, Section 9:

- a. There is no existing By-Law Article V, Section 9.
- b. A fair summary of the proposed, new By-Article V, Section 9 to be added is as follows:

“Rules for Elections of Trustees

“§9. The following rules shall apply to elections of trustees:

- a. The election of the Board of Trustees shall be held at the annual POA meeting by secret ballot.
- b. Proper use of the ballot shall be written on the ballot and explained by the Election Committee (EC) at the beginning of the Annual Meeting.
- c.
 1. To be eligible to vote a person represented by a proxy or voting in person must have paid all required maintenance fees and must not otherwise be suspended as of the date of the notice of the meeting, as provided in the POA By-Laws.
 2. A member with a dispute concerning voting eligibility shall state the dispute and the grounds for it in writing and deliver that statement to the Board of Trustees no later than seven days after the date of the notice of the Annual Meeting.
- d. The POA management shall give the EC an alphabetical list of all eligible voters along with a section, block and lot list, not later than April 6th.
- e. All proxies must be in writing and contain the following legible information:
 1. Legible name of the person giving the proxy.
 2. Signature of the person giving the proxy.
 3. Date of proxy signing.
 4. Name of the person to whom the proxy is given.

The section, lot and block numbers should be included but are not essential.

- f. The newsletter shall contain:
 1. One (1) proxy.
 2. Self addressed, security envelope in which to place the proxy.
 3. A Board approved newsletter.
- g. The EC shall have a US Postal box at a US Post Office (“mail box”). The key to this mail box shall be kept in the double locked proxy box.
 1. Two (2) EC representatives will be needed to open the locked proxy box, in order to get the mail box key.
 2. The envelopes that are collected from the mail box must be stamped with the date received and initialed by the EC representatives opening the mail box.
 3. All initialed mailed in proxies shall be placed in the double locked proxy box in the POA office.
 4. One member chosen by the EC shall keep one combination to the locked proxy box.

- The secretary of the POA shall hold the second combination. The member chosen shall not be a candidate for Trustee or a relative of a candidate for Trustee. If the Secretary is a candidate for Trustee or relative of a candidate for Trustee, then another officer shall hold the second combination.
5. The proxy box shall contain a registration page, which shall be signed and dated by those who open the proxy box.
 6. A majority of EC members must be present at any EC activity to take official action and to approve the physical security of the proxy box.
- h. Proxies delivered to the office shall be placed in a sealed security envelope, signed and dated by the office personnel and placed in the proxy box.
1. The proxies shall remain sealed and locked in the proxy box until the EC opens the envelopes and counts the proxies during the week before the Annual Meeting.
 2. The proxies are to be handed out to the persons designated to vote the proxies at the Annual Meeting.
 3. The Secretary of the POA and a member of the EC shall collect as necessary the mailed proxies. These shall be deposited in the "proxy box". In the case of the inability of either of these persons to discharge their duties, that person may choose a substitute in their stead.
 4. Mailed proxies must be received in the EC's mail box at least 24 hours prior to the time scheduled for the start of the Annual Meeting.
 5. All proxies must be checked by the Election Committee for compliance with these rules and the By-Laws. The Election Committee may permit the Board Secretary or his/her aids to check proxies that are delivered in person on the morning of the Annual Meeting.
- i. Any POA member who has sent in a proxy and decides to attend the Annual Meeting and cast his or her vote personally must pick up their proxy from the Secretary of the POA Board or a person designated by the Secretary.
1. The Secretary shall mark the proxy "void" and the member shall sign and date the voided proxy.
 2. All voided proxies shall be kept to be placed with the ballots at the end of the Annual Meeting for the POA records.
 3. The Secretary of the POA Board shall correct the total number of proxies held by the previously designated proxy holder and mark that number on that person's ballot.
- j. As ballots are handed out at the Annual meeting, the name of the recipient of the ballot (or the person who granted a proxy to the recipient) shall be checked off on the list of eligible voters so there will be no duplicate voting.
- k. There shall be two (2) EC members at each sign in table at the Annual Meeting.

- l. No proxies shall be accepted or revoked at the Annual POA Meeting after the business of the meeting begins.
- m. Any person or relative of a person running for a POA office shall not be present in the room when votes are being counted.
- n. The ballots shall be counted by the EC and/or their appointees and the results announced by the Chair of the EC.
- o. Immediately after the election, all ballots and tallies will be sealed in an envelope.
 1. The seal of the envelope will be dated and initialed by those who counted the ballots.
 2. All proxies shall be returned to those to whom the proxy was designated, except as otherwise provided herein.
 3. The envelope and the contents will be stored for one (1) month in the POA office.
 4. If an election is challenged immediately after the results are announced a recount may take place immediately as provided in Robert's Rules of Order. No recount shall be permitted after the Annual Meeting is adjourned.

By-Law Article VI, Section 4:

- a. The existing By-Law Article VI, Section 4, concerning notice of trustees' meetings, now reads as follows:
 "§4. Notice of any special meeting of the Board of Trustees shall be given at least three (3) days prior to the meeting, pursuant to ARTICLE XVI."
- b. A fair summary of the proposed version of By-Law Article VI, Section 4, concerning notice of trustees' meetings, is as follows:
 "§4. Notice of any special meeting of the Board of Trustees shall be given at least two (2) days prior to the meeting, pursuant to ARTICLE XVI."

By-Law Article VII, Section 1:

- a. The existing By-Law Article VII, Section 1, concerning powers of the Board of Trustees, now reads as follows:
 "§1. The Board of Trustees shall have the power to:
 - “(a) Suspend the member's voting rights and the right to use any facilities or services provided by the Association during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations or for violation of laws and regulations of any governmental entity;
 - “(b) Exercise all powers, duties and authority vested in the Board, on behalf of the

- Association, which are not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration;
- “(c) Declare the office of a member of the Board of Trustees to be vacant in the event such member shall be absent and not represented by proxy for three (3) consecutive regular meetings of the Board of Trustees; and
 - “(d) Employ a manager, an independent contractor, or such other employees as it shall deem necessary, and to prescribe their duties and the terms of employment or services.”
- b. A fair summary of the proposed amendment to By-Law Article VII, Section 1, concerning powers of the Board of Trustees, is the addition of a subsection “e” to read as follows:
- “(e) Establish rules governing conduct, actions, and activities in the public areas, common areas, and areas owned or controlled by the Association within the BAR X RANCH, and to provide for the exclusion of a person violating those rules from those areas.”

By-Law Article VII, Section 2:

- a. The existing By-Law Article VII, Section 2, concerning duties of the Board of Trustees, now reads as follows:
- “§2. It shall be the duty of the Board of Trustees to:
- “(a) Cause to be kept correct and complete books and records of account, minutes of the proceedings of the Association’s members and its Board of Trustees, and to keep at the Association’s registered office or principal office in this State a record of the names and addresses of its members entitled to vote and to make all books and records available for inspection by any member or their agent or attorney for any proper purpose at any reasonable time;
 - “(b) Supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;
 - “(c) Fix the amount of the annual assessment against properties subject to the jurisdiction of the Association and to take such actions as it deems appropriate to collect such assessments and to enforce the liens given to secure payment thereof.
 - “(d) Issue, or to 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 a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such

payment;

- “(e) Procure and maintain such liability and hazard insurance as it may deem appropriate on any property or facilities owned by the Association;
- “(f) All Board members shall have equal authority except for those powers assigned to them by virtue of offices they are appointed to; and
- “(g) Prepare and approve an annual budget for BAR X PROPERTY OWNERS’ ASSOCIATION.”

- b. A fair summary of the proposed amendment to By-Law Article VII, Section 2 is the addition of a subsection “h”, as follows to the list of other duties of the Board of Trustees:

“(h) Cause to be prepared an independent annual audit of the Association’s financial records and secure an annual financial statement from an independent CPA firm, all according to generally accepted accounting principles in the United States of America. If the audit report is limited by qualifications, then the Board shall make reasonable efforts to cure the condition that resulted in the qualification.”

By-Law Article VIII, Section 1:

- a. The existing By-Law Article VIII, Section 1, concerning officers, now reads as follows:

“§1. The Association’s officers will be a president, who shall be at all times a member of the Board of Trustees; a secretary, vice president, a treasurer and such other officers as the Board may from time to time elect or appoint. The Board may create additional officer positions, define the authority and duties of each such position, and elect or appoint persons to fill the positions. The same person may hold any two or more offices, except for president or secretary.”

- b. A fair summary of the proposed amended version of By-Law Article VIII, Section 1, concerning officers, is as follows:

“§1. The Association’s officers will be a president, a secretary, vice president, and a treasurer, each of whom shall be selected from the Board of Trustees and shall be at all times a member of the Board of Trustees. The Board may create additional officer positions, define the authority and duties of each such position, and elect or appoint persons to fill the positions. The same person may hold any two or more offices, except for president or secretary.”

By-Law Article VIII, subsection 9(c):

- a. The existing By-Law Article VIII, subsection 9(c), concerning deposits by the treasurer, now reads as follows:
“§9. The treasurer will:...
- “(c) Deposit all moneys in the Association’s name in banks, trust companies, or other depositories as these ByLaws provide or as the Board or president directs.”
- b. The proposed amended version of By-Law Article VIII, subsection 9(c) is as follows:
“Deposit all moneys in the Association’s name in banks, trust companies, or other depositories as these ByLaws provide or as the Board directs.”

By-Law Article VIII, subsection 9(d):

- a. The existing By-Law Article VIII, subsection 9(d), concerning checks and disbursements of funds by the treasurer, now reads as follows:
“§9. The treasurer will:...
- “(d) Write checks and disburse funds to discharge the Association’s obligations. However, funds may not be drawn from the Association or its accounts for amounts greater than \$1,500 without the signature of the president, vice president or office manager in addition to that of the treasurer.”
- b. The proposed amended version of By-Law Article VIII, subsection 9(d), concerning checks and disbursements of funds by the treasurer, is as follows:
“(d) Write checks and disburse funds to discharge the Association’s obligations. However, funds may not be drawn from the Association or its accounts for amounts greater than \$1,500 without the signature of the president, vice president or office manager in addition to that of the treasurer. This requirement of a second signature shall also apply to checks that total greater than \$1,500 in the aggregate to the same payee for the same project or purchase.”

By-Law Article VIII, subsections 9(e and f):

- a. The existing By-Law Article VIII, subsections 9(e and f), concerning financial books, records, and reports by the treasurer, now reads as follows:
“§9. The treasurer will:...
- “(e) Maintain the Association’s financial books and records.
- “(f) Prepare financial reports at least annually.”
- b. The proposed amended version of By-Law Article VIII, subsections 9(e and f), concerning financial books, is as follows:

- “§9. The treasurer will:...
- “(e) Maintain the Association’s financial books and records according to Generally Accepted Accounting Principles in the United States of America.
- “(f) Prepare financial reports monthly and annually according to Generally Accepted Accounting Principles in the United States of America.”

By-Law Article VIII, subsection 9(i):

- a. The existing By-Law Article VIII, subsection 9(i), concerning delegation of duties from the treasurer to the office staff, now reads as follows:
- “(i) All such duties may be delegated by the treasurer to the office staff, under the treasurer’s supervision.”
- b. The proposed amended version of By-Law Article VIII, subsection 9(i) is as follows:
- “(i) All such clerical duties may be delegated by the treasurer to the office staff, under the treasurer’s supervision.”

By-Law Article IX, Section 2:

- a. The existing By-Law Article IX, Section 2, concerning committees, now reads as follows:
- “§2. The following committee is authorized:

“Architectural Control Committee

“The Board will define the activities and scope of authority of the committee by resolution, subject to the Declaration of Restrictions.”

- b. A fair summary of the proposed amended version of By-Law Article IX, Section 2, concerning committees, is as follows:
- “§2.a. The following committee is authorized:

“Architectural Control Committee

“b. The Board of Trustees may appoint the following standing committees: Maintenance, Election, Waterways, Capitol Improvements, Financial/Legal, and any other committees as authorized by Section 1.

“c. The Board will define the activities and scope of authority of the committees by resolution, subject to the Declaration of Restrictions.”

By-Law Article IX, Section 3:

- a. The existing By-Law Article IX, Section 3, concerning committee members, now reads as follows:

“§3. Each committee member will continue to serve on the committee for two years and until a successor is appointed. However, a committee member’s term may terminate earlier if the committee is terminated, or if the member dies, ceases to qualify, resigns, or is removed as a member. A vacancy on a committee may be filled by an appointment made in the same manner as an original appointment. A person appointed to fill a vacancy on a committee will serve for the unexpired portion of the terminated committee member’s term.”

- b. A fair summary of the proposed amended version of By-Law Article IX, Section 3, concerning committee members, is as follows:

“§3. Each committee member will continue to serve on the committee until a successor is appointed. However, a committee member’s term may terminate earlier if the committee is terminated, or if the member dies, ceases to qualify, resigns, or is removed as a member. A vacancy on a committee may be filled by an appointment made in the same manner as an original appointment.”

By-Law Article IX, Section 4:

- a. The existing By-Law Article IX, Section 4, concerning committee chairs, now reads as follows:

“§4. One member of each committee will be designated as the committee chair. The chair will be appointed by the president. The chair will call and preside at all meetings of the committee.”

- b. A fair summary of the proposed amended version of By-Law Article IX, Section 4, concerning committee chairs, is as follows:

“§4. One member of each committee will be designated as the committee chair. The chair shall be elected by the Board of Trustees. The chair will call and preside at all meetings of the committee.”

By-Law Article IX, Section 5:

- a. The existing By-Law Article IX, Section 5, concerning notice of committee meetings, now reads as follows:

“§5. Written or printed notice of a committee meeting will be delivered to each member of a committee not less than seven (7) nor more than thirty(30) days before the date of the meeting. The notice will state the place, day, and time of the meeting, and the purpose or purposes for which it is called.”

- b. A fair summary of the proposed amended version of By-Law Article IX, Section 6, concerning notice of committee meetings, is as follows:

“§5. Written or printed notice of a committee meeting will be delivered to each

member of a committee not less than twenty-four (24) hours before the time set for the meeting. The notice will state the place, day, and time of the meeting, and the purpose or purposes for which it is called."

By-Law Article X, Section 2:

- a. The existing By-Law Article X, Section 2, concerning deposits, now reads as follows:
"§2. All the Association's funds will be deposited to the credit of the Association in banks, trust companies, or other depositories that the Board selects."
- b. A fair summary of the proposed amended version of By-Law Article X, Section 2, concerning deposits, is as follows:
"§2. All the Association's funds will be deposited to the credit of the Association in banks, trust companies, or other depositories that the Board selects, so that such deposits are fully insured by the FDIC or FSLIC."

By-Law Article X, Section 4:

- a. The existing By-Law Article X, Section 4, concerning potential conflicts of interest now reads as follows:
§4. The Association may not make any loan to a trustee or officer of the Association. A member, trustee, officer, or committee member of the Association may not lend money to and otherwise transact business with the Association except as otherwise provided by these Bylaws, the Articles of Incorporation, and applicable law. Such a person transacting business with the Association has the same rights and obligations relating to those matters as other persons transacting business with the Association. The Association may not borrow money from or otherwise transact business with a member, trustee, officer, or committee member of the Association unless the transaction is fully described in a legally binding instrument and is in the Association's best interests. The Association may not borrow money from or otherwise transact business with a member, trustee, officer, or committee member of the Association without full disclosure of all relevant facts and without the Board's approval, not including the vote of any person having a personal interest in the transaction."
- b. A fair summary of the proposed amended version of By-Law Article X, Section 4 is as follows (the word "employee" has been added each time the section uses any of the terms "member, trustee, officer, or committee member") :
§4. The Association may not make any loan to a trustee, employee, or officer of the Association. A member, trustee, officer, employee, or committee member of the Association may not lend money to and otherwise transact business with the Association except as otherwise provided by these Bylaws, the

Articles of Incorporation, and applicable law. Such a person transacting business with the Association has the same rights and obligations relating to those matters as other persons transacting business with the Association. The Association may not borrow money from or otherwise transact business with a member, trustee, officer, employee, or committee member of the Association unless the transaction is fully described in a legally binding instrument and is in the Association's best interests. The Association may not borrow money from or otherwise transact business with a member, trustee, officer, employee, or committee member of the Association without full disclosure of all relevant facts and without the Board's approval, not including the vote of any person having a personal interest in the transaction."

By-Law Article X, Section 5:

- a. The existing By-Law Article X, Section 5, concerning prohibited acts, now reads as follows:
 - "§5. As long as the Association exists, and except with the Board's or the member's prior approval, no member, trustee, officer, or committee member of the Association may:
 - “(a) Do any act in violation of these Bylaws or a binding obligation of the Association.
 - “(b) Do any act with the intention of harming the Association or any of its operations.
 - “(c) Do any act that would make it impossible or unnecessarily difficult to carry on the Association's intended or ordinary business.
 - “(d) Receive an improper personal benefit from the operation of the Association.
 - “(e) Use the Association's assets, directly or indirectly, for any purpose other than carrying on the Association's business.
 - “(f) Wrongfully transfer or dispose of Association property, including intangible property such as good will.”
- b. A fair summary of the proposed amended version of By-Law Article X, Section 5, concerning prohibited acts, is as follows (the word “employee” has been added to the list of “member, trustee, officer, or committee member” in the introductory paragraph):
 - "§5. As long as the Association exists, and except with the Board's or the member's prior approval, no member, trustee, officer, employee, or committee

member of the Association may:

- “(a) Do any act in violation of these Bylaws or a binding obligation of the Association.
- “(b) Do any act with the intention of harming the Association or any of its operations.
- “(c) Do any act that would make it impossible or unnecessarily difficult to carry on the Association’s intended or ordinary business.
- “(d) Receive an improper personal benefit from the operation of the Association.
- “(e) Use the Association’s assets, directly or indirectly, for any purpose other than carrying on the Association’s business.
- “(f) Wrongfully transfer or dispose of Association property, including intangible property such as good will.”

By-Law Article XI, Section 1, introductory paragraph:

- a. The introductory paragraph of existing By-Law Article XI, Section 1, now reads as follows:
“§1. The Association will keep correct and complete books and records of account. The books and records include...”:
- b. A fair summary of the proposed amended version of By-Law Article XI, Section 1 is as follows:
“§1. The Association will keep correct and complete books and records of account according to Generally Accepted Accounting Principles in the United States of America. The books and records include:...”:

By-Law Article XI, subsections 1(e and f):

- a. The existing By-Law Article XI, subsections 1(e and f), concerning required books and records, now read as follows:
 - “(e) A financial statement showing the Association’s assets, liabilities, and net worth at the end of the three (3) most recent fiscal years.
 - “(f) A financial statement showing the Association’s income and expenses for the three (3) most recent fiscal years.”

- b. A fair summary of the proposed amended version of By-Law Article XI, subsections (e and f), concerning required books and records, is as follows:

- “(e) An independently audited financial statement prepared according to Generally Accepted Accounting Principles in the United States of America, showing the Association’s assets, liabilities, and net worth at the end of the three (3) most recent fiscal years, beginning with fiscal year 2005.

- “(f) An independently audited financial statement prepared according to Generally Accepted Accounting Principles in the United States of America, showing the Association’s income and expenses for the three (3) most recent fiscal years, beginning with fiscal year 2005.”

By-Law Article XVII, Section 3:

- a. The second sentence of existing By-Law Article XVII, Section 3, concerning proxies, now reads as follows:

- “The secretary or other person taking the minutes of the meeting will record in the minutes the name of the person who executed the proxy and the name of the person authorized to exercise the proxy.”

- b. A fair summary of the proposed amended version of the second sentence of By-Law Article XVII, Section 3, concerning proxies, is as follows:

- “The election rules adopted by the Board of Trustees or the Election Committee shall provide procedures to prevent the same lot from being double-voted, by proxy and in person.”

By-Law Article XVIII:

- a. The caption of By-Law Article XVIII, now reads as follows:

- “ARTICLE XVIII**
“AMENDMENTS AMENDING BYLAWS”

- b. A fair summary of the proposed amended version of the caption of By-Law Article XVIII is as follows:

- “ARTICLE XVIII**
“AMENDING BYLAWS”

By-Law Article XVIII, Section 1:

- a. The first sentence of existing By-Law Article XVIII, Section 1, concerning amending bylaws, now reads as follows:

- “§1. These Bylaws may be altered, amended or repealed or new Bylaws adopted at a regular or special meeting of the members, attended by a quorum, by a

vote of a majority of members present in person or by proxy who are eligible to vote.”

- b. A fair summary of the proposed amended version of the first sentence of By-Law Article XVIII, Section 1, concerning amending bylaws, is as follows:
“§1. These Bylaws may be altered, amended or repealed or new Bylaws adopted at an annual meeting of the members, attended by a quorum, by a vote of a majority of members present in person or by proxy who are eligible to vote.”



Camp Grounds

SALES OFFICE

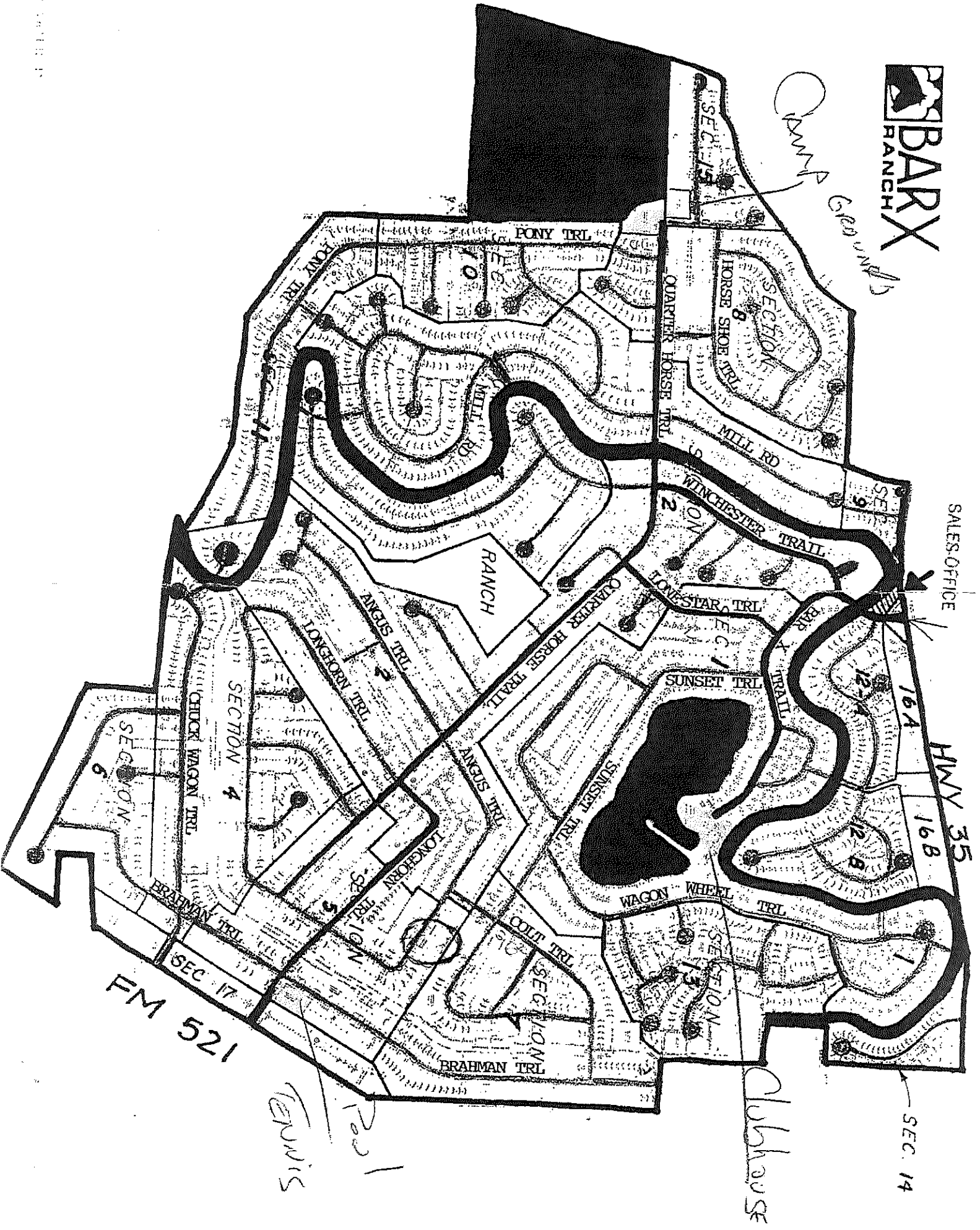
HWY 35
164
168

SEC. 14

Clubhouse

Tennis

1001



FM 521

SEC 17

SECTION 6

SECTION 4

SECTION 13

SUNSET TRL

WAGON WHEEL TRL

BRAHMAN TRL

COLT TRL

ANGUS TRL

LONGHORN TRL

ANGUS TRL

LONGHORN TRL

CHUCK WAGON TRL

BRAHMAN TRL

LONGSTAR TRL

WINCHESTER TRAIL

MILL RD

QUARTER HORSE TRL

TRAIL SHOE

PONY TRL

RANCH

MILL RD

SECTION 10

SECTION 15

SECTION 16