

BY-LAWS OF  
LAKE GRANBURY HARBOR OWNERS ASSOCIATION

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ARTICLE ONE

Membership

Section 1. Each owner of one or more lots and each purchaser under a contract to purchase one or more lots (with such contract then being in force) in Lake Granbury Harbor Subdivision (hereinafter called the "Subdivision") is eligible for membership; provided, however, that commencing the last Friday in April, 19 82, Lake Granbury Resort Company shall not be eligible for membership.

Section 2. Members shall be entitled to one vote (at all meetings of members and otherwise) for each lot owned or purchased by them, as described in Section 1 of this ARTICLE ONE, in the Subdivision; provided that not more than one vote shall be cast with respect to each lot. With the exception noted in the last sentence of this Section, votes shall not be divided into fractional votes. Where two or more members are the owners or purchasers of the same lot (or portion of a lot), any of such members may cast the entire vote attributable to such lot (or portion of a lot), provided the Association does not receive, at or prior to the time such vote is cast, notice of protest of such action from members who collectively are the owners or purchasers of at least one-half interest in such lot (or portion of a lot). Such notice of protest must be in writing unless given at a duly called meeting of members. In the event that a lot is validly subdivided, and a member

or members is (are) the owner(s) or purchaser(s) of at least 40% but no more than 60% (in area) of such lot, such member(s) shall be entitled to 1/2 vote for such lot.

Section 3. All members, their families and authorized guests shall have the right to use all of the Association's facilities, including its swimming pool, park and recreational area, to the extent permitted by and in accordance with terms and conditions that may be set out in the Association's rules which may from time to time be established by its Board of Directors. As to each membership which is held by other than a single individual, that is, a membership held by two or more persons, by a corporation or a firm partnership, the use of the Associations' facilities shall be only by an individual person and the family of such individual person named by such member. No member who is in arrears for more than 30 days in respect to the monthly assessments set forth in the restrictions of record in respect to the Subdivision, or in any other dues and/or accounts of the Association, shall be eligible to vote at any meeting of members; provided, however, that with respect to any such member who is an owner or purchaser of more than one lot, the loss of vote of such member shall only apply to such lot as to which he is in arrears.

Section 4. Upon the termination of membership for any cause, whether by resignation, death, expulsion or otherwise, all the rights and interests of the member in the privileges, rights, properties, funds or assets of the Association shall cease, ipso facto.

Section 5. Membership shall be evidenced by such card, certificate or other writing as the Board of Directors shall authorize.

Section 6. Each person or entity eligible for membership in the Association who desires to become a member must sign a Membership Agreement, in such form as the Board of Directors shall prescribe, and deliver same to the Association or its

designated representative. Such person or entity shall thereafter be a member of the Association, unless such person or entity is expelled, ceases to be eligible for membership, or ceases to be a member for any other reason. Notwithstanding the provisions hereinabove, Lake Granbury Resort Company shall be a member of the Association, subject to termination according to the provisions of ARTICLE ONE, Section 1 of these By-Laws, without any requirement of executing any documents whatsoever.

Section 7. A member may be expelled for good cause only by a unanimous vote of all of the Board of Directors of the Association, which expulsion and determination of good cause shall be in the sole discretion of the Board of Directors. In no event shall expulsion operate to discharge the expelled member's indebtedness to the Association, nor shall expulsion operate to discharge then accrued assessments, nor cease the accrual of future assessments, against property of which such expelled member continues to be an owner or purchaser.

## ARTICLE TWO

There shall be no initiation fees. Members shall be bound to pay assessments to the Association in accordance with the restrictions for the Subdivision now and hereafter recorded.

## ARTICLE THREE

### Board of Directors

Section 1. The affairs and management of the Association shall be conducted by a Board of Directors consisting of three Directors, which Board shall have full power and authority to carry out the purposes of the Association and to do any and all lawful acts necessary or proper thereto.

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Section 2. Except as otherwise provided in Section 3 of this ARTICLE THREE, Directors shall serve a term of three years and thereafter until their successors are elected and have qualified. Any Director may succeed himself and serve as many consecutive terms or non-consecutive terms as he may be elected. Directors must be members of the Association.

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Section 3. The initial Directors named in the Articles of Incorporation shall act as the first duly qualified Board of the Association. The terms of the Board of Directors shall be staggered and, to this end, the initial Director first named in the Articles of Incorporation shall serve for a term of one year; the initial Director next named in said Articles of Incorporation shall serve for a term of two years; and the initial Director last named in said Articles of Incorporation shall serve for a term of three years. Likewise, hereafter, the terms of the Board of Directors shall be so staggered that one Director shall be elected yearly (in addition to Directors elected due to resignation, death or removal, and Directors to fill vacancies thus caused may be elected by a majority of the remaining Directors constituting a quorum).

MEMBER

Section 4. Directors shall be elected at the annual meeting of members by a majority of the vote cast in person or by proxy at such meeting. Before the expiration of the term of any Director, the President shall appoint a nominating committee of three members, which committee shall nominate one nominee for each directorship to be filled.

Section 5. A majority of the Directors shall constitute a quorum at any meeting, and a majority of those present shall be sufficient to determine any question, except in regard to expulsion of members as hereinbefore provided. Meetings of the Board of Directors may be held at any place within the State of Texas.

## ARTICLE FOUR

### Officers

Section 1. The officers of the Association shall be a President, one or more Vice Presidents, a Secretary and a Treasurer, elected by the Board of Directors. More than one office may be held by the same person. All officers shall be elected annually by the Board of Directors within a reasonable time after the annual meeting of the membership of this Association. All officers shall hold office for a period of one year, or until his successor is duly elected and qualified. No officer shall be required to be a member of the Association nor of the Board.

Section 2. The President shall be the chief executive officer of the Association and shall preside over meetings of the Board of Directors and meetings of the membership.

Section 3. Any Vice President shall exercise the functions of the President in his absence and shall perform such other duties as the Board of Directors may prescribe.

Section 4. The Secretary shall keep, or cause to be kept, the minutes of all meetings and a complete list of all members and their addresses, shall give the notices required therein, and shall perform all duties required of a Secretary.

Section 5. The Treasurer shall work closely with the Association manager in the collection of all fees, dues and charges and the handling and disbursing of all money. He shall be responsible for the proper accounting of the Association's financial matters and such other reports as may be specified by the Board of Directors.

## ARTICLE FIVE

### Committees

Section 1. The Board of Directors or the President may appoint such

committees from time to time, and delegate to such committees such duties, as it or he may deem proper.

Section 2. The appointments of the membership committee and the nominating committee shall be made by the President as provided above.

## ARTICLE SIX

### Meetings

Section 1. The annual meeting of the members of the Association shall be held at the recreational center in the Subdivision or at such other place as shall be determined by the President of the Association, on the second Saturday in September of each year commencing with the year 1977, at 10:00 o'clock A. M. Special meetings may be called by the President or by a majority of the Board of Directors.

Section 2. The vote of a majority of the total votes cast by qualified voting members present in person or by proxy shall decide any question brought before such meeting, the respective members to have such number of votes as hereinbefore provided in ARTICLE ONE.

Section 3. Without notice, the annual meeting of the Board of Directors shall be held on the same day and at the same place as the annual meeting of the members and immediately following the adjournment of such annual meeting. Special meetings of the Board of Directors shall be called at any time by the President or by any two members of the Board of Directors.

Section 4. No notice shall be required in respect to any annual or regular meeting of members nor annual nor regular meeting of the Board of Directors.

## ARTICLE SEVEN

### Miscellaneous

Section 1. These By-Laws or any part thereof may be amended, modified or repealed only by the unanimous vote and approval of all the Directors of the Association.

Section 2. Any notice required to be given shall be deemed to be personal notice, but may be orally given by the President or may be given by the President causing to be posted such notice upon any bulletin board at the recreational area in the Subdivision.

Section 3. All provisions contained in the Articles of Incorporation of the Association, in the restrictions for the Subdivision, now or hereafter recorded and in all state and federal statutes shall have precedence and shall control over any conflicting provisions contained in these By-Laws.

Section 4. The Association shall not enter into any contract to pay, and shall not pay, any salary or other remuneration to any officer, Director nor committee member of the Association for their services as such.