

**THIRD REVISED BY-LAWS OF THE
DAVIS MOUNTAINS PROPERTY OWNERS ASSOCIATION, INC.**

ARTICLE I – NAME

As stated in its Articles of Incorporation, the name of this Association shall be Davis Mountains Property Owners Association, Inc., a Texas Non-Profit Corporation.

ARTICLE II – OFFICES

The principal office of the corporation shall be located in the Davis Mountains Resort, Jeff Davis County, Texas. The corporation may have such other offices, within Jeff Davis County, Texas, as the Board of Directors may determine or as the affairs of the corporation may require. The corporation shall have and continuously maintain in the State of Texas a registered office, and a registered agent whose office is identical with such registered office, as required by the Texas Non-Profit Corporation Act. The registered office may be, but need not be, identical with the principal office of the corporation, and the address of the registered office may be changed by the Board of Directors.

ARTICLE III – MEMBERS

Section 1. (Members). Members of the corporation shall be all owners of a lot in the Davis Mountains Resort, being those properties described in that certain **AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS, DAVIS MOUNTAINS PROPERTY OWNERS ASSOCIATION, INC.**, recorded in the Real Property Records of Jeff Davis County, Texas, and any valid amendments of such **AMENDED AND RESTATED DECLARATION OF COVENANTS CONDITIONS AND RESTRICTIONS, DAVIS MOUNTAINS PROPERTY OWNERS ASSOCIATION, INC.**, duly and properly passed and recorded in the Real Property Records of Jeff Davis County, Texas.

Section 2. (Transfer of Membership). Membership in this corporation is not transferable or assignable, other than by proper conveyance of a lot in said Davis Mountains Resort.

Section 3. (Voting Rights). Members, whose assessment fees are current on all lots owned, shall have the right of one (1) vote per lot owned on each matter submitted to a vote of the members. This is to include single and joint ownership of lots to mean one (1) vote for owners in common.

Section 4 (Proxy Voting). Proxy voting shall be permitted in accordance with applicable Texas law. Proxies shall be valid only for those issues or elections enumerated upon an official proxy form issued by the Davis Mountains Property Owners Association, Inc.

Section 5. (Certificates of Membership). The Board of Directors may provide for the issuance of certificates of membership in the corporation, which shall be in such form as may be determined by the Board.

ARTICLE IV –MEETING OF MEMBERS

Section 1. (Annual Meeting). An annual meeting of the corporation's members shall be held on the last Saturday in June of each year, for the purpose of electing Directors and for the transaction of such other business as may come before the meeting.

Section 2. (Special Meetings). Special meetings of the members may be called by the President, the Board of Directors or members having not less than 10% of the votes which may be cast at such meeting.

Section 3. (Place of Meetings). All corporate meetings shall be held at the Davis Mountains Resort.

Section 4. (Notice of Annual or Special Meeting of the Members). Written or printed notice stating the place, day and hour of any meeting of the members shall be delivered, either personally or by mail, to each member entitled to vote at such meeting, not less than thirty days nor more than sixty days prior to the date of such meeting, at the direction of the President, the Board of Directors or the persons calling the meeting. In case of a special meeting or when required by statute or by these By-Laws, the purpose or purposes of such meeting shall be stated in the notice. If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States Mail addressed to the member at his address as it appears in the records of the corporation, with postage prepaid.

Section 5. (Quorum). The members holding one-tenth (1/10) of the eligible votes, which may be cast, in person or by proxy, at any meeting shall constitute a quorum at such meeting. If a quorum is not present at any meeting of the members, a majority of the members present may adjourn the meeting from time to time without further notice.

ARTICLE V – BOARD OF DIRECTORS

Section 1. (Board of Directors). The Board of Directors shall manage the affairs of the corporation. Directors must be members of the corporation but need not be residents of the Davis Mountains Resort. Directors must be current on assessment fees on all lots owned in order to serve as Directors.

Section 2. (Number of Directors). The Board of Directors shall consist of ten (10) members. Each director shall hold office until his successor has been elected and qualified. Such Directors shall be elected, by ballot, for two-year terms. In order to provide for staggered terms in office, five Directors shall be elected each year. The five candidates with the greatest number of votes shall be elected. Election ballots and proxies, after being tallied, shall be delivered to the Secretary of the corporation.

Section 3. (Meetings of Directors). All regular and special meetings of the Board of Directors shall be held at the Davis Mountains Resort. A regular annual meeting of the Board of Directors shall be held without other notice than this By-Law, as soon as possible after the annual meeting of the members for the purpose of electing officers. The Board of Directors may provide by resolution the time and day for the holding of regular monthly meetings of the board. All regular and special meetings of the Board of Directors shall be held in accordance with the “MEETING RULES FOR DMPOA BOARD OF DIRECTORS” adopted by the members June 29, 1996 (which are attached hereto as Exhibit A) and any valid amendments thereof.

Section 4. (Special Meetings of Directors). Special meetings of the Board of Directors may be called by or at the request of the President or any two directors. Notice of any special meeting of the Board shall be posted at least two days previously thereto.

Section 5. (Quorum). A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board, but if less than a majority attend any such meeting, then a majority of those attending shall adjourn the meeting to another time.

Section 6. (Vacancies). Any vacancy occurring on the Board of Directors shall be filled by the remaining Board of Directors, though less than a quorum of Directors for other purposes. A director appointed to fill a vacancy shall be appointed for the unexpired term of his predecessor in office.

Section 7. (Compensation). Members of the Board of Directors shall serve without compensation, except that upon approval of the Board of Directors, Board members may be reimbursed for expenses incurred in performing the duties of their office.

Section 8. (Emergency Meetings). In the event of a natural disaster or an emergency requiring immediate action, the President or any two directors may call an emergency meeting for the purpose of dealing with any such disaster or emergency, without meeting any posting requirements. In the event that an emergency meeting is necessary and it is not possible to have a quorum present, a telephone meeting may be conducted to fulfill the quorum requirement. Minutes of that meeting must be submitted for approval at the next regular board meeting.

Section 9. (Removal of Elected Directors). Any elected Director may be removed, by a vote at least equal to the number of votes which were cast to elect him, at a Special Meeting of the members called under the provisions of Article IV herein.

Section 10. (Removal of Appointed Directors). Any Director, appointed by the Board of Directors, may be removed by the Board of Directors whenever in the judgment of the members of the Board the best interest of the corporation will be served.

Section 11. (Conflicts of Interest). No Director may vote or participate in discussion of any matter in which he has personal or financial interest, nor may he have access to any documents or correspondence between the Association and its attorneys or employees in which the same is discussed or which may be privileged, or correspondence with the Association's accountants or insurance personnel in which the same is discussed, other than ownership of property in the Davis Mountains Resort.

ARTICLE VI – OFFICERS

Section 1. (Officers). The officers of the corporation shall be a President, Vice-President, Secretary and a Treasurer, and such other officers as may be elected in accordance with the provisions of this Article. The Board of Directors may elect or appoint such other officers, as it shall deem advisable, such officers to have the authority and perform the duties prescribed by the Board of Directors. The President, Vice-President, Secretary and Treasurer must all be members of the Board of Directors, and they shall be elected annually by the Board of Directors at the regular annual meeting of the Board. Each officer shall hold office until his successor has been duly elected and qualified.

Section 2. (Removal). Any officer elected by the Board of Directors may be removed by the Board of Directors whenever in the judgement of two-thirds (2/3) of the members of the Board the best interest of the corporation will be served thereby.

Section 3. (Vacancies). A vacancy in any office may be filled by the Board of Directors in conformance with Article V, Section 6 of these By-Laws.

Section 4. (President). The President shall be the principal executive officer of the corporation and shall supervise all of the business and affairs of the corporation in general. He shall preside at all meetings of the members and of the Board of Directors. He may sign, with the Secretary or any other proper officer of the corporation authorized by the Board of Directors, any deeds, mortgages, bonds, contracts or other instruments which the Board of Directors have authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these By-Laws or by statute to some other officer or agent of the corporation. The President shall appoint all necessary committees, subject to approval by the Board of Directors. In general, he shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors.

Section 5. (Vice-President). In the absence of the President or in the event of his inability or refusal to act, the Vice-President shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Vice-President shall perform such other duties assigned to him by the President or the Board of Directors.

Section 6. (Secretary). The Secretary shall post and/or issue notices of all meetings, shall handle all correspondence affecting the corporation, with the advice and approval of the President. The Secretary shall perform all other duties as are generally performed by the Secretary and other such duties delegated to him by the President or the Board of Directors.

The Secretary shall attend and keep the minutes of all membership and Directors' meetings, shall have charge of all corporate books, records and papers, shall be the custodian of the corporate seal (if any), shall attest with his signature and impress with any corporate seal all written contracts of the corporation and keep all ballots and proxies from all membership meetings for two years after the vote was taken.

Section 7. (Treasurer). The Treasurer shall have custody of all funds and securities of the corporation, shall be responsible for the keeping of regular books of account and shall submit them, together with all vouchers, receipts, records and other papers, to the Directors for their examination and approval as often as they may require. The Treasurer shall be responsible for collecting all assessment fees and special assessments and depositing same in a special account, entitled Davis Mountains Property Owners Association, Inc., in the corporation's depository bank. All checks received and deposited to said account shall be stamped "Deposit Only to Davis Mountains Property Owners Association, Inc." When requested, the Treasurer shall furnish to the Secretary a list of those members of the corporation who are delinquent in the payment of assessment fees or special assessments.

ARTICLE VII – COMMITTEES

Section 1. (Formation of Committees). All committees shall be composed of members who are current on assessment fees. The President shall appoint the following committees, to have the duties and powers listed below:

- (a) BUDGET COMMITTEE. This committee shall be composed of the Treasurer, as Chairman, and three members of the Board. This committee shall prepare an annual budget for submission to the Board of Directors for their approval, by the April Board Meeting. The approved budget shall be presented to the members at the annual members' meeting. This committee shall prepare necessary revisions to the annual budget and submit them to the Board for approval.

- (b) NOMINATING COMMITTEE. This committee shall be composed of three members, two of whom shall be members of the Board of Directors. This committee shall be appointed by the March Board meeting of each year. It shall solicit and/or accept all applications for Directors to be placed on the ballot for the election to be held at the annual members' meeting. By the May Board of Directors meeting, this committee shall prepare, for the Board's approval, ballots and proxy forms for voting at the Annual Meeting.

By the May Board meeting of each year, this committee shall also submit to the Board of Directors the nominees for necessary vote counters and the election judge, who will supervise the annual election.

- (c) ROAD COMMITTEE. This committee shall be composed of five members who shall prepare, for the Board of Directors' approval, and implement a plan for the maintenance and repair of the roads and a road equipment maintenance schedule. The chairman of this committee, or his designee, shall make a monthly report to the Board of Directors of work accomplished and planned, including equipment maintenance and repairs. The chairman of this committee, or his designee, shall be responsible for the supervision of any maintenance employees and/or contractors who are employed to implement the road plan.

Section 2. (Vacancies). Vacancies in the membership of each committee shall be filled in the same manner as provided in the case of the original appointments.

Section 3. (Quorum). A simple majority of a committee shall constitute a quorum for the transaction of committee business.

ARTICLE VIII – ASSESSMENTS

Section 1. (Annual Assessments). Annual assessments shall be the sum of \$8.00 per month, per lot owned by a member, to be used for the maintenance, safety, upkeep and improvement of the Davis Mountains Resort Properties. The amount of the annual assessments may be changed by two-thirds (2/3) of the eligible votes cast, in person or by proxy, on the matter at the Annual Meeting.

Section 2. (Special Assessments). In addition to the annual assessments authorized above, the corporation may levy in any assessment year a special assessment applicable to that year only. Special Assessments may only be made at the Annual Meeting or at an Assessment Meeting of the membership, by two-thirds (2/3) of the eligible votes cast, in person or by proxy, on the matter. An Assessment Meeting shall be called in accordance with Article IV, Sections 4 and 5 of these By-Laws.

ARTICLE IX – SALE, MORTGAGE AND ANNEXATION OF REAL PROPERTY

Section 1. (Sale of Real Property). The Board of Directors shall not have the authority to sell any real property asset of the Corporation except as provided for herein. Any sale requires approval of two-thirds (2/3) of the eligible votes cast, in person or by proxy, on the matter at an Annual Meeting or Sale Meeting. A Sale Meeting shall be called in accordance with Article IV, Sections 4 and 5 of these By-Laws.

Section 2. (Mortgage of Real Property). The Board of Directors shall not have the authority to mortgage any real property asset of the Corporation except as provided for herein. Any mortgage requires approval by two-thirds (2/3) of the eligible votes cast, in person or by proxy, on the matter at an Annual Meeting or Mortgage Meeting. A Mortgage Meeting shall be called in accordance with Article IV, Sections 4 and 5 of these By-Laws.

Section 3. (Annexation). The Board of Directors shall not have the authority to annex any property except as provided for herein. Additional property may be annexed and made part of the Davis Mountains Resort, provided the owner of the property to be annexed petitions the Board of Directors for annexation and provided the property is contiguous with the Davis Mountains Resort that is subject to that certain **AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS, DAVIS MOUNTAINS PROPERTY OWNERS ASSOCIATION, INC.**, recorded in the Real Property Records of Jeff Davis County, Texas, and any valid amendments thereto. Any annexation requires approval by two-thirds (2/3) of the eligible votes cast, in person or by proxy, on the matter at an Annual Meeting or Annexation Meeting. An Annexation Meeting shall be called in accordance with Article IV, Sections 4 and 5. Upon a favorable vote by the members for annexation,

the property annexed shall become part of the Davis Mountains Resort and shall immediately be subject to the aforementioned Covenants, Conditions and Restrictions and any valid amendments thereto.

ARTICLE X – GENERAL PROVISIONS

Section 1. (Contracts). The Board of Directors may authorize the President and the Secretary, in addition to other officers, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances.

Section 2. (Disbursements). All disbursements shall be made out of the corporation's bank account, as authorized by the Board of Directors, by check counter-signed by the President and the Treasurer of the corporation. In the absence of either the Treasurer or the President, then such checks may be counter-signed by the Vice-President along with the remaining officer.

Section 3. (Books and Records). The corporation shall keep correct and complete books, records of account, ballots and proxies, and shall also keep minutes of the proceedings of its members, Board and committees. All fiscal records must comply with the Generally Accepted Accounting Standards for Common Interest Ownership Organizations of The American Institute of Certified Public Accountants. The corporation shall keep the originals of these documents, as well as a record giving the names and addresses of all members, at the registered office. All books and records may be inspected by any member or his agent or attorney-in-fact, for any proper purpose at any reasonable time.

Section 4. (Fiscal Year). The fiscal year of the corporation shall begin on the 1st day of July and end on the last day of June in each year.

Section 5. (Seal). No seal shall be required unless the Board of Directors elects to require one by resolution to that effect properly made; in which case it shall select the form of such seal.

Section 6. (Waiver of Notice). Any notice required to be given under the provision of the law, or by these By-Laws, may be waived by written waiver signed by the member entitled to such notice, whether before or after the time stated in such notice, and delivered to the Secretary of the Corporation.

Section 7. (Meeting Rules). All meetings of the corporation shall be conducted and governed in accordance with these By-Laws and the "MEETING RULES FOR DMPOA BOARD OF DIRECTORS" adopted by the members June 29, 1996, and any valid amendments thereof. In the event either of these are not applicable, Robert's Rules of Order shall be used.

Section 8. (Gender). The use of male pronouns in these By-Laws is for convenience only and the same are intended to apply equally to both sexes.

Section 9. (Lot, Plot and Tract). The use of the terms lot, plot and tract is for convenience only and the same are intended to apply equally.

Section 10. (Headings). The use of headings is for convenience only and shall not be considered in construing the terms of the By-Laws.

Section 11. (Severability). If any portion of these By-Laws is held to be invalid, illegal or unenforceable, it shall be severed and all other portions of these By-Laws shall remain in full force and effect.

Section 12. (Gifts). The Board of Directors on behalf of the Association may accept gifts of money or property, real or personal.

Section 13. (Audits). An audit of the Corporation's financial records shall be conducted annually by an owner, appointed by the President and approved by the Board of Directors, who is not a member of the Board. The audit shall be completed by June 1st and the results shall be presented at the Annual Meeting.

Section 14. (Texas Law). These By-Laws shall be interpreted in a way that complies with the laws of the State of Texas.

ARTICLE XI – AMENDMENT OF BY-LAWS

These By-Laws may be altered, amended or repealed and new By-Laws may be adopted only by two-thirds (2/3) of the eligible votes cast, by written ballot, in person or by proxy, at a special meeting called for this purpose. The meeting shall be called in accordance with Article IV, Sections 4 and 5 of these By-Laws. Notice of the meeting shall contain the specific alterations, amendments or repeals recommended by the Board, and shall be delivered and mailed in the same manner as other notices described by these By-Laws. Any amendment, alteration or repeal adopted by such ballots and proxies shall be duly recorded in the Jeff Davis County Court House, Jeff Davis County, Texas.

ARTICLE XII – ADOPTION

The above and foregoing THIRD REVISED BY-LAWS OF THE DAVIS MOUNTAINS PROPERTY OWNERS ASSOCIATION, INC., were duly adopted by ballot by a proper majority vote of said corporation members, voting as certified on the 9th Day of October 2004 at the Davis Mountains Resort, Jeff Davis County, Texas, to certify which witness our signatures and attestation.

Barbara Collins
Secretary of the Association

Jeff Fisher
President of the Association

ACKNOWLEDGMENT

THE STATE OF TEXAS §

COUNTY OF JEFF DAVIS §

Before me the undersigned notary public personally appeared Barbara Collins, as Secretary of the Association (title) and authorized representative of Davis Mountains Property Owners Association, Inc., a Texas Non-Profit Corporation, a person well-known to me and/or who was identified through a Texas Department of Public Safety Driver’s License or Texas Department of Public Safety Identification Card, who further acknowledged that he or she executed the same in this capacity and as the said corporation’s act and deed and for the purposes and consideration therein expressed.

Given under my hand and seal of office this _____ day of _____, 2004.

Notary Public in and for the State of Texas
Printed Name: _____
My Commission Expires: _____

ACKNOWLEDGMENT

THE STATE OF TEXAS §

COUNTY OF JEFF DAVIS §

Before me the undersigned notary public personally appeared Jeff Fisher, as President of the Association (title) and authorized representative of Davis Mountains Property Owners Association, Inc., a Texas Non-Profit Corporation, a person well-known to me and/or who was identified through a Texas Department of Public Safety Driver's License or Texas Department of Public Safety Identification Card, who further acknowledged that he or she executed the same in this capacity and as the said corporation's act and deed and for the purposes and consideration therein expressed.

Given under my hand and seal of office this _____ day of _____, 2004.

Notary Public in and for the State of Texas
Printed Name: _____
My Commission Expires: _____

Disclaimer: The preparer and scrivener of this instrument does not make any representation as to the validity of any restrictions, covenants, liens and the status of title to the property involved.

Notice to Clerk: Upon filing and recording, return this instrument to Davis Mountains Property Owners Association, Inc., HCR 74 Box 94-A, Fort Davis, Texas 79734.