

**BY-LAWS
OF
DREAM VALLEY RANCH, INC.
A NON PROFIT ORGANIZATION**

ARTICLE I

OFFICES

SECTION 1: Principal Office. The principal office of the corporation in the State of Texas shall be located in Dream Valley Ranch, Inc at 2401 N. Abram Road, Box 06, Mission Hidalgo County, Texas. 78572-8901

ARTICLE II

MEMBERS

SECTION 1: Class of Members. The corporation shall have only one class of members. All persons are qualified for membership if they are owners of a lot in Dream Valley Ranch, Inc. either by Warranty Deed or Contract for Deed.

SECTION 2: Notification to the Board. The member and seller of any lot must notify the Board of Directors of the sale or the transfer of said lot and the share shall automatically be transferred to the new owner who becomes a member upon transfer.

ARTICLE III

MEETING OF MEMBERS

SECTION 1: Annual Meeting. An annual meeting of the members shall be held at the recreation hall of Dream Valley Ranch, Inc. Abram Road, Mission, on the fourth Tuesday of January, beginning in 1984 and each successive year thereafter at 7:00 p.m., for the purpose of electing directors and for the transaction of such other business as may come before the meeting. If the election of the directors shall not be held on the date designated herein for any reason or an adjournment thereof be necessary, then the Board of Directors shall cause the election to be held at the special meeting of the members as soon thereafter as conveniently possible.

SECTION 2: Special Meetings. Special meetings of the members may be called by the President or the Board of Directors.

SECTION 3: Place of Meeting. The place of all meetings shall be the recreation hall of Dream Valley Ranch, Inc., Abram Road, Mission, Texas.

SECTION 4: Notice of meetings. A notice of the special meeting shall be posted in the recreation hall fifteen (15) days prior to any meeting of the members, and not more than twenty-one (21) days prior to the meeting of the members. Non-residents will be notified by mail.

SECTION 5: Quorum. The members holding fifty percent (50%) of the shares that may be voted must be present at any meeting to constitute a quorum. If a quorum is not present at any meeting of members, a majority of the members present may adjourn the meeting from time to time without further notice.

SECTION 6: Absentee ballots will be issued to members unable to be present at election because of illness or will not be in the area. Members can request an absentee ballot, during office hours, two (2) weeks before election from the election chair person. Members can request an absentee ballot by mail with a return, self-addressed envelope. This request must

be made 30 days prior to annual meeting, which is the fourth Tuesday of each January. No proxies will be issued or accepted.

SECTION 7: No Cumulative Voting. At any election for directors of the corporation, each and every member shall be entitled to one (1) vote per share which he owns, but there can be no cumulative voting.

ARTICLE IV

BOARD OF DIRECTORS

SECTION 1: General Powers: The affairs of the corporation shall be managed by its' Board of Directors.

- A. All received correspondence must be read at next monthly meeting.**
- B. All votes by Board must be verbal and not behind closed doors. Each member must be called upon for yes, no or abstained vote, recorded in minutes by name and vote. The Board of Directors may hold Executive session, but must follow its parliamentary authority (e.g., Robert's Rules).**
- C. Five (5) of seven (7) elected Board members must be present to vote on all decisions, or elected members can be called by phone for vote.**

SECTION 2: The nominating committee shall nominate a minimum of six (6) candidates to fulfill four (4) vacancies on odd numbered years and five (5) candidates to fulfill three (3) vacancies on even numbered years. The Board shall accept additional nominations by petition, signed by a minimum of three (3) shareholders, with the approval of the nominee. The petition must be received no later than the Jan. Board meeting. Write-in candidates shall be accepted at the annual shareholders meeting.

SECTION 3: Place of Meeting. The Board of Directors must hold their meeting in Dream Valley Ranch, Inc. in Hidalgo County, Mission, Texas.

SECTION 4: Regular Meetings. A regular annual meeting of the Board of Directors shall be held without other notice than these By-Laws immediately after and at the same place as the annual meeting of the members. Also, the Board of Directors shall meet on the 1st Wednesday of each month at the recreation hall without further notice than these By-Laws.

SECTION 5: Special Meetings. Special meetings of the Board of Directors may be called by the President or any two (2) Board members. Any person or persons authorized to call special meetings of the Board may fix the time for the special meeting of the Board called by them.

SECTION 6: Notice. Notice of any special meeting of the Board of Directors shall be given at least five (5) days prior thereto by written notice, delivered in person or sent by mail or telegram, to each director at his residence, as shown by the records of the corporation. If mailed such notice shall be deemed to be delivered when deposited in the United States Mail in a sealed envelope so addressed with postage thereon prepaid. If notice is given by a telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegram company. Any director may waive notice of any meeting. The attendance of any director at any meeting shall constitute a waiver of notice of such meeting, except where the director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. The business to be transacted at the meeting need not be specified in the notice or waiver of notice of such meeting unless specifically required by law or by these By-Laws.

Section 7: The board of directors shall, before the April board of Directors meeting, appoint one board member / or if no board member is year-round then a resident of DVR would be appointed to be the contact person or persons of summer concerns. They will then contact by phone, all board members for a decision. There will be no DVR board meetings during the summer months of May through September. The regular meetings will resume in October.

SECTION 8: Manner of Acting. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by law or by these By-Laws.

SECTION 9: Any vacancy on Board must be filled by person with the highest number of votes from the last annual meeting. If none of the persons with the highest number of votes from the last annual meeting accepts the position, then the Board of Directors may fill the position with any member of Dream Valley Ranch, the person filling the open position will function as an elected board member. If filling a non-expired term, the person filling the position, may still run in the next general election.

SECTION 10: Compensation and Family Relationship. Directors as such shall not receive any compensation for their services, but by resolution of the Board of Directors, any director may be indemnified for expenses and cost, including attorney's fees, actual and necessary, incurred by him in connection with any claim asserted against him, by any action in Court or otherwise, by reason of his being or having been such director, except in relation to matters as to which he shall have been guilty of negligence or misconduct in the matter in which indemnity is sought. One and only one family member of any immediate family may be on the Board of Directors at anyone given time.

SECTION 11: Maximum Amount of Expenditure: Board Expenditures in excess of ordinary expenses routinely incurred each month shall not exceed \$1000.00 annually other than for the necessary maintenance of the park, unless approved by owners.

ARTICLE V

OFFICERS

SECTION 1: Officers. The officers of this corporation shall be a president who shall serve as the Chairman of the Board, and be one in the same person, a vice-president, a secretary and a treasurer.

SECTION 2: Election and Term of Office. The Board of Directors will elect from within their own number all officers. No one person may hold more than one office at any given time. The officers shall be elected at the regular Board meeting following the Annual shareholders meeting. Each officer shall hold office for one term or not longer than one year.

SECTION 3: Removal. Any officer elected may be removed by the Board of Directors when in its' judgment the best interest of the corporation would be served thereby, but such removal shall be without prejudice to the rights of any such officer.

SECTION 4: Vacancies. A vacancy in any office, because of death, resignation, removal, disqualification or otherwise, may be filled by the Board of Directors for a period of time necessary to fulfill the duties of said officer or until the next annual election

SECTION 5: President. The president shall be the principal executive officer of the corporation, shall also be the chairman of the Board, and, in general, supervise and control all of the business and affairs of the corporation. He may sign with the secretary or any other proper official of the corporation, when authorized by the Board of Directors, any deeds, mortgages, bonds, contracts or other instruments that the Board of Directors have authorized to be executed except in cases whereby the signing and execution thereof shall be expressly delegated by the Board of Directors or by the bylaws or by Statute or agent of the corporation and, in general, he shall perform all duties incident to the office of the president, and such other duties as may be prescribed by the Board of Directors from time to time.

SECTION 6: Vice-President. In the absence of the president or in the event of his inability to preside, the vice-president shall perform the duties of the president and when so acting, shall have all of the powers and be subject to all of the restrictions of the president. The vice-president shall perform such other duties as, from time to time, may be assigned to him by the president or the Board of Directors.

SECTION 7: (Amended January 25, 2005 Filled with the County of Hidalgo February 2006 [1441861]) Treasurer: Shall not be a board member but shall be a paid position. Shall have custody and be responsible for all funds and securities of the corporation; receive and give receipts for money due and payable to the corporation from any source whatsoever, and deposit all such sums of monies in the name of corporation in such banks, trust companies or other depositories as shall be selected by the Board of Directors: and in general, perform all of the duties incident to the office of the treasurer and such other duties as from time to time may be assigned by the president of the Board of Directors. The treasurer shall be required to be bonded and this expense shall be borne by the corporations. The treasurer position shall be a paid position held by a property owner in Dream Valley Ranch, Inc. for a fee approved by the Board of Directors of not to exceed 3% of Association dues.

SECTION 8: Secretary. The secretary shall keep the minutes of the meeting of the members of the Board of Directors in one or more books provided for that purpose; see that all notices are duly given in accordance with the provisions of these by-laws or as required by law; and shall serve as custodian of the corporation records and of the seal of the corporation and see that the seal of the corporation is affixed to all documents, the execution of which, on behalf of the corporation under its' seal is duly authorized in accordance with the provision of these By-laws. Keep a register of the post office address of each member which shall be furnished to the secretary by such members; and in general, perform all duties incident to the office of the secretary and such other duties as may, from time to time, be assigned to him by the president or the Board of Directors.

ARTICLE VI COMMITTEES

SECTION 1: Committee of Directors. The Board of Directors, by resolution adopted by a majority of the Directors in office, may designate one or more committees, each of which shall constitute two (2) or more directors, which committee to the extent provided in said resolution, shall have and exercise the authority of the Board of Directors in the management of the corporation; but the designation of such committees and the delegation thereto of authority shall not operate to relieve the Board of Directors or any individual director of any responsibility imposed on him by law.

SECTION 2: Other Committees. Other committees not having and exercising the authority of the Board of Directors in the management of the corporation may be designated by a resolution adopted by a majority of the directors present at the meeting at which a quorum is present. Except as otherwise provided in such resolution, members of each committee shall be members of the corporation and the president of the Board shall appoint the members thereof. Any member thereof may be removed by the person or persons authorized to appoint such member whenever, in their judgment, the best interest of the corporation shall be served by any such removal.

SECTION 3: Term of Office. Each member of a committee shall continue as such until the next annual meeting of the members of the corporation and until his successor is appointed, unless the committee shall be sooner terminated, or unless such member be removed from such committee, or unless such member shall cease to qualify as a member thereof.

SECTION 4: Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided in the case of the original appointments.

SECTION 5: Quorum. A majority of the whole committee shall constitute a quorum and the act of a quorum and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee.

SECTION 6: Rules. Each committee may adopt rules for its own government not inconsistent with these by-laws or with the rules adopted by the Board of Directors.

ARTICLE VII CHECK AND FUNDS

SECTION 1: Checks, drafts or order for payment. All checks, drafts or order for the payment of money, notes or other evidences of indebtedness issued in the name of the corporation, shall be signed by the president and treasurer of the corporation.

SECTION 2: Duties and Gifts. The Board of Directors may accept, on behalf of the corporation, any contribution, gifts, bequest or devise for the general purpose, or for any special purposes of the corporation.

ARTICLE VIII

CERTIFICATE OF MEMBERSHIP

SECTION 1: Certificate of Membership. The Board of Directors may provide for the issuance of shares of stock evidencing ownership in the corporation to each bona fide owner of a lot either by Warranty Deed or by Contract for Deed to said lot and this stock certificate shall also be their certificate of membership and this is to be transferred with the lot upon sale to the purchaser of said lot.

ARTICLE IX

DUES

SECTION 1: Annual Dues. The Board of Directors may determine annually the amount of the dues, and bill each member according to their proportionate share. All dues shall be due and payable sixty (60) days from billing. Failure to pay said dues will cause a penalty of Five and No/100 (\$5.00) per month to attach to any late payment. Dues shall be uniform against all shares without regard to the use or non-use of park facilities.

AMENDMENT TO ARTICLE IX, SECTION 1, JANUARY 27, 1987 A projected budget shall be posted on the bulletin board before January 1st. All assessments are payable January 1st with a 60 day grace period. Failure to pay said assessment within 60 days will cause a penalty of \$5.00 per month to attach to any late payment.

SECTION 2: Mechanics' and materialmans' Lien in Favor of Corporation. A mechanics' and materialmans' lien in favor of the corporation is hereby authorized to be filed against each and every lot to secure the payment of all assessments for the maintenance of the common facilities, including roads, etc. and may be foreclosed upon at any time that said assessment is past due and unpaid.

SECTION 3: Termination of Membership and Cancellation of Stock Certificate. Any membership in the corporation and shares outstanding may be cancelled upon failure to pay the annual assessment. Said stock certificate shall be redeemable together with all penalty and interest and cost, is paid in full to the corporation.

ARTICLE X

RESTRICTIONS

SECTION 1: No portion of the park maybe rezoned or re-plotted without prior approval of the corporation.

SECTION 2: Lot Uses. The subdivision shall be limited to and restricted to Mobil homes and recreational vehicles.

SECTION 3: Lot Rental Usage. Lot rental usage must strictly conform to the Mobil home and recreational vehicle code and by-laws of the corporation.

SECTION 4: Activities for Members, Guests and Tenants only. All activities conducted by or in the park shall be restricted for the use and enjoyment of the members, their guest and tenants. Conduct of guests and tenants will be governed by the same rules as prescribed for owners, guest and tenants are entitled to all privileges and responsibilities as owners, except voting rights.

SECTION 5: The Dream Valley Ranch Recreation Hall shall be a smoke free building. (Approved January 25, 1994 at

Annual Shareholders Meeting.)

SECTION 6: Anchoring. All mobile homes shall be anchored in accordance with the Texas State Regulations. All utility buildings shall be anchored and all unattended recreational vehicles shall be anchored.

SECTION 7: DVR Property owners will not be allowed to serve on both boards DVR Auxiliary and DVR board at the same time.

ARTICLE XI

MISCELLANEOUS

SECTION 1: Books and Records. The corporation shall keep correct and complete books and records of accounts and shall also keep minutes of the proceedings of its' members, Board of Directors, and committees having any of the authority of the Board of 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 purpose at any reasonable time.

SECTION 2: Fiscal Year. The fiscal year of the corporation shall begin on the 1st day of January and end on the 31st day of December in each year.

SECTION 3: Corporate Seal. The Board of Directors shall provide a corporate seal, which may be impressed or affixed upon all corporate documents.

SECTION 4: Waiver of Notice. Whenever any notice is required to be given, under the provisions of the Texas Non-Profit Corporation Act or under the provisions of the Articles of Incorporation or the By-laws of the Corporation, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time state therein, shall be deemed equivalent to the giving of such notice.

SECTION 5: Notice of sale. The seller of any lot must notify the Board of Directors of the sale or the transfer by Contract for Deed and must at the time of the sale or signing of the Contract for Deed transfer the share into the name of the new owner and notify the Board of Directors, so the registry of the share may be appropriately changed and shares issued to the new owner.

ARTICLE XII

AMENDMENTS

SECTION 1: Power of Members to Amend By-laws: The by-laws of the corporation may be amended, repealed, or added to, or new By-Laws may be adopted by a two-thirds (2/3) vote of a quorum of the shares present at an annual meeting, provided the proposed amendment or amendments are submitted in writing at a previous meeting of the Board of Directors.

ARTICLE XIII

PARLIAMENTARY PROCEDURES

SECTION 1: Reference Work. The parliamentary procedure authority for this corporation shall be Scotts-Foreman's Roberts Rules of Order (newly revised).