

**BYLAWS  
OF  
NATIONAL ASSOCIATION OF ROYALTY OWNERS - TEXAS, INC.**

ARTICLE I

OFFICES

The principal office of the corporation shall be located at the place designated as the address of the Secretary of the Corporation. The corporation may have such other offices, either within or without the State of Texas, as the board of directors may determine from time to time.

ARTICLE II

MEMBERS

Section 1. Classes of Members. The members of the corporation shall be as determined by the board of directors. The qualifications for membership in each class shall be as determined by the board of directors.

Section 2. Election of Members. Any person interested in becoming a member of the corporation shall submit a written and signed application, on a form approved by the board of directors, to the location designated by the board of directors. Applicants whose applications are approved shall become members of the corporation on payment of the dues.

Any applicant who has been disapproved shall have the privilege of review by the membership at large, according to such procedure as may be fixed by the board of directors.

Section 3. Voting Rights. Each member in good standing shall be entitled to one vote on each matter submitted to a vote of the members.

Section 4. Termination of Membership. The board of directors, by affirmative vote of 2/3rds of all of the members of the board, may suspend or expel a member for cause after an appropriate hearing, and, by a majority vote of those present at any regularly constituted meeting, may terminate the membership of any member who becomes ineligible for membership, or suspend or expel any member who shall be in default in the payment of dues for the period fixed hereinafter.

Section 5. Resignation. Any member may resign by filing a written resignation with the secretary, but such resignation shall not relieve the member so resigning of the obligation to pay any dues, assessments, or other charges theretofore accrued and unpaid.

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Section 6. Reinstatement. On written request signed by a former member and filed with the secretary, the board of directors, by the affirmative vote of a majority of the members of the board, may reinstate such former member to membership on such terms as the board of directors may deem appropriate.

Section 7. Transfer of Membership. Membership in this corporation is not transferable or assignable.

### ARTICLE III

#### MEETING OF MEMBERS

Section 1. Annual Meeting. An annual meeting of the members shall be held at the time and place of the annual convention for the purpose of electing officers and directors and for the transaction of such other business as may come before the meeting. If the election of officers and directors is not held on the day designated herein for any annual meeting, or at any adjournment thereof, the board of directors shall cause the election to be held at a special meeting of the members as soon thereafter as is convenient.

Section 2. Special Meetings. Special meetings of the members may be called by the president, the board of directors, or not less than 1/10<sup>th</sup> of the members having voting rights, at a place designated by the board of directors. If no designation is made, the place of meeting shall be in the registered office of the corporation in the State of Texas, but if all of the members shall meet at any time and place, either within or without the State of Texas, and consent to the holding of a meeting, such meeting shall be valid without call or notice, and at such meeting any corporate action may be taken.

Section 3. Notice of Meetings. Written or printed notice stating the place, day, and hour of any meeting of members shall be delivered not less than ten (10) nor more than sixty (60) days before the date of the meeting, either personally, by facsimile transmission, or by mail, by or at the direction of the president, or the secretary, or the officers or persons calling the meeting, to each member entitled to vote at such meeting. In case of a special meeting or when required by statute or by these bylaws, the purpose or purposes for which the meeting is called 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 on the records of the corporation, with postage thereon prepaid. If transmitted by facsimile, notice is deemed to be delivered on successful transmission of the facsimile.

Section 4. Informal Action by Members. Any action required by law to be taken at a meeting of the members, or any action that may be taken at a meeting of members, may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all the members entitled to vote with respect to the subject matter thereof.

Section 5. Quorum. Those members present at any meeting called as required under

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Article III, Section 3, shall constitute a quorum.

Section 6. No Voting by Proxy. A member may not vote by proxy at any meeting of the members.

Section 7. Voting by Mail. Where directors or officers are to be elected by members, such election may be conducted by mail in such manner as the board of directors shall determine.

## ARTICLE IV

### BOARD OF DIRECTORS

Section 1. General Powers. The affairs of the corporation shall be managed by its board of directors. Directors need not be residents of the State of Texas.

Section 2. Number, Tenure, and Qualifications. The number of directors shall be not less than three (3) nor more than ninety (90). Directors shall be elected at the annual meeting of members, and the term of office of each director shall be two (2) years with 50% of the directors elected at each annual meeting of members, and each director shall serve until the election and qualification of his successor.

Section 3. Regular Meetings. A regular meeting of the board of directors shall be held without any other notice than this bylaw immediately after, and at the same place as, the annual meeting of members. The board of directors may provide, by resolution, the time and place for holding additional regular meetings without other notice than such resolution. Additional regular meetings shall be held at the principal office of the corporation in the absence of any designation in the resolution.

Section 4. Special Meetings. Special meetings of the board of directors may be called by or at the request of the president or any two directors, and shall be held at the principal office of the corporation or at such other place as the directors may determine.

Section 5. Notice. Notice of any special meeting of the board of directors shall be given at least 5 days previously thereto by written notice delivered personally or sent by mail, telephone, facsimile transmission, electronic mail, or telegram to each director at his address 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 transmitted by facsimile, notice is deemed to be delivered on successful transmission of the facsimile. If notice is given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. Any director may waive notice of any meeting. The attendance of a director at any meeting shall constitute a waiver of notice of such meeting, except where a 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

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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 bylaws.

Section 6. Quorum. Three (3) members 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 of the directors are present at any meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.

Section 7. Board Decisions. 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 bylaws.

Section 8. Vacancies. Any vacancy occurring in the board of directors and any directorship to be filled by reason of an increase in the number of directors, may be filled by appointment by the President and approved by the board of directors at their next meeting. A director appointed to fill a vacancy shall serve for the unexpired term of his predecessor in office.

Section 9. Compensation. Directors as such shall not receive any stated salaries for their services, but by resolution of the board of directors, a fixed sum and expenses of attendance, if any, may be allowed for attendance at any regular or special meeting of the board. Nothing herein contained shall be construed to preclude any director from serving the corporation in any other capacity and receiving compensation therefore.

## ARTICLE V

### OFFICERS

Section 1. Officers. The officers of the corporation shall be a president, one or more vice-presidents (the number thereof to be determined by the board of directors), a secretary, 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, including one or more assistant secretaries and one or more assistant treasurers, as it shall deem desirable, such officers to have the authority and perform the duties prescribed, from time to time, by the board of directors. Any two or more offices may be held by the same person, except the offices of president and secretary.

Section 2. Election and Term of Office. The officers of the corporation shall be elected annually by the members present at the regular annual meeting of the members. If the election of officers is not held at such meeting, such election shall be held as soon thereafter as is convenient. New offices may be created and filled at any meeting of the board of directors. Each officer shall hold office until his successor has been duly elected and qualifies. All elected

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officers shall be voting members of the board of directors.

Section 3. Removal. Any officer elected by the members or appointed by the board of directors may be removed by the board of directors whenever in its judgment the best interests of the corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the officer so removed. Election or appointment of an officer or agent shall not of itself create contract rights.

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 the unexpired portion of the term.

Section 5. Powers and Duties. The several officers shall have such powers and shall perform such duties as may from time to time be specified in resolutions or other directives of the board of directors. In the absence of such specifications, each officer shall have the powers and authority and shall perform and discharge the duties of officers of the same title serving in nonprofit corporations having the same or similar general purposes and objectives as this corporation.

## ARTICLE VI

### COMMITTEES

Section 1. Management Committees. The board of directors, by resolution adopted by a majority of the directors in office, may designate one or more committees, which, to the extent provided in such resolution, shall have and exercise the authority of the board of directors in the management of the corporation. Each such committee shall consist of two or more persons, a majority of whom are directors. 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 upon it or him by law. Any non-director who becomes a member of any such committee shall have the same responsibility with respect to such committee as a director who is a member thereof.

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 a meeting at which a quorum is present, or by the president. Except as otherwise provided in such resolution, members of each such committee shall be members of the corporation, and the president of the corporation 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 interests of the corporation shall be service by such removal.

ARTICLE VII

CONTRACTS, CHECKS, DEPOSITS, AND FUNDS

Section 1. Contracts. The board of directors may authorize any Officer or officers, agent or agents of the corporation, in addition to the officers so authorized by these bylaws, to enter into any contract or execute and deliver any instruments in the name of and on behalf of the corporation, and such authority may be general or may be confined to specific instances.

Section 2. Checks, Drafts, or Orders. All checks, drafts, or orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the corporation, over the amount of \$500.00 shall be signed by any two of the following: the president, the vice president, and the treasurer of the corporation, and in such manner as shall from time to time be determined by resolution of the board of directors. The president or the treasurer may be authorized by the board of directors to sign such instruments for amount less than \$500.00.

Section 3. Deposits. All funds of the corporation shall be deposited from time to time to the credit of the corporation in such banks, trust companies, or other depositories as the board of directors may select.

Section 4. Gifts. The board of directors may accept on behalf of the corporation any contribution, gift, bequest, or devise for any purpose of the corporation.

ARTICLE VIII

BOOKS AND RECORDS

Complete books and records of account of the corporation shall be kept by a Certified Public Accountant employed by the Corporation. Such Certified Public Accountant shall provide satisfactory written evidence of current errors and omissions insurance policy, annually. The corporation shall also keep minutes of the proceedings of its members, board of directors, committees having and exercising any of the authority of the board of directors, and shall keep at the principal office a record giving the names and addresses of the members entitled to vote. All books and records of the corporation may be inspected by any member, or his agent or attorney for any proper purpose at any reasonable time.

ARTICLE IX

FISCAL YEAR

The fiscal year of the corporation shall end on March 31.

ARTICLE X

DUES

Section 1. Annual Dues. The board of directors shall determine from time to time the amount of initiation fees, if any, and annual dues payable to the corporation by members, and shall give appropriate notice to the members.

Section 2. Default and Termination of Membership. When any member is in default in the payment of dues for a period of one (1) month from the beginning of the period for which such dues became payable, his membership may thereupon be terminated by the board of directors as provided herein above.

ARTICLE XI

SEAL

The board of directors may adopt a corporate seal to be in such form and to be used in such manner as the board of directors shall direct.

ARTICLE XII

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 article of incorporation or the bylaws of the corporation, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE XIII

AMENDMENT OF BYLAWS

These bylaws may be altered, amended, or repealed, and new bylaws may be adopted by a majority of the members present at any regular meeting of the members or at any special meeting of the members, if at least ten (10) days written notice is given of intention to alter, amend, or repeal or to adopt new bylaws at such meeting.

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President

ATTEST:

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Secretary