

**FOURTH AMENDED BYLAWS OF THE
FAIR OAKS RANCH HOMEOWNERS ASSOCIATION, INC.**

**ARTICLE I
NAME AND LOCATION**

The name of the corporation is **Fair Oaks Ranch Homeowners Association, Inc.** The principal office of the corporation shall be located at **7286 Dietz Elkhorn, Fair Oaks Ranch, Texas 78015**, but meetings of the members and directors may be held at such places within the State of Texas as may be designated by the Board of Directors.

**ARTICLE II
DEFINITIONS**

- (1) "Association" shall mean and refer to Fair Oaks Ranch Homeowners' Association, Inc., its successors and assigns.
- (2) "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the owners.
- (3) "Developer" shall mean and refer to Fairco, Inc., its successors and assigns.
- (4) "Lot" shall mean and refer to any plot of land (with the exception of any common area) shown on the recorded subdivision plats of Fair Oaks Ranch Bexar County Unit No. 1, Fair Oaks Ranch Kendall County Unit No. 1 and Fair Oaks Ranch Comal County Unit No. 1, and on plats of any additional subdivisions which may hereafter be brought into the association.
- (5) "Member" shall mean and refer to those persons entitled to membership in the Association as provided in the Articles of Incorporation.
- (6) "Owner" shall mean and refer to the record owners, whether one or more persons or entities, of the title to any lot or condominium which is a part of the subdivision, including contract purchasers, but excluding those holding title merely as security for the performance of an obligation.
- (7) "Subdivision" shall mean and refer to that certain tract of real property

described in the Articles of Incorporation, and such additions thereto as may be brought within the jurisdiction of the association.

ARTICLE III MEETINGS OF MEMBERS

(1) Annual Meetings. Annual meetings of members shall be held in November each year starting at 7:00 or 7:30 p.m. on a date designated by the Board of Directors.

(2) Special Meetings. Special meetings of members may be called at any time by the President or by the Board of Directors, or on written request of members who are entitled to vote one-fourth of all votes of the Class A membership.

(3) Notice of Meetings. Written notice of each meeting of members shall be given by or at the direction of the Secretary or other person authorized to call the meeting by mailing a copy of such notice, postage prepaid, at least ten (10), but not more than fifty (50) days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of receiving notice. Such notice shall specify the day, hour and place of the meeting and in case of the special meeting the purpose of the meeting.

(4) Quorum. The presence at the meeting in person or by proxy of members entitled to cast ten percent (10%) of the votes of the Class A membership shall constitute a quorum for authorization of any action, except as may otherwise be provided in Articles of Incorporation or these bylaws. The affirmative vote of a majority of a quorum shall be required for action to be taken by the members. If a quorum is not present at any meeting, members entitled to vote thereat shall have power to adjourn the meeting from time to time without notice other than an announcement at the meeting, until a quorum is present.

(5) Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Proxies shall be revocable and the proxy of any owner shall automatically terminate on conveyance by him of his lot.

ARTICLE IV BOARD OF DIRECTORS - TERM OF OFFICE FIRST ELECTION: REMOVAL

(1) Number. The affairs of the Association shall be managed by a board of nine (9) directors, who shall be Class A members of the Association, or other persons designated by Class A members.

(2) Term of Office. At each annual meeting the members shall elect three (3) directors for a term of three years.

(3) Removal. Any director may be removed from the board with or without cause by a majority vote of the members of the Association. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the board and shall serve for the unexpired term of his predecessor.

ARTICLE V BOARD OF DIRECTORS - NOMINATION AND ELECTION

(1) Nomination. Nomination for election to the Board of Directors shall be by nominating committee. However, nomination may also be made from the floor at any annual meeting of members. The nominating committee shall consist of a Chairman who shall be a member of the Board of Directors, and two or more members of the association. The committee shall be appointed by the Board of Directors prior to each annual meeting to serve from the close of such meeting until the close of the next annual meeting, and such appointment shall be announced at each annual meeting. The nominating committee shall make as many nominations for the election to the Board of Directors as it shall in its discretion determine, but in no event shall it nominate less than the number of vacancies to be filled.

(2) Election. Election to the Board of Directors shall be by written ballot. Written ballot may be submitted, prior to the applicable meeting of members, by mail or by facsimile transmission to the Association's principal office. Written ballots may also be submitted in person or by proxy at the applicable meeting of members. In connection with such election, the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Articles of Incorporation. Persons receiving the largest number of votes shall be elected. Cumulative voting for directors shall not be permitted.

(3) Take Office. The newly elected Directors shall take office at the beginning of the first meeting of the Board of Directors in January following the election.

ARTICLE VI
BOARD OF DIRECTORS -MEETINGS

(1) Regular Meetings. Regular meetings of the Board of Directors may be held monthly without notice, at such place and hour as may be fixed from time to time by resolution of the board. In the event the regular date for a meeting falls on a legal holiday, such meeting shall be held at the same time on the next following day which is not a legal holiday.

(2) Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two directors, after not less than three (3) days notice to each director.

(3) Quorum. A majority of the directors shall constitute a quorum for the transaction of business. Every act performed or decision made by a majority of directors present at a duly held meeting in which a quorum is present shall constitute the act or decision of the board.

ARTICLE VII
BOARD OF DIRECTORS - POWERS AND DUTIES

(1) Powers. The Board of Directors shall have power to:

(a) Adopt and publish rules and regulations governing the use of common areas, if any, and other facilities, including the personal conduct of the members and their guests thereon; and to establish penalties for infractions of such rules and regulations;

(b) Suspend the voting rights and rights to services provided by the Association by any members during any period in which such member is 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 thirty (30) days for infraction of published rules and regulations;

(c) Exercise on behalf of the Association all powers, duties, and authority vested in or delegated to the Association and not specifically reserved to the membership by the Articles of Incorporation or by other provisions of these bylaws;

(d) Declare the office of a member of the board of directors to be vacant in the event that such member is absent from three regular meetings of the board of directors in one calendar year; and

(e) Employ a manager, independent contractors, and such employees as they may deem necessary, and to prescribe their duties.

(f) To add new units of the Fair Oaks Ranch Subdivision to the membership of the Homeowners Association to be effective at such times as the plats for said new units are approved by the City of Fair Oaks Ranch, Texas for units located in Bexar, Comal and Kendall Counties.

(g) Special Assessment. Certain areas of the ranch may wish to add services, and assess the owners therein for same, that are above and beyond the normal functions of the Fair Oaks Ranch Homeowners Association, Inc., such as additional security, yard maintenance, etc. Such areas are permitted after a plan of operation has been submitted to the Fair Oaks Ranch Homeowners Association, Inc., Board of Directors and after an affirmative vote by them.

(2) Duties. It shall be the duty of the board of directors to:

(a) Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at each annual meeting, or at any special meeting at which such a statement is requested in writing by one-fourth of the Class A members entitled to vote thereat;

(b) Supervise all officers, agents, and employees of the Association and see to it that their duties are properly performed;

(3) Assessments. It shall be the duty of the board of directors to administer assessments in accordance with the provisions of Article XI of the Bylaws.

(4) Other Duties. It shall further be the duty of the Board of Directors to:

(a) Procure and maintain adequate liability and hazard insurance on any property owned by the Association;

(b) Cause all officers or employees having fiscal responsibilities to be bonded, as it may be deemed appropriate; and

(c) Cause the common areas to be maintained.

(5) Indemnification. To the fullest extent permitted by Texas statutes, as the same exists or may hereafter be amended (but, in the case of any such amendment, only

to the extent that such amendment permits broader limitations than permitted prior to such amendment), a Director of the corporation is not liable to the corporation or its members for monetary damages for an act or omission in the Director's capacity as a Director, except that the provisions of this paragraph do not eliminate or limit (1) the liability of a Director for the breach of his/her duty of loyalty to the corporation or its members; (2) an act or omission not in good faith or that involves intentional misconduct or knowing violation of the law; (3) a transaction from which a Director received an improper benefit, whether or not the benefit resulted from an action taken within the scope of the Director's office; or (4) an act or omission for which the liability of a Director is expressly provided for by statute.

ARTICLE VIII OFFICERS AND THEIR DUTIES

(1) Enumeration of Offices. The officers of the Association shall be a president and vice president, who shall at all times be members of the Board of Directors, and a secretary, treasurer, and such other officers as the board may from time to time by resolution create.

(2) Election of Officers. The election of officers shall be the first order of business at and shall take place at the first meeting of the newly elected Board of Directors in January, and the old officers shall serve on the Board until the first meeting of the new Board of Directors in January.

(3) Term. The officers of the Association shall be elected annually by the board. Each shall hold office for a term of one year unless he shall sooner resign, or shall be removed or otherwise disqualified to serve.

(4) Special Appointments. The board may elect such other officers as the affairs in the association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the board may, from time to time, determine.

(5) Resignation and Removal. Any officer may be removed from office by the board at any time with or without cause. Any officer may resign at any time by giving written notice to the board, the president, or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

(6) Vacancies. A vacancy in any office may be filled by appointment of the

board. The officer appointed to such vacancy shall serve for the unexpired term of the officer he replaces.

(7) Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices, except in the case of special offices created pursuant to Section 4 of this Article.

(8) Duties. The duties of the officers are as follows:

(a) President. The president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the board are carried out; shall sign all leases, mortgages, deeds, and other instruments, and shall cosign all checks and promissory notes.

(b) Vice President. The vice president shall act in the place of the president in the event of his absence, inability, or refusal to act, and shall exercise and discharge such other duties as may be required of him by the board or so designated by the President.

(c) Secretary. The secretary shall record the votes and keep the minutes of all meetings and proceedings of the board and of the members; serve notice of meetings of the board and of members; keep appropriate current records showing the members of the association together with their addresses; and perform such other duties as may be required by the board or by law. The Secretary may delegate as approved by the Board day to day and individual meeting responsibilities to the Office Manager or other FORHA employee. In keeping with the Secretary's duty to record all votes, the Secretary shall conduct all elections and be responsible for counting all votes including, but not limited to, the annual election of the Directors and Officers of the Board unless the Secretary, as a Director is running for re-election or the Secretary's office is a contested election, in which case another Board member not running for Director or Secretary shall conduct the election and count the votes.

(d) Treasurer. The treasurer shall receive and deposit in appropriate bank accounts all funds of the Association, and may delegate such day to day activities to the Office Manager and provide required oversight, shall disburse such funds as directed by resolution of the Board of Directors; shall co-sign all checks if available and all promissory notes of the Association, shall cause proper books of account to be kept; shall prepare or cause an annual report of the Association books to be made at the completion of each fiscal year beginning with the third year after operations of the Association begin; and shall prepare an annual budget and statement of income and expenditures, a copy of which documents shall be delivered to each member, and a report of which shall be given

at the regular annual meeting of members.

ARTICLE IX COMMITTEES

The Association shall appoint a nominating committee as provided in Article V of these bylaws. In addition, the Board of Directors may appoint such other committees, as it may deem appropriate in the performance of its duties.

ARTICLE X MEMBERSHIP IN ASSOCIATION: VOTING RIGHTS

(1) Every owner of a lot or lot subdivided in accordance with the Subdivision Restrictions shall be a member of the Association; membership shall be appurtenant to and may not be separated from ownership of a lot.

(2) The association shall have two classes of members as follows:

CLASS A - Class A members shall be:

(1) Fairco, Inc., the developer of said subdivisions, its successors and assigns, which shall be entitled to one vote for each lot owned by it in any subdivision under the jurisdiction of the Association; and

(2) All other owners of any lot in any such subdivision who shall own, or shall have completed construction of the foundation of, a residence on such lot, and who shall be entitled to one vote for each such lot. When more than one person owns an interest in any lot, all such persons shall be members. The vote for such lot shall be exercised as such members may determine among themselves, but in no event shall more than one vote be cast with respect to any lot owned by Class A members.

CLASS B - Class B members shall be those lot owners in any such subdivision who have not completed construction of the residence foundations on their respective lots. Class B members shall have no voting rights except as otherwise provided in the Articles of Incorporation, but shall obtain voting rights upon classification as Class A members.

ARTICLE XI
ASSESSMENTS

(1) Lien and Personal Obligation of Assessments. Developer hereby covenants for each lot within the subdivision, and each owner of a lot is hereby deemed to covenant by acceptance of his deed for such lot, whether or not it shall be so expressed in his deed, to pay annual assessments to the association. Such assessments will be established and collected as hereinafter provided. The annual assessments, together with interest, costs and reasonable attorney fees, shall be a charge on the land and a continuing lien on each lot against which such an assessment is made. Each assessment, together with interest, costs, and reasonable attorney fees shall be the personal obligation of the person or persons who owned the lot at the time the assessment fell due, but such personal obligation shall not pass to the successors of title of such person or persons unless expressly assumed by them.

(2) Purpose of Annual Assessments. The annual assessments levied by the association shall be used exclusively to promote the health, safety, welfare, and recreation of the residents in the subdivision, and for the improvement and maintenance of the common areas. Without limitation, the Association may use the funds derived from annual assessments, for the following purposes:

(a) Maintenance and repair of the common areas.

(b) Acquisition of furnishings and equipment for the common area as may be determined by the Board, including without limitation all equipment, furnishings and personnel necessary or proper for use of the recreational facilities.

(c) Liability insurance insuring the Association against any and all liability to the public, to any owner, or to the invitees or tenants of any owner arising out of their occupation and/or use of the common area. The policy limits shall be set by the Board, and shall be reviewed at least annually and increased or decreased at the discretion of the Board.

(d) Workman's compensation insurance to the extent necessary to comply with applicable law, and any other insurance deemed necessary by the Board of Directors of the Association.

(e) A standard fidelity bond covering all officers and members of the Board of Directors of the Association in an amount to be determined by the Board of Directors.

(f) Security services as may be deemed necessary in the opinion of the board of directors.

(g) Any other materials, supplies, furniture, labor, services, maintenance, repairs, structural alterations, insurance, taxes, or assessments which the Association is required or permitted to secure or pay pursuant to the terms of this provision or by law, or which shall be necessary or proper in the opinion of the Board of Directors of the Association for the operation of the common areas and for the benefit of home and lot owners.

(h) Wherever weeds, brush or rubbish grow or accumulate on the lot of any owner to the point that such accumulation or growth is, in the opinion of the Board of Directors of the Association, unsightly or unhealthy, the Board of Directors may notify the owner of the lot in writing of the existence of such condition, and may direct him to abate such condition by clearing off such weeds, brush or rubbish. Such notice shall state that in default of abatement of such condition within ten (10) days after dispatch of such notice the Board may cause the same to be done and assess the cost and expense thereof to the owner of such lot and affix a lien therefor on such lot which shall operate in the manner provided in Article XI herein.

(i) All of the above and foregoing services are listed for the purpose of showing what is within the authority of the Board of Directors, but not as an obligation of the Board of Directors or the Association.. Unless impractical the Board of Directors shall not enter into any contract services for a duration in excess of one year.

(j) Unit Restriction Committee support, as deemed appropriate by the Board.

(k) The Board of Directors, on their own motion or upon resolution adopted by a majority of the Class A members, may elect to defer any of the services.

(3) Minimum Assessments.

(a) The current minimum assessment of \$35.00 per year will be paid by all lot owners, including Developer, with the payment being due and payable January 1, and continuing annually on January 1st each year after a lot is acquired by the owner.

(b) Additional assessments, which shall be charged to Class A members other than Fairco, shall be made in such amounts as are necessary to cover the actual expenses of services furnished and other authorized purposes of the Association and shall not exceed such expenses.

(c) The additional assessments charged to Class B members shall be 50% of the additional assessments charged to Class A members, but in no event will Class B members be assessed less than \$35.00.

(d) Any increase over 10% to the FORHA prior year annual assessments and/or annual budget shall require approval by a vote of a majority of a quorum of all FORHA members.

(4) Notice for Action Authorized Under Section 3(b). Written notice of any meeting called for the purpose of taking any action authorized by Section 3(b) shall be sent to all members not less than ten (10) nor more than thirty (30) days in advance of such meeting.

(5) Uniform Rate of Assessment.

(a) Both the annual and special assessments must be fixed at a uniform rate for all lots.

(b) Any resubdivision of a lot into two or more lots shall constitute an additional lot or lots upon which an assessment must be paid.

(6) Commencement and Collection of Annual Assessments. The annual assessments provided for herein shall commence as to all lots, including any resubdivided lot or lots. The Board of Directors shall fix the amount of the annual assessment against each lot at least thirty (30) days in advance of the due date thereof and shall fix the dates such amounts become due. Assessments are to be paid annually. Notice of the annual assessments shall be sent to every owner subject thereto. The Association shall, on demand and for a reasonable charge, furnish a certificate signed by an officer of the Association, setting forth whether the assessment against a specific lot has been paid, and shall cause to be recorded in the office of the County Clerk of Kendall, Comal and Bexar counties assessments delinquent more than 180 days.

(7) Effect of Nonpayment of Assessments; Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall be deemed in default and shall bear an automatic late fee as determined by the Board as well as interest from the due date at a rate equal to the maximum rate allowed by law. The Association may bring an action at law against the owner personally obligated to pay the same, or may foreclose the lien against the property. No owner may waive or otherwise escape liability for the assessments provided for herein by abandonment of his lot. Failure to pay assessments as provided herein shall additionally constitute forfeiture of the member's

right to vote, which shall not be reinstated until such time as the member shall pay all delinquent assessments and any penalties due thereon.

(8) Subordination of Assessment Lien to Mortgages. The assessment lien provided for herein shall be subordinate to the lien of any first mortgage. A sale or transfer of any lot pursuant to a mortgage foreclosure or any proceeding in lieu thereof shall extinguish the assessment lien as to payments which become due prior to such sale or transfer. No sale or transfer shall relieve such lot from liability for any assessments thereafter becoming due or from the lien thereof.

(9) The aforesaid assessments and liens set out above shall not be applicable in any way against the Texas Veterans Land Board in any circumstances wherein the Texas Veterans Land Board is financing the purchase of property from Fairco, Inc., and the Homeowners' Association shall look only to the contract purchasers of property from Fairco, Inc. for payment of said assessments and liens, and the Association shall consider the contract purchasers as the owners of said property for the purposes of such assessments.

(10) Raintree Woods Homeowners Association, Inc. In addition to being members of the Fair Oaks Ranch Homeowners, all lot owners in the Raintree Woods subdivision shall belong to a "Raintree Woods Homeowners Association" ("RTWHA"). The Board of Directors of Fair Oaks Ranch Homeowners Association shall prepare the Articles of Incorporation and Bylaws for RTWHA, and shall cause RTWHA to be incorporated and organized as a separate Texas non-profit corporation. The Board of Directors of Fair Oaks Ranch Homeowners Association shall appoint the initial, interim Directors of RTWHA; thereafter, the lot owners in the Raintree Woods subdivision shall elect the Board of Directors of RTWHA. RTWHA shall assess its membership for security expenses, gate, fence and road maintenance; any applicable salaries and taxes; and any other expenses related to security or safety which the RTWHA Board of Directors deems necessary or appropriate. The foregoing assessments payable by the lot owners in the Raintree Woods subdivision shall be paid in addition to the dues and assessments payable by them as members of Fair Oaks Ranch Homeowners Association.

ARTICLE XII PROPERTY RIGHTS

(1) Owner's Easements of Enjoyment. Every owner of a lot shall have a right and easement of enjoyment in and to the common area, if any, which shall be appurtenant to and shall pass with the title to such lot, subject to the following rights of the Association:

(a) The right to charge reasonable admission and other fees for the use of any recreational facility situation within the common area;

(b) The right to suspend the right of use of recreational facilities and the voting rights of any owner for periods during which assessments against his lot remain unpaid, and the right, after hearing by the Board of Directors, to suspend such rights for a period not exceeding thirty (30) days for any infraction of the published rules and regulations of the Association;

(c) The right to dedicate or transfer all or any part of the common area to any municipality, public agency, authority, or utility for such purposes and subject to such conditions as may be agreed upon by the members. No such dedication or transfer shall be effective unless an instrument executed by two-thirds or each class of members agreeing to such dedication or transfer has been duly recorded.

(2) Delegation of Use. Subject to such limitation as may be imposed by the Board of Directors, each owner may delegate his right of enjoyment in and to the common areas and facilities to the members of his family and to guests accompanied by the respective owners.

(a) All trails in the common areas are to be used for horseback riding, hiking and bicycling. All types of motor vehicles are expressly prohibited on all trails, Homeowners Park, Nature Area and all other areas so designated by resolution of the Board of Directors other than maintenance vehicles used by or approved by the Association.

(b) Overnight camping in the common area is expressly prohibited.

ARTICLE XIII BOOKS AND RECORDS: INSPECTION

The books, records, papers of the Association shall be subject to inspection by any member during ordinary business hours. The Articles of Incorporation and Bylaws of the Association shall be available for inspection by any members at the principal office of the Association, where copies shall be made available for sale at a reasonable price.

ARTICLE XIV CORPORATE SEAL

The Association shall not have a corporate seal.

ARTICLE XV
FISCAL YEAR

The fiscal year of the Association shall be run from January 1st through December 31st.

ARTICLE XVI
AMENDMENTS

These bylaws may be amended, at a regular or special meeting of members, by vote of a majority of a quorum of Class A members present in person or by proxy, provided, however, that no assessments for any purposes other than those specified in Article XI, Section 2 and 10 shall be authorized except by amendment to these bylaws adopted by affirmative vote of a quorum of all Class A members, except Fairco, Inc.

Amended November 13, 2018

Fair Oaks Ranch Homeowners Association, Inc.

By: Carolyn Knopf
Carolyn Knopf, President

STATE OF TEXAS }

This instrument was acknowledged before me on DECEMBER 14, 2018, by CAROLYN KNOPE, President of Fair Oaks Ranch Homeowners Association, Inc., on behalf of said corporation.

Jennifer Marie Dubois
Notary Public, State of Texas



After recording, please return to:
FAIR OAKS RANCH HOMEOWNERS ASSN., INC.
7286 DIETZ ELKHORN
FAIR OAKS RANCH, TEXAS 78015

Filed & Recorded in:

**KENDALL COUNTY
DARLENE HERRIN
COUNTY CLERK**

01/03/2019 01:02PM

Document Number : 00327250
Total Fees : \$78.00

Receipt Number - 94093
By Deputy: Paula Pfeiffer

This Document has been electronically received by this
Office for Recording into the Official Public Records.

We do hereby swear that we do not discriminate due to
Race, Creed, Color, Sex or National Origin.

STATE OF TEXAS, COUNTY OF KENDALL
I hereby certify that this instrument was e-filed in File
Number Sequence on the date and at the time stamped
hereon and was duly recorded in the OFFICIAL RECORDS
Records of Kendall County, Texas on

01/03/2019
DARLENE HERRIN, COUNTY CLERK
Kendall County, Texas

By: Paula Pfeiffer Deputy