

THE STATE OF TEXAS     §  
                                     §  
COUNTY OF ARANSAS     §

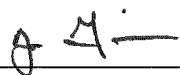
**Management Certificate**  
and  
**Record of Dedicatory Instruments**

1.     **Name of Subdivision:**             Royal Oaks at Fulton Beach Subdivision
  
2.     **Subdivision Recording Data:**     The plat of the Subdivision recorded in  
  Volume 5, Page 163 of the Map Records  
  of Aransas County, Texas;  
  
  The replat of a portion of Lot 14 and all of Lot 15  
  recorded in Volume 6, Page 182 of the Map  
  Records of Aransas County, Texas;  
  
  The amended plat of Lots 1101, 1102, 1105, 1201-  
  1204, & 1301-1304, & Common Area recorded in  
  Volume 6, Page 281 of the Map Records of Aransas  
  County, Texas;  
  
  The final plat of Lots 1401 thru 1404 & 1501 thru  
  1504 recorded in Volume 6, Page 311 of the Map  
  Records of Aransas County, Texas;  
  
  The final plat of the Subdivision recorded in  
  Volume 7, Page 163 of the Map Records of Aransas  
  County, Texas;  
  
  The final plat of Lots 1-R & 2-R recorded in  
  Volume 7, Page 52 of the Plat Records of Aransas  
  County, Texas; and  
  
  The final plat of Lots 1-A & 1-B recorded in  
  Volume 7, Page 90 of the Plat Records of Aransas  
  County, Texas.
  
3.     **Declaration Recording Date:**     The Second Amended and Restated Declaration  
  of Covenants, Conditions and Restrictions  
  recorded in File No. 405376 of the Real  
  Property Records of Aransas County, Texas

4. **Name and Mailing Address of Association:** Royal Oaks Partners at Fulton Beach  
Homeowners Association, a Texas Non-Profit Corporation  
c/o Royal Oaks Partners at Fulton Beach, L.P.  
1 Indian Springs Rd  
Indiana, PA 15701
5. **Name and Mailing Address of Person Managing Association:** Royal Oaks Partners at Fulton Beach, L.P.  
Attn: Peggy Plowman  
1 Indian Springs Rd  
Indiana, PA 15701
6. **Transfer Fee Amount:** \$250.00
7. **Resale Certificate Fee Amount:** \$350.00
8. **Dedicatory Instruments for Subdivision** (exclusive of the above-referenced recorded Declaration, which is incorporated herein by reference):
- a. Certificate of Formation of Association – Exhibit A
  - b. Second Amended and Restated Bylaws of the Association – Exhibit B
  - c. Design Guidelines for the Association – Exhibit C
  - d. Rules and Regulations of the Association – Exhibit D
  - e. Rules and Regulations for Rental Properties – Exhibit E
  - f. Pool Rules and Regulations – Exhibit F
  - g. Policies of the Association
    - (1) Document Retention Policy – Exhibit G
    - (2) Open Records Production Policy – Exhibit H
    - (3) Alternate Payment Schedule – Exhibit I

DATED: 31 May, 2024.

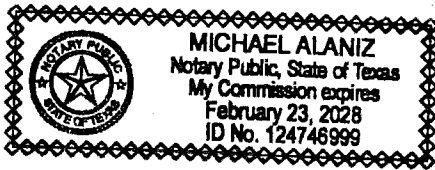
Royal Oaks at Fulton Beach  
Homeowners Association, a Texas Non-Profit Corporation


By:   
Jonathan C. Greiner, President

THE STATE OF Texas

COUNTY OF Bexar

This instrument was acknowledged before me on 31 May, 2024, by Jonathan C. Greiner, as President of Royal Oaks at Fulton Beach Homeowners Association, a Texas Non-Profit Corporation, on behalf of such Association.



  
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Notary Public, State of Texas

**CERTIFICATE OF FORMATION  
OF  
ROYAL OAKS AT FULTON BEACH  
HOMEOWNERS ASSOCIATION  
(A Texas Non-Profit Corporation)**

**FILED**  
In the Office of the  
Secretary of State of Texas  
JUN 26 2006  
Corporations Section

I, the undersigned natural person over the age of eighteen years, acting as the organizer of a corporation under the Texas Business Organizations Code do hereby adopt the following Certificate of Formation for such corporation:

**ARTICLE 1. HOMEOWNERS ASSOCIATION.** The corporation shall be, mean and constitute a mandatory "property owners association" organized pursuant to Texas Property Code 202.001 (2), which is defined as the "Association" in the Declaration of Covenants, Conditions and Restrictions, to be recorded in the Aransas County Deed and Plat Records ("Declaration"), as amended from time to time, with respect to certain real property located in Aransas County, Texas known as ROYAL OAKS SUBDIVISION, a planned unit development.

**ARTICLE 2. NAME.** The name of the Association is ROYAL OAKS AT FULTON BEACH HOMEOWNERS ASSOCIATION.

**ARTICLE 3. NON-PROFIT.** This Certificate of Formation is being filed to create non-profit corporate status for the Association pursuant to the Texas Business Organizations Code.

**ARTICLE 4. DURATION.** The duration of the Association shall be perpetual.

**ARTICLE 5. GOVERNING DOCUMENTS.** As used herein, the Governing Documents of the Association shall mean this Certificate of Formation, the Declaration, the Bylaws of the Association, all rules, regulations, policies, guidelines, and all other documents that govern the Association, as each may be amended from time to time.

**ARTICLE 6. PURPOSES.** The general purposes for which the Association is formed are to exercise the rights and powers and to perform the duties and obligations of the Association, in accordance with the Governing Documents and State Law.

**ARTICLE 7. POWERS.** In furtherance of its purposes, the Association shall have the following powers which, unless indicated otherwise by the Governing Documents or State Law, may be exercised by the Board of Directors.

1. All rights and powers conferred upon non-profit entities by State Law in effect from time to time;
2. All rights and powers conferred upon property owners associations by State Law, including Texas Property Code Title 11, in effect from time to time; and



3. All powers necessary, appropriate or advisable to perform any purpose or duty of the Association as set out in the Governing Documents or State Law.

ARTICLE 8. MEMBERSHIP. The Association shall be a non-stock membership organization. The Declaration and Bylaws shall determine the number and qualifications of the members of the Association; the voting rights and other privileges of membership; and the obligations and liabilities of members. Cumulative voting is not allowed.

ARTICLE 9. MANAGEMENT BY BOARD. The management and affairs of the Association shall be vested in the Board of Directors, except for those matters expressly reserved to others in the Governing Documents. The Bylaws shall determine the number and qualification of directors; the term of office of directors, the method of electing, removing and replacing directors, and the methods of holding a board meeting and obtaining consents.

#### ARTICLE 10. LIMITATIONS OF LIABILITY.

a. Except as provided in Paragraph d below, a director of the Association is not liable to the Association or its members for monetary damages for acts or omissions that occur in the person's capacity as a director except to the extent a person is found liable for (i) a breach of the director's duty of loyalty to the Association or its members; (ii) an act or omission not in good faith that constitutes a breach of duty of the director to the Association; (iii) an act or omission that involves intentional misconduct or knowing violation of law; (iv) a transaction from which the director receives an improper benefit, whether or not the benefit resulted from the action taken within the scope of the person's office; or (v) an act or omission for which the liability of a director is expressly provided by applicable statute.

b. An officer is not liable to the Association or any other person for an action taken or omission made by the officer in the person's capacity as an officer unless the officer's conduct was not exercised: (i) in good faith; (ii) with ordinary care; and (ii) in a manner the officer reasonably believes to be in the best interest of the Association.

c. The liability of officers, directors and other volunteers of the Association may also be limited by the Charitable Immunity and Liability Act of 1987, Chapter 84, Texas Civil Practice and Remedies Code, as amended.

d. The limitation on the liability of an officer, director or volunteer does not eliminate or modify that person's liability as a member of the Association. It is intended that the liability of any member arising out of any contract made by the Association, or out of the indemnification of any officer, director or volunteer, or for damages as a result of injuries arising in connection with the common elements, or for liabilities incurred by the Association, shall be limited to the same proportion in which he is liable for common expenses as a member of the Association.

ARTICLE 11. INDEMNIFICATION. Subject to the limitations and requirements of Chapter 8 of the Business Organizations Code, the Association shall indemnify a person who was, or is threatened to be made a named defendant or respondent in a proceeding because the person is or was an officer, director, committee chair or committee member of the Association. Additionally, the Association may indemnify a person who is or was an employee, trustee, agent or attorney of the Association, against any liability asserted against him and incurred by him in such a capacity and arising out of his status as such a person.

ARTICLE 12. AMENDMENT OF THE CERTIFICATE OF FORMATION. This Certificate of Formation may be amended or restated in accordance with the Business Organizations Code, subject to the following:

1. An amendment shall not conflict with the Declaration or applicable State Law, including Title 11 of the Texas Property Code, in effect from time to time.
2. An amendment shall not impair or dilute a right granted to a person by the Declaration, without that person's written consent.
3. Any amendment must be in accordance with the applicable provisions of the Business Organizations Code.
4. Without member approval, the Board of Directors may adopt amendments permitted by Section 22.107 of the Business Organizations Code.

ARTICLE 13. WINDING UP. The Association may be wound up only as provided in the Declaration, Bylaws and State Law.

ARTICLE 14. ACTION WITHOUT A MEETING. Pursuant to Sections 6.202 and 22.220 of the Business Organizations Code, any action required by the Non-Profit Corporation Act to be taken at a meeting of the members or owners, or any action that may be taken at a meeting of the directors or members of any committee may be taken without a meeting if a consent in writing setting forth the action to be taken is signed by a sufficient number of members, owners, directors, or committee members as would be necessary to take that action at a meeting at which all of the members, owners, directors, or members of the committee were present and voted.

ARTICLE 15. INITIAL GOVERNING BODY. The initial governing body shall consist of a board of three directors who shall serve as directors until their successors shall have been elected and qualified, as provided in the Bylaws. The name and address of each initial director is as follows:

STEPHEN R. PATCHIN  
One Indian Springs Road  
P.O. Box 809  
Indiana, Pennsylvania 15701

Paul F. Brown, Jr.  
One Indian Springs Road  
P.O. Box 809  
Indiana, Pennsylvania 15701

Daniel A. Pedrotti, Jr.  
512 E. Blanco, Suite 200  
Boerne, Texas 78006

ARTICLE 16. REGISTERED AGENT. The name of the Association's registered agent and registered office is:

Daniel A. Pedrotti, Jr.  
512 E. Blanco, Suite 200  
Boerne, Texas 78006

ARTICLE 17. ORGANIZER. The name and address of the organizer is:

DAVID H. BROCK  
301 E. San Antonio  
Boerne, Texas 78006

ARTICLE 18. REAL PROPERTY. This Certificate of Formation pertains to the Royal Oaks subdivision, being a planned unit development located in Aransas County, Texas, as described in the plat recorded in Volume 5, Page 163, Map Records of Aransas County, Texas, as may be amended, supplemented and restated from time to time, together with all real property that may be annexed thereto from time to time.

ARTICLE 19. CLASSES OF VOTING RIGHTS. The Declaration provides for two (2) classes of voting memberships. Class A members are all lot owners, with the exception of the Declarant, and the Class B member is the Declarant, as defined in the Declaration. The Declaration determines the number and weight of votes of each class and the termination of Class B rights.

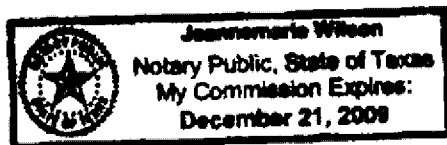
ARTICLE 20. CHANGE IN STATUS. The continuing existence of the Association as described in the Governing Documents is vested in its members. During any period in which the Association is not incorporated or loses its corporate status, it will be subject to the Texas Uniform Unincorporated Nonprofit Association Act and this Certificate of Formation shall continue to be effective as a Governing Document of the Association.

The undersigned signs this document subject to the penalties imposed by law for the submission of a materially false or fraudulent instrument on this 26th day of June, 2006.

David H. Brock  
DAVID H. BROCK, Organizer

THE STATE OF TEXAS           §  
  §  
COUNTY OF KENDALL       §

Before me, DAVID H. BROCK, personally appeared on this 26th day of June, 2006, known to me to be the person whose name is subscribed to the foregoing instrument.



Jeannemarie Wilson  
Notary Public, The State of Texas



**SECOND AMENDED AND RESTATED BYLAWS  
OF  
ROYAL OAKS AT FULTON BEACH  
HOMEOWNERS ASSOCIATION**  
(A Texas Non-Profit Corporation and Texas Property Owners Association)

**ARTICLE 1**

**INTRODUCTION**

1.1. PURPOSE OF BYLAWS. These Second Amended and Restated Bylaws ("Bylaws") provide for the governance of the association of owners known as ROYAL OAKS AT FULTON BEACH HOMEOWNERS ASSOCIATION, a Texas Non-Profit Corporation ("Association"), for the planned community located in Aransas County, Texas, according to the plat recorded in Volume 5, Page 163 of the Map Records of Aransas County, Texas, as the same may be amended from time to time.

1.2. PARTIES TO BYLAWS. All present or future members are subject to these Bylaws and the other governing documents as defined below. Membership in the Association will signify that these Bylaws are accepted, ratified, and will be strictly followed.

1.3. DEFINITIONS. Words and phrases defined in the Declaration (hereinafter defined) shall have the same meanings when used in these Bylaws. Unless defined otherwise in the Declaration or in these Bylaws, words and phrases defined in the Texas Property Code (Section 209.002) shall have the same meaning when used in these Bylaws. The following words and phrases shall have specified meanings when used in these Bylaws:

- a. **"Director"** means a director of the Association.
- b. **"Declaration"** means the Second Amended and Restated Declaration of Covenants, Conditions and Restrictions ("Declaration") of ROYAL OAKS, a planned unit development, recorded under File No. 405376 of the Official Public Records of Aransas County, Texas.
- c. **"Governing documents" and/or "dedicatory instruments"** means, collectively, the governing instruments covering the establishment, maintenance, and operation of the Subdivision. The term includes the Declaration, these Bylaws, the Certificate of Formation of the Association, all Rules and Regulations of the Association, the Design Guidelines, the Alternative Payment Schedule, and the Open Records Production Policy, the Document Retention Policy, and the Enforcement Policy for Levying Fines Policy, as any of these may be amended from time to time.
- d. **"Majority"** means more than fifty percent (50%).
- e. **"Member"** means a member of the Association, each member being a resident of ROYAL OAKS, unless the context indicates that a member means a member of the board of directors or a member of a committee of the Association.
- f. **"Officer"** means an officer of the Association. "President," "Secretary," "Treasurer," and "Vice-President" have the usual meanings.
- g. **"TBOC"** means the Texas Business Organizations Code.

h. "TPC" means the Texas Property Code.

1.4. NONPROFIT PURPOSE. The Association is not organized for profit.

1.5. COMPENSATION. A director, officer, member, or resident shall not be entitled to receive, any pecuniary profit for the operation of the Association, and no funds or assets of the Association may be paid as a salary or as compensation to, or be distributed to, or inure to the benefit of, a director, officer, member, or resident; provided, however:

a. that reasonable compensation may be paid to a director, officer, member, or resident for services rendered to the Association; and

b. that a director, officer, member, or resident may, from time to time, be reimbursed for his actual and reasonable expenses incurred on behalf of the Association in connection with the administration of the affairs of the Association, provided such expense has been approved by the board.

1.6. APPLICABLE LAW AND CHANGE IN STATUS. The Association is organized under and governed by the TBOC. So long as the Association is incorporated, it will be subject to Chapter 22 of Title 2 of the Code (the Texas Nonprofit Law). During any period in which the Association is not incorporated or loses its corporate status, it will be subject to Chapter 252 of Title 6 of the Code (the Texas Uniform Unincorporated Nonprofit Association Act) and these Bylaws shall continue to be effective as a Governing Document of the Association.

1.7. GENERAL POWERS AND DUTIES. The Association, acting through the board, shall have the powers and duties necessary for the administration of the affairs of the Association and for the operation and maintenance of the subdivision as may be required or permitted by the governing documents and State law. The Association may do any and all things that are lawful and which are necessary, proper, or desirable in operating for the best interests of its members, subject only to the limitations upon the exercise of such powers as are expressly set forth in the governing documents or applicable law.

## ARTICLE 2

### BOARD OF DIRECTORS

2.1. NUMBER AND TERM OF OFFICE. The initial board shall consist of three persons. The number of directors may be changed by amendment of these Bylaws, but shall not be less than three (3). Subject to Section 2.2, upon election, each director shall serve a term of two (2) years. A director takes office upon the adjournment of the meeting or balloting at which he is elected or appointed and, absent death, ineligibility, resignation, or removal, will hold office until his successor is elected or appointed. Except as otherwise required by law or specifically provided herein, the directors will continue to be appointed by the declarant during the declarant control period.

2.2. STAGGERED TERMS. Not more than two candidates shall be elected to 2-year terms at each annual meeting of members. To establish staggered terms, at the first annual meeting of the members the candidates receiving the highest number of votes shall be elected to a 2-year term and the candidate(s) receiving the lowest number of votes shall be elected to a 1-year term. This process shall be repeated at the subsequent annual meeting(s) of members until each director has been elected to a 2-year term. Should the board ever be elected en masse thereafter, the same process will be used to re-establish staggered terms.

2.3 QUALIFICATION. No person shall be eligible for election or appointment to the board unless such person is a member.

2.3.1. Entity Member. If a lot is owned by a legal entity, such as a partnership or corporation, any officer, partner, or employee of that entity shall be eligible to serve as a director and shall be deemed to be a member for the purposes of this section. If the relationship between the entity member and the director representing it terminates, that directorship shall be deemed vacant.

2.3.2. Co-Owners. Co-owners of a single lot who cohabit at the same primary residence with another board member may not serve on the board at the same time. Co-owners of more than one lot who do not cohabit at the same primary residence with another board member may serve on the board at the same time, provided the number of co-owners serving at one time does not exceed the number of lots they co-own.

2.3.3. Director Eligibility. No member may be elected or appointed as a director if the board is presented with written, documented evidence from a database or other record maintained by a governmental law enforcement authority that such member has been convicted of a felony or crime involving moral turpitude not more than 20 years before the date the board is presented with the evidence, and, if any such member is a serving director, then such director is deemed immediately ineligible to serve on the board and is automatically considered removed from the board and prohibited from future service on the board. Otherwise, except as provided by this section, a provision in a dedicatory instrument that restricts a property owner's right to run for a position on the board of the Association is void.

2.3.4 Declarant Control Limitations. The Declaration may provide for a period of declarant control of the Association during which a declarant, or persons designated by the declarant, may appoint and remove board members and officers of the Association, other than board members or officers elected by members of the Association. Regardless of the declarant control period provided by the Declaration, on or before the 90<sup>th</sup> day after the date 75% of the lots that may be created and made subject to the Declaration are conveyed to owners other than a declarant, at least one-third (1/3) of the board members must be elected by owners other than the declarant. If the Declaration does not include the number of lots that may be created and made subject to the Declaration, at least one-third (1/3) of the board members must be elected by owners other than the declarant not later than the 10<sup>th</sup> anniversary of the date the Declaration was recorded.

2.4. ELECTION. Subject to Section 2.3.4, Directors shall be elected by the members. The election of directors shall be conducted at the annual meeting of the Association, at any special meeting called for that purpose, or by mail, facsimile transmission, or a combination of mail and facsimile transmission.

2.5. VACANCIES. Vacancies on the board caused by any reason, except the removal of a director by a vote of the Association, shall be filled by a vote of the majority of the remaining directors, even though less than a quorum, at any meeting of the board. Each director so elected shall serve out the remaining term of his predecessor.

2.6. REMOVAL OF DIRECTORS.

2.6.1 Removal by Members. At any annual meeting or special meeting of the Association, any one or more of the directors may be removed with or without cause by members representing at least two-thirds (2/3) of the votes present in person or by proxy at such meeting, and a successor shall then and there be elected to fill the vacancy thus created. Any director whose removal has been proposed by the members shall be given an opportunity to be heard at the meeting.

2.6.2 Removal by Directors. A director may be removed by a vote of at least a majority of the other directors at a meeting called for that purpose for the following reasons:

- a. The director is in violation of any provision of the governing documents, provided the member has been given notice of the violation and a reasonable opportunity to cure it. Such notice and opportunity to cure shall comply with the governing documents and any applicable law.
- b. The director is an adverse party to the Association, the board or any committee of the Association in any pending litigation other than any suit filed by the Association solely to effect removal of the director.

2.7 MEETINGS OF THE BOARD.

2.7.1. Open Meetings of the Board and Member Notices. Regular and special board meetings must be open to members, subject to the right of the board to adjourn a board meeting and reconvene in closed executive session to consider actions involving personnel, pending or threatened litigation, contract negotiations, enforcement actions, confidential communications with the Association's attorney, matters involving the invasion of privacy of individual members, or matters that are to remain confidential by request of the affected parties and agreement of the board. Following an executive session, any decision made in the executive session must be summarized orally and placed in the minutes, in general terms, without breaching the privacy of individual members, violating any privilege, or disclosing information that was to remain confidential at the request of the affected parties. The oral summary must include a general explanation of expenditures approved in executive session. This section applies to a meeting of the Association board during the declarant control period only if: (i) the meeting is conducted for the purpose of adopting or amending the dedicatory instruments of the Association; (ii) increasing the amount of regular Assessments of the Association or adopting or increasing a special Assessment; (iii) electing non-developer board members of the Association or establishing a process by which those members are elected; or (iv) changing the voting rights of members of the Association. Members shall be given notice of the date, hour, place, and general subject of a regular or special board meeting, including a general description of any matter to be brought up for deliberation in executive session. The notice shall be: (i) mailed to each member not later than the tenth (10th) day or earlier than the sixtieth (60th) day before the date of the meeting; or (ii) provided at least one hundred forty-four (144) hours before the start of a regular board meeting and at least seventy-two (72) hours before the start of a special board meeting by posting the notice in a conspicuous manner reasonably designed to provide notice to members in a place located in the Common Properties, or, with the property owner's consent, on other conspicuously located privately owned property within the Subdivision, or on any Internet website available to Members that is maintained by the Association or by a management company on behalf of the Association, and sending the notice by e-mail to each owner who has registered an email address with the Association. It is an Owner's duty to keep an updated email address registered with the Association.

2.7.2. Regular Meeting of the Board. Regular meetings of the board may be held at such time and place as shall be determined, from time to time, by the board, but at least one such meeting shall be held annually. Notice of regular meetings of the board shall be given to each director, personally or by telephone or written communication (including facsimile or electronic message) or any combination of such methods, at least six (6) days prior to the date of such meeting; notice given to a director as a member of the Association is sufficient notice for purposes hereof, and attendance by a director at a meeting constitutes a waiver of notice unless the director attends a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

2.7.3. Special Meetings of the Board. Special meetings of the board may be called by the president or, if he is absent or refuses to act, the secretary, or by any two (2) directors. At least three (3) days notice shall be given to each director, personally or by telephone or written communication (including facsimile or electronic message) or any combination of such methods, which notice shall state the place, time, and purpose of such meeting.

2.7.4. Conduct of Meetings. The president shall preside over all meetings of the board, and the secretary shall keep, or cause to be kept, a record of all resolutions adopted by the board and a record of all transactions and proceedings occurring at such meetings. When not in conflict with law or the governing documents, the then current edition of Robert's Rules of Order shall govern the conduct of the meetings of the board.

2.7.5. Quorum. At all meetings of the board, a majority of directors shall constitute a quorum for the transaction of business, and the acts of the majority of the directors present at a meeting at which a quorum is present shall be the acts of the board. If less than a quorum is present at any meeting of the board, the majority of those present may adjourn the meeting from time to time. At any such reconvened meeting at which a quorum is present, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

2.7.6. Open Meetings, Rules and Limitations. For purposes hereof, "board meeting" means a deliberation between a quorum of the voting board of the Association, or between a quorum of the voting board and another person, during which Association business is considered and the board takes formal action. Such a board meeting does not include the gathering of a quorum of the board at a social function unrelated to the business of the Association or the attendance by a quorum of the board at a regional, state or national convention, ceremonial event, or press conference, if formal action is not taken and any discussion of Association business is incidental to the social function, convention, ceremonial event or press conference. Regular and special meetings of the board shall be open to members of the Association, as discussed in Section 2.7.1, subject to the following provisions to the extent permitted by applicable law:

- a. Members who are not directors may not participate in any deliberations or discussions unless the board expressly so authorizes at the meeting.
- b. No audio or video recording of the meeting may be made except by the board or with the board's prior express consent.
- c. The board may prohibit attendance by any member or other party who disrupts the meeting or has disrupted prior meetings or interferes with the conduct of board business.
- d. Executive sessions are not open to members or other parties.

2.7.7. Proxy. A director may vote in person or by proxy executed in writing by the director. A proxy expires three (3) months after the date the proxy is executed.

2.7.8. Place of Meetings. Except for a meeting held by electronic or telephonic means, a board meeting must be held in a county in which all or part of the property in the subdivision is located or in a county adjacent to that county.

2.7.9. Method of Meetings. The board may meet by any method of communication, including electronic and telephonic, without prior notice to owners, if each director may hear and be heard by every other director, or the board may take action by unanimous written consent to consider routine and administrative matters or a reasonably unforeseen emergency or urgent necessity that requires

immediate board action. A remote electronic communications system, including videoconferencing technology or the Internet, may be used only if each person entitled to participate in the meeting consents to the meeting being held by means of that system, and the system provides access to the meeting in a manner or using a method by which each person participating in the meeting can communicate concurrently with each other participant. Any action taken without notice to owners must be summarized orally, including an explanation of any known actual or estimated expenditures approved at the meeting, and documented in the minutes of the next regular or special board meeting. Notwithstanding, the board may not, without prior notice to owners, consider or vote on (i) fines, (ii) damage assessments, (iii) initiation of foreclosure actions, (iv) initiation of enforcement actions, excluding temporary restraining orders or violations involving a threat to health or safety, (v) increases in regular Assessments or levying of special Assessments, (vi) appeals from a denial of architectural control approval, or a suspension of a right of a particular owner, before the owner has an opportunity to attend a board meeting to present the owner's position, including any defense, on the issue, (vii) lending or borrowing money, (viii) the adoption or amendment of a dedicatory instrument, (ix) the approval of an annual budget or the approval of an amendment of an annual budget, (x) the sale or purchase of real property, (xi) the filling of a vacancy of the board, (xii) the construction of capital improvements other than the repair, replacement, or enhancement of existing capital improvements, or (xiii) the election of an officer.

**2.7.10 Recess.** If the board recesses a regular or special board meeting to continue the following regular business day, the board is not required to post notice of the continued meeting if the recess is taken in good faith and not to circumvent the requisites of this Article. If a regular or special board meeting is continued to the following regular business day, and on that following day the board continues the meeting to another day, the board shall give notice of the continuation in at least one manner prescribed by the TPC and these Bylaws within two (2) hours after adjourning the meeting being continued.

**2.7.11. Action Without a Meeting.** Any action permitted to be taken by the board at a meeting may be taken without a meeting, as follows:

- a. If all of the directors individually or collectively consent in writing to such action, the written consent shall have the same force and effect as a unanimous vote.
- b. If at least a majority of the directors individually or collectively consent in writing to such action, the written consent shall have the same force and effect as approval by a majority of the directors at a meeting. Prompt notice of the action so approved must be delivered to each non-consenting director.
- c. Written consents must state the date of each director's signature, must be received by the Association within 60 days after the earliest signature date, and must be filed with the minutes of board meetings.

**2.7.12. Minutes.** The written report of any board meeting does not constitute the minutes of the meeting until approved by the board at a subsequent meeting. The minutes must report the actions taken by the board but need not report or recite the substance of discussion.

**2.7.13 Board Meetings During Development Period.** "Development Period" means a period stated in the Declaration during which the declarant reserves: (a) a right to facilitate the development, construction, and marketing of the subdivision; and (b) a right to direct the size, shape and composition of the subdivision. For purposes of these Bylaws, the development period constitutes the declarant control period. The Open Board Meeting Rules do not apply to board meetings during the development period, except for meetings that are conducted for the purposes of: (a) adopting or amending the dedicatory instruments, including the Declaration, Bylaws, rules and/or regulations of

the Association; (b) increasing the amount of regular assessment of the Association or adopting or increasing a special Assessment; (c) electing non-developer board members of the Association or establishing a process by which those members are elected; or (d) changing the voting rights of members of the Association.

2.8. LIABILITIES AND STANDARD OF CARE. A director shall discharge the director's duties, including duties as a committee member, in good faith, with ordinary care, and in a manner the director reasonably believes to be in the best interest of the Association. A director is not liable to the Association, a member, or another person for an action taken or not taken as a director if the director acted in compliance with this Section. A person seeking to establish liability of a director must prove that the director did not act in good faith, with ordinary care, in a manner the director reasonably believed to be in the best interest of the Association. A director is not considered to have the duties of a trustee of a trust with respect to the Association or with respect to property held or administered by the Association. A director is not liable, in the exercise of ordinary care, the director acted in good faith and in reliance on the written opinion of an attorney for the Association. In performing their duties, the directors are required to exercise certain standards of care and are subject to certain liabilities, including but not limited to the following provisions of State Law: TBOC 22.221, 22.226, and 22.235.

2.9. POWERS AND DUTIES. The board shall have all the powers and duties necessary for the administration of the Association and for the operation and maintenance of the subdivision. The board may do all such acts and things except those which, by law or the governing documents are reserved to the members and may not be delegated to the board. Without prejudice to the general and specific powers and duties set forth in laws or the governing documents, or such powers and duties as may hereafter be imposed on the board by resolution of the Association, the powers and duties of the board shall include, but shall not be limited to, the following:

2.9.1 Appointment of Committees. The board, by resolution, may from time to time designate standing or ad hoc committees to advise or assist the board with its responsibilities. The resolution shall establish the purposes and powers of each committee created, provide for the appointment of its members, as well as a chairman, and shall provide for reports, termination, and other administrative matters deemed appropriate by the board. Members of the committees shall be appointed from among the owners and residents. The board may not appoint a committee to act in its place in managing the affairs of the Association.

2.9.2. Manager. The board may employ a manager or managing agent for the Association, at a compensation established by the board, to perform duties and services authorized by the board.

2.9.3. Fines. The board may levy fines for each day or occurrence that a violation of the governing documents persists after notice and hearing, provided the amount of the fine does not exceed the amount necessary to ensure compliance with the governing documents.

2.9.4. Ex-Officio Directors. The board may, from time to time, designate one or more persons as ex-officio members of the board.

2.9.5 Rules and Regulations. The board, by resolution, may from time to time adopt and publish rules and regulations governing use of the Common Properties and the personal conduct of the members, and their guests, and may suspend the right to use of the Common Properties, after notice and hearing, pursuant to Sections 209.006 and 209.007 of the TPC.

2.9.6 Delinquent Accounts. The board may establish, levy, and collect reasonable late charges for members' delinquent accounts. The board may also establish a rate of interest to be charged on members' delinquent accounts, provided the rate of interest does not exceed eighteen percent (18%) or the maximum rate permitted by state law, whichever is the lesser.

2.9.7 Employees. The board may employ independent contractors or employees as deemed necessary, and may prescribe their duties.

2.9.8 Contracts for Services. The board may enter into contracts for services on behalf of the Association, and, when appropriate, shall solicit competitive bids based on a standard statement of work prepared or approved by the board.

2.9.9 Borrow. The Association, by resolution of the board, may borrow money and assign as collateral for the loan: (a) the Association's right to future income, including the right to receive Assessments; and (b) the Association's lien rights. The board may borrow money to maintain, repair or restore the Common Properties without the approval of the members. The board may borrow money for any other purposes if approved in advance by the members in the same manner as approving a special Assessment.

2.9.10 Financial Records and Annual Reports. The board shall maintain current and accurate financial records with complete entries as to each financial transaction of the Association, including income and expenditures, in accordance with generally accepted accounting principles. The board shall annually prepare or approve a financial report for the Association for the preceding year. The report must conform to accounting standards as adopted by the American Institute of Certified Public Accountants and must include: (i) a statement of support, revenue and expenses, (ii) a statement of changes in fund balances, (iii) a statement of functional expenses, and (iv) a balance sheet for each fund.

2.10 Interested Directors. A contract or transaction between the Association and one or more current board members, a person related to a current board member within the third degree by consanguinity or affinity, a company in which a current board member has a financial interest in at least fifty-one percent (51%) of profits, or a company in which a person related to a current board member within the third degree by consanguinity or affinity has a financial interest in at least fifty-one percent (51%) of profits only if the following conditions are satisfied:

- a) the board member, relative, or company bids on the proposed contract and the association has received at least two other bids for the contract from persons not associated with the board member, relative, or company, if reasonably available in the community;
- b) the board member:
  - i. is not given access to the other bids;
  - ii. does not participate in any board discussion regarding the contract; and
  - iii. does not vote on the award of the contract;
- c) the material facts regarding the relationship or interest with respect to the proposed contract are disclosed to or known by the association board and the board, in good faith and with ordinary care, authorizes the contract by an affirmative vote of the majority of the board members who do not have an interest governed by this subsection; and
- d) the association board certifies that the other requirements of this subsection have been satisfied by a resolution approved by an affirmative vote of the majority of the board members who do not have an interest governed by this subsection.

2.11 Interested Officers of Members. A contract or transaction between the Association



and one or more officers or members who have a financial interest in an otherwise valid and enforceable contract or transaction is valid and enforceable, and is not void or voidable, notwithstanding any such relationship or interest, if (i) the material facts as to the relationship or interest and as to the contract or transaction are disclosed to or known by the Association's board, a committee of the board, or the members, and (ii) the board, the committee, or the members in good faith and with ordinary care authorize the contract or transaction by the affirmative vote of the majority of the disinterested directors, committee members or members, regardless of whether the disinterested directors, committee members or members constitute a quorum of the members entitled to vote on the contract or transaction, and (iii) the contract or transaction is fair to the Association when the contract or transaction is authorized, approved, or ratified by the board, a committee of the board, or the members. Common or interested officers or members of the Association may be included in determining the presence of a quorum at a meeting of the board, a committee of the board, or members that authorize the contract or transaction. The person who has the relationship or interest may be present at or participate in and, if the person is an officer, member, or committee member, may vote at a meeting of the board, of the members, or of a committee of the board that authorizes the contract or transaction, or sign, in the person's capacity as a director, member, or committee member, a written consent of the directors, members, or committee members to authorize the contract or transaction.

### ARTICLE 3

#### OFFICERS

3.1. DESIGNATION. The principal officers of the Association shall be the president, the secretary, and the treasurer. The board may appoint one or more vice-presidents and such other officers and assistant officers as it deems necessary. The president and secretary shall be directors. Other officers may, but need not, be members or directors. Any two offices may be held by the same person, except the offices of president and secretary. If an officer is absent or unable to act, the board may appoint a director to perform the duties of that officer and to act in place of that officer, on an interim basis.

3.2. ELECTION OF OFFICERS. The officers shall be elected no less than annually by the directors at a meeting of the board and shall hold office at the pleasure of the board. Except for resignation or removal, officers shall hold office until their respective successors have been designated by the board.

3.3. REMOVAL AND RESIGNATION OF OFFICERS. A majority of directors may remove any officer, with or without cause, at any regular meeting of the board or at any special meeting of the board called for that purpose. A successor may be elected at any regular or special meeting of the board called for that purpose. An officer may resign at any time by giving written notice to the board. Unless the notice of resignation states otherwise, it is effective when received by the board and does not require acceptance by the board. The resignation or removal of an officer who is also a director does not constitute resignation or removal from the board.

3.4. STANDARD OF CARE. In performing their duties, the officers are required to exercise the standards of care provided by Section 22.235 of the TBOC. An officer is not liable to the Association or any other person for an action taken or omission made by the officer in the person's capacity as an officer unless the officer's act was not exercised in good faith, with ordinary care, and in a manner the officer reasonably believed to be in the best interest of the Association.

#### 3.5. DESCRIPTION OF PRINCIPAL OFFICES.

3.5.1. President. As the chief executive officer of the Association, the president: (i) presides at all meetings of the Association and of the board; (ii) has all the general powers and duties which

are usually vested in the office of president of a corporation organized under the laws of the State of Texas; (iii) has general supervision, direction, and control of the business of the Association, subject to the control of the board; and (iv) sees that all orders and resolutions of the board are carried into effect.

3.5.2. Vice-President. The vice-president, if any, acts in place of the president in event of the president's absence, inability, or refusal to act. The vice-president also exercises and discharges any duty required of the vice-president by the board.

3.5.3. Secretary. The secretary shall: (i) keep the minutes of all meetings of the board and of the Association; (ii) maintain such books, papers, and records as the board may direct; (iii) maintain a record of the names and addresses of the members for the mailing of notices; and (v) in general, perform all duties incident to the office of secretary.

3.5.4. Treasurer. The treasurer: (i) is responsible for Association funds; (ii) keeps full and accurate financial records and books of account showing all receipts and disbursements; (iii) prepares all required financial data and tax returns; (iv) deposits all monies or other valuable effects in the name of the Association in such depositories as may from time to time be designated by the board; (v) prepares the annual and supplemental budgets of the Association; (vi) reviews the accounts of the managing agent on a monthly basis in the event such managing agent is responsible for collecting and disbursing Association funds; and (vi) performs all the duties incident to the office of treasurer.

3.6. AUTHORIZED AGENTS. Except when the governing documents require execution of certain instruments by certain individuals, the board may authorize any person to execute instruments on behalf of the Association. In the absence of board designation, the president and the secretary shall be the only persons authorized to execute instruments on behalf of the Association.

3.7. MANAGEMENT CERTIFICATE. The officers shall maintain a recording of a management certificate, signed and acknowledged by an officer or the manager of the Association, according to the requirements of TPC '209.004 or its successor statute.

## ARTICLE 4

### MEMBERS AND MEETINGS OF THE ASSOCIATION

4.1. ANNUAL MEETING. An annual meeting of the Association shall be held during the second calendar quarter of each year, or at any other time as determined by the Board. At annual meetings, the members shall elect directors in accordance with these Bylaws. The members may also transact such other business of the Association as may properly come before them. If the board does not call an annual meeting of the Association members, an owner may demand that a meeting of the Association members be called not later than the 30<sup>th</sup> day after the date of the owner's demand, and proceed according to TPC '209.014 to obtain such a meeting.

4.2. SPECIAL MEETINGS. It shall be the duty of the president to call a special meeting of the Association if directed to do so by a majority of the board or by a petition signed by members representing at least 50% of the votes in the Association. Such meeting shall be held within 30 days after the board resolution or receipt of petition. The notice of any special meeting shall state the time, place, and purpose of such meeting. No business, except the purpose stated in the notice of the meeting, shall be transacted at a special meeting.

4.3. PLACE OF MEETINGS. Meetings of the Association shall be held at the property or at a suitable place convenient to the members, as determined by the board. For purposes of holding a meeting of the members, or a committee of the members, an authorized alternate communications

system for meetings allows such meetings to be held via a conference telephone or similar communications equipment, or another suitable electronic communications system, including video-conferencing technology or the Internet, or any combination, if the telephone or other equipment or system permits each person participating in the meeting to communicate with all others participating in the meeting. However, if voting is to take place at the meeting, the Association must implement reasonable measures to verify that every person voting at the meeting by means of remote communications is sufficiently identified, and keep a record of any vote or other action taken.

#### 4.4 NOTICE OF MEETINGS.

4.4.1. General Requirements. At the direction of the board, written notice of meetings of the Association shall be given to a member entitled to vote at least 10 days but no more than 60 days prior to such meeting. Notices shall identify the type of meeting as annual or special, and shall state the particular purpose of a special meeting. Notices may also set forth any other items of information deemed appropriate by the board. Notice of a meeting of the members must: (a) be delivered personally, by mail, by facsimile, or by electronic message, (b) state the date and time of the meeting, and (c) if the meeting is not held solely by using an authorized alternate communications system for meetings, the location of the meeting, or if the meeting is held solely or in part by using an authorized alternate communications system for meetings, the form of communications system to use for the meeting and the means of accessing the communications system. In the case of a special meeting of the members, the notice must include the purpose for which such special meeting has been called. Notice of a meeting that is (a) mailed is considered to be given on the date notice is deposited in the U.S. mail with postage paid in an envelope addressed to the person at the person's address as it appears on the ownership or membership records of the Association, and (b) transmitted by facsimile or electronic message is considered to be given when the facsimile or electronic message is transmitted to a facsimile number or an electronic message address provided by the person or to which the person consents for the purpose of receiving notice.

4.5. ELIGIBILITY: Every owner of a lot is a member of the Association, and each member is entitled to receive notice of Association meetings, to attend Association meetings, to be counted towards a quorum, to vote, and to stand for election to the board. An owner of each lot as of the record date, as determined under Section 4.6, is eligible to receive notices of meetings of the Association.

4.6. RECORD DATES. Because the ownership of lots may change during a year, the ownership as of the record date is used to produce the membership list for use in connection with the meeting.

4.6.1. Determining Voting Eligibility. The board shall fix a date as the record date for determining the members entitled to vote at a meeting of the Association. The record date may not be more than 60 days before the date of a meeting of the Association at which members will vote.

4.6.2. Determining Rights Eligibility. The board may fix a date as the record date for determining the members entitled to exercise any rights other than those described in the preceding two paragraphs. The record date may not be more than 60 days before the date of the action for which eligibility is required, such as nomination to the board.

4.6.3. Adjournments. A determination of members entitled to notice of or to vote at a meeting of the Association is effective for any adjournment of the meeting unless the board fixes a new date for determining the right to notice or the right to vote. The board must fix a new date for determining the right to notice or the right to vote if the meeting is adjourned to a date more than 90 days after the record date for determining members entitled to notice of the original meeting.

4.7. VOTING MEMBERS LIST. Pursuant to Section 22.158 of the Texas Nonprofit Corporation Act, the board shall prepare and make available an alphabetical list of the names of all its voting members (the "Voting Member List"). The Voting Member List shall include the address of each voting member and the number of votes each voting member is entitled to cast at the meeting. Not later than the second business day after the date notice is given of a meeting for which a Voting Member List was prepared, and continuing through the meeting, the Voting Member List shall be available for inspection by members entitled to vote at the meeting for the purpose of communication with other members concerning the meeting. The Association shall make the Voting Member List available at the meeting. A voting member or voting member's agent or attorney is entitled to inspect the Voting Member List at any time during the meeting or an adjournment of the meeting.

4.8. QUORUM; LACK OF QUORUM.

4.8.1. Quorum. At any meeting of the Association, the presence in person or by proxy of members entitled to cast at least 10% of the votes that may be cast for election of the board shall constitute a quorum. Members present at a meeting at which a quorum is present may continue to transact business until adjournment, notwithstanding the withdrawal, during the course of the meeting, of members constituting a quorum.

4.8.2. Lack of Quorum. If a quorum is not present at any meeting of the Association for which proper notice was given, members representing at least a majority of the votes present at the meeting, although not constituting a quorum, may vote to recess the meeting for not more than 24 hours in order to attain a quorum, provided the place of the meeting remains as stated in the notice. If the meeting is adjourned without attainment of a quorum, notice of a new meeting for the same purposes within 15 to 30 days may be given to an owner of each lot, at which re-called meeting the quorum requirement is lowered to half the number of lots required for the first call of the meeting.

4.9. VOTES. The vote of members representing at least a majority of the votes cast at any meeting at which a quorum is present shall be binding upon all members for all purposes, except when a higher percentage is required by these Bylaws. There shall be no cumulative voting. The members' voting rights are as follows: The Association shall have two (2) classes of voting memberships:

(A) Class A. Class A members shall be all owners, with the exception of the declarant, who shall be entitled to one (1) vote for each one thousand (1,000) square feet of land contained within a lot, rounded to the nearest 1,000 feet (the "Voting Formula"). When more than one (1) person holds an interest in any lot, all such persons shall be members, but the vote for such lot shall be exercised as they among themselves determine and as provided in Section 4.9.1 of these Bylaws; provided, however, in no event shall more than the number of votes calculated pursuant to the Voting Formula be cast with respect to any lot.

(B) Class B. The Class B member(s) shall be the declarant, and its successors and assigns, who shall be entitled to twenty (20) votes (i) for each one thousand (1,000) square feet of land contained within a lot, rounded to the nearest 1,000 feet, for each lot owned by it, and (ii) for each five (5) acres of the property not then subject to a recorded plat ("Future Lot"); provided that the Class B membership shall cease and be converted to Class A membership (subject to reversion back to Class B membership upon the annexation of additional land) on the happening of either of the following events, whichever occurs earlier:

1. the complete development of the property and sale of all developed lots; or
2. on or before the 120th day after the date seventy-five percent (75%) of the lots that may be made subject to the Declaration are conveyed to Class "A" members.

From and after the occurrence of one of the above events, the Class B member shall be deemed to be a Class A member entitled to vote according to the Voting Formula for each lot and for each Future Lot then owned by such Class B member. The Class B membership shall be immediately reinstated upon annexation of any additional land.

4.9.1. Co-Owned Lots. If a lot is owned by more than one member, the vote for that lot shall be cast as follows: (i) if only one of the multiple owners of a lot is present at a meeting of the Association, that person may cast the vote or votes allocated to that lot; or (ii) if more than one of the multiple owners is present, the vote or votes allocated to that lot may be cast only in accordance with the owners' unanimous agreement. Multiple owners are in unanimous agreement if one of the multiple owners casts the votes allocated to a lot and none of the other owners makes prompt protest to the person presiding over the meeting.

4.9.2. Entity-Owner Lots. If a lot is owned by an entity, such as a corporation, limited liability company, partnership or other business entity, the vote for that lot may be cast by an officer, manager, managing member, partner or other person designated in the governing documents of the entity in the absence of the entity's written appointment of a specific person to exercise its vote. The person presiding over a meeting or vote may require reasonable evidence that a person voting on behalf of a corporation or partnership or other entity is qualified to vote.

4.9.3. Association-Owned Lots. Votes allocated to a lot owned by the Association may be counted towards a quorum only, and may not be voted.

4.10. PARTICIPATION. Members may participate in person or by proxy at meetings of the Association. A member who participates is deemed "present" and may be counted towards a quorum unless the member participates for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened. Additionally, the voting rights of an owner may be cast or given (a) by absentee ballot in accordance with this Section, (b) by electronic ballot in accordance with this Section or (c) by any other method of representative or delegated voting provided by a dedicatory instrument.

4.10.1 Proxies. Votes may be cast in person or by written proxy. To be valid, each proxy shall (i) be signed and dated by a member or his attorney-in-fact; (ii) identify the lot to which the vote is appurtenant; (iii) identify the person or position (such as the president of the board) in favor of whom the proxy is granted, such person having agreed to exercise the proxy; (iv) identify the purpose or meeting for which the proxy is given; (v) not purport to be revocable without notice; and (vi) be delivered to the secretary or to the person presiding over the Association meeting for which the proxy is designated, or to a person or company designated by the board. Unless the proxy specifies a shorter or longer time, it terminates 11 months after the date of its execution. Perpetual or self-renewing proxies are permitted, provided they are revocable. To revoke a proxy, the granting member must give actual notice of revocation to the person presiding over the Association meeting for which the proxy is designated. Unless revoked, any proxy designated for a meeting which is adjourned, recessed, or re-scheduled shall be valid when such meeting reconvenes.

4.10.2 Solicitation for Absentee Ballots. A solicitation for votes by absentee ballot must include: (a) an absentee ballot that contains each proposed action and provides an opportunity to vote for or against each proposed action; (b) instructions for delivery of the completed absentee ballot including the delivery locations; and (c) the following language: "By casting your vote via absentee ballot you will forego the opportunity to consider and vote on the any action from the floor on these proposals if a meeting is held. This means that, if there are amendments to these proposals, your vote will not be counted on the final vote on these measures. If you desire to retain this ability, please attend any meeting in person. You may submit an absentee ballot and later choose to attend any meeting in person, in which event any in-person vote will prevail."

4.10.3 Electronic Ballot. For purposes of this section, "electronic ballot" means a ballot (a) given by email, facsimile, or posting on an Internet website; (b) for which the identity of the property owner submitting the ballot can be confirmed; and (c) for which the property owner may receive a receipt of the electronic transmission in receipt of the owner's ballot. If an electronic ballot is posted on an Internet website, a notice of the posting shall be sent to each owner that contains instructions on obtaining access to the posting on the website.

4.10.4 Counting Absentee and Electronic Ballots. An absentee or electronic ballot: (a) may be counted as an owner present and voting for the purpose of establishing a quorum only for items appearing on the ballot; (b) may not be counted, even if properly delivered, if the owner attends any meeting to vote in person, so that any vote cast at a meeting by a property owner supersedes any votes submitted by absentee or electronic ballot previously submitted for that proposal; and (c) may not be counted on the final vote of a proposal if the motion was amended at the meeting to be different from the exact language on the absentee or electronic ballot.

4.10.5 Tabulation and Access to Ballots. A person who is a candidate in the Association's board election, or who is otherwise the subject of an Association vote, or a person related to that person within the third degree of consanguinity or affinity, as determined under Chapter 573 of the Texas Government Code, may not tabulate or otherwise be given access to the ballots cast in that election or vote except as provided by this Section. A person other than a person described above may tabulate votes in an Association election or vote, but may not disclose to any other person how an individual voted. Notwithstanding any other provision of these Bylaws or any other law, a person other than a person who tabulates votes may be given access to the ballots cast in the election or vote only as part of a recount process authorized by law.

4.10.6 Recount of Votes. Any owner may, not later than the fifteenth (15th) day after the date of the meeting at which the election was held, require a recount of the votes. A demand for a recount must be submitted in person, or in writing by certified mail, return receipt requested, or by delivery by the United States Postal Service with signature confirmation, to the Association's mailing address as reflected on the latest Management Certificate, or to the address to which absentee and proxy ballots are mailed. The Association shall, at the expense of the owner requesting the recount, retain for the purpose of performing the recount, the services of a person qualified to tabulate votes under this Section. The Association shall enter into a contract for the services of a person who is not a member of the Association or related to a member of the Association board within the third degree of consanguinity or affinity, as determined under Chapter 573 of the Texas Government Code, who is a current or former county judge, county elections administrator, justice of the peace, county voter registrar, or a person agreed on by the Association and the persons requesting the recount. Any recount under this Section must be performed on or before the 30th day after the date of receipt of a request. If the recount changes the results of the election, the Association shall reimburse the requesting Owner for the cost of the recount. The Association shall provide the results of the recount to each owner who requested the recount. Any action taken by the board in the period between the initial election vote tally and the completion of the recount is not affected by any recount.

4.11 CONDUCT OF MEETINGS. The president, or any person designated by the board, shall preside over meetings of the Association. The secretary shall keep, or cause to be kept, the minutes, which shall record all resolutions adopted and all transactions occurring at the meeting, as well as a record of any votes taken at the meeting.

4.12. ORDER OF BUSINESS. Unless the notice of meeting states otherwise, the order of business at meetings of the Association shall be as follows:

- Determine votes present by roll call or check-in procedure

- Announcement of quorum
- Proof of notice of meeting
- Reading and approval of minutes of preceding meeting
- Reports
- Election of directors (when required)
- Unfinished or old business
- New business

4.13. ADJOURNMENT OF MEETING. At any meeting of the Association, a majority of the members present at that meeting, either in person or by proxy, may adjourn the meeting to another time and place.

4.14. ACTION WITHOUT MEETING. Subject to board approval, any action which may be taken by a vote of the members at a meeting of the Association may also be taken without a meeting by written consents. The board may permit members to vote by ballots delivered by any method allowed by applicable law, which may include hand delivery, mail, fax, email, electronic balloting or any combination of these. Written consents by members representing at least a majority of votes in the Association, or such higher percentage as may be required by the governing documents for the subject action, constitutes approval by written. This Section may not be used to avoid the requirement of an annual meeting. This Section shall not apply to the election of directors unless expressly permitted in Article 2 of these Bylaws.

4.15. MEETINGS BY REMOTE COMMUNICATIONS. Members of the Association may participate in and hold meetings of the Association by means of electronic town halls, conference telephone or similar communications equipment by means of which all persons participating in the meeting can communicate concurrently. Participation in the meeting constitutes presence in person at the meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened. By acquiring an interest in a lot, each owner automatically consents to the use of communication technology to effect meetings of the Association, provided the owners of at least 85% of the lots in the Property have access to the form of technology chosen by the board, and further provided that the Association arranges a place or method of participation for those who do not have the technology.

## ARTICLE 5

### RULES

5.1. RULES. The board shall have the right to establish and amend, from time to time, reasonable rules and regulations for: (i) the administration of the Association and the governing documents; (ii) the maintenance, management, operation, use, conservation, and beautification of the properties; and (iii) the health, comfort, and general welfare of the residents; provided, however, that such rules may not be in conflict with law or the governing documents. The board shall, at all times, maintain the then current and complete rules in a written form which can be copied and distributed to the members, and record same in the Official Public Records of Real Property of Aransas County, Texas.

5.2. ADOPTION AND AMENDMENT. Any rule may be adopted, amended, or terminated by the board, provided that the rule and the requisite board approval are properly recorded as a resolution in the minutes of the meeting of the board.

5.3. NOTICE AND COMMENT. The board shall give written notice to the members of any amendment, termination, or adoption of a rule, or shall publish same in a newsletter, the Association's website or any medium which is circulated or made available to the members, at least 10 days before

the rule's effective date. The board may, but shall not be required, to give similar notice to residents who are not members. Any member or resident so notified shall have the right to comment orally or in writing to the board on the proposed action.

5.4. DISTRIBUTION. Upon request from any member or resident, the board shall provide a current and complete copy of rules. Additionally, the board shall, from time to time, distribute copies of the current and complete rules to an owner of each lot and, if the board so chooses, to non-member residents.

## ARTICLE 6

### ENFORCEMENT

6.1. ACTIONS REQUIRING NOTICE AND HEARING. Before taking any of the below-described actions, the Association must give written notice and an opportunity for a hearing according to the requirements of this Article and the notice and hearing requirements of applicable law, such as Chapter 209 Texas Property Code. The following actions by or with the approval of the board, the Association, or the Architectural Review Committee, require notice and hearing as provided by this Article:

- a. Suspension of use of a common area.
- b. Imposition of a fine for violation of any provision of the Governing Documents, other than fines, interest, or collection fees charged for delinquent accounts.
- c. Charging an owner or a lot for property damage.
- d. Filing suit against an owner other than a suit related to the collection of Assessments or foreclosure of the Association's assessment lien.
- e. Report any delinquency of an owner to a credit reporting service.

6.2. NOTICE. The required written notice must contain (1) the date the violation notice is prepared or mailed; (2) a statement that the owner is entitled to a reasonable period to cure the violation and avoid a fine or suspension if the violation is of a curable nature and does not pose a threat to public health or safety; (3) a statement that not later than the 30th day after the date the owner receives the notice, the owner may request a hearing to discuss and verify facts and resolve the matter in issue, pursuant to this Article and applicable law, such as Section 209.007 Texas Property Code; (4) a statement of how or where the request for hearing should be made or delivered; (5) a statement that if the hearing is before a committee or any body other than the board, the owner has the right to appeal the decision to the board by written notice to the board; (6) a statement that the owner may be liable for reimbursement of attorneys fees and costs if the violation continues or the damage is not paid by a stated date; (7) a statement that the owner may have special rights or relief related to the enforcement action under federal law, including the Servicemembers Civil Relief Act, if the owner is serving on active military duty; and (8) the following contents applicable to violations or damage claims, as the case may be:

6.2.1. Notice of Violation. In the case of a violation of a provision of the Governing Documents, the written notice must also contain the following: (1) a description of the violation; (2) a reference to the rule or provision of the Governing Documents that is being violated, if applicable; (3) a description of the action required to cure the violation; (4) the amount of the fine or charge to be levied and/or the nature of the common areas suspension, and/or the abatement action to be taken; (5) unless the owner was given notice and a reasonable opportunity to cure a similar violation within



the preceding 6 months, a statement that the owner may avoid the fine or suspension by curing the violation in a reasonable period of time, which may be specified in the notice.

6.2.2. Notice of Damage. In the case of property damage for which the Association seeks reimbursement or imposition of a charge on the owner or the lot, the written notice must also contain (1) a description of the property damage and (2) the amount of the Association's claim against the owner of the lot.

6.2.3. Notice to Resident. In addition to giving the violation notice to the owner, the board may also give a copy of the notice to the non-owner resident, if the board deems it appropriate.

6.2.4. Receipt of Notice. Unless applicable law provides otherwise, any notice given to an owner pursuant to this Article will be deemed received by the owner (1) on personal delivery to the owner or to a person at the owner's address, or (2) on the third business day after the notice is deposited with the U.S. Postal Service, addressed to the owner at the most recent address shown on the Association's records, whether or not the owner actually receives the notice.

### 6.3 HEARING.

6.3.1. Request for Hearing. To request a hearing, an owner must submit a written request within 30 days after receiving the Association's written notice. The Association shall hold the hearing not later than the 30th day after the date the board receives the owner's request for a hearing. Within 10 days after receiving the owner's request for a hearing, and at least 10 days before the hearing date, the Association will give the owner notice of the date, time, and place of the hearing. If the Association or the owner requests a postponement of the hearing, the hearing will be postponed for up to 10 days. Additional postponements may be granted by agreement of the parties.

6.3.2. Pending Hearing. Not later than 10 days before the association holds a hearing under this section, the association shall provide to an owner a packet containing all documents, photographs, and communications relating to the matter the association intends to introduce at the hearing. If the Association does not provide a packet within the timeframe described in this Section 6.3.2, an owner is entitled to an automatic 15-day postponement of the hearing. Pending the hearing, the board may continue to exercise the Association's other rights and remedies for the violation, as if the declared violation were valid. The owner's request for a hearing suspends only the action described in the Association's written notice.

6.3.3. Attendance. The hearing may be held with or without the presence of the owner or the owner's representative.

6.3.4. Hearing. The hearing may be held in a closed or executive session of the board. At the hearing, the board will consider the facts and circumstances surrounding the violation. The owner may attend the hearing in person, or may be represented by another person or written communication.

6.3.5. Minutes of Hearing. The minutes of the hearing must contain a statement of the results of the hearing and the amount of fine or charge, if any, imposed, or abatement or suspension action, if any, authorized. A copy of the notice and request for hearing should be placed in the minutes of the hearing. If the owner appears at the hearing, the notice requirement will be deemed satisfied.

6.4. ACTIONS EXEMPT FROM NOTICE AND HEARING REQUIREMENTS. As a general rule, every action other than the above-described actions requiring notice and hearing are impliedly exempt from the requirements of this Article. As permitted by applicable law, such as Section 209.007 of Texas Property Code, the following actions are expressly exempt:

a. A temporary suspension of a person's right to use common areas if the temporary suspension is the result of a violation that occurred in a common area and involved a significant and immediate risk of harm to others in the Property. The temporary suspension is effective until the board makes a final determination on the suspension action after following the notice and hearing procedures prescribed by this Article.

b. A lawsuit in which the Association seeks a temporary restraining order or temporary injunctive relief,

c. A lawsuit filed by the Association that includes foreclosure as a cause of action.

d. The collection of delinquent assessments.

6.5. IMPOSITION OF FINE. Within 30 days after levying the fine or authorizing the abatement, the board must give the owner notice of the levied fine or abatement action. If the fine or action is announced at the hearing at which the owner is actually present, the notice requirement will be satisfied. Otherwise, the notice must be in writing.

6.5.1. Amount. The board shall adopt an enforcement policy and fine schedule regarding the levying of fines by the Association. The board may levy a fine from the schedule that varies on a case by case basis, provided the fine is reasonable in light of the nature, frequency, and effects of the violation. The amount and cumulative total of a fine must be reasonable in comparison to the violation. If the board allows fines to accumulate, it may establish a maximum amount for a particular fine, at which point the total fine will be capped.

6.5.2. Type of Fine. If the violation is ongoing or continuous, the fine may be levied on a periodic basis (such as daily, weekly, or monthly). If the violation is not ongoing, but is instead sporadic or periodic, the fine may be levied on a per occurrence basis.

6.5.3. Other Fine-Related. The Association is not entitled to collect a fine from an owner to whom it has not given notice and an opportunity to be heard. The Association may not charge interest on unpaid fines. The Association may not foreclose its assessment lien on a debt consisting solely of fines.

6.6. REIMBURSEMENT OF EXPENSES AND LEGAL FEES. In addition to any other rights set forth in the governing documents for violation of a provision of the governing documents, the board may levy and collect individual assessments for reimbursement of reasonable fees and expenses, including without limitation legal fees, incurred by the Association to enforce the governing documents, including the collection of delinquent assessments, subject to the following conditions:

6.6.1. Notice. The Association must give the owner written notice that the owner will be liable for reimbursement of any such fees and expenses incurred by the Association if the delinquency or violation continues after a date certain that is stated in the notice. This notice requirement does not apply to legal fees incurred by the Association in connection with the Association's counterclaim in a lawsuit to which an owner is a plaintiff.

6.6.2. Hearing. If legal fees are incurred by the Association for an action requiring notice and hearing, the owner is not liable for reimbursement of legal fees incurred (1) before the date by which the owner must request a hearing, if the owner does not request a hearing, or (2) before conclusion of the hearing, if the owner does request a hearing.

6.6.3. Records. By written request, an owner may obtain from the Association copies of any invoices for charges, including legal fees, for which the Association seeks reimbursement.

6.6.4. Foreclosure. In connection with a judicial foreclosure of the Association's assessment lien, applicable law, such as Chapter 209 of the Texas Property Code, establishes a limit for the amount of attorneys fees that the Association may include in its lien. However, the foregoing does not prevent the Association from recovering or collecting attorney's fees in excess of such amounts by other means provided by law.

6.7. ADDITIONAL ENFORCEMENT RIGHTS. Notwithstanding the notice and hearing requirement, the board may take immediate and appropriate action, without giving the notices required in this Article, against violations of the Governing Documents which, in the board's opinion, are (1) threatening to life or property or (2) repeat violations of the same provision by the same owner to whom prior notices and demands have been given for the same violation within the preceding six months. Further, the provisions of this Article do not apply to specific remedies provided in the Governing Documents for certain violations, such as nonpayment of assessments.

## ARTICLE 7

### OBLIGATIONS OF THE OWNERS

7.1. NOTICE OF SALE. Any owner intending to sell or convey his lot or any interest therein must give written notice to the board of his intention, together with (1) the address or legal description of the lot being conveyed, (2) the name and address of the intended purchaser, (3) the name, address, and phone number of the title company or attorney designated to close the transaction, (4) names and phone numbers of real estate agents, if any, representing seller and purchaser, (5) scheduled date of closing, and (6) a \$250.00 transfer fee. An owner will furnish this information and the transfer fee to the board at least 10 business days before the scheduled date of closing or conveyance. The requirements of this Section may be satisfied by giving the Association a copy of an accepted resale contract in connection with the owner's request to the Association for a resale certificate.

7.2. OWNER-SELLER RESPONSIBILITIES. The owner-seller shall be responsible for leaving the Association provided binder and any and all gate remotes with the buyer.

7.3. PROOF OF OWNERSHIP. Any person, on becoming a member of the Association, shall furnish to the board evidence of ownership in the lot, which copy shall remain in the file of the Association. This requirement may be satisfied by receipt of a copy of the recorded deed or a board-approved form that is completed and acknowledged by a title company or attorney at time of conveyance of the lot or any interest therein. The Association may refuse to recognize a person as a member unless this requirement is first met.

7.4. OWNERS' INFORMATION. Within 30 days after acquiring an ownership interest in a lot, the owner must provide the Association with the owners' mailing address; the names of all co-owners; the names of any tenants; and the name, address, and telephone number of any person managing the lot as agent of the lot owner. An owner must notify the Association within 30 days after he has notice of a change in any information required by this Section, and must provide the information on request by the Association from time to time.

7.5. MAILING ADDRESSES. The owner or the several co-owners of a lot shall register and maintain one mailing (including emailing) address to be used by the Association for mailing of monthly statements, notices, demands, and all other communications. The owner shall keep the Association informed of the member's current mailing address at all times. If an owner fails to maintain a current mailing address with the Association, the address of that owner's lot shall be deemed to be his mailing address.

7.6. ASSESSMENTS. Upon obtaining ownership of a Lot, members shall be obligated to pay assessments imposed by the Association to meet the common expenses. A member shall be deemed to be in good standing if he/she is current in the assessments.

7.7. COMPLIANCE WITH DOCUMENTS. Each member shall comply with the provisions and terms of the governing documents, and any amendments thereto. Further, each member shall always endeavor to observe and promote the cooperative purposes for which the subdivision was established.

## ARTICLE 8

### ASSOCIATION RECORDS

8.1. RECORDS. The Association shall keep the following records for the stated periods of time, being the stated minimum requirements of TPC '209.005(m):

a. Minutes or a similar record of the proceedings of the meetings of the board shall be retained for at least seven (7) years.

b. Names and mailing addresses of the members, the currency and accuracy of the information being the responsibility of the members, and other account records of current owners, shall be retained for at least five (5) years.

c. Financial records and books of account for the Association, kept in a manner consistent with generally accepted accounting principles, shall be retained for at least seven (7) years.

d. Copies of income tax returns prepared for the Internal Revenue Service, and audit records, shall be retained for at least seven (7) years.

e. Copies of the governing documents, other than the documents specifically listed in Section 8.1.g. below, and all amendments to any of these, for at least seven (7) years, including a record of all votes or written consents by which amendments to these governing documents were approved.

f. Contracts with a term of one (1) year or more shall be retained for at least four (4) years after the expiration of the contract term.

g. Certificate of Formation, Bylaws, the Declaration, and all amendments to the Certificate of Formation, Bylaws, and Declaration shall be retained permanently.

In accordance with TPC '209.005(m), the Association has adopted, recorded and complied with a Document Retention Policy, which is recorded in the Official Public Records of Real Property of Aransas County, Texas.

8.2. INSPECTION AND COPYING OF BOOKS AND RECORDS. Books and records of the Association shall be made available for inspection and copying pursuant to Sections 22.351 and 22.353 of the TBOC and Section 209.005 of the Texas Property Code.

8.2.1. Inspection or Copying Request. A member must submit a written demand for inspection or copying by certified mail, with sufficient detail describing the Association's books and records requested. If an inspection request is made, the Association, on or before the 10th business day after the date the Association receives the request, shall send written notice of dates during normal

business hours that the owner may inspect the requested books and records to the extent those books and records are in the possession, custody, or control of the Association. The Association may require that any inspection of books and records occur through providing digital pictures or videos of the requested books and records. If copies are requested and the Association is unable to produce the books or records requested on or before the 10th business day after the date the Association receives the request, the Association must provide to the requestor written notice that (1) informs the requestor that the Association is unable to produce the information on or before the 10th business day after the date the Association received the request; and (2) states a date by which the information will be made available for inspection to the requesting party that is not later than the 15th business day after the date notice under this subsection is given.

8.2.2. Copies. A member, at the member's expense, may obtain photocopies of books and records for which the board grants the right of inspection. The board has the right to retain possession of the original books and records, to make copies requested by the member, and to charge the member a reasonable fee for copying. The board has adopted a Records Production and Copying Policy that prescribes the costs the Association will charge for the compilation, production, and reproduction of information requested under this Section, which Policy is recorded in the Official Public Records of Real Property of Aransas County, Texas, pursuant to TPC '209.005. The prescribed charges may include all reasonable costs of materials and labor. The Association may not charge an owner for the compilation, production, or reproduction of information requested under this Section unless the policy prescribing those costs has been recorded as required by this subsection. An owner is responsible for costs related to the compilation, production, and reproduction of the requested information in the amounts prescribed by the Policy adopted under this Section. The Association may require advance payment of the estimated costs of compilation, production, and reproduction of the requested information. If the estimated costs are lesser or greater than the actual costs, the Association shall submit a final invoice to the owner on or before the thirtieth (30th) business day after the date the information is delivered. If the final invoice includes additional amounts due from the owner, the additional amounts, if not reimbursed to the Association before the thirtieth (30th) business day after the date the invoice is sent to the owner, may be added to the owner's account as an assessment. If the estimated costs exceeded the final invoice amount, the owner is entitled to a refund, and the refund shall be issued to the owner not later than the thirtieth (30th) business day after the date the invoice is sent to the owner.

8.2.3 Member's Agent. A member's inspection of the books and records may be assisted or performed by the member's agent, accountant, or attorney.

8.2.4. Records of Attorneys and Accountants. The files and records of an attorney who performs services for the Association are not records of the Association, are not subject to inspection by members, and are not subject to production in a legal proceeding.

8.3 RESALE CERTIFICATES. An officer may prepare, or cause to be prepared, assessment estoppel certificates or resale certificates pursuant to applicable law, such as Chapter 207 of the Texas Property Code, titled Disclosure of Information by Property Owners Association. The Association may charge a reasonable fee for preparing such certificates, and may refuse to furnish such certificates until the fee is paid. Any unpaid fees may be assessed against the lot for which the certificate is furnished. The Association may delegate the responsibility for a resale certificate to its managing agent, if any.

8.4 WEBSITE TO CONTAIN DEDICATORY INSTRUMENTS. The Association shall make dedicatory instruments relating to the Association or subdivision and filed in the county records available on a website if the Association has, or a management company on behalf of the Association maintains, a publicly accessible website.

8.5. MANAGEMENT CERTIFICATE. As required by applicable law, such as Section 209.004 of the Texas Property Code, the Association will maintain a current management certificate in the county's public records. When the Association has notice of a change in any information in the recorded certificate, the Association will prepare a restated or amended certificate and deliver it to the county clerk for filing. Absent gross negligence, the Association is not liable for a delay or failure to record a certificate. The Association may delegate the responsibility for a management certificate to its managing agent, if any.

8.6. MEMBERSHIP LIST. The board may maintain a comprehensive list of Association members and their contact information ("Membership List"). If the Association maintains the Membership List, the Association may make the Membership List available to any owner on written request, and may charge a reasonable fee for cost of copying and delivering the owners list. The Membership List described in this Section 8.6 is separate and distinct from the Voting Member List. A member may request that his or her name and contact information be removed from the Membership List.

8.6.1. Types of Information. The Membership List may include the following information for each lot: (i) the name and mailing address of at least one owner, (ii) a description of the lot owned (if different from the mailing address), (iii) additional contact information for owners, such as phone numbers, email addresses, and any other items of information voluntarily provided by owners.

## ARTICLE 9

### NOTICES

9.1. CO-OWNERS. If a lot is owned by more than one person, notice to one co-owner shall be deemed notice to all co-owners. Similarly, notice to one resident of a lot is deemed notice to all residents of the lot.

9.2. DELIVERY OF NOTICES. Any written notice required or permitted by these Bylaws may be given personally, by mail, by facsimile transmission, by email, or by any other method permitted by applicable law, such as the Texas Business Organizations Code. If mailed, the notice is deemed delivered when deposited in the U.S. mail addressed to the member at the address shown on the Association's records. If transmitted by fax or email, the notice is deemed delivered on successful transmission of the facsimile or electronic correspondence. The notice must be sent to the party's last known address as it appears on the records of the Association at the time of transmission. If an owner fails to give the Association an effective address, the notice may be sent (1) to the address of the owner's lot and/or (2) to the owner's address shown on the then-current property tax rolls for the lot. If the Association properly transmits the notice, the owner is deemed to have been given notice whether or not he actually receives it.

9.3. WAIVER OF NOTICE. Whenever any notice is required to be given to an owner, member, or director, a written waiver of the notice, signed by the person entitled to such notice, whether before or after the time stated in the notice, shall be equivalent to the giving of such notice. Attendance by a member or director at any meeting of the Association or board, respectively, shall constitute a waiver of notice by such member or director of the time, place, and purpose of such meeting. If all members or directors are present at any meeting of the Association or board, respectively, no notice shall be required and any business may be transacted at such meeting.

## ARTICLE 10

## INDEMNIFICATION

10.1. GENERAL. The purpose of this Article is to mandate some of the permissive provisions of Chapter 8 of the TBOC, and to indemnify Association leaders whether or not the Association is incorporated at the time indemnification is needed. The definitions of Chapter 8 of the TBOC are hereby incorporated by reference, without regard to the corporate status of the Association. As used in this Article, "Association Leader" means a person who is a current or former officer or director of the Association, or a current or former committee chair or committee member of the Association.

10.2. MANDATORY INDEMNIFICATION. The Association will indemnify an Association Leader who was, is, or is threatened to be made a named defendant or respondent in a proceeding because the person is or was an Association Leader, if the following determinations are made.

10.2.1. Determinations. It must be determined that the person acted in good faith, and that:

- a. the person reasonably believed (1) in the case of conduct in the person's official capacity, that the person's conduct was in the Association's best interest, or (2) in any other case, that the person's conduct was not opposed to the Association's best interests;
- b. in the case of a criminal proceeding, the person did not have a reasonable cause to believe the person's conduct was unlawful;
- c. with respect to expenses, the amount of expenses other than a judgment is reasonable; and
- d. indemnification should be paid.

10.2.2. Effect of Proceeding Termination. A person does not fail to meet the determination standard solely because of the termination of a proceeding by judgment, order, settlement, conviction, or a plea of nolo contendere or its equivalent.

10.2.3. How Determinations Are Made. If all of the directors are disinterested and independent, as defined in the TBOC, the determinations required under this Section will be made by a special legal counsel selected by the board. Otherwise, the determinations will be made by the owners of a majority of lots in the Property, other than lots owned by persons who are not disinterested and independent as defined in the TBOC, or by a special legal counsel selected by those owners.

10.3. EXCEPTIONS TO MANDATORY INDEMNIFICATION. A person who is found liable to the Association or is found liable because the person improperly received a personal benefit is not entitled to indemnification under this Article if, in a legal proceeding, the person has been found liable for (1) willful or intentional misconduct in the performance of the person's duty to the Association, (2) breach of the person's duty of loyalty owed to the Association, or (3) an act or omission not committed in good faith that constitutes a breach of a duty owed by the person to the Association. In all other instances, indemnification of a person who is found liable to the Association is limited to reasonable expenses actually incurred by the person in connection with the proceeding, excluding a judgment, a penalty, a fine, or any other type of sanction. A person indemnified by the Association, is considered to have been found liable in relation to a claim, issue, or matter only if the liability is established by an order, including a judgment or decree (of a court, and all appeals of the order are exhausted or foreclosed by applicable law.

10.4. EXPENSES. The indemnification provided by this Article covers reasonable expenses

and costs, such as legal fees, actually and necessarily incurred by the indemnified person in connection with a qualified claim.

10.4.1. Advancement of Expenses. The Association may pay or reimburse reasonable expenses incurred by an indemnified person who was, is, or is threatened to be made a respondent in a proceeding in advance of the final disposition of the proceeding without making the determinations required under the Section above titled "Mandatory Indemnification," after the Association receives a written affirmation by the person of the person's good faith belief that the person has met the standard of conduct necessary for indemnification under this Article, and a written undertaking by or on behalf of the person to repay the amount paid or reimbursed if the final determination is that the person has not met that standard or that indemnification is prohibited by this Article. The required written undertaking must be an unlimited general obligation of the person, but need not be secured, and may be accepted by the Association without regard to the person's ability to make repayment.

10.4.2. Witness Expenses. The Association may pay or reimburse reasonable expenses incurred by an Association Leader, member, employee, agent, or other person in connection with that person's appearance as a witness or other participation in a proceeding at a time when the person is not a respondent in the proceeding.

10.5. INDEMNIFICATION OF OTHER PERSONS. Subject to the same limitations, determinations, and exceptions for Association Leaders, the Association may indemnify and advance expenses to a person who is not otherwise covered by this Article's indemnification as provided by (1) a provision in a Governing Document of the Association, (2) a contract to which the Association is a party, (3) common law, (4) a board resolution, or, (5) a resolution approved by the Association's members. A person indemnified under this Section may seek indemnification or advancement of expenses from the Association to the same extent that an Association Leader may seek indemnification or advancement of expenses under this Article.

## ARTICLE 11

### AMENDMENTS TO BYLAWS

11.1. AMENDMENTS BY BOARD. Although the general authority for amending the Bylaws resides with the members of the Association under Section 11.2, the following amendments may be made by the board without a vote of the members, provided the proposed amendment has the prior unanimous approval of the directors: (i) to correct mistakes in the Bylaws, (ii) to conform the Bylaws to changes in controlling law applicable to any topic addressed in these Bylaws, (iii) to change the name of the Association, and (iv) to restate previously amended Bylaws for the sole purpose of incorporating the amendments into the body of the Bylaws.

11.2. AMENDMENT BY MEMBERS. All other amendments to these Bylaws must be approved by the members according to the terms of this Article.

11.2.1. Proposals. These Bylaws may be amended by the members according to the terms of this Article. The Association shall provide or make available to an owner of each lot a detailed description, if not exact wording, of any proposed amendment. Such description shall be included in the notice of any annual or special meeting of the Association if such proposed amendment is to be considered at said meeting.

11.2.2. Consents. An amendment to these Bylaws must be approved either: (i) by a majority of votes present, in-person or by proxy, at a properly called meeting for which a quorum is obtained, or (ii) by written consents under Section 4.14 of owners representing a majority of votes attributable to the total lots of the Association. This Section, however, may only be amended by approval of



owners representing a majority of votes attributable to the total lots of the Association.

11.2.3. Effective. To be effective, each amendment must be in writing, reference the name of the subdivision and the Association, be signed by at least two officers acknowledging the requisite approval of members, and notice of the amendment must be provided to an owner or each lot at least 10 days before the amendment's effective date. Such notice may be in any form allowed under Article 9 and must either provide the owner with a copy of the amendment or instructions for obtaining a copy. The amendment must be recorded in the office of the county clerk for which the subdivision is located.

## ARTICLE 12

### GENERAL PROVISIONS

12.1. CONFLICTING PROVISIONS. If any provision of these Bylaws conflicts with any provision of the laws of the State of Texas, such conflicting Bylaws provision shall be null and void, but all other provisions of these Bylaws shall remain in full force and effect. In the case of any conflict between the Certificate of Formation of the Association and these Bylaws, the Certificate shall control. In case of any conflict between these Bylaws and the Declaration, the Declaration shall control.

12.2. SEVERABILITY. Invalidation of any provision of these Bylaws, by judgment or court order, shall in no way affect any other provision which shall remain in full force and effect.

12.3. CONSTRUCTION. The effect of a general statement shall not be limited by the enumerations of specific matters similar to the general. Whenever possible, each provision of these Bylaws will be interpreted in a manner as to be effective and valid.

12.4. FISCAL YEAR. The fiscal year of the Association shall be set by resolution of the board, and is subject to change from time to time as the board shall determine. In the absence of a resolution by the board, the fiscal year shall be the calendar year.

12.5. WAIVER. No restriction, condition, obligation, or covenant in these Bylaws shall be deemed to have been abrogated or waived by reason of failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

[Signature page to follow.]

**CERTIFICATE**

I HEREBY CERTIFY that the foregoing is a true, complete, and correct copy of the Second Amended and Restated Bylaws of ROYAL OAKS AT FULTON BEACH HOMEOWNERS ASSOCIATION, a Texas non-profit corporation, as adopted by the Board of Directors at its special meeting on the 31<sup>st</sup> day of May, 2024.

IN WITNESS WHEREOF, I hereunto set my hand in this 31<sup>st</sup> day of May, 2024.

By: [Signature]  
Jonathan C. Greiner, President

By: [Signature]  
Dominique Bauer, Vice President and Secretary

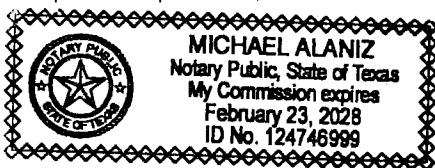
By: [Signature]  
Ruth Olivares, Treasurer

THE STATE OF Texas

§  
§  
§

COUNTY OF Bexar

This instrument was acknowledged before me on the 31<sup>st</sup> day of May, 2024, by Jonathan C. Greiner, President of Royal Oaks at Fulton Beach Homeowners Association, Inc., a Texas non-profit corporation, for and on behalf of said corporation.



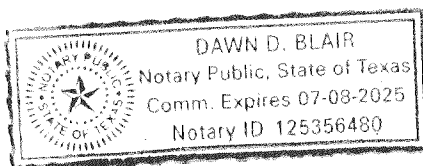
[Signature]  
Notary Public, State of Texas

THE STATE OF Texas

§  
§  
§

COUNTY OF Aransas

This instrument was acknowledged before me on the 10<sup>th</sup> day of June, 2024, by Dominique Bauer, Vice President of Royal Oaks at Fulton Beach Homeowners Association, Inc., a Texas non-profit corporation, for and on behalf of said corporation.



[Signature]  
Notary Public, State of Texas

THE STATE OF Texas

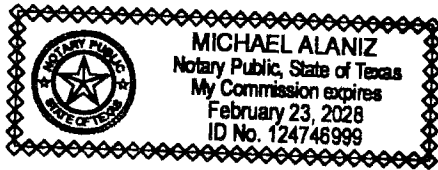
§

COUNTY OF Bexar

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This instrument was acknowledged before me on the 31<sup>st</sup> day of May, 2024, by Ruth Olivares, Treasurer of Royal Oaks at Fulton Beach Homeowners Association, Inc., a Texas non-profit corporation, for and on behalf of said corporation.



  
Notary Public, State of Texas

# Royal Oaks

## DESIGN GUIDELINES

Dear New Resident,

We are very pleased that you have chosen to become a resident at Royal Oaks, an exclusive gated bay front community in Fulton Beach. For some of you, living in a planned community may be a new experience; therefore, we are providing you with information contained herein, to assist you in the transition to this type of community. By understanding the concept of a planned community and working together to maintain the concepts of our community, we will be able to preserve the quality and standards that attracted you to Royal Oaks.

As a new Property Owner, you automatically become a member of the **Royal Oaks at Fulton Beach Homeowners Association**. The Homeowners Association is responsible for managing all of the residential Common Elements within the community and is responsible for enforcing the policies of the Association. All Property Owners are required to pay a monthly association fee to the Homeowners Association for these services. A Second Amended and Restated Declaration of Covenants, Conditions and Restrictions has been adopted under which the Association must operate and under which all property owners must abide. Owners who may have not received a copy should call the Property Management Company at the number below. Additionally, the Association has adopted the attached Design Guidelines, with which every homeowner must comply regarding any improvements that occur on any Lot within the community. The intent of this document is to create and maintain the highest quality living environment possible, and to help assure the continued value of your investment in Royal Oaks.

The following Property Management Company will be responsible for the day-to-day operations of the Association.

**Royal Oaks Partners at Fulton Beach, L.P.**  
1 Indian Springs Road Indiana, PA 15701  
Phone: (724) 471-7055, Option 7  
E-mail: RoyalOaks\_HOA@outlook.com

Additionally, an Architectural Review Committee has been formed, on behalf of the Association. Contact them at:

**Royal Oaks Architectural Review Committee**  
**Royal Oaks Partners at Fulton Beach, L.P.**  
1 Indian Springs Road  
Indiana, PA 15701  
Phone: (724) 471-7055, Option 7  
E-mail: RoyalOaks\_HOA@outlook.com

We strongly advise every Property Owner to read these Design Guidelines carefully. Prior to investing extensive time and money in the preparation of detailed architectural plans, it is recommended, but not required, that the Property Owner or his/her representative talk with the Committee to discuss preliminary plans and to identify any unique site conditions or issues for your property.

If you have any questions, please contact the Property Management Company. Again, welcome to Royal Oaks!

Sincerely,

Royal Oaks at Fulton Beach Homeowners Association, Board of Directors

# ROYAL OAKS DESIGN GUIDELINES TABLE OF CONTENTS

## SECTION

- 1.0 Introduction
- 2.0 Design Guidelines
  - 2.1 General Site Planning
  - 2.2 Grading
  - 2.3 Site Walls/Fencing
  - 2.4 Architectural Design
  - 2.5 Yard Areas and Features
  - 2.6 Landscape Design
- 3.0 Review and Approval Process
- 4.0 Construction Guidelines
- 5.0 Disclaimer
- 6.0 Application Forms
- 7.0 Owner's Lot/Building Envelope

## SECTION 1.0: INTRODUCTION

These Design Guidelines (sometimes herein referred to as "Guidelines") are to assist all Property Owners regarding any proposed improvements on any Lot, and have been adopted by the Board of Directors and the Architectural Review Committee (sometimes herein, "Committee") established by the Board of Directors, pursuant to the Second Amended and Restated Declaration of Covenants, Conditions and Restrictions (the "Declaration"). These Guidelines govern all residential property within the community, and as provided in the Declaration, no construction, improvements, alterations, repair, excavation, or other work which in any way alters the exterior appearance of any property, or the improvements located thereon and no building, fence, wall or other structure may be commenced, erected, maintained, improved, made or done without the prior written approval of the Board of Directors or the Committee established by the Board of Directors for such purpose.

Any approval of plans, specifications, or proposed construction given by the Architectural Review Committee shall not constitute any representation or warranty by the Committee that the approved construction or modification complies with applicable federal, state or local laws or ordinances. Each Property Owner must comply with all applicable federal, state and local laws, rules and ordinances and obtain such permits as may be required for the construction or modification of the improvement. The Property Owner is responsible to the Association for completion of the project in the time frame specified in the Construction Schedule and for the actions of the contractor(s) and/or subcontractor(s) on the project.

The Design Guidelines are intended to promote the highest quality of community possible by establishing standards for all construction and/or remodeling of residences and associated site improvements, along with defining community rules concerning property use. The Board of Directors, as part of these Guidelines, and as stipulated in the Declaration, has adopted procedures for the review and approval of all applications made to the Committee, who are responsible for these activities on behalf of the Board of Directors. During the process of these activities, the Committee will place as strong an emphasis on meeting the intent of the Guidelines as it does on successfully meeting the "acceptable standards" specified in the text. Please note that these Guidelines do not waive the requirement for approvals and permits potentially required by the Town of Fulton.

Royal Oaks is truly a unique community, with natural beauty. The vision for Royal Oaks embraces excellence in design and a reflection of history and tradition of coastal-influenced living, thus creating a distinct community that will truly foster a genuine sense of place. To this end, the Architectural Review Committee has determined that the homes within the community should reflect "Mediterranean inspired" architecture - styles that would be thematically suited to the region, the site, and the climate of coastal Texas. Home designs should contain elements such as thick stucco walls, stone, tile or metal roofs, including sheet metal roofing or metal roofing supplied by Decra Metal Roofing that conforms to the architectural style of the community, arched openings, tower elements, decorative ornamental iron gates, interior gardens, fountains, and courtyards. These elements will promote a variety of unique, but compatible architectural styles such as Italian, Spanish, and Western Regional architecture. The Architectural Review Committee will consider colors and architectural styles from traditional approaches to more contemporary design influences, but will not consider styles that have no historical basis, or those not consistent with the spirit and intent of this document.

Each Lot within the Royal Oaks community is characterized by distinct locations of specimen Live Oak trees, with each Lot presenting a unique opportunity and challenge in the design process. It is encouraged that a creative design approach be undertaken to best "fit" all proposed improvements to the existing character of the property. In an effort to promote and protect the highest quality of community possible, the Committee will require home designs to be a minimum of 1,300 square feet livable.

Neither the Committee, any member thereof, the Association or any director, officer, employee or agent of the Association shall be liable to any Property Owner or other person for any damage, loss or prejudice claimed on account of (a) the approval or disapproval of any plans, drawings and specifications, whether or not defective, (b) the construction or performance of any work, whether or not pursuant to approved plans, drawings, or specifications, (c) the development or manner of development of any property within Royal Oaks, or (d) the exercise of any of the powers, duties or responsibilities of the Architectural Review Committee.

The Design Guidelines have been prepared by Royal Oaks LP (the "Declarant") and adopted by the Declarant pursuant to the Declaration. The Design Guidelines may be changed and amended to serve the needs of the community pursuant to the procedures set forth in the Declaration. These Guidelines were prepared on May 1, 2015, and amended on \_\_\_\_\_, 2024, in connection with the Declaration.

## SECTION 2.0: DESIGN GUIDELINES

### 2.1 GENERAL SITE PLANNING CONSIDERATIONS

- The Architectural Review Committee has identified individual “Building Envelopes” for each Lot within the Royal Oaks community (see Section 7.0). All construction, modification, or improvements to a Lot relative to the vertical construction of the home, shall not extend outside the “Building Envelope”. In special circumstances involving conditions that, in the opinion of the Committee, do not conflict with the spirit and intent of the Design Guidelines, the Committee may approve on a case-by-case basis to allow home construction to extend on a limited basis, beyond the Building Envelope.
- The Committee may have also identified additional conditions, setbacks and/or easements on particular Lots. Please note if your Lot is identified as containing any special conditions, setbacks, or easements.
- Any construction, modification, or improvements within the Lot, to include such items as landscaping, patios, pools, water features, spas, gazebos, trellises, etc., can occur outside of the Building Envelope, but will be carefully reviewed by the Committee for any potential impacts to adjacent Lots and Common Elements. The Committee reserves the right to disapprove any proposal for improvements outside of the Building Envelope that, in the opinion of the Committee, would adversely impact surrounding property.
- The design philosophy for the community of Royal Oaks is to convey an atmosphere of intimacy with high quality garden homes and villa style townhomes encircling a common park area. In an effort to protect the spirit and intent of this design philosophy, the Committee will encourage home designs to be predominately single story on the street frontage, as much as possible. Portions exceeding a single story of homes will be evaluated on a case-by-case basis by the Committee for potential impacts to other property and/or view corridors.
- The Property Owner shall observe the location of any homes and uses that may be occurring on neighboring Lots. The potential impact to their views, privacy, and continued use shall be considered. The Property Owner must demonstrate that consideration was made to setbacks and methods of screening to be used, which minimize any degradation of neighboring properties. The Committee will work with the Property Owner in a good faith effort to help accomplish his/her program and minimize impact to neighboring properties.
- Existing view corridors will be created and/or changed as Lots are improved. Each Property Owner acknowledges that any construction or installation by builders nearby or adjacent to Property Owner’s Lot may potentially impair the view of such Property Owner and hereby consents to such impairment. Each Property Owner acknowledges that there are no guaranteed views within the properties, and no property is assured the existence of unobstructed continuation of any particular view.
- The Committee will pay particular attention to the preservation of existing trees, and will require that home design and associated lot improvements respect, as much as possible, the preservation of existing trees.
- As per the Declaration, no parking will be allowed on private streets within Common Properties. Therefore it will be the responsibility of the Property Owner to provide adequate guest parking on the Owner’s Lot.
- Driveways and any other access to a garden home or villa style townhome must be on the same side as the home’s street address. The location of driveways or other access to a Property Owner’s home is subject to the Committee’s review and approval.
- If a Property Owner purchases two Lots, a garden home may be construction in the middle of the two Lots, however, it will be the Property Owner’s responsibility to obtain any and all permits, approvals, or variances required by any local governmental entities.

### 2.2 GRADING

- The Committee will require that grading activities respect the need to preserve existing trees as much as possible.

- All storm water management must be designed to flow to the street, and to the rear of the Lot. No change in existing grade shall create a drainage condition that could adversely impact adjacent Lots or Common Elements. Rip-rap or other rock-type erosion control measures can be utilized for controlling concentrated flows.
- Finished, ground floor elevations of homes must not exceed 24" above the lowest elevation of the crown of the street fronting the Lot.
- On those Lots that face directly onto Fulton Beach Road, any resultant manufactured slopes will be evaluated by the Committee for visual impact. Slopes of 6:1 are encouraged due to the sandy soil conditions, but steeper slopes will be allowed if soil stabilization measures are utilized. All proposed slopes will be evaluated by the Committee as to their potential adverse visual impact. The Committee may require additional slope-stabilizing landscaping. The use of retaining walls (in lieu of manufactured slopes) is strongly encouraged, and the Committee reserves the right to require, on a case-by-case basis, the use of retaining walls in lieu of manufactured slopes.

## **2.3 SITE WALLS/FENCING**

- Free standing screen walls, not supporting a building structure or retaining earth, may not exceed six (6) feet in height.
- All walls and fencing must be finished with materials and colors that blend in and harmonize with the surrounding environment and architectural style of the home.
- View fencing may occur on top of retaining walls as long as the fence is 90% transparent.
- Perimeter walls on the property line are prohibited, except in very limited cases where they are used to screen or provide privacy to a specific room of the home or patio area. The Committee will evaluate any wall occurring on a property line to determine the potential impact to views from adjacent properties.
- Safety or security fencing will be allowed, in addition to pools and spas (per applicable ordinances) but the Committee will require that the location and design of any fencing or privacy walls minimize potential disturbance to views from adjacent properties. Invisible electronic fencing for pet security is encouraged.
- Retaining walls shall typically not exceed eight (8) feet in height, measured vertically from the lowest finished grade adjacent to the wall along the exterior side. On a case-by-case basis, the Committee may consider heights in excess of eight (8) feet when justified by topographic conditions when the extra height, in the Committee's opinion, causes no adverse visual impact. If stepped retaining walls are proposed, a four (4) foot minimum planting area will be provided between the walls. Subject to approval by the Committee, other acceptable methods for softening the appearance of retaining walls over eight (8) feet in height may include: landscaping with mature, indigenous trees or large shrubs; and/or utilizing a different texture and/or material such as stone for a portion of the wall.

## **2.4 ARCHITECTURAL DESIGN**

- These guidelines are intended to discourage and/or prevent any proposed structure, which, in the sole opinion of the Committee, would appear excessive in height when viewed from a Common Element. The Committee will take into consideration the height of any proposed fill slope required to create the building pad, into its determination of excessive height.
- The design character of a proposed residence should be considered from all sides (including roofs), not just the front or rear elevations, and all elevations should maintain visual integrity, cohesiveness, and design detail. Long and/or large uninterrupted wall surfaces should be avoided, if possible. Very large or dominating individual building masses, in particular those created by sloping roofs, are discouraged.
- Homes are limited to thirty-five feet (35') in height measured from the finish pad elevation to the highest roof ridge. In special circumstances involving conditions that do not conflict with any applicable governmental ordinances, the Committee may approve, on a case-by-case basis, overall vertical dimensions which may exceed this limitation, i.e. architectural elements such as cupolas and chimney tops.



- All outside lighting must be designed and installed so that it will not beam onto neighboring properties or otherwise create a nuisance or be unsightly in the general area. The Committee reserves the right to demand that fixtures be disconnected or changed, if problems with lights occur.
- Acceptable exterior wall finish materials/colors include:
  1. Stucco
  2. Manufactured or natural stone products
  3. Concrete, wood or metal accents
  4. Integrally colored, stained or mortar-washed masonry (brick, concrete block, etc.) with concrete, wood or metal accents
- Unacceptable exterior wall finish materials/colors include:
  1. Stucco as an entire wall surface without relief or complimentary materials
  2. Any bright or highly reflective colors or finishes
  3. Horizontal or vertical siding as an entire wall surface without relief
- Since roof shapes will form an important part of the visual environment, they must be carefully designed. In general, large, unrelieved singular roof forms and/or rooflines are discouraged. Utilize multiple roof massing as much as possible. Bright or dominant roof colors or reflective roof surfaces, other than metal roofs approved by the Committee, are discouraged.
- All projections from a building including, but not limited to, chimney caps, vents, gutters, scuppers, downspouts, utility boxes, porches, railings, and exterior stairways shall match the color of the surface from which they project or be an appropriate accent color, unless otherwise approved by the Committee.
- Carports are not permitted. Fully enclosed garages will be required on all properties. If the Lot size will allow it, Lots shall have garage space sufficient to house two (2) automobiles. However, if a Lot's size will not accommodate a garage large enough to house two (2) automobiles, the ARC may approve a garage that is only sufficient to house one (1) automobile without requiring the Owner to request a variance. Garages designed for the storage of motor homes/recreational vehicles or large boats will be allowed, but must be integrated into the architectural design of the home. No permanent storage of motor homes/recreational vehicles or boats may occur outside of the garage.

## **2.5 YARD AREAS AND FEATURES**

- Exterior or free standing structures which include, but are not limited to patio covers, gazebos, atriums, lattice work, gutters, screen doors, etc. must be of the same color, or be complimentary to the base or trim color of the house.
- Permanent basketball goals are permitted, but the Committee will require them to be located such as to minimize, as much as possible, their visual impact to the street. The Committee may require that the pole be painted a similar color to the house. Portable basketball goals can be used in street frontage areas so long as when the goal is not in use, the goal is stored out of sight.
- The Association and its members shall comply with the then current Federal Communications Commission (FCC) OTARD (Over The Air Reception Devise) rules for satellite dishes and antennae. In general, the Committee will strive to recommend a location for satellite dishes or antennae that will be compatible with the residence and it's surroundings.
- The installation of flagpoles will be subject to review and approval by the Committee. The Committee may regulate the display of flags and flag poles to the extent permitted by the Texas Property Code as then in effect (the "Act").
- All utility equipment and mechanical equipment must be placed behind a screen wall with the same finish and color as the home and not be visible from the street and neighboring properties.
- Trash containers are allowed only to be in view from the street on the days of collection. Otherwise, these containers must be stored within the home or behind a walled enclosure of the home, or otherwise out of view from neighboring properties.

- All pool or spa equipment must be screened from view, from the street and adjacent properties, with a solid wall. Pools or spas may not be backwashed onto any other property or Common Element. All backwash must be retained on the homeowner's lot.
- Residents may keep a reasonable number of recognized domestic pets. However, animals may not be kept or raised for commercial purposes.
- Well designed sports or tennis court with no lighting may be permitted. The Committee must approve the appearance and location of any sports or tennis court, and will require a reasonable amount of landscaping or other screening to minimize impact to neighboring properties.
- Any proposed playground equipment or similar structures, or accessory structures, will be reviewed by the Committee to determine potential disturbance to adjacent properties.
- The Committee may regulate the display of signs and religious displays as permitted by the Act.

## **2.6 LANDSCAPE DESIGN**

- Any areas that have been disturbed due to grading or construction activities must be re-vegetated. Any exposed cut and fill slopes must be re-vegetated. On proposed slopes, plants that help mitigate erosion are required. The Committee reserves the right to determine the final density of slope plantings based on; the severity of the slope, the amount of slope area, the property's location, and the visualness to Common Properties.
- The Committee wishes to provide maximum flexibility to homeowners in planting design, but Property Owners will be required to provide sufficient landscaping to soften the architecture of the home commensurate with the size and height of the structure, and to assure a reasonable level of aesthetic appearance within the community. Since homes will vary in size and height, the Committee reserves the right to determine the final number and density of plantings, based on the location and visualness to Common Elements, along with the spirit and intent of these Guidelines.
- Every garden home Owner will be responsible for installation of landscaping on their Lot, per the approved Plans (see Section 3: Review and Approval Process). Failure to complete approved landscaping may result in the levying of a fine on the property.
- Every garden home Owner will be responsible for regular maintenance of all proposed landscaping within the Lot, in addition to maintaining all existing trees on Property Owner's Lot. All proposed landscaping must be placed on an automatic irrigation system.
- Any and all proposed grass areas shall be completely contained with a defined hard-edged material. Edging shall be comprised of; but is not limited to; concrete, brick, stone, or metal.
- In connection with the foregoing, a Property Owner may propose drought-resistant landscaping and/or water-conserving natural turf, the approval of which will not be unreasonably denied or withheld by the Committee provided that it is aesthetically compatible with other landscaping in the subdivision and otherwise comports with these Guidelines.
- The Property Owner may propose rain barrels and other rain harvesting devices and rain water irrigation systems provided that the same are not apparently visible to streets and adjoining Lots, are consistent with the architecture and color scheme of the garden home or villa style townhome, and otherwise comport with these Guidelines.

## **SECTION 3.0: REVIEW AND APPROVAL PROCESS**

- Prior to investing extensive time and money in the preparation of detailed plans, it is highly recommend, but not required, that the Property Owner or his/her representative talk with the Architectural Review Committee to discuss preliminary plans and to identify any unique site conditions or issues that may exist for the property. All Applications will be reviewed on a case-by-case basis, in order to encourage excellence in design. Stock plans or plans obviously not designed for the specific property will generally be unacceptable. Grading issues will be

discussed. There is a specific intent to maintain a consistent application of the Design Guidelines on a fair, equitable and uniform basis. The Committee is available to answer any questions you may have.

- Once all plans are complete, the Property Owner and/or builder must submit all required **Final Plans** to assure compliance with all of the requirements of the Design Guidelines. The Property Owner or it's Agent will be required to submit a Construction Schedule, along with a list of all (sub)contractors and suppliers which will require access to the property (see Section 6: Property Improvement Notification).
- Once the **Final Plans** have been reviewed and if approved by the Committee, an approval letter will be forwarded to the Builder and/or Property Owner within 30 days from the Committee's receipt of the Application. Any plans or details deemed by the Committee as being inconsistent with the spirit, intent or requirements of the Guidelines will be denied approval. If approval is denied, the Property Owner may request a hearing before the Board of Directors as set forth in the Act or re-submit its Final Plans to the Committee for final approval. Approvals may be conditional. After all governmental permits have been secured by the builder and the **Property Improvement Notification** form has been submitted to the Architectural Review Committee, construction may begin according to the submitted construction schedule.
- All approvals of **Final Plans** must be in writing. Unless otherwise stated in the Committee's written approval, construction of the improvements identified in the **Final Plans** ("Proposed Improvements") must commence within one (1) year of the date of approval ("Commencement Deadline"). If construction of the Proposed Improvements does not begin before the Commencement Deadline, the approval of the **Final Plans** will be automatically deemed revoked. It will be a violation of these Design Guidelines to commence construction of the Proposed Improvements after the Commencement Deadline. In its sole discretion, the Committee may extend the timeframe for the commencement of constructing the Proposed Improvements indefinitely.
- Please remember that you, as the Property Owner, are responsible for seeing that your home and associated improvements meet all applicable requirements of the Declaration and Design Guidelines. Violations by contractors and/or subcontractors are your responsibility. Not correcting a problem created by your contractor and/or subcontractor may result in a fine being levied against your property. The Committee will not become involved in any disputes between owners and their contractors and/or subcontractors.
- The following items are the minimum requirements for submission of **Final Plans**. Please submit only one set of plans. All plans shall be at an appropriate scale for legibility.
  1. SITE PLAN with grading and drainage
  2. LANDSCAPE PLANS - with attached materials/installation bid from landscape contractor
  3. FLOOR PLANS and ELEVATIONS for all structures
  4. SAMPLES (or pictures) with specifications of all exterior materials, finishes and colors
  5. CONSTRUCTION SCHEDULE
- In addition to the plans, please submit the following **Application Forms** (see Section 6.0) properly completed and signed, including the required fees. Incomplete or unclear information may cause the Architectural Committee to deem the Application incomplete. These include:
  1. PROPERTY IMPROVEMENT NOTIFICATION
  2. DEPOSIT AND PLAN REVIEW FEE AGREEMENT

The following fees are required to be paid at time of Final Plans submittal (see page 16).

1.	Pre-Sale Review, including material list	\$ 0.00
2.	Pre-Ground Breaking Approval Fee (non-refundable)	\$ 800
3.	<u>Each</u> resubmission after Approval (non-refundable)	\$ 200

- Please submit all plans and forms, along with a check made payable to:

Royal Oaks Architectural Review Committee  
 Royal Oaks Partners at Fulton Beach, L.P.  
 1 Indian Springs Rd  
 Indiana, PA 15701

- The Committee reserves the right to waive or vary any of the procedures or standards set forth herein at its sole discretion including, but not limited to, the right to refer any decision under these Guidelines to the Board of Directors for its decision on any matter.
- The Property Owner is the only person with the right to appeal an Application that has been rejected by the Committee. The Board shall consider an appeal and render a decision based upon information supplied and any other information it deems necessary. The Board may grant variances in its sole and absolute discretion. In the event the decision of the Committee is overruled by the Board of Directors on any issue or question, the prior decision of the Committee shall be deemed modified to the extent specified by the Board and for the purposes of these Guidelines, such decision as so modified, shall thereafter be deemed the decision of the Committee.

## **SECTION 4.0: CONSTRUCTION GUIDELINES**

- All applicable Federal, State, and Local regulations and guidelines must be strictly observed at all times.
- Construction trailers or temporary buildings may only be placed on the Lot during construction. Portable toilet and trash receptacles should be located so as not to be offensive to the surrounding residences, then removed when no longer in use.
- Property Owners, or their agent, shall be required to register all contractors and subcontractors with the Association (see Section 6.0 - Property Improvement Notification). Contractors and subcontractors not registered with the Association will not be allowed to enter the community.
- All construction activity must be contained on the Property Owner's Lot. Use of adjacent Lots is prohibited without the consent of that Property Owner.
- Property Owners shall require their builders to daily clean up all trash, debris and hazardous material. During the construction period, the site shall be kept neat and clean, and shall be properly policed to prevent it from becoming a public eyesore or affecting other property. In no case may debris and trash be allowed to exceed the top of the dumpster.
- Washout of concrete trucks or the washout and cleaning of any equipment by masons, plasterers, painters, drywallers, etc. must be contained within each Lot. Washout or cleaning residue shall not be allowed to flow off the property onto any Common Element or adjacent Lots.
- Construction crews shall not park on, or otherwise use, other property or Common Elements. Passenger and construction vehicles and machinery shall, as much as possible, be parked only within the Lot. Passenger vehicles may be parked along the roadways during normal working hours if parked so as not to inhibit vehicle flow.
- Excess excavation material must be hauled away and disposed of properly prior to the completion of construction activities on the property.
- Damage and/or scarring to any Common Element and/or other properties resulting from construction operations will not be permitted. If any such damage occurs, it must be repaired and/or restored promptly at the expense of the Property Owner.
- Radios and other audio equipment playing loud music on construction sites are strictly prohibited.
- No roads within Royal Oaks shall be cut or tampered with in any way or for any purpose without the written prior approval of the Committee. Any cut authorized must be promptly repaired. The Association reserves the right to replace and repair to acceptable standards, the repair of the road cut at the requesting Property Owner's expense.
- Each Property Owner has the direct responsibility for the control of their contractors and subcontractors and the actions of said contractors and subcontractors. All liability for violations of the Declaration and/or Design Guidelines caused by any general contractor or subcontractor shall rest with the Property Owner.
- After completion or substantial completion of the home, landscape improvements must be installed. This installation may be extended by a formal request made to the Committee in order to allow planting in more

favorable seasonal climatic conditions. Failure to complete approved landscaping may result in the levying of a fine on the Property Owner.

- Upon completion of construction of all property improvements, the Property Owner shall submit to the Committee a **Notice of Completion** (see Section 6). The Committee or its agents shall inspect the property to determine whether the improvements have been constructed in accordance with the Declaration, these Guidelines and the plans and specifications on file with the Committee. If additional clean up and/or corrective measures are required, the Property Owner will be notified, and another final inspection will occur to assure this work has been completed.
- The Committee or its agents may inspect sitework, at any time, and give notice of any non-compliance with the Declaration, these Guidelines or the approved Final Plans.

### **SECTION 5.0: DISCLAIMER**

- Neither the Royal Oaks Architectural Review Committee, nor any member of the Committee nor Board of Directors shall be liable in damages to anyone submitting plans to them for approval or to any other Property Owner that may be affected by any actual alterations or improvement approved or otherwise. Every Property Owner or other person who submits plans to the Committee for approval agrees by submission of such plans and specification, that they will not bring any action or suit against the Committee or any member thereof nor the Royal Oaks at Fulton Beach Homeowners Association to recover damages.
- No member of the Committee shall be responsible in any way for any defects in any plans and/or specifications submitted in accordance with the rules and regulations of the Committee, nor for any structural defects in any building or structure erected according to such plans and specifications.
- Approval by the Committee or any member thereof shall not be deemed to be representation or warranty that the Property Owners plans or specifications or the actual construction of any improvements comply with applicable governmental ordinances or regulations.

## SECTION 6.0: APPLICATION FORMS

### ROYAL OAKS PROPERTY IMPROVEMENT NOTIFICATION

Date: \_\_\_\_\_

To:

Royal Oaks Architectural Committee  
Attn: Royal Oaks Partners at Fulton Beach, L.P.  
1 Indian Springs Rd  
Indiana, PA 15701

Property Owner Name: \_\_\_\_\_

Dear Committee:

I (We) am the Property Owners of the following described property, which is subject to the Royal Oaks Declaration and Design Guidelines, of which I (we) hereby acknowledge content and validity.

Lot Number: \_\_\_\_\_

Street Address: \_\_\_\_\_

I (We) inform and assure the Committee that I (we) will comply with all applicable Federal, State and Local building codes as a guide to sound construction, and installation practices.

I (We) further assure the Committee that I (we) have consulted Architects and Engineers as I (we) deem appropriate, and I (we) release the Committee of all liabilities for failure or deficiencies in the construction which may be approved by the Committee.

I (We) agree that plans and specifications submitted as part of the Application will not be amended without approval from the Committee. All finished structures will be what are represented by such plans and specifications.

I (we) agree, in the event that said property is sold or transferred in ownership prior to the installation of all improvements, to notify the new owners of all obligations under the Declaration and Design Guidelines prior to the closing of any such sale or transfer of ownership.

For the purpose of construction of Lot Improvements, we hereby appoint the following, to be allowed access to the Royal Oaks community:

Agent's Name (if different from Property Owner): \_\_\_\_\_

Owner's or Agent's Current Mailing Address: \_\_\_\_\_

Designated Builder: \_\_\_\_\_ Phone: \_\_\_\_\_

Builder's Address: \_\_\_\_\_

Builder's General Contractor's License Number: \_\_\_\_\_

Architect: \_\_\_\_\_ Phone: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

{C3145398.DOC:3}

\_\_\_\_\_

Landscape Architect (if any): \_\_\_\_\_ Phone: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

Civil Engineer: \_\_\_\_\_ Phone: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

Landscape Contractor: \_\_\_\_\_ Phone: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

Additional Contractors:

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

We understand that only these contractors will be allowed access into the community.

Owner's Checklist:	_____	SITE/GRADING/DRAINAGE PLANS at an appropriate scale
	_____	LANDSCAPE PLANS at an appropriate scale
	_____	FLOOR PLANS/ELEVATIONS
	_____	SAMPLES of exterior materials
	_____	CONSTRUCTION SCHEDULE with contractor list
	_____	LANDSCAPE CONTRACTOR'S ITEMIZED BID

Please note: Any alterations, modifications, or omission to the approved application, which affects grading and drainage, design, materials or colors must be reviewed and approved by the Committee prior to this work taking place.

I (WE) AGREE THAT UPON COMPLETION OF ALL LOT IMPROVEMENTS, TO FORWARD TO THE ARCHITECTURAL COMMITTEE THE NOTICE OF COMPLETION.

Owner's Signature:

\_\_\_\_\_

=====

Royal Oaks Architectural Committee Filing Number: \_\_\_\_\_ Date Received: \_\_\_\_\_

Architectural Committee Approval Signature: \_\_\_\_\_

Architectural Committee Approval Date: \_\_\_\_\_

Architectural Committee Comments: \_\_\_\_\_

\_\_\_\_\_

**ROYAL OAKS**  
**DEPOSIT AND PLAN REVIEW FEE AGREEMENT**  
 FOR NEW CONSTRUCTION, REMODELING OR ADDITIONS

Date: \_\_\_\_\_

Owner: \_\_\_\_\_

Lot Number: \_\_\_\_\_

Current Mailing Address: \_\_\_\_\_  
 \_\_\_\_\_

Phone: \_\_\_\_\_

Builder: \_\_\_\_\_

Contact Person: \_\_\_\_\_

Address: \_\_\_\_\_  
 \_\_\_\_\_

Phone: \_\_\_\_\_

The Design Guidelines and Declaration have been reviewed by the Property Owner. The Declaration of Covenants, Conditions and Restrictions require that Plans and Specifications of any Improvements be submitted to the Architectural Review Committee for approval and as a condition of approval and prior to reviewing any Plans and Specifications, Owner agrees to deposit and pay the Association the sum of Eight Hundred and No/100 Dollars (\$800.00) contemporaneously with the submission of Plans and Specifications to the Architectural Review Committee. In the event that Owner is required to resubmit all or any portion of the Plans and Specifications, Owner agrees to deposit the sum of Two Hundred and No/100 Dollars (\$200.00) for each resubmission. Payment of the fees set forth herein is a prerequisite for the consideration by the Architectural Review Committee to review any Plans and Specifications. Further, any fees paid pursuant to this Agreement are non-refundable under all circumstances and may be commingled with other funds of the Association.

Owner's Signature: \_\_\_\_\_

Deposit received:

Royal Oaks Architectural Committee Filing Number: \_\_\_\_\_

Date: \_\_\_\_\_

Check Number: \_\_\_\_\_

Amount: \_\_\_\_\_



ROYAL OAKS  
NOTICE OF COMPLETION

Date: \_\_\_\_\_

Owner: \_\_\_\_\_

Lot Number: \_\_\_\_\_

Current Mailing Address: \_\_\_\_\_

Property Address: \_\_\_\_\_

Phone: \_\_\_\_\_

On the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, the Improvement(s) on the described Property were (was) completed in accordance with the plans and specifications which were submitted and approved by the Architectural Committee.

Signature of Owner: \_\_\_\_\_

=====

Royal Oaks Architectural Committee Filing Number: \_\_\_\_\_

Date Received: \_\_\_\_\_

RULES AND REGULATIONS  
OF  
ROYAL OAKS SUBDIVISION  
(A Texas Multi-Use Residential Subdivision)

These Rules and Regulations apply to the Lots and Common Properties of Royal Oaks Subdivision (the "Subdivision"). By owning or occupying a Lot in the Subdivision, each Owner and resident agrees to abide by these Rules and Regulations, as well as the obligations of Owners and residents provided in the Second Amended and Restated Declaration of Covenants, Conditions and Restrictions (the "Declaration") and the Second Amended and Restated Bylaws (the "Bylaws") of Royal Oaks at Fulton Beach Homeowners Association, a Texas Non-Profit Corporation (the "Association").

For the convenience of the Subdivision Owners and residents, these Rules and Regulations restate some of the covenants, conditions and restrictions contained in the Declaration. Most of these Rules and Regulations, however, are in addition to the covenants, conditions and restrictions found in the Declaration. Words and phrases defined in the Declaration shall have the same meaning when used in these Rules and Regulations. In the event of a conflict between governing documents, the hierarchy of authority shall be as follows: Declaration (highest), Bylaws, these Rules and Regulations (lowest).

A. COMPLIANCE

- A-1. Compliance. Each Owner shall comply with the provisions of these Rules and Regulations, the Declaration, the Bylaws, and the community policies promulgated by the Association to supplement these Rules and Regulations, as any of these may be revised from time to time (collectively, the "Governing Documents"). Each Owner, additionally, shall be responsible for compliance with the Governing Documents by any occupants of the Improvements on a Lot, and his or their respective families, invitees, tenants, agents, employees, or contractors. Use of the term "resident" in these Rules and Regulations shall be deemed to include and apply to the Owner and to all persons for whom the Owner is responsible. An Owner should contact the Association if he has a question about these Rules and Regulations.
- A-2. Additional Rules and Regulations. Each resident shall comply with all Rules and Regulations and signs posted from time to time on the Subdivision by the Association, including, but not limited to, those regulating the use of recreational and parking facilities. Such posted rules are incorporated in these Rules and Regulations by reference. Each resident shall comply with notices communicated by the Association from time to time in the nature of seasonal or temporary rules, and notices of a change affecting use of the Subdivision. Such temporary rules are incorporated in these Rules and Regulations by reference.
- A-3. Waiver. Certain circumstances may warrant waiver or variance of these Rules and Regulations. An Owner must make written application to the Association for such waiver or variance. If the Association deems the waiver or variance warranted, the Association may condition its approval, which must be in writing to be effective.

B. OBLIGATIONS OF OWNERS AND RESIDENTS

- B-1. Safety. Each resident is solely responsible for his own safety and for the safety, well-being and supervision of his guests and any person in the Subdivision to whom the resident has a duty of care, control or custody.
- B-2. Damage. Each Owner is responsible for any loss or damage to his home, other homes, the personal property of other residents or their guests, and the Common Properties and improvements, if such loss or damage is caused by the Owner or by any person for whom the Owner is responsible.
- B-3. Association Does Not Insure Resident Property. Each resident is solely responsible for insuring his dwelling and his personal property in the home and in the Subdivision, including his furnishings, automobile, and items kept in storage areas, if any, provided by the Association. Property, whether real or personal, in or on the Subdivision shall be solely at the risk of the owner of such property. The Association urges Owners and residents to purchase insurance on all of their property.
- B-4. Risk Management. No Owner or resident shall permit anything to be done or kept in his home or the Common Properties which could result in the cancellation of insurance on any home or any part of the Common Properties, or which may be in violation of any law.
- B-5. Reimbursement for Enforcement. An Owner shall promptly reimburse the Association for any expenses incurred by the Association in enforcing the governing documents against the Owner, his home, or persons for whom the Owner is responsible.
- B-6. Reimbursement for Damage. An Owner shall promptly reimburse the Association for the cost of damage to the Subdivision caused by the negligent or willful conduct of the Owner or any persons for whom the Owner is responsible.

C. OCCUPANCY STANDARDS

- C-1. Numbers. A home may be occupied by no more than two (2) persons per bedroom.
- C-2. Danger. The Association may prohibit occupancy by a person who constitutes a direct threat to the health or safety of other persons, or whose occupancy would result in substantial physical damage to the property of others, pursuant to the Fair Housing Act.
- C-3. Rentals. In recognition of the fact that homes in the Subdivision are intended primarily for personal use by the Owners, and not as an investment property, a home must be registered with the Association if the home will be used as a rental property. Only leases for three (3) months or more are authorized within the Subdivision. Additionally, less than the entire home and Lot may not be leased or sublet. Each lease must be in writing. Although the Association does not operate, manage, promote or offer a rental arrangement, including a rental pool, the Association may require all Owners to use the rental management services of a rental agent designated by the Association so as to maintain the efficiency, control, attractiveness and integrity of the Subdivision for the benefit of all Owners. All leases, whether by the Owners or the rental agent, shall be subject to and shall follow the reasonable guidelines of the rental agent.

#### D. GENERAL USE AND MAINTENANCE OF HOMES

- D-1. Residential Use. Each home must be used solely for residential use, and may not be used for commercial or business purposes, or as an apartment, flat, lodging house, bed and breakfast establishment, or similar use. This restriction shall not prohibit an Owner or a resident from using his home for personal business or professional pursuits, provided that: (i) such use is incidental to the home's residential use; (ii) such use conforms to all applicable laws and ordinances; (iii) there is no external evidence of such use; and (iv) such use does not entail visits to the home by the public, employees, suppliers, or clients.
  
- D-2. Annoyance. No Lot, home or any portion of the Common Properties may be used in any way that: (i) may reasonably be considered annoying to occupants of neighboring homes; (ii) may be calculated to reduce the desirability of the Subdivision as a residential community; (iii) may endanger the health or safety of other Owners or residents; or (iv) may violate any law or any provision of the governing documents. Service areas, storage areas, and facilities for hanging, drying or airing clothes or household fabrics (including, without limitation, clothes lines) shall be screened from view from all other structures and common areas. Lumber, grass, plant waste, shrub and tree clippings, metals, bulk materials, scraps, refuse and trash of all kinds shall not be kept, stored or allowed to accumulate on the Lot, except within enclosed structures which are screened from neighboring views.
  
- D-3. Maintenance. Each Owner, at his sole cost and expense, shall maintain his home and keep it in good repair, including all interior and exterior surfaces.
  
- D-4. Terrace/Patio/Balcony. Each Owner and resident shall keep his home and terrace, patio or balcony in a good state of cleanliness, taking care that the cleaning of his terrace, patio or balcony does not annoy or inconvenience other residents. A terrace/patio/balcony may not be enclosed or used for storage purposes. If the Association determines that a terrace/patio/balcony is unsightly, the Owner shall be given notice by the Association to correct the problem within 5 days, after which the Association may take corrective action at the Owner's expense.
  
- D-5. Glass. Each Owner, at his sole cost and expense, shall promptly repair and replace any broken or cracked glass in his home's windows and doors. The Association does not assume this duty on behalf of the home Owners.
  
- D-6. Air Conditioning Equipment. Each Owner, at his sole cost and expense, shall maintain, repair and replace the heating and cooling equipment/system serving his home. The Association does not assume this duty on behalf of the Owners, although the Association has the right under the Declaration to so maintain, repair or replace such equipment/system at the Owner's expense.
  
- D-7. Gutters and Downspouts. Each Owner, at his sole cost and expense, shall promptly repair and replace any broken or damaged gutters or downspouts. The Association does not assume this duty on behalf of the Owner.
  
- D-8. Roofs. Each Owner, at his sole cost and expense, shall maintain, repair, and replace the roof to his home in accordance with the Declaration. The Association does not assume this duty on behalf of the Owner.
  
- D-9. Combustibles. A resident shall not store or maintain, anywhere on the Subdivision

(including within a home), explosives or materials capable of spontaneous combustion. Firewood shall be stored in a safe area that is screened from view. Butane and fuel tanks (other than for gas grills) are permitted only if approved in writing by the Architectural Review Committee.

- D-10. Open Fires. Owners and residents are strictly prohibited from building or maintaining open fires within the Common Properties.
- D-11. Report Malfunctions. A resident shall immediately report to the Association his discovery of any leak, break, or malfunction in any portion of the Common Properties for which the Association has a maintenance responsibility. The report must be made in writing to the Association by email at [RoyalOaks\\_HOA@outlook.com](mailto:RoyalOaks_HOA@outlook.com).
- D-12. Utilities. Each resident shall endeavor to conserve the use of utilities furnished through the Association, if any.
- D-13. Malfunctions in a Home. Each homeowner is responsible for any and all repairs to his home. All interior and exterior malfunctions, including but not limited to, malfunctions to the plumbing system, HVAC system, electrical system, foundation, roof, gutters, walls, or downspouts, are the responsibility of the individual Owner. In addition, if any malfunctions in a home cause damage to any other home, the Owner of the home where the damage originated is responsible for the damage to his own home and to the home suffering damage from such malfunction.
- D-14. Structural Hazard or Danger. No Owner shall do any act or place any object on his or her Lot which might create a structural hazard or endanger the structure of an adjacent home.

#### E. GENERAL USE AND MAINTENANCE OF COMMON PROPERTIES

- E-1. Intended Use. Every area and facility in the Subdivision may be used only for its intended and obvious use. For example, walkways, stairways, sidewalks and driveways are to be used exclusively for purposes of access, not for social congregation or recreation or storage.
- E-2. Grounds. Unless the Association designates otherwise: (i) residents may not use or abuse the landscaped areas, lawns, beds or plant materials on the Common Properties; (ii) the following are expressly prohibited: digging, planting, pruning and climbing; and no pet is allowed on the grounds unless carried or on a leash.
- E-3. Abandoned Items. No item or object of any type shall be stored, placed or maintained anywhere on the Common Properties, including, but not limited to, windowsills, passageways and courtyards, except by the Association or with the prior written consent of the Association. Items of personal property found on Common Properties are deemed abandoned and may be disposed of by the Association. Landscaping planters, furniture and decorative items placed at the entrances to homes shall not be deemed abandoned and shall be permitted so long as the same are tasteful and are kept neat and in good repair.
- E-4. Stored Items. All residents agree that the Association is not responsible for items stored by any resident, who shall be solely liable at all times for his personal property, even if the Association provides storage areas for use by residents.

- E-5. Decorations. The area and walkways around the homes may be temporarily decorated by mutual agreement of all Owners so long as such decoration does not detract from the upscale residential environment of the Subdivision nor create a nuisance or annoyance to Owners of surrounding Lots.

#### F. COMMUNITY ETIQUETTE

- F-1. Courtesy. Each resident shall endeavor to use his home and the Common Properties in a manner calculated to respect the rights and privileges of other residents.
- F-2. Annoyance. A resident shall avoid doing or permitting anything to be done that will annoy, harass, embarrass or inconvenience other residents or their guests, or the Association's employees and agents.
- F-3. Noise and Odors. Each resident shall exercise reasonable care to avoid making or permitting to be made loud, disturbing or objectionable noises or noxious odors that are likely to disturb residents of other homes.
- F-4. Reception Interferences. Each resident shall avoid doing or permitting anything to be done that may unreasonably interfere with the television, radio, telephonic or electronic reception on the Subdivision.
- F-5. No Personal Service. The Association's employees and agents are not permitted or authorized to render personal services to residents, unless the Association approves otherwise. Each resident agrees that the Association is not responsible for any item or article left with or delivered to the Association's employees or agents on behalf of such resident.
- F-6. Compliance with Law. Residents may not use the Subdivision for unlawful activities. Residents shall comply with applicable laws and regulations of the United States and of the State of Texas, and with ordinances, rules and regulations of the City of Fulton, Texas. A resident who violates this provision shall hold the Association and other Owners and residents harmless from all fines, penalties, costs and prosecutions for the resident's violation or noncompliance.

#### G. ARCHITECTURAL CONTROL

- G-1. Common Properties. Without the Association's (acting through the Architectural Review Committee in most cases) prior written approval, a person may not change, remodel, decorate, destroy or improve the Common Properties, nor do anything to change the appearance of the Common Properties or the exterior of the home, including, without limitation, the entry door, balcony or patio, and landing or walkways appurtenant to the home. The foregoing is not intended to prohibit tasteful seasonal decorations on home structures during applicable holiday seasons, or temporary decorations for parties and social gatherings on home structures, which decorations shall not conflict or clash with the general upscale residential character of the Subdivision. In the event of any dispute over this matter, the decision of the Association shall be controlling.
- G-2. Prohibited Acts. No person may (unless the Association approves otherwise):
- a. Post signs, notices, or advertisements on the Common Properties or in a home if visible from outside his home.

- b. Place or hang an object in, on, from or above any window, interior windowsill, balcony or patio that, in the Association's opinion, detracts from the appearance of the Subdivision.
  - c. Hang, shake or otherwise display linens, clothing, towels, rugs, shoes, mops, bedding or other similar items from windows, doors, balconies, patios or passageways.
  - d. Erect or install exterior horns, lights, speakers, aerials, antennas or other transmitting or receiving equipment, or cause anything to protrude through an exterior wall or roof without the consent of the Association.
  - e. Place decorations on exterior walls or doors, or on the General Common Properties. Notwithstanding the foregoing, primary entry doors to a home may be decorated in accordance with these Rules and Regulations.
- G-3. Window Treatments. An Owner may install window treatments inside his home, at his sole expense, subject to the following provisions:
- a. Any window treatment, including drapes, blinds, shades or shutters, must be white when viewed from outside the home;
  - b. Aluminum foil and reflective window treatments are expressly prohibited; and
  - c. Window treatments must be maintained in good condition and must be removed or replaced if they become stained, torn, damaged or otherwise unsightly in the opinion of the Association.
- G-4. Association Approval. To obtain the Association's written consent for a modification, an Owner must submit to the Association complete plans and specifications showing the nature, kind, shape, size, materials, colors and location for all proposed work and any other information reasonably requested by the Association. The Association's failure to respond to the Owner's written request within 45 days after it receives the Association's request shall be construed as the Association's objection to the proposed changes.

## H. VEHICLE RESTRICTIONS

- H-1. Permitted Vehicles. To be permitted on the Subdivision, a vehicle must be operable. For purposes of these Rules and Regulations, vehicles include automobiles, motorcycles, motorized bikes, passenger trucks, small vans and similar passenger vehicles. No Owner or other person shall park or store within the Subdivision so that such vehicles can be viewed from the street any commercial type vehicle, commercial truck (other than a typical pick-up truck), or commercial van (other than a typical passenger van) or any recreational vehicle, which shall include, but not be limited to, a camper unit, motor home, trailer, boat, boat trailer, golf cart or other similar vehicle, except for on a temporary basis for the purpose of loading or unloading same. Parking of boats and boat trailers on the Property is specifically prohibited, except for on a temporary basis for the purpose of loading or unloading same. Any type of vehicle which is not in operating condition is specifically prohibited.
- H-2. Repairs. Washing, repairs, restoration, or maintenance of vehicles is prohibited, except

for emergency repairs, and then only to the extent necessary to enable movement of the vehicle to a repair facility.

- H-3. Space Use. All parking spaces designated for the use of the Owners, including assigned parking spaces if any, shall be used for parking purposes only and may not be used for storage. The Association has the power to implement the hours during which parking is permitted or prohibited on the internal streets and driveways in the Subdivision, and may post signs to such effect. No parking space may be enclosed or used for any purpose that prevents the parking of vehicles.
- H-4. No Obstruction. No vehicle may be parked in a manner that interferes with ready access to any entrance or exit. No vehicle may obstruct the flow of traffic, constitute a nuisance, or otherwise create a safety hazard. No vehicle may be parked, even temporarily, in spaces reserved for others, in fire lanes, or in any area designated as "No Parking". Spaces marked for Handicapped vehicles are specifically reserved for any such vehicles.
- H-5. Nuisances. Each vehicle shall be muffled and shall be maintained and operated to minimize noise, odor and oil emissions. If any vehicle leaks an excessive amount of oil, the Association may direct the vehicle owner to correct the problem within thirty (30) days of written notice. The use of car horns on or in the Subdivision is permitted for emergencies only. If any vehicle contains a car alarm which does not deactivate automatically within reasonable time or which activates unnecessarily so as to constitute a nuisance, the Association may require that the alarm be permanently deactivated or modified so that the same does not constitute a noise nuisance. No vehicle may be kept on the Subdivision if the Association deems it to be unsightly, inoperable, inappropriate, or otherwise violative of these Rules and Regulations.
- H-6. Violations. Any vehicle in violation of these Rules and Regulations may be stickered, wheel-locked and towed or otherwise removed from the Subdivision by the Association at the expense of the vehicle's owner. Additionally, the vehicle owner may be fined by the Association. The Association expressly disclaims any liability for damage to vehicles on which the Association exercises these remedies for Rules and Regulations violations.

## I. TRASH DISPOSAL

- I-1. General Duty. Residents shall not litter in Common Properties, shall endeavor to keep the Subdivision clean, and shall dispose of all refuse in receptacles provided specifically by the Association for that purpose.
- I-2. Hazards. A resident may not store trash inside or outside his home in a manner that encourages vermin, causes odors or may permit the spread of fire. Before discarding coals, ashes, logs, or other materials used in barbecue grills (when and if permitted) residents shall ensure that the debris is thoroughly cold.
- I-3. Excess Trash. Residents shall place trash entirely within an approved receptacle, and may not place trash outside, next to or on top of the receptacle. If the receptacle is full, a resident should locate another receptacle or hold his trash. Boxes and large objects should be crushed or broken down before placed in the receptacle. Receptacle doors are to be closed at all times when not in use. Residents shall arrange privately for removal of discarded furnishings or any unusually large volume of debris. NO PART OF ANY



TYPE OF FISH OR OTHER ANIMAL MAY BE PLACED IN A RECEPTACLE, BUT RATHER MUST BE DISPOSED OF IN A RECEPTACLE AND IN A MANNER DESIGNATED BY THE ASSOCIATION.

- I-4. Trash Disposal Company. The Association may, but is not obligated to, require all Owners to subscribe to a single trash disposal company so that services will occur on the same weekly schedule. The selection of such company shall be in the discretion of the Association. The Association shall also have the power to subscribe, on behalf of the Owner, to a single trash disposal company so that services will occur on the same weekly schedule and may pass through the cost of such service to all Owners as a cost of operation of the Association. Notwithstanding the foregoing, trash disposal and the cost of such services are the sole responsibility of the Owners.

#### J. PETS

- J-1. Subject to Rules and Regulations. A resident may not keep or permit on the Subdivision a pet or animal of any kind, at any time, except as permitted by these Rules and Regulations and the governing documents.
- J-2. Permitted Pets. Subject to these Rules and Regulations and the Declaration, a resident may keep in his home not more than two house pets (two cats, or two dogs, or one cat and one dog). Permitted house pets include domesticated dogs, cats, caged birds, and aquarium fish. Permitted house pets also include specially trained animals that serve as physical aids to handicapped residents. If any permitted house pet has offspring which results in the maximum number of house pets being exceeded, then the Owner must cause the total number of permitted house pets to reduce to no more than two (2) within eight (8) weeks of the birth of such offspring.
- J-3. Prohibited Animals. No resident may keep a dangerous or exotic animal or any other animal deemed by the Association to be a potential threat to the well-being of people or other animals. No animal or house pet may be kept, bred or maintained for a commercial purpose. In no instance shall any Owner, Tenant or other person on the Property be permitted to maintain in or around the home any dog or animal of mean or of violent temperament or otherwise evidencing such temperament.
- J-4. Indoors/Outdoors. A permitted pet must be maintained inside the home, or may be kept within the home's patios or balconies or fenced yard. No pet is allowed on Common Properties unless carried or leashed. No pet may be leashed to any stationary object on the Common Properties.
- J-5. Disturbance. Pets shall be kept in a manner that does not disturb another resident's rest or peaceful enjoyment of his home or the Common Properties. No pet shall be permitted to bark, howl, whine, screech, or make other loud noises for extended or repeated periods of time.
- J-6. Damage. A resident is responsible for any property damage, injury or disturbance his pet may cause or inflict. A resident shall compensate any person injured by his pet. Any resident who keeps a pet on the Subdivision shall be deemed to have indemnified and agreed to hold harmless the Association, the Management Company, and other Owners and residents, from any loss, claim, or liability of any kind or character resulting from

any action of his pet or arising by reason of keeping or maintaining such pet on the Subdivision.

- J-7. Pooper Scooper. No resident may permit his pet to relieve itself on the Subdivision except in areas designated by the Association for this purpose. Each resident is responsible for the removal of his pet's wastes from the Common Properties. The Association may levy a fine against a home and its Owner each time feces are discovered on the Common Properties and attributed to an animal in the custody of that home's resident.
- J-8. Removal. If a resident or his pet violates these Rules and Regulations or the community policies pertaining to pets, or if a pet causes or creates a nuisance, odor, unreasonable disturbance, or noise, the resident or person having control of the animal shall be given a written notice by the Association to correct the problem. If the problem is not corrected within the time specified in the notice (not less than 10 days), the resident, upon written notice from the Association, may be required to remove the animal. Each resident agrees to permanently remove his violating animal from the Subdivision within 10 days after receipt of a removal notice from the Association. Notwithstanding the generality of the foregoing, after three (3) violations of this provision and three (3) notices to the Owner about such violations and one (1) opportunity for such Owner to have a hearing before the Association of Directors, such pet(s) may be taken from such Owner and given to an animal shelter in Aransas County.

#### K. MISCELLANEOUS

- K-1. Security. The Association may, but shall not be obligated to, maintain or support certain activities within the Subdivision designed to make the Subdivision less attractive to intruders than it otherwise might be. The Association, its directors, committees, members, agents and employees, shall not in any way be considered an insurer or guarantor of security within or for the Subdivision, and shall not be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken. Each Owner, resident, guest and invitee on the Subdivision assumes all risk for loss or damage to his person, to his home, to the contents of his home, and to any other of his property on the Subdivision. The Association expressly disclaims and disavows any and all representations or warranties, express or implied, including any warranty of merchantability or fitness for any particular use or purpose, relative to any security systems, equipment or measures recommended, installed or undertaken within the Subdivision.
- K-2. Right to Hearing. As provided in the Declaration, an Owner may request in writing a hearing by the Association regarding an alleged breach of these Rules and Regulations by the Owner or a resident of the Owner's home. The Association, may in its discretion, or if required by law will, schedule a hearing within 30 days of receiving the Owner's written request. At the hearing, the Association will consider the facts and circumstances surrounding the alleged violation. The Owner may attend the hearing in person, or may be represented by another person or written communication.
- K-3. Mailing Address. An Owner who receives mail at any address other than the address of his home shall be responsible for maintaining with the Association his current mailing

address. Notifications of change of name or change of address should be clearly marked as such. All notices required to be sent to Owners by the governing documents shall be sent to an Owner's most recent address as shown on the records of the Association. If an Owner fails to provide a forwarding address, the address of that Owner's home shall be deemed effective for purposes of delivery.

- K-4. Revision. These Rules and Regulations are subject to being revised, replaced, or supplemented. Owners and residents are urged to contact the management office to verify the rules currently in effect on any matter of interest. These Rules and Regulations shall remain effective until 10 days after the Association mails notice of an amendment or revocation of these Rules and Regulations to an Owner of each home.
- K-5. Other. These Rules and Regulations are in addition to and shall in no way whatsoever detract from the rights of the Association under the Declaration, Bylaws, Certificate of Formation and the laws of the State of Texas.
- K-6. Effective Date. These Rules and Regulations are the Rules and Regulations of Subdivision effective as of 31 May, 2024.

CERTIFICATE

I HEREBY CERTIFY that the foregoing is a true, complete and correct copy of the Rules and Regulations of Royal Oaks at Fulton Beach Homeowners Association, a Texas non-profit corporation and Texas property owners association, as adopted by the Board of Directors as of the 31<sup>st</sup> day of May, 2024.

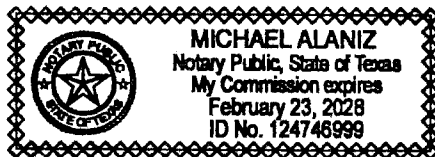
IN WITNESS WHEREOF, I hereunto set my hand on the 31<sup>st</sup> day of May, 2024.

**ROYAL OAKS AT FULTON BEACH,  
HOMEOWNERS ASSOCIATION  
A TEXAS NON-PROFIT CORPORATION**

BY: J. Greiner  
JONATHAN C. GREINER, PRESIDENT

THE STATE OF Texas §  
COUNTY OF Bexar §

This instrument was acknowledged before me on the 31<sup>st</sup> day of May, 2024, by Jonathan C. Greiner, President of Royal Oaks at Fulton Beach Homeowners Association, Inc., a Texas non-profit corporation, for and on behalf of said corporation.



[Signature]  
Notary Public, State of Texas

**EXHIBIT E****RULES AND REGULATIONS FOR RENTAL PROPERTIES  
IN THE  
ROYAL OAKS SUBDIVISION**

These Rules and Regulations for Rental Properties in the Royal Oaks Subdivision ("Rental Rules") apply to the Lots of Royal Oaks Subdivision (the "Subdivision"). By owning or occupying a Lot in the Subdivision, each Owner agrees to abide by these Rental Rules in the event the Owner allows tenants to rent a Lot. These Rental Rules are meant to supplement the Second Amended and Restated Declaration of Covenants, Conditions and Restrictions (the "Declaration") and the Second Amended and Restated Bylaws (the "Bylaws"), and all other Dedicatory Instruments of Royal Oaks at Fulton Beach Homeowners Association, a Texas Non-Profit Corporation (the "Association").

Capitalized terms not otherwise defined in these Rental Rules shall have the meaning set forth in the Declaration of the Association.

**RULES**

1. These Rental Rules apply to Lots or Improvements that an Owner rents to a tenant for a period of three (3) calendar months or more ("Rental"). Rental terms of less than three (3) calendar months are expressly prohibited within the Subdivision.
2. A Rental must be registered with the Association. An Owner may register a Rental with the Association by submitting the Rental Registration Form, attached hereto as Exhibit E-1.
3. Each Owner shall be responsible for providing each tenant of a Rental with a copy of the Declaration, the Bylaws, and any and all community rules and policies promulgated by the Association, as any of these may be revised from time to time (collectively, the "Governing Documents"). Each Owner, additionally, shall be responsible for each tenant's compliance with the Governing Documents.
4. Owners are required to have any and all tenants and occupants of a Rental execute a Release of Liability, Indemnity, and Acknowledgment and Acceptance of Dangers, Risks, and Hazards, attached hereto as Exhibit E-2, on behalf of the Association.
5. By submitting the Rental Registration Form, the Owner agrees to be responsible for any and all violations of the Governing Documents that are committed by an Owner's tenant, or their family members, guests, licensees, and invitees. Owners will use their best efforts to cause tenants, occupants, their family members, guests, licensees, and invitees to comply with the Governing Documents.
6. All leases must be in writing.
7. Less than the entire home or Lot may not be leased or sublet.
8. Each home must be used solely for residential use and may not be used for commercial or business purposes that are not incidental to the home's residential use. While Rentals are authorized, a home may not be used as a bed and breakfast establishment or similar use. This restriction shall not prohibit an Owner or a resident from using his home for personal business or professional pursuits, provided that: (i) such use is incidental to the

- home's residential use; (ii) such use conforms to all applicable laws and ordinances; (iii) there is no external evidence of such use; and (iv) such use does not entail visits to the home by the public, employees, suppliers, or clients.
9. Owners shall comply with all local, state, and federal laws, rules, regulations, and ordinances that are applicable to rental properties and the landlord and tenant relationship.
  10. These Rental Rules are subject to being revised, replaced, or supplemented. Owners and residents are urged to contact the management office to verify the rules currently in effect on any matter of interest.
  11. These Rental Rules are in addition to and shall in no way whatsoever detract from the rights of the Association under the Governing Documents of the Association and the laws of the State of Texas.
  12. These Rules and Regulations for Rental Properties are the Rules and Regulations for Rental Properties effective as of August 1, 2024.

[Signatures on following page.]

CERTIFICATE

I HEREBY CERTIFY that the foregoing is a true, complete and correct copy of the Rules and Regulations for Rental Properties in the Royal Oaks Subdivision, as adopted by the Board of Directors of the Royal Oaks at Fulton Beach Homeowners Association, a Texas non-profit corporation, as of the 31<sup>st</sup> day of May, 2024.

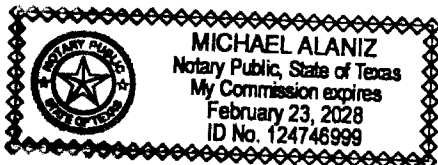
IN WITNESS WHEREOF, I hereunto set my hand on the 31<sup>st</sup> day of May, 2024.

**Royal Oaks At Fulton Beach  
Homeowners Association,**  
a Texas non-profit corporation

By: J. Greiner  
Jonathan C. Greiner, President

THE STATE OF Texas §  
§  
COUNTY OF Bexar §

This instrument was acknowledged before me on the 31<sup>st</sup> day of May, 2024, by Jonathan C. Greiner, President of Royal Oaks at Fulton Beach Homeowners Association, Inc., a Texas non-profit corporation, for and on behalf of said corporation.



[Signature]  
Notary Public, State of Texas

**EXHIBIT E-1**

**Rental Registration Form**

Each Lot or Improvement that an Owner rents to a tenant ("Rentals") must be registered with the Royal Oaks at Fulton Beach Homeowners Association, a Texas Non-Profit Corporation (the "Association").

Before a Rental can be considered registered, the Owner must submit this Rental Registration Form with the Association. Provide all requested information in the space below. Attach a separate sheet to this Rental Registration Form if additional space is required.

1. Provide the physical address of the property that will be used as a Rental:

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2. Provide the name, mailing address, email address, and telephone number of the Owner of the Rental:

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3. If different than the Owner, provide the name, mailing address, email address, and twenty-four-hour telephone number of the person who will manage and operate the Rental:

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4. The number of bedrooms and applicable occupancy limit of the Rental (a Rental may be occupied by no more than two (2) persons per bedroom):

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This Rental Registration Form has been submitted by the following Owner:

\_\_\_\_\_  
**Owner Signature**

\_\_\_\_\_  
**Printed Name**

\_\_\_\_\_  
**Date**



EXHIBIT E-2

RELEASE OF LIABILITY, INDEMNITY, AND ACKNOWLEDGMENT AND  
ACCEPTANCE OF DANGERS, RISKS, AND HAZARDS

---

AGREEMENT AND WARNING:

1. **ACKNOWLEDGMENT OF RISKS, HAZARDS, AND DANGEROUS CONDITIONS; INDEMNITY.** I have knowingly and willingly decided to use the swimming pool and pier (the "Amenities") owned by the Royal Oaks at Fulton Beach Homeowners Association, Inc. (the "Association").

- a. By signing this agreement, I acknowledge that I will be expressly assuming the risk and liability and waiving and releasing all claims for injuries, damages, or loss which I, my family members, children, invitees, guests, or others in my care might sustain while accessing or using the Amenities.
- b. This document serves to warn me that dangerous conditions, risks, and hazards exist if the Amenities are accessed or used, and that my use of the Amenities expose both me and my property to those dangerous conditions, risks, and hazards, including, but not limited to: drowning, possible malfunction of pool equipment, tripping or falling over obstacles around the Amenities areas, slippery surfaces, and chemical exposure. I expressly assume all such dangers, risks, and hazards.
- c. I understand that there is **NO LIFEGUARD ON DUTY**.
- d. I understand that medical treatment and facilities are not readily accessible, and in the event of injury or illness, there may be no medical or professional care at or near the Amenities, and I would have to transport myself or find someone to transport me to the nearest physician, hospital, or clinic.

In consideration for the right to use the Amenities, I, **ON BEHALF OF MYSELF AND MY WARDS, AS DEFINED BELOW, HEREBY RELEASE AND AGREE TO DEFEND, PROTECT, INDEMNIFY AND HOLD HARMLESS THE ASSOCIATION AND ITS AFFILIATES AND THEIR RESPECTIVE DIRECT AND INDIRECT OWNERS, MANAGERS, AGENTS, AND EMPLOYEES (THE "RELEASED PARTIES") FROM AND AGAINST ANY AND ALL CLAIMS, DEMANDS, CAUSES OF ACTION, DAMAGES, LOSSES, COSTS AND EXPENSES, INCLUDING BUT NOT LIMITED TO ATTORNEYS' FEES AND OTHER COSTS OF LITIGATION, RESULTING OR ARISING FROM ANY ACCIDENT, INCIDENT OR OCCURRENCE ARISING OUT OF, INCIDENTAL TO OR IN ANY WAY RESULTING FROM MY OR MY WARDS' USE OF THE AMENITIES, WHETHER OR NOT CAUSED BY ANY RELEASED PARTY'S NEGLIGENCE OR GROSS NEGLIGENCE.** I hereby further covenant and agree that I, my heirs, successors, and assigns will not make any claim or institute any suit or action at law or in equity against the Released Parties by reason of my use of the Amenities.

I understand and agree to abide by all rules established by the Association, which I have been given an opportunity to review.

2. **RESPONSIBILITY FOR MINORS.** I am responsible for the safety and actions, not only of myself, but also of any children or wards under my care who are under the age of 18 years while using the Amenities, including but not limited to those named below (together, "Wards"). I understand that I am responsible for the safety of my Wards even if I am not physically present when my Wards use the Amenities. I also execute this document on their behalf as their parent, natural guardian, or legal guardian, in order to confirm that the terms of this document apply to and bind them as well as me.

I HAVE READ THIS DOCUMENT IN ITS ENTIRETY. I UNDERSTAND THAT BY SIGNING THIS DOCUMENT I AM WAIVING VALUABLE LEGAL RIGHTS, INCLUDING ANY AND ALL RIGHTS I AND MY WARDS MAY HAVE AGAINST THE RELEASED PARTIES, AND I INTEND MY SIGNATURE TO BE A COMPLETE AND UNCONDITIONAL ASSUMPTION OF RISK, RELEASE AND INDEMNITY TO THE GREATEST EXTENT ALLOWED BY LAW.

I FURTHER AGREE THAT THIS IS A PERMANENT LIABILITY RELEASE, INDEMNITY, AND ACKNOWLEDGMENT AND ACCEPTANCE OF DANGERS, RISKS AND HAZARDS. IT SHALL BE CONSIDERED A CONTINUING RELEASE AND INDEMNITY AGREEMENT, EFFECTIVE FOR ANY AND ALL FUTURE VISITS TO THE AMENITIES, AND THUS IMMEDIATELY EFFECTIVE THIS THE \_\_\_\_ DAY OF \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Date

Signing individually and as parent and natural guardian or legal guardian for the following persons (print names):

_____	Age _____
_____	Age _____
_____	Age _____
_____	Age _____
_____	Age _____

**EXHIBIT F**

**ROYAL OAKS SUBDIVISION COMMUNITY POOL RULES AND REGULATIONS**

**WARNING: NO LIFEGUARD ON DUTY, SWIM AT YOUR OWN RISK**

The gates are to remain closed and locked at all times. Under no circumstances should the gates be propped open. DO NOT OPEN THE POOL GATE FOR ANYONE OTHER THAN YOUR FAMILY OR YOUR GUESTS. The fence and gate that surround the pool area are for resident protection.

PLEASE NOTE: Pool access and the lock code will ONLY be issued to owners, owner family members, or tenants (collectively, "Residents") when the Resident's lot is in good standing with the Association. For a Resident's lot to be in good standing, the Resident must:

1. Be current on homeowner assessments.
2. Have a signed release of liability on file with the Association for each individual who will use the swimming pool.

Residents must have permission to access or enter the pool area. The pool is for the use of Royal Oaks Residents and their invited guests/appointed guardians ONLY.

Any individual(s) who are reported to be or found to be in violation of any of the following pool rules will be reported to Royal Oaks HOA Board and possibly local law enforcement (as applicable). The nature of the situation will be considered and action(s) toward resolution will be at the Board's discretion. Any violation of these rules should be reported to the HOA Board, giving complete details of the incident in writing. Pool Management and the Board will investigate each incident and take such corrective action as they deem necessary.

1. All annual assessments must be paid up to date prior to a Resident or tenant's use of the pool.
2. Hours of operation are posted. Anyone entering the pool or pool area outside of the pool hours of operation is trespassing and will be subject to arrest.
3. The pool gates are to be locked at all times. Owners who are in good standing with the Association will receive the access code to the pool gate.
4. The pool and pool area may only be entered through the designated entrance. Climbing over the wall or fence is not permitted.
5. The pool is for the use of Royal Oaks Residents and their guests ONLY. Residents may bring guests to the pool, however, each guest must also sign a release of liability. A member of the Resident's family must be present with the guest.
6. Private parties are not permitted at the pool without the permission of the HOA Board.
7. Individuals with limited swimming abilities must be accompanied by an experienced swimmer.

8. The HOA will not be responsible for any money or property loss sustained by Residents or their guests when using the pool.
9. All swimmers must wear proper swimming attire. Persons who are incontinent are required to wear appropriate waterproof clothing when in the pool. Swimmers are encouraged to shower before entering the pool.
10. Persons with open sores, wounds and bandages or communicable diseases are prohibited from swimming in the pool. The HOA Board has the authority to vacate all persons from the pool area if, at their discretion, the health and safety of the residents are endangered. The pool will remain vacated until the condition is corrected.
11. No running permitted on the pool deck. Hopping, skipping, jumping, or speed walking within the pool area is prohibited. Diving and flips or cannonballs are not permitted. No shoulder stands or throwing persons from shoulders into the pool. Climbing or sliding on any handrailing is not permitted. Roughhousing, teasing, towel snapping, excessive splashing, dunking and spitting are prohibited.
12. Conduct by any person deemed to be dangerous, unreasonable, or offensive (including "horseplay") is not allowed and should be reported to the HOA Board. Any individual disciplined repeatedly or for serious infractions, will lose all pool privileges.
13. No glass containers of any type are allowed in the pool area.
14. Food shall only be consumed in areas at least six (6) feet away from the pool. No chewing gum is allowed within the pool area.
15. All trash generated by anyone in the fenced pool area must be placed in garbage containers or otherwise properly disposed of.
16. No alcoholic beverages or illegal drugs shall be allowed in the pool area. Intoxicated persons shall not be allowed to use the pool or pool area. Any person may call law enforcement authorities for assistance in dealing with an intoxicated person.
17. The pool will close immediately if there is thunder or lightning, or if in the opinion of a person of authority an unsafe condition exists.
18. No animals, other than service animals, are allowed in the pool area.
19. No diaper changing within the fenced pool area.
20. Residents and their guests are encouraged to refrain from using the pool if the residents or guests have been ill with diarrhea or have had diarrhea within the past two weeks.

**RESIDENTS ARE REQUIRED TO REPORT ANY VIOLATION OF THE ABOVE LISTED RULES IN WRITING TO THE HOA BOARD. ADDITIONALLY, ANY NOTIFICATION THAT THE POOL OR POOL AREA IS IN NEED OF MAINTENANCE, REPAIR OR REPLACEMENT MUST BE MADE IN WRITING TO THE HOA BOARD.**

THE PENALTY FOR VIOLATION OF ANY OF THE RULES LISTED WILL BE DETERMINED BY THE APPROPRIATE STAFF AND/OR BOARD MEMBERS. RULES ARE SUBJECT TO CHANGE DURING THE SUMMER TO MAINTAIN A SAFE ENVIRONMENT. CHANGES WILL BE POSTED AT THE POOL.

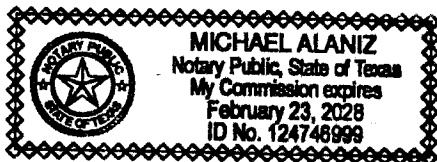
These Royal Oaks Subdivision Community Pool Rules and Regulations are effective as of 31 May, 2024.

**Royal Oaks At Fulton Beach**  
**Homeowners Association,**  
a Texas non-profit corporation

By: [Signature]  
Jonathan C. Greiner, President

THE STATE OF Texas §  
COUNTY OF Bexar §  
§

This instrument was acknowledged before me on the 31<sup>st</sup> day of May, 2024, by Jonathan C. Greiner, President of Royal Oaks at Fulton Beach Homeowners Association, Inc., a Texas non-profit corporation, for and on behalf of said corporation.



[Signature]  
Notary Public, State of Texas

**EXHIBIT G**

**DOCUMENT RETENTION POLICY**

**ROYAL OAKS AT FULTON BEACH HOMEOWNERS ASSOCIATION**

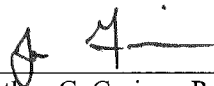
Pursuant to Texas Property Code §209.005(m), the Association adopts this Policy to comply with document retention requirements as provided in Section 5.14 of the Second Amended and Restated Declaration of Covenants, Conditions and Restrictions for Royal Oaks at Fulton Beach Subdivision recorded in the Real Property Records of Aransas County, Texas. At a minimum, the Association will retain the documents, for the time-periods required, as follows:

- a. Minutes or a similar record of the proceedings of the meetings of the Board shall be retained for at least seven (7) years.
- b. Names and mailing addresses of the Members, the currency and accuracy of the information being the responsibility of the Members, and other account records of current Owners, shall be retained for at least five (5) years.
- c. Financial records and books of account for the Association, kept in a manner consistent with the generally accepted accounting principles, shall be retained for at least seven (7) years.
- d. Copies of income tax returns prepared for the Internal Revenue Service, and audit records, shall be retained for at least seven (7) years.
- e. Copies of the governing documents, other than the documents specifically listed in (A) 7 below, and all amendments to any of these, shall be retained for at least seven (7) years, including a record of all votes or written consents by which amendments to these governing documents were approved.
- 7. Contracts with a term of one (1) year or more shall be retained for at least four (4) years after the expiration of the contract term.
- g. Certificate of Formation, Bylaws, the Declaration, and all amendments to the Certificate of Formation, Bylaws, and Declaration shall be retained permanently.

This Policy may not be construed to prevent the board of directors from adopting, amending, and restating, from time to time, one or more additional administrative policies regarding the retention of documents, records, and information of the Association, including, but not limited to, policies relating to storage and destruction of items identified hereinabove and other types of documents, records, and information of the Association. This provision may not be construed as a duty of the board of directors to adopt such additional administrative policies.

This Policy applies only with respect to books and records of the Association generated on or after 31 May, 2024.

Authorized Board Member Signature: \_\_\_\_\_

  
Jonathan C. Greiner, President

**EXHIBIT G-1**

**PRESCRIBED COSTS TO OWNER**

**Copy Charges:**

Electronic image transmitted by email - no copy charge

Electronic image downloaded to USB drive - actual cost of drive

Standard paper copy or scan (letter or legal size) - \$0.10 per page (double sided is 2 pages)

Oversize paper copy or scan (such as 11 x 17) - \$0.50 per page

Diskette or CD - \$1.00

DVD - \$3.00

**Labor Charge:**

No labor charge if the request is for 50 or fewer pages of information, unless the records must be retrieved from a storage facility that is remote from the processor's office.

\$15.00 per hour, in 1/4 hour increments, for actual time to locate, compile, manipulate data, reproduce information, and (if necessary) redact confidential information, for requests of more than 50 pages and for records in remote storage.

No labor charge for time spent to review the requested information to determine if the information qualifies for an exemption from Open Records.

**Overhead Charge:**

No overhead charge if the request is for 50 or fewer pages of information. Otherwise the overhead charge is 20 percent of the labor charge.

**Remote Document Retrieval Charge:**

If the requested information is stored with a commercial records storage company that charges a fee to deliver and return stored records, the Association may seek reimbursement of the third-party fee from the owner if the request otherwise qualifies for a labor charge.

**Other Charges:**

Actual postage and shipping charges if necessary to transmit the reproduced information to the owner.

Actual cost of miscellaneous supplies, such as boxes, if used to produce the requested information.

If the Association accepts payment by credit card, the Association may recoup the amount of any actual transaction fee charged by the credit card company for the privilege.

No sales tax.

## EXHIBIT H

### OPEN RECORDS PRODUCTION AND COPYING POLICY

#### ROYAL OAKS AT FULTON BEACH HOMEOWNERS ASSOCIATION

Pursuant to Texas Property Code §209.005, if an Open Records request is made, the Association may charge the requestor all reasonable costs of materials, labor, and overhead for compelling, producing, and reproducing the requested information. The Association's charges to an owner are tied to the rates published in §70.3 of the Texas Administrative Code (Title 1, Part 3, Chapter 70), which cannot be exceeded, but which are periodically evaluated; and updated by the State of Texas.

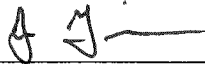
The charges shown on Exhibit F-1 hereto are in effect on the date this Policy is adopted, and will change automatically with changes in the State's maximum rate for Public Information requests.

Notwithstanding anything to the contrary in any writing or communication made by the Association, the Association will not in any event be entitled to receive or collect Open Records charges from an owner in amounts greater than the maximum charges permitted by applicable law. If, from any circumstances whatsoever, the Association charges or receives an amount in excess of the maximum charges permitted by law, the excess amount will be reimbursed.

The Association may reduce or waive some or all of the charges addressed by this Policy on an *ad hoc* basis without waiving the right to charge fees on future requests.

The Association may require advance payment of the estimated charges addressed by this Policy. Within 30 business days after delivering the requested information, the Association will provide the owner with an invoice of the actual charges. If the actual costs are less than the prepaid estimated costs, the Association will refund the difference to the owner within thirty (30) business days after sending the invoice. If the actual costs are greater than the prepaid estimated cost, the difference is due and payable to the Association by the owner within thirty (30) business days after the invoice was sent to the owner, after which time the Association may add the unpaid amount to the owner's assessment account.

Authorized Board Member Signature: \_\_\_\_\_

  
Jonathan C. Greiner, President



**EXHIBIT I**

**ALTERNATIVE PAYMENT SCHEDULE POLICY**

**ROYAL OAKS AT FULTON BEACH HOMEOWNERS ASSOCIATION**

Pursuant to Texas Property Code §209.0062, the Association adopts this Policy to comply with alternative payment requirements by which a delinquent owner may make partial payments for delinquent assessments or other amounts owed to the Association without incurring additional penalties, as provided in Section 7.8 of the Second Amended and Restated Declaration of Covenants, Conditions and Restrictions for Royal Oaks at Fulton Beach Subdivision recorded in the Real Property Records of Aransas County, Texas, and as follows:

Alternative Payment Schedule. Prior to referring an Owner's account to a collection agent and/or instituting suit against the Owner for foreclosure, the Association shall provide written notice, by certified mail, return receipt requested, that (i) specifies each delinquent amount and the total amount of the payment required to make the account current, (ii) describes the options the Owner has to avoid the referral and/or suit, including payment plan options, and provides at least 30 days to cure the delinquency before further action is taken. Further in this regard, pursuant to Section 209.0062 of the Act, the Association hereby adopts reasonable guidelines to establish an alternative payment schedule by which an Owner may make partial payments for delinquent regular or special Assessments or any other amount owed without incurring additional penalties. The Association hereby adopts the following guidelines with regard to alternative payment schedules for delinquent Assessments and other amounts owed by an Owner:

(A) Term: The minimum term for a payment agreement shall be (3) three months and the maximum term shall be (18) eighteen months from the date of the Owner's request for a payment plan. Subject to such minimum and maximum terms, the Association shall determine the appropriate term of the payment plan in its sole discretion.

(B) Form: Any and all alternative payment agreements shall be in writing and signed by the Owner and a duly authorized member of the Board.

(C) Additional Monetary Expense: So long as an Owner is not in default under the terms of the payment agreement, the Owner shall not incur additional monetary expenses; however, the Owner shall be responsible for all interest accruing during the term of the payment plan as well as reasonable costs associated with administering the payment plan or interest.

(D) Application of Payments: If at the time the Association receives a payment, the Owner is not in default under an alternative payment agreement, the Association shall apply the payment to the owner's debt in the following order of priority: (a) any delinquent assessment; (b) any current assessment; (c) any reasonable attorney's fees or reasonable third party collection costs incurred by the Association associated solely with Assessments or any other charge that could provide the basis for foreclosure; (d) any reasonable attorney's fees incurred by the Association that are not subject to subsection (c); (e) any reasonable fines assessed by the Association; and (f) any other reasonable amounts owed to the Association. If, at the time the Association receives a payment from an Owner, the Owner is in default under a payment plan entered into with the Association: (a) the Association is not required to apply the

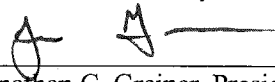
payment in the order of priority specified by this Section 7.8(D); and in applying the payment, a fine assessed by the Association may not be given priority over any other amount owed to the Association.

(E) Default: If, the Owner defaults under a payment plan agreement, the account may immediately be turned over to the Association's attorney for collection. The Association shall not be required to enter into an alternative payment agreement with an Owner who failed to honor the terms of a previous payment agreement during the two (2) years following the Owner's default under the previous alternative payment agreement. At the discretion of the Association, an Owner who failed to honor the terms of a previous payment agreement may be required to waive Expedited Foreclosure Proceedings under Section 209.0092 of the Act as a condition to an additional alternative payment agreement. If, at any time the Association receives a payment from an Owner who is in default of an alternative payment agreement, the Association is not required to apply the payment in the order of priority specified by Paragraph D, subparagraphs (a) through (f) above.

The Association may reduce or waive some or all of the charges addressed by this policy on an ad hoc basis without waiving the right to charge such fees on future requests.

This Policy may not be construed to prevent the board of directors of the Association from adopting, amending, and restating, from time to time, one or more additional administrative policies regarding alternative payments. This provision may not be construed as a duty of the board of directors to adopt such additional administrative policies.

Authorized Board Member Signature:

  
Jonathan C. Greiner, President

### Enforcement Policy for Levying Fines for the Royal Oaks Subdivision

WHEREAS, Royal Oaks at Fulton Beach Homeowners Association, Inc. (the "Association") is charged with administering and enforcing the Second Amended and Restated Declaration of Covenants, Condition and Restrictions (the "Declaration");

WHEREAS, Section 5.4(E) of the Declaration authorizes the Association levy fines for violations of the Declaration;

WHEREAS, the Association desires to adopt a policy for imposing disciplinary actions for violations of the Association's Declaration; and

NOW, THEREFORE, the Board has duly adopted the following Enforcement Policy for Levying Fines (the "Policy"):

1. Categories and Schedule of Fines:

<b>Violation Categories</b>	<b>1<sup>st</sup> Violation</b>	<b>2<sup>nd</sup> Violation</b>	<b>3<sup>rd</sup> Violation</b>
Residential Use of Lots	Warning and a fine of up to \$50.00 per week	\$50.00 to \$100.00 per week	\$100.00 to \$200.00 per week
Architectural Review or Construction	Warning and a fine of up to \$100.00 per week	\$100.00 to \$200.00 per week	\$200.00 to \$300.00 per week
Landscape Maintenance	Warning and a fine of up to \$50.00 per day	\$50.00 to \$100.00 per day	\$100.00 to \$200.00 per day
Rental Compliance	Warning and a fine of up to \$50.00 per day	\$100.00 to \$200.00 per day	\$200.00 to \$300.00 per day
Trash	Warning and a fine of up to \$50.00 per day	\$50.00 to \$100.00 per day	\$100.00 to \$200.00 per day
Vehicles and Parking	Warning and a fine of up to \$50.00 per day	\$50.00 to \$100.00 per day	\$100.00 to \$200.00 per day
Maintenance of Animals	Warning and a fine of up to \$50.00 per day	\$50.00 to \$100.00 per day	\$100.00 to \$200.00 per day
Quiet Enjoyment	Warning and a fine of up to \$50.00 per day	\$50.00 to \$100.00 per day	\$100.00 to \$200.00 per day

2. Imposition of Fines. The Board authorizes a Notice of Violation be issued to an Owner, with a request for voluntary compliance, whenever a violation is discovered without express authorization from the Board on each individual violation. If the violation is not voluntarily and timely cured after the first notice, if it is uncurable, or if it poses a threat to public health and/or

safety, then the Board may begin imposing fines according to the Fine Schedule and the hearing process set forth herein.

3. Payment. Payment of the fine is not a substitute for or in lieu of correcting the violation. Regardless of payment of the fine imposed for a violation, the owner is required to correct the violation set forth in the Notice of Violation.

4. Hearings. If the Owner is entitled to an opportunity to cure the violation, the Owner has the right to submit a written request for a hearing to discuss and verify facts and resolve the matter in issue before a committee appointed by the Board or before the Board if a committee is not appointed. If a hearing is to be held before a committee, the notice prescribed by Section 209.006 of the Texas Property Code must state that the Owner has the right to appeal the committee's decision to the Board by written notice. The Association shall hold a hearing not later than the thirtieth (30<sup>th</sup>) day after the date the Board receives the Owner's request for a hearing and shall notify the Owner of the date, time, and place of the hearing not later than the tenth (10<sup>th</sup>) day before the date of the hearing. Not later than ten (10) days before a hearing is held, the Association shall provide to an owner a packet containing all documents, photographs, and communications relating to the matter the Association intends to introduce at the hearing. If the packet is not provided, the owner is entitled to an automatic fifteen (15) day postponement of the hearing. The Board or the Owner may request a postponement, and, if requested, a postponement shall be granted for a period of not more than ten (10) days. Additional postponements may be granted by agreement of the parties. The Owner or the Association may make an audio recording of the meeting, and may use alternative dispute resolution services.

5. Attorneys' Fees. The payment of any and all legal fees and costs incurred by the Association to enforce violations or collect fines shall be the responsibility of the homeowner.

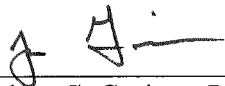
6. Variances. The Board reserves the right to levy a fine for the above-listed Schedule of Fines on a case-by-case basis.

7. Exemptions. The foregoing policies do not apply to a lawsuit seeking a temporary restraining order or temporary injunctive relief or to the collection of regularly scheduled assessments and late fees.

[Signatures on following page.]


The undersigned has executed the Policy effective 31 May, 2024.

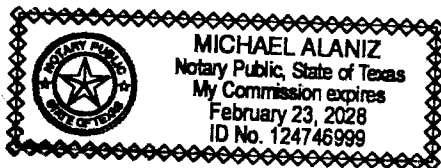
**Royal Oaks At Fulton Beach  
Homeowners Association,**  
a Texas non-profit corporation

By:   
Jonathan C. Greiner, President

THE STATE OF Texas §  
§  
COUNTY OF Bexar §

This instrument was acknowledged before me on the 31<sup>st</sup> day of May, 2024, by Jonathan C. Greiner, President of Royal Oaks a Fulton Beach Homeowners Association, Inc., a Texas non-profit corporation, for and on behalf of said corporation.

  
Notary Public, State of Texas



**THE STATE OF TEXAS  
COUNTY OF ARANSAS**

I hereby certify that this instrument was FILED on the  
date and the time stamped hereon by me and was duly  
RECORDED in the Records of Aransas County, Texas.

405387 HOA  
06/11/2024 03:02:18 PM Total Fees: \$329.00

Recorded By: Nita Solis

*Misty Kimbrough*

Misty Kimbrough, County Clerk  
Aransas County, Texas

