



**CONSTITUTION AND BY-LAWS**

**LUBBOCK SOUTH FORK RANCH PROPERTY OWNER'S ASSOCIATION**

**CONSTITUTION**

**ARTICLE I.**

**NAME**

- 1.1 The name of this organization shall be "Lubbock South Fork Ranch Property Owner's Association."

**ARTICLE II.**

**PURPOSE**

- 2.1 The purpose of this organization shall be to protect the restrictions within the subdivision and prevent violations thereof; obtain needed improvements and benefits for the community; and assist in economic, civic, social enterprises and activities that are for the welfare of the community.

**ARTICLE III.**

**OFFICERS**

- 3.1 The officers of this organization shall be the President, Vice-President, Secretary and Treasurer who shall be elected as prescribed by the By-Laws.

**ARTICLE IV.**

**BOARD OF DIRECTORS**

- 4.1 The Board of Directors shall consist of not less than three (3) and no more than ten (10) directors. The duties of said Board of Directors shall be prescribed by the By-Laws.

**ARTICLE V.**

**MEMBERSHIP**

- 5.1 The membership of this organization shall be comprised of Class A members and a Class B Member. Class A members are limited to resident property owners within the Lubbock South Fork Ranch Subdivisions. Each household shall be entitled to one vote per lot. When more than one person is an owner, such multiple owners shall be a single Class A Member and only one vote may be cast for the Lot owned by such Owners. The Class B Member shall be the Declarant and has five (5) votes for each lot owned. The Class B membership ceases upon the expiration of thirty (30) years following the date of the Declaration, unless Declarant sooner terminates the Class B membership by written notice of termination recorded in the public records of Lubbock County, Texas. If Declarant still owns Lots as of the date the Class B Membership terminates or expires, Declarant will become a Class A Member with respect to such Lots.

- 5.2 No member may participate in the affairs of this organization unless he be in "good standing," by which is meant that all dues and required assessments are current.

5.3 The control and management of this organization shall be vested in the membership unless otherwise provided by the Constitution or By-Laws.

5.4 All meetings shall be open to the general public. However, the privilege of making motions, debating, voting and participating in the affairs of the organization shall be limited to members in good standing.

5.5 The officers of the Board of Directors of this organization shall be elected by the members of the Board of Directors and shall serve for a period of one (1) year or until their successors are elected.

5.6 At least one-third (1/3) of the Board of Directors will be elected each year. The initial Board of Directors will determine the initial term, not to exceed three years, of each director. The election shall be held in accordance with the By-Laws.

#### **ARTICLE VI.**

##### **FISCAL YEAR**

6.1 The fiscal year of this organization shall be a calendar year, from the first day of January until the last day of December of the same year.

#### **ARTICLE VII.**

##### **QUORUM**

7.1 Except as otherwise provided by the Constitution or By-Laws, the presence in person or by proxy of twenty percent (20%), or 30 of the total votes of the Association, whichever is the lesser amount, shall constitute a quorum at any regular or special meeting called pursuant to the provisions of the By-Laws.

7.2 At all meetings, a majority of the Board of Directors will constitute a Quorum of the Board of Directors.

#### **ARTICLE VIII.**

##### **AUDIT**

8.1 The Board of Directors shall have the right, at their sole discretion, to appoint an auditing committee. Such committee shall audit the books and records of the Treasurer of this organization and make a report in writing to the membership at the last meeting thereof in March of each year. Such committee shall be appointed in accordance with the By-Laws.

#### **ARTICLE IX.**

##### **AMENDMENT**

9.1 This constitution may be revised, changed or amended at any regular or special meeting of the membership by a two-thirds vote of the voting members present who are in good standing. However, a copy of the proposed revision, change, or amendment shall be delivered to the residence of each member in good standing at least seven (7) days before the meeting at which the same is submitted.

#### **ARTICLE X.**

## **SUGGESTIONS**

10.1 Suggestions or complaints shall be submitted to the Board of Directors, whether in writing or in person at any regular or special meeting of the Board of Directors called pursuant to the By-Laws.

[End of Constitution. By Laws on following pages]

**FIRST AMENDED BY-LAWS OF  
LUBBOCK SOUTH FORK RANCH PROPERTY OWNERS ASSOCIATION**

**Article One**

**DEFINITIONS**

- Section 1:** "Association" shall mean and refer to the Lubbock South Fork Ranch Property Owners Association, its successors and assigns, a non-profit organization organized and existing under the laws of the State of Texas.
- Section 2:** "Common Properties" or "Common Area" shall mean and refer to those tracts of land described and shown in Exhibit "A" attached hereto applicable to the South Fork Ranch Addition to the City of Lubbock, Lubbock County, Texas, and included all structures, landscaping, and any other properties or facilities owned and maintained by Members of the Association.
- Section 3:** "Declarant" shall mean and refer to Carl Evan Mortensen and Debora Carlene Mortensen, acting either jointly or individually.
- Section 4:** "Deed of Restrictions" shall mean any covenant, condition or restriction contained in any dedicatory instrument of the Association, whether mandatory, prohibitive or administrative.
- Section 5:** "Member" or "Members" shall mean and refer to all those Owners of lots in the South Fork Ranch Addition who are Members of the Association.
- Section 6:** "Owner"/"Owners" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple to any lot situated within Properties, but notwithstanding and applicable theory of the mortgage, shall not mean or refer to the mortgagee or any of Properties unless and until such mortgagee has acquired title pursuant to foreclosure of any proceeding in lieu of foreclosure.
- Section 7:** "Properties" shall mean and refer to Lots as described on Exhibit "B" attached hereto, inclusive in the South Fork Ranch Addition to the City of Lubbock, Lubbock County, Texas.
- Section 8:** "Regular Assessment" shall mean an annual assessment, charge, fee or dues that each Owner of lots in the South Fork Ranch Addition is required to pay to the Association on a regular basis as designated in the Deed of Restrictions and/or these Bylaws.
- Section 9:** "Special Assessment" shall mean as assessment, charge, fee or dues, other than a Regular Assessment, that each Owner of lots in the South Fork Ranch Addition is required to pay to the Association on a regular basis as designated in the Deed of Restrictions and/or these Bylaws.

**Article Two**

**LOCATION AND PRINCIPAL OFFICE**

- Section 1:** The principal office of the Association shall be 5211 70<sup>th</sup> Street, Lubbock, Texas 79424, or such other place as the Board of Directors ("Board") shall from time to time determine.

**Article Three**

## MEMBERSHIP

**Section 1:** Each person or entity who is a record Owner of a fee or undivided fee interest in any lot in the South Fork Ranch Addition shall be a Member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. No lot shall carry with it more than one membership. Memberships shall be appurtenant to and may not be separated from ownership of any lot. Ownership of a lot in the South Fork Ranch Addition shall be the sole qualification for membership.

**Section 2:** The rights of membership are subject to the payment of Regular Assessments and Special Assessments levied by the Association as limited herein and by Article Ten, Section 8. Beginning January 1, 2019 the Regular Assessment shall be \$25.00 per lot per month paid annually. Further, each year the Board may adjust the Regular Assessments, or any Special Assessments, in an amount not to exceed the cumulative annual Consumer Price Index issued by the Bureau of Labor Statistics of the U. S. Department of Labor. No Member may participate in the affairs of the Association unless he be in "good standing," by which is meant the payment of the required Regular Assessments for the current year.

**Section 3:** The membership rights of any person who has an Interest in any lot which is subject to Regular Assessment under the foregoing Section 2, and/or the Deed of Restrictions applicable to the South Fork Ranch Addition, whether or not such person is personally obligated to pay such Regular Assessments, may be suspended by action of the Board during any period when any such Regular Assessment is due and unpaid, but, upon payment of any such Regular Assessment, the rights and privileges of such person shall be automatically restored. If the Board has adopted and published rules and regulations governing the use of the Common Area and facilities and personal conduct of any person thereon is in violation of such rules and regulations, the Board may suspend all rights and privileges of such person for a period not to exceed thirty (30) days. This provision shall apply to any Member, the family of any Member, the guest of any Member, and the tenant of any Member.

## Article Four

### VOTING RIGHTS

**Section 1:** The Association shall have two (2) classes of voting membership:

- A. Class A. Class A Members are all Owners, other than Declarant. Class A Members have one (1) vote per lot.
- B. Class B. The Class B Member is Declarant and has five (5) votes for each lot owned. The Class B membership ceases upon expiration of thirty (30) years following the date of the Declaration, filed in the Real Property Records of Lubbock County, Texas, on August 11, 2010, File No. 2010-26888, unless Declarant sooner terminates the Class B membership by written notice of termination recorded in the Real Property Records of Lubbock County, Texas if Declarant still owns any lots as of the date the Class B membership terminates, Declarant will be a Class A Member with respect to such lots.

The meetings of Members and method of voting shall be further described in Articles Eight and Fourteen.

## Article Five

**Section 1:** Each Member shall be entitled to the use of the Common Property and facilities thereon as provided in the Deed of Restrictions applicable to the South Fork Ranch Addition, and as may be determined from time to time by the Board of the Association.

**Section 2:** Any Member may delegate his rights in the Common Property and facilities to the Members of his family who reside upon any lot in the South Fork Ranch Addition or to any of his tenants who reside thereon under a leasehold interest for a term of one (1) year or more. Such Member shall notify the Secretary of the Association in writing of the name of any such person and of the relationship of the Member to such person. The rights and privileges of such person are subject to suspension under Article 3 hereof, to the same extent as those of the Members.

#### Article Six

#### ASSOCIATION PURPOSES AND POWERS

**Section 1:** The Board consists of not less than three (3) or more than ten (10) Directors as elected by the Members. Within those limits, the Board may change the number of Directors. No decrease in the number of Directors may shorten the term of a Director. The terms of the Directors shall be staggered. At least one-third (1/3) of the Board will be elected each year. Each Director will have a term of two (2) years. Directors may serve consecutive terms. Each Director has one (1) vote.

**Section 2:** Vacancies in the number of elected Directors occurring between annual meetings shall be filled for the unexpired portion of the term by a vote of the majority of the remaining Board.

**Section 3:** At the first annual meeting of the Members, the Voting Members will elect Directors to succeed the initial Directors. At subsequent annual Members meetings, successors for each Director whose term is expiring will be elected. The candidate or candidates receiving the most votes will be elected. The Directors elected by the Voting Members will hold office until their respective successors have been elected.

**Section 4:** The Board has all powers necessary to administer the Association's affairs. The Board shall be the governing body of the organization with full rights and authority to determine policy, outline, plan, and carry into execution all business, activities, and policy, to enter into and execute all necessary agreements and instruments incident thereto in the name of the organization and shall constitute the representatives of the organization. In addition to the foregoing powers, the Board shall be authorized to institute, settle or compromise, in the name of the organization or otherwise, any necessary legal proceedings to carry into effect the purpose and policies of the organization, or to enforce, or prevent violations of, the covenants or restrictions applicable to the Subdivision; and to employ legal counsel in connection with any of the foregoing, subject to the approval or ratification of the Members.

**Section 5:** Written minutes and records of all proceedings of the Board shall be kept by the Secretary, all of which shall be opened to the inspection of the Members in good standing at all reasonable times. Further, all action taken, plans and projects proposed or undertaken by the Board shall be reported to the membership at the next following meeting thereof, provided that at any such meeting the full minutes of the Board's proceedings shall be read if requested by any Member in good standing.

#### Article Seven

#### QUALIFICATIONS FOR MEMBERSHIP

**Section 1:** No lot shall carry with it more than one membership, or any prorated membership share if any Member(s) owns less than one lot. Membership shall be appurtenant to and may not be separated from ownership of any lot.

## Article Eight

### ELECTION OF DIRECTORS

**Section 1:** Election of the Board shall be by written ballot. Written ballots will be handed out to the Members (one vote per lot) as the Members check in for the meeting at which the election is held. At such elections, the Members or their proxies may cast, in respect of each vacancy, as many votes as they are entitled to cast under the provisions of the Bylaws of the Association. Those persons receiving the largest number of votes shall be elected as Directors.

**Section 2:** Nominations for election to the Board shall be made from the floor at the meeting at which the election is held. Nomination may be made from among Members for each place to be filled on the Board, except the nominations may also be made from the spouses and adult children of a Member who reside with such Member and except that nomination may also be made from the officers of a corporate Member; however, in no case shall two (2) related or cohabitating individuals serve on the Board or as officers simultaneously. There shall be separate nominations made for each place to be filled.

**Section 3:** The newly elected Directors, along with the remaining Directors, shall elect a President, Vice-President, Secretary and a Treasurer at the first meeting. All checking accounts shall have two signatures. Suggested responsibilities shall include, but not be limited to the following: The President shall be responsible for the running of the association. The Vice President will fill in for President when asked and help in running the association. The Secretary shall take minutes of all meetings, pay all bills and assist President. The Treasurer will collect, record and deposit all membership dues.

**Section 4:** Any Director may be removed, with or without cause, by the vote of a majority of the Members as set forth in Article Fourteen. Any Director may be removed at a Board's meeting, if the Director:

- A. Failed to attend three (3) consecutive Board's meetings;
  - B. Failed to attend fifty percent (50%) of Board's meetings within one (1) year;
  - C. Is delinquent in the payment of any Assessment for more than thirty (30) days;
- or
- D. Is the subject of an enforcement action by the Association for violation of the Governing Documents.

**Section 5:** A Director's position becomes vacant if the Director dies, becomes incapacitated, resigns, or is no longer a Member.

**Section 6:** If a Director is removed or a vacancy exists, a successor will be elected by the remaining Directors until the next annual meeting of the Members, at which meeting the Voting Members will elect a Director for the vacated Director position.

**Section 7:** Directors will not receive compensation. A Director may be reimbursed for expenses approved by the Board.

## Article Nine

### POWERS AND DUTIES OF THE BOARD OF DIRECTORS

**Section 1:** The Board shall have power:

- A. To call special meetings of the Members whenever it deems necessary and it shall call a meeting at any time upon written request of twenty percent (20%) of the voting membership;
- B. To appoint and remove at its pleasure all officers, agents, and existing employees of the Association, prescribe their duties, fix their compensation, and require of them such security or fidelity bonds as it may deem expedient. Nothing contained in these By-Laws shall be construed to prohibit the employment of any Member, officer or Director of the Association in any capacity whatsoever;
- C. To determine policy, outline plans, and carry into execution all business, activities and policy;
- D. To enter into and execute all necessary agreements and instruments incident thereto in the name of the Association;
- E. To institute, settle or compromise, in the name of the Association or otherwise, any necessary legal proceedings to carry into effect the purpose and policies of the Association and to employ legal counsel in connection with any of the foregoing;
- F. To borrow money to maintain, repair, or restore the Common Area;
- G. To levy and collect the Assessments as provided in the Deed of Restrictions applicable to the South Fork Ranch Addition;
- H. To adopt and publish rules and regulations governing the use of the Common Property, the Common Area, and facilities thereon and the person conduct of the Members and their guests while on such premises;
- I. To exercise for the Association, all powers, duties and authority vested in or delegated to this Association, except those reserved to the Members in the Deed of Restrictions applicable to the South Fork Ranch Addition;
- J. To exercise all powers necessary to administer the Association's affairs;
- K. To call an executive session to discuss any matters consistent with Texas law;
- L. To prepare and approve an annual budget for the Association; and
- M. In the event that any Member of the Board of this Association shall be absent from three (3) consecutive regular meetings of the Board without being excused from attendance by the Board, the Board may by action taken at the meeting during which said third absence occurs, or at any time thereafter while such absence continues, declare the office of said absent Director to be vacant.

**Section 2:** It shall be the duty of the Board:

- A. To cause to be kept written minutes and records of all proceedings of the Board, all of which shall be opened to the inspection of the Members in good standing at all reasonable times;



- B. To report to the membership at the annual meeting of the Members all actions taken, plans and projects proposed or undertaken by the Board;
- C. To cause to be read the full minutes of the Board's proceedings at the request of any Member in good standing;
- D. To supervise all officers, agents, and employees of the Association and to see that their duties are properly performed;
- E. As more fully provided in the Deed of Restrictions applicable to the South Fork Ranch Addition:
  - 1. To fix the amount of any Special Assessments against each lot as limited by Article Three, Section 2 and Article Ten, Section 8;
  - 2. To prepare a roster of the lots and Regular Assessments applicable thereto, which shall be kept at a location directed by the Board on behalf of the Association and shall be open to inspection by any Member; and
- F. To perform any and all other duties and powers normally required of Directors and which may be reasonably necessary for the proper conduct of the affairs of the Association.

#### Article Ten

#### DIRECTORS' MEETINGS

**Section 1:** A regular meeting of the Board will be held at such time and place as determined by the Board, but at least three (3) such meetings will be held during each fiscal year. Notice of the time and place of the meetings will be given to Directors no less than ten (10) days before the meeting. The meeting may be held by electronic or telephonic means in accordance with the Section 209.0051 of the Texas Property Code.

**Section 2:** A special meeting of the Board will be held when called by written notice signed by the president or any two (2) Directors. The notice will specify time and place of the meeting and the matters to be covered at the meeting. Notice of the time and place of the meeting will be given to Directors in the same manner set forth in Section 6 below.

**Section 3:** The actions of the Board at any meeting are valid if: (a) a quorum is present; and (b) either proper notice of the meeting was given to each Director. Proper notice of a meeting will be deemed given to any Director who attends the meeting without protesting before or at its commencement about the lack of proper notice.

**Section 4:** At all Board Meetings, a majority of the Board will constitute a quorum, and the votes of a majority of the Directors present at a meeting at which a quorum is present constitutes the decision of the Board. If the board cannot act because a quorum is not present, a majority of the Directors who are present may adjourn the meeting to a date no less than thirty (30) days from the date the original meeting was called. At the reconvened meeting, if a quorum is present, any business that may have been transacted at the meeting originally called may be transacted without further notice.

**Section 5:** Directors may vote by written proxy.

**Section 6:** Owners shall be notified of regular or special Board's meetings in the following manner:

- A. The notice shall contain the date, hour, place and general subject matter of a regular or special Board's meeting, including a general description of any matter to be brought up for deliberation in executive session;
- B. The notice shall be provided to each Owner in a manner consistent with this Article not later than the 10<sup>th</sup> day or earlier than the 60<sup>th</sup> day before the date of the meeting;
- C. At least 72 hours before the start of the meeting, the notice shall be e-mailed to each Owner who has registered their e-mail address with the Association;
- D. The notice shall be posted on the Associations website; and
- E. The notice shall be posted at a conspicuous location within the subdivision.

**Section 7:** The president will preside at Board meetings. The secretary will keep minutes of the meetings and will record in a minute book the votes of the Directors.

**Section 8:** The Board may take action outside of a meeting, including voting by electronic or telephonic means without prior notice to Owners if each Director is given reasonable opportunity to express the Director's opinion to all other Board Members and to vote. Any action taken without notice to Owners must be summarized orally and documented in the minutes of the next regular or special Board meeting. However, the Board *may not*, without prior notice to and a vote of Owners at a meeting of the Members, take action on: (1) fines; (2) damage assessments; (3) initiation of foreclosure actions; (4) initiation of enforcement actions (except temporary restraining orders or other actions required for the health and safety of the community); (5) increases in Regular Assessments in excess of the limitations set forth in Article Three, Section 2; (6) levying of Special Assessments in excess of the limitations set forth in Article Three, Section 2; (7) appeals from a denial of committee approval; (8) a suspension of a right of a particular Owner before the Owner has the opportunity to attend the Board meeting and present the Owner's position; (9) lending or borrowing money; (10) the adoption or amendment of a dedicatory instrument; (11) the approval of an annual budget or an amendment to the annual budget that increases the budget by more than 10%; (12) the sale or purchase of real property; (13) the filling of a vacancy on the Board; (14) the construction of capital improvements other than the repair, replacement or enhancement of existing capital improvements; (15) the election of an officer; and/or (16) create new paid employee positions.

## Article Eleven

### OFFICERS

**Section 1:** The Officers of the Association shall consist of a President, Vice President, Secretary, and a Treasurer to be elected from the Members. The Board may appoint other officers having the authority and duties prescribed by the Board. Any two or more offices may be held by the same person, except the offices of president and secretary.

**Section 2:** Officers will be elected annually by the Board at the first meeting of the Board following each annual meeting of the Voting Members. A vacancy in any office may be filled by the Board for the unexpired portion of the term.

**Section 3:** All Officers shall hold office at the pleasure of the Board. The Board may remove any officer whenever, in the Board's judgment, the interests of the Association will be served thereby. Any officer may resign at

any time by giving notice to the Board, the president, or the secretary. Resignation takes effect on the date of the receipt of notice or at any later time specified in the notice.

**Section 4:** The President shall preside at all meetings of the Board, shall see that orders and resolutions of the Board are carried out and shall sign all notes, checks, leases, mortgages, deeds and all other written instruments pertaining to the business of the Association.

**Section 5:** The Vice President shall perform all the duties of the President in the absence of the President.

**Section 6:** The Secretary shall be ex-officio Secretary of the Board, shall record the votes and keep the minutes of all the proceedings in a book to be kept for that purpose, and shall maintain and record in a book kept for that purpose the names of all Members of the Association, together with their addresses and e-mail addresses as registered by such Members.

**Section 7:** The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as provided by resolution of the Board; provided, however, that a resolution of the Board shall not be necessary for disbursements made in the ordinary course of business conducted within the limits of the budget adopted by the Board. The Treasurer shall sign all checks and notes of the Association, but such checks and notes shall also be signed by the President or the Vice President. The Treasurer shall also keep proper books of account and cause such audits of the books to be made as the Board shall direct. The Treasurer shall prepare an annual budget and an annual balance sheet statement, and the budget and balance sheet statement shall be presented to the membership at its regular annual meeting.

## Article Twelve

### ACCOUNTS AND REPORTS

**Section 1:** Accounting and controls must conform to good accounting practices. Accounts will not be commingled with accounts of other persons. The following financial reports will be prepared at least annually:

- A. An income statement reflecting all income and expense activity for the preceding period;
- B. A variance report reflecting the status of all accounts in "actual" versus "approved" budget format;
- C. A balance sheet as of the last day of the preceding period; and
- D. A delinquency report listing all physical addresses which are delinquent by more than sixty (60) days in paying any Assessment and describing the status of any action to collect those delinquent Assessments.

## Article Thirteen

### COMMITTEES

**Section 1:** There may be such committees of the Association as the Board may determine.

## Article Fourteen

### MEETINGS OF MEMBERS

**Section 1:** The regular meeting of the Members shall be held in April of each calendar year at a place designated by the Board.

**Section 2:** Special meetings of the Members for any purpose may be called at any time by the President or by any two (2) or more Members of the Board or upon written request of twenty percent (20%) of the Voting Members.

**Section 3:** Written notice stating the place, day and hour of each Members' meeting must be given to each Member not less than seven (7) nor more than thirty (30) days before the meeting. The special Members' meeting notices must also state the meeting's purpose, and no business may be conducted except as stated in the notice. Any Member who has business to be addressed at such meeting must submit a request to the Board detailing the business to be addressed at least fourteen (14) days prior to such meeting. In the foregoing event, an updated notice of the special Members' meeting shall be sent out to each Member as provided herein. Any discussions of business as set forth by any Member shall be limited to a reasonable time frame not to exceed ten (10) minutes. Notice to a Member is deemed given when hand delivered, mailed, or e-mailed. Members are responsible for keeping an updated e-mail address registered with the Association.

**Section 4:** Thirty percent (30%) of the Voting Members, by proxy or attendance, is a quorum. If a Members meeting cannot be held because a quorum is not present, a majority of the Voting Members who are present may adjourn the meeting. At the reconvened meeting, fifteen percent (15%) of the Voting Members is a quorum. If a quorum is not present, a majority of the Voting Members who are present may adjourn the meeting. At the second reconvened meeting, a majority of the Voting Members is a quorum. Written notice of the place, date and hour of each reconvened meeting must be given to each Member thirty (30) before the reconvened meeting.

**Section 5:** Votes representing more than fifty percent (50%) of the Voting Members present at a meeting in which a quorum is present are a majority vote.

## Article Fifteen

### PROXIES

**Section 1:** At all Association meetings of the Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. No proxy shall extend beyond a period of eleven (11) months, and every proxy shall automatically cease upon the sale by the Member executing said proxy of his lot or other interests in the South Fork Ranch Addition.

## Article Sixteen

### BOOKS AND PAPERS

**Section 1:** The books, records and papers of the Association shall at all times be kept at a location directed by the Board on behalf of the Association and shall during reasonable business hours be subject to the inspection by any Member.

**Section 2:** Association Documents may be maintained in paper format or in an electronic format that can be readily transferred to paper.

**Section 3:** Association Documents shall be retained for the durations listed below:

- A. certificate of formation or articles of incorporation, bylaws, restrictive covenants, other dedicatory instruments and any amendments to same shall be retained permanently;
- B. financial books and records, including annual budgets, reserve studies, annual financial reports and bank statements, shall be retained for seven (7) years (for example the July 2020 financial statements shall be retained until July 31, 2027);
- C. account records of current Owners shall be retained for five (5) years (for example, invoice, payment and adjustment records on an Owner's account with a transaction date of 08/15/2020 will be retained until 08/15/2025 subject to Section (d), below);
- D. account records of former Owners shall be retained as a courtesy to that former Owner for one (1) year after they no longer have an ownership interest in the property;
- E. contracts with a term of one (1) year or more shall be retained for four (4) years after the expiration of the contract term (for example, a contract expiring on 06/30/2020 and not extended by amendment must be retained until 06/30/2024);
- F. minutes of meetings of the Owners and the Board shall be retained for seven (7) years after the date of the meeting (for example, minutes from a 07/20/2020 Board's meeting must be retained until 07/20/2027); and
- G. tax returns and CPA audit records shall be retained for seven (7) years after the last date of the return or audit year (for example, a tax return for the calendar year 2020 shall be retained until 12/31/2027).

Any Documents not described above may be retained for the duration deemed to be useful to the purpose of the Association, in the discretion of the Board, its attorney or its managing agent.

**Section 4:** Upon expiration of the retention period listed above, the Documents shall no longer be considered Association records and may be destroyed, discarded, deleted, purged or otherwise eliminated.

**Section 5:** The foregoing Policy shall be effective upon recordation in the Public Records of Lubbock County, Texas, and supersedes any policy regarding document retention which may have previously been in effect. Except as affected by Section 209.005 of the Texas Property Code and/or by this Policy, all other provisions contained in the Deed Restrictions or any other dedicatory instruments of the Association shall remain in full force and effect.

## Article Seventeen

### RECORDS PRODUCTION AND COPYING POLICY

**Section 1:** Association Records shall be reasonably available to every Owner. An Owner may also provide access to Records to any other person (such as an attorney, CPA or agent) they designate in writing as their proxy for this purpose. To ensure a written proxy is actually from the Owner, the Owner may be required to include a copy of his/her photo ID or have the proxy notarized.

**Section 2:** An Owner, or their proxy as described in Section 1, above, must submit a written request for access to or copies of Records. The letter must:

- A. be sent by certified mail to the Association's address as reflected in its most recent Management Certificate filed in the County public records;
- B. contain sufficient detail to identify the specific Records being requested; and
- C. indicate whether the Owner or proxy would like to inspect the Records before possibly obtaining copies or if the specified Records should be forwarded. If forwarded, the letter must indicate the format, delivery method and address from the below options, respectively:
  - 1. format: electronic files, compact disk or paper copies; and
  - 2. delivery method: email, certified mail or personally pick-up.

**Section 3:**  
shall provide:

Within ten (10) business days of receipt of the request specified in Section 2, above, the Association

- A. the requested Records, if copies were requested and any required advance payment had been made;
- B. a written notice that the Records are available and offer dates and times when the Records may be inspected by the Owner or their proxy during normal business hours at the office of the Association;
- C. a written notice that the requested Records are available for delivery once a payment of the cost to produce the records is made and stating the cost thereof;
- D. a written notice that a request for delivery does not contain sufficient information to specify the Records desired, the format, the delivery method and the delivery address; and
- E. a written notice that the requested Records cannot be produced within ten (10) business days but will be available within fifteen (15) additional business days from the date of the notice and payment of the cost to produce the records is made and stating the cost thereof.

**Section 4:** The following Association Records are not available for inspection by Owners or their proxies:

- A. the financial records associated with an individual Owner;
- B. deed restriction violation details for an individual Owner;
- C. personal information, including contact information other than an address for an individual Owner;
- D. attorney files and records in the possession of the attorney; and
- E. attorney-client privileged information in the possession of the Association.

The information in (a), (b) and (c), above, will be released if the Association receives express written approval from the Owner whose records are the subject of the request for inspection.

**Section 5:** Association Records may be maintained in paper format or in an electronic format. If a request is made to inspect Records and certain Records are maintained in electronic format, the Owner or their proxy will be

given access to equipment to view the electronic records. Association shall not be required to transfer such electronic records to paper format unless the Owner or their proxy agrees to pay the cost of producing such copies.

**Section 6:** If an Owner or their proxy inspecting Records requests copies of certain Records during the inspection, Association shall provide them promptly, if possible, but no later than ten (10) business days after the inspection or payment of costs, or in accordance with Texas Property Code § 209.005(f), subject to Section 3(E), above.

**Section 7:** The Owner is responsible for all costs associated with a request under this Policy, including but not limited to copies, postage, supplies, labor, overhead and third party fees (such as archive document retrieval fees from off-site storage locations) as listed below:

- A. black and white 8½"x11" single sided copies ... \$0.10 each;
- B. black and white 8½"x11" double sided copies ... \$0.20 each;
- C. color 8½"x11" single sided copies ... \$0.50 each;
- D. color 8½"x11" double sided copies ... \$1.00 each;
- E. PDF images of documents ... \$0.10 per page (if compact disk ... \$1.00 per page);
- F. labor and overhead ... \$18.00 per hour;
- G. mailing supplies ... \$1.00 per mailing;
- H. postage ... at cost;
- I. other supplies ... at cost; and
- J. third party fees ... at cost.

**Section 8:** Any costs associated with a Records request must be paid by the Owner or their proxy in advance of delivery. An Owner who makes a request for Records and subsequently declines to accept delivery will be liable for payment of all costs under this Policy.

**Section 9:** On a case-by-case basis, in the absolute discretion of the Association, and with concurrence of the Owner, the Association may agree to invoice the cost of the Records request to the Owner's account. Owner agrees to pay the total amount invoiced within thirty (30) days after the date a statement is mailed to the Owner. Any unpaid balance will accrue interest as an Assessment as allowed under the Deed Restrictions.

**Section 10:** On a case-by-case basis where an Owner request for Records is deemed to be minimal, the Board reserves the right to waive request under Section 2, above, and/or fees under Section 4, above.

**Section 11:** All costs associated with fulfilling the request under this Policy will be paid by the Association, subject to Section 8 above.

**Section 12:** The foregoing Policy is effective upon recordation in the Public Records of Lubbock County, Texas, and supersedes any policy regarding records production which may have previously been in effect. Except as affected by Section 209.005 of the Texas Property Code and/or by this Policy, all other provisions contained in the Deed Restrictions or any other dedicatory instruments of the Association shall remain in full force and effect.

## Article Eighteen

### GUIDELINES FOR DISPLAY OF CERTAIN ITEMS

**Section 1:** To the extent allowed by the Texas state constitution and the United States constitution, a property Owner or resident may not display or attach any item that:

- A. threatens public health or safety;
- B. violates any law; or
- C. contains language, graphics or any display that is patently offensive to a passerby.

**Section 2:** As provided by Section 202.018 of the Texas Property Code, the Association may remove any items displayed in violation of these guidelines. In the event that there is any dispute under Section 11.1 above, the Board shall determine whether the disputed item displayed or attached is in compliance with these guidelines.

**Section 3:** The foregoing guidelines are effective upon recordation in the Public Records of Lubbock County, Texas, and supersede any guidelines for certain items which may have previously been in effect. Except as affected by Section 202.018 of the Texas Property Code and/or by these guidelines, all other provisions contained in the Deed Restrictions or any other dedicatory instruments of the Association shall remain in full force and effect.

## Article Nineteen

### ENFORCEMENT PROCEDURES

**Section 1:** Before the Board may: (a) suspend an Owner's right to use a Common Area; (b) file a suit against an Owner other than a suit to collect any Assessment; (c) charge the Owner for property damage; or (d) levy a fine for a violation of the Governing Documents, the Association or its agent must give written notice to the Owner by certified mail, return receipt requested. The notice must describe the violation or property damage that is the basis for the suspension action, charge, or fine and state any amount due to the Association from the Owner. The notice must also inform the Owner that the Owner is: (a) entitled to a reasonable period to cure the violation and avoid the fine or suspension unless the Owner was given notice and a reasonable opportunity to cure a similar violation within the preceding six (6) months; and (b) may request a hearing on or before the thirtieth day after the date the Owner receives notice.

**Section 2:** 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 the Board does not appoint a committee. If a hearing is to be held before a committee, the notice must state that the Owner has the right to appeal the committee's decision to the Board by written notice to the Board. The Association must hold a hearing under this section not later than the thirtieth day after the date that the Board receives the Owner's request for a hearing and must notify the Owner of the date, time and place for the hearing not later than the tenth day before the date of the hearing. The Board or the Owner may request a postponement, and, if requested, a postponement will be granted for a period of not more than ten days. Additional postponements may be granted by agreement of the parties. The Owner or the Association may make an audio recording of the meeting. The hearing will be held in executive session affording the alleged violator a reasonable opportunity to be heard. Before any sanction hereunder becomes effective, proof of proper notice will be placed in the minutes of the meeting. Such proof will be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, Director, or agent who delivered the notice. The notice requirement will be satisfied if the alleged violator appears at the meeting. The minutes of the meeting will contain a written statement of the results of the hearing and the sanction, if any, imposed. The Board may, but will



not be obligated to, suspend any proposed sanction if the violation is cured within a 30-day period. Such suspension will not constitute a waiver of the right to sanction violations of the same or other provisions and rules by any person.

**Section 3:** Following hearing before a committee, if any, a violator will have the right to appeal the decision to the Board. To perfect this right, a written notice of appeal must be received by the managing agent, if any, president, or secretary within ten (10) days after the hearing date.

**Section 4:** The Board may change or amend the enforcement procedure to comply with changes in the law.

## Article Twenty

### MISCELLANEOUS PROVISIONS

**Section 1:** The Association shall be required to obtain insurance for the Common Properties for the following purposes:

- A. Loss or damage by fire and other perils normally covered by the standard extended coverage endorsements; and
- B. All other perils which are customarily covered with respect to projects similar in construction, location and use, including all perils normally covered by the standard "all risk" endorsement, where such is available.

The policy or policies shall be in an amount equal to one hundred percent (100%) of current replacement costs of the Common Properties, exclusive of land, foundations, excavation and other items normally excluded from coverage. The name of the insured under such policies must be the Association or the authorized representative of the Association, for the use and benefit of the individual Owners. Loss payable shall be in favor of the Association or its authorized representative, as trustee for each lot Owner and each such Owner's mortgagee in the percentage of common ownership. Such policies may not be cancelled or subsequently modified without at least ten (10) days prior written notice to the Association. Agreed Amount and Inflation Guard Endorsement are required, if available.

**Section 2:** The Association must maintain comprehensive general liability insurance coverage, covering all of the Common Properties in amounts generally required by institutional mortgage investors for projects similar in construction, location and use, but in any event for at least One Million Dollars (\$1,000,000) for bodily injury, including deaths of persons and property damage arising out of a single occurrence. Coverage under such policy shall include, without limitation, legal liability of the insured's for property damage, bodily injuries and deaths of persons in connection with the operation, maintenance and use of the common properties, and legal liability arising out of the law suits related to employment contracts of the Association. Such policies must provide that they may not be cancelled or substantially modified by any party without at least ten (10) days prior written notice to the Association. Existence of this policy and the face amount is proprietary information.

**Section 3:** Blanket fidelity bonds shall be required to be maintained by the Association for all officers, Directors, trustees, and employees of the Association and all other persons handling or responsible for funds of or administered by the Association. Should the Association delegate some or all of the responsibility for handling of the funds to a management agent, such bonds must be furnished for its officers, employees and agents handling or responsible for the funds of, or administered on behalf of, the Association. The total amount of the fidelity bonds shall be based on best business judgment and shall not be less than the estimated maximum of funds, including reserve funds, in the custody of the Association or the management agent, as the case may be, at any given time during the term of each bond. However, in no event may the aggregate amount of such bonds be less than the sum of three (3) months aggregate Regular Assessments on all lots plus reserve funds. Such fidelity bonds must also meet the following requirements:

- A. Fidelity Bonds shall name the Association as obligor;

- B. The bonds shall contain waivers by the issuers of the bonds of defenses based upon the exclusion of persons serving without compensation from the definition of "employee" or similar terms or expressions;
- C. The premiums on all bonds required for the Association (except for premiums on fidelity bonds maintained by management agent for its officer, employees, and agents) shall be paid by the Association as a common expense; and
- D. The bonds shall provide that they may not be cancelled or substantially modified (including cancellation for non-payment of premium) without at least ten (10) days prior written notice to the Association.

**Section 4:** The Association shall require Directors and Officers liability insurance for the protection and liability exposure of its Board in the amount of One Million Dollars (\$1,000,000) per occurrence.

**Section 5:** The Association retains reasonable rights, including easements over the Common Areas, for completion of improvements and making repairs to improvements and to maintain facilities erected on Common Properties within the South Fork Ranch Addition. The Association may use any funds to maintain, repair or restore any Common Area or Common Properties, or any contract for such maintenance to be take care of by any third-party approved by the Board.

**Section 6:** The Association shall have the ability, at the sole discretion and direction of the Board, to engage in activities to generate revenue for the benefit of the Association.

**Section 7:** Gender and Number of Words. When the context requires, the gender of all words used in these Bylaws includes the masculine, feminine, and neuter, and the number of all words includes the singular and the plural.

**Section 8:** The Board may establish the Association's fiscal year by resolution. In the absence of a Board resolution determining otherwise, the Association's fiscal year is a calendar year.

**Section 9:** The Board may adopt rules for conduct of meetings of Members, Board and committees.

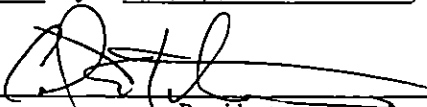
## Article Twenty-One

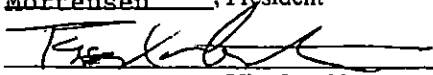
### AMENDMENTS

**Section 1:** These By-Laws may be amended, at a regular or special meeting of the Members, by a vote of a majority of a quorum of the Members present in person or by proxy; provided however, that those provisions of these By-Laws which are governed by the Articles of Incorporation of the Association or the Deed of Restrictions for South Fork Ranch Addition may not be amended except as therein provided or as allowed by law.

**Section 2:** In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Deed of Restrictions for the Subdivision and these By-Laws, the Deed of Restrictions shall control.

Adopted by the Board of Directors on the 29<sup>TH</sup> day of MARCH, 2019.

  
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 Mortensen: Carl Mortensen, President

  
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 Tyssen Mortensen, Vice President

Deborah Mortensen

Debora Mortensen, Secretary

Mikasa Sullivan

Mikasa Sullivan, Director

\_\_\_\_\_  
\_\_\_\_\_, Director

\_\_\_\_\_  
\_\_\_\_\_, Director

**ATTESTED TO:**

Deborah Mortensen  
\_\_\_\_\_, Secretary

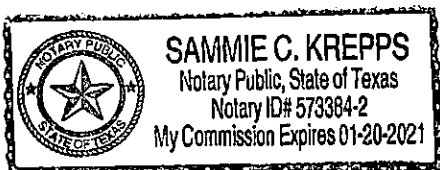
**STATE OF TEXAS**

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**COUNTY OF LUBBOCK**

Acknowledged before me the undersigned notary on this 5<sup>th</sup> day of April, A.D., 2019, by TYSEN MORTENSEN, Vice President of LUBBOCK SOUTH FORK RANCH PROPERTY OWNER'S ASSOCIATION, CARL MORTENSEN, President of LUBBOCK SOUTH, DEBORA MORTENSEN, Secretary of LUBBOCK SOUTH FORK RANCH PROPERTY OWNER'S ASSOCIATION, and MIKASA SULLIVAN, Director LUBBOCK SOUTH FORK RANCH PROPERTY OWNER'S ASSOCIATION.

Sammie C. Krepps  
\_\_\_\_\_  
Notary Public, State of Texas



# FILED AND RECORDED

OFFICIAL PUBLIC RECORDS



*Kelly Pinion*

Kelly Pinion, County Clerk  
Lubbock County, TEXAS  
04/10/2019 03:30 PM  
FEE: \$98.00  
2019012666