

Fairway Oaks Townhome Association

Protective Covenants, Bylaws and Reference Documents

TO ALL HOMEOWNERS: SHOULD YOUR PROPERTY BE SOLD,
THIS IMPORTANT DOCUMENT AND BINDER SHOULD BE GIVEN
TO THE NEXT HOMEOWNER.

**AMENDED AND RESTATED
DECLARATION OF PROTECTIVE COVENANTS
FAIRWAY OAKS TOWNHOMES**

351-11-1988
351-11-2014

THE STATE OF TEXAS §
 §
COUNTY OF MONTGOMERY §

This AMENDED AND RESTATED DECLARATION (hereinafter referred to as the "Declaration") is made and executed on this nineteenth day of June, 2014

The undersigned are the owners of at least seventy-five percent (75%) of the lots within a 3.8578 acre tract of land in the Walker County School Land Survey, A-599, in The Woodlands, County of Montgomery, State of Texas, which has been subdivided and platted into a subdivision known as FAIRWAY OAKS TOWNHOMES, according to map or plat recorded in Cabinet 126A, Sheet E of the Map Records of Montgomery County, Texas (such property being hereinafter referred to as "Fairway Oaks").

All lots in Fairway Oaks are subject to restrictive covenants imposed by Declaration of Protective Covenants dated July 15, 1985, filed for record in the Office of the County Clerk of Montgomery County, Texas, in File No. 8542535 (the "Original Declaration"). The Original Declaration was amended by Amendment of Protective Covenants dated October 1, 1988, recorded at Film Code 592-01-1749 in the Office of the County Clerk of Montgomery County, Texas.

The undersigned Owners desire to further amend and restate the restrictive covenants in their entirety to continue the uniform plan for the improvement, development and use of all of the Townhouse Lots in Fairway Oaks for the benefit of the present and future owners of such lots, and for the protection of property values.

All of the Townhouse Lots in Fairway Oaks shall be held, sold and conveyed subject to the following declarations, reservations, protective covenants, limitations, conditions and easements which are for the purpose of protecting the value and desirability of, and which shall run with, the real property and be binding on all parties having any right, title or interest in Fairway Oaks or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each Owner. Each contract, deed or other conveyance of any interest in a Townhouse Lot in Fairway Oaks shall conclusively be held to have been executed, delivered and accepted subject to the covenants, conditions, restrictions, uses, limitations and obligations set forth in this Declaration (regardless of whether or not the same are set out in full or by reference in said contract, deed or conveyance).

ARTICLE I

Definitions

Section 1.01 "Corporation" shall mean the Texas non-profit corporation organized pursuant to the Original Declaration under the name "Fairway Oaks Townhome Association".

Section 1.02 "Common Open Space" shall mean that portion of Fairway Oaks which is shown on the recorded plat of Fairway Oaks to be the "Common Open Space" (which includes the areas designated on the recorded plat as "Paved Private Drive" and "Paved Private Street") as well as any and all other lands, properties or facilities which may be hereafter from time to time owned by the Corporation for the use and enjoyment of the Members of the Corporation, and shall include but is not limited to, all recreational facilities, community facilities, pumps, trees, landscaping, sprinkler systems, pavement, streets, driveways and walkways, but shall not include any portion of such locations hereinafter described as a "Townhouse Lot".

Section 1.03 "Paved Private Drive" shall mean the driveway between each Townhouse Lot and the Paved Private Street within Fairway Oaks adjacent to that Townhouse Lot, such driveway being reserved for the use of the Owner of the Townhouse Lot to which same is appurtenant, to the exclusion of all other persons or entities.

Section 1.0. "Property" shall mean Fairway Oaks, containing 3.8578 acres of land.

Section 1.05 "Townhouse" shall mean a single family residence unit constructed on a Townhouse Lot, and shall include the unit's garage.

Section 1.06 "Townhouse Lot" shall mean any one of the twenty (20) building locations identified as Lots on the plat of Fairway Oaks or any amendments thereto, on which there is or will be constructed a Townhouse, including the garage and yard area within the boundaries thereof.

Section 1.07 "Owner" or "Member" shall mean the record owner, whether one or more persons or entities, of fee simple title to any Townhouse Lot, including contract sellers, but excluding those having such interest merely as security for performance of an obligation.

Section 1.08 "The Woodlands Covenants" shall mean the Declaration of Covenants, Restrictions, Easements, Charges and Liens which are attached as Exhibit "B" to a General Warranty Deed dated the 11th day of January, 1974, from The Woodlands Community Association to The Woodlands Development Corporation, and recorded in Volume 841, Page 297, and those additional covenants and restrictions recorded in Volume 848, Page 613, of the Deed Records of Montgomery County, Texas, both as amended from time to time, covering among other lands, the Property comprising Fairway Oaks. **WHEREAS, the Fairway Oaks Townhome Association, will and shall comply to all amendments of "The Woodlands Covenants" and The State of Texas, Texas Residential Property Owners Protection Act governing these covenants, as amended from time to time.**

ARTICLE II

Fairway Oaks Townhome Association

Fairway Oaks Townhome Association is a Texas non-profit corporation, Charter No. 745527-1 under the Texas Non-Profit Corporation Act, chartered for the purpose of administering the operation and maintenance of the Common Open Space and providing the other functions delegated to the Corporation by this Declaration.

Section 2.01 - Membership. Each and every Owner of a Townhouse Lot shall automatically become and remain a Member of the Corporation during such Owner's period of ownership of a Townhouse Lot or portion thereof. Such membership shall be appurtenant to each Townhouse Lot and may not be severed from or held separately therefrom.

Section 2.02 - Good Standing. A Member of the Corporation shall be considered to be a member in good standing and eligible to vote if such Member:

- a. Has fully paid all assessments or other charges levied by the Corporation then due and payable, as such assessments or charges are provided for in this Declaration;
- b. Does not have a lien filed by the Corporation against its Townhouse Lot; and
- c. Has discharged other obligations to the Corporation as may be required of Members hereunder.

The Board shall have sole responsibility and authority for determining the good standing status of all Members prior to a vote being taken by the Corporation on any matter. Any Member not in good standing shall be disqualified from holding a position as an officer or director of the Corporation and from voting on matters before the Corporation until such time as Member-in-good-standing status is attained and so declared by the Board.

Section 2.03 - Voting Rights. Each Member shall be entitled to one vote for each Townhouse Lot owned by that Member. Where more than one person or entity holds an ownership interest in any Townhouse Lot, all such persons or entities collectively shall have one vote on any matter to be decided by the Members or Owners, and such vote shall be exercised as the several parties shall determine among themselves.

Section 2.04 - Termination of Membership. The membership of a person or entity in the Corporation shall terminate automatically whenever such person or entity ceases to be an Owner, except that such termination shall not release or relieve any such person or entity from any liability or obligation incurred under or in any way connected with the Corporation or the Declaration during the period of ownership, nor impair any rights or remedies which the Corporation or any other Owner has with regard to such former Owner.

Section 2.05 - Governance of the Corporation. This Declaration, the Articles of Incorporation, the Bylaws of the Corporation and applicable law reserve to the Members certain rights, duties and obligations in the conduct of the business of the Corporation. Except for those rights, duties and obligations expressly reserved to the Members, the Corporation shall be governed, and this Declaration and the other obligations of the Corporation shall be administered by the Board of Directors of the Corporation consisting of not less than three (3) Directors.

Section 2.06 - Qualification of Directors. Each member of the Board of Directors of the Corporation must be a Member of the Corporation in good standing.

ARTICLE III

Property Rights

Section 3.01 - Members' Easement of Enjoyment. Every Member shall have a right and easement of enjoyment in and to the Common Open Space and such easement shall be appurtenant to and shall pass with the title to every Townhouse Lot, subject to the following provisions:

- a. The easement in and right of use of that portion of the Common Open Space which constitutes the driveway (shown on the plat as a Paved Pvt. Street), sidewalk and

yard area appurtenant to each Townhouse Lot shall be for the exclusive use of the Owner of that Townhouse Lot and the Owner's tenants, guests and invitees,

- b. The right of the Corporation, in accordance with its Articles of Incorporation and By-Laws, to borrow money for the purpose of improving the Common Open Space and facilities,
- c. The right of the Corporation to suspend the voting rights or right to use recreational facilities by a Member for any period during which such Member is in default of any provisions of this Declaration and, for a period not to exceed thirty (30) days, for any infraction of its published rules and regulations, and
- d. The right of the Corporation to dedicate or transfer all or any part of the Common Open Space to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to. No such dedication or transfer shall be effective unless an instrument signed by sixty-six percent (66%) of the Members has been recorded, agreeing to such dedication or transfer. The provisions of this paragraph shall not be applicable to the routine granting of utility easements which shall be at the sole discretion of the Board of Directors.

Section 3.02 - Delegation of Use. Any Member may delegate its right of enjoyment to the Common Open Space and facilities to persons who reside in the Member's Townhouse, including family members, guests, tenants or contract purchasers, subject to such rules and regulations as may from time to time be promulgated by the Corporation.

Section 3.03 - Title to the Common Open Space. The Corporation holds title to the Fairway Oaks Common Open Space. The Fairway Oaks Common Open Space shall at all times be controlled by the Corporation or its successors, it being agreed that this restriction is necessary in order to preserve the right of each Owner with respect to the operation and management of the Fairway Oaks Common Open Space.

Section 3.04 - Easement for Encroachment. Each Townhouse Lot and the property included in the Common Open Space shall be subject to an easement for encroachments created by the initial construction or settling of the Townhouses. A valid easement for said encroachments and for the maintenance of same, so long as they continue in existence, shall and does exist. In the event a structure containing two Townhouses is partially or totally destroyed and then rebuilt, the Owners of the Townhouses so affected agree that minor encroachments of part of the adjacent Townhouse Lot shall be permitted and that a valid easement for said encroachment and the maintenance thereof shall exist.

Section 3.05 - Easement for Utilities. There are hereby created permanent easements upon, across, over and under those portions of the Property as may be reasonably necessary for the installation, maintenance and repair of all utilities, including, but not limited to, water, sewers, gas, telephones, cable television and electricity, which easements shall run to and be administered by the Corporation. An easement is further granted to all police, fire protection, ambulance and all similar persons to enter upon the streets and Common Open Space in performance of their duties. Further, an easement is hereby granted to the Corporation, its officers, agents, employees, and to any management company selected by the Corporation to enter in or to cross over the Common Open Space and any Townhouse Lot to perform the duties of maintenance and repair of the Townhouses or Common Open Space provided for herein.

Notwithstanding anything to the contrary contained in this paragraph, no sewers, electrical lines, water lines, or other utilities may be installed or relocated on the Property except as provided in Section 8.08 hereof.

ARTICLE IV

Covenants for Maintenance Assessments

Section 4.01 - Creation of the Lien and Personal Obligation of Assessments. Each Owner of any Townhouse Lot by acceptance of a deed therefore, whether or not it shall be expressed in such deed, is deemed to covenant and agree to pay to the Corporation annual assessments and any special assessments. The annual and any special assessments, together with interest, costs of collection and reasonable attorney's fees, shall be a charge and continuing lien upon each Townhouse Lot. Each such assessment, together with interest, costs of collection and reasonable attorney's fees, shall also be the personal obligation of the person or entity which is the Owner of such Townhouse Lot at the time when the assessment is due. The personal obligation for delinquent assessments shall not pass to an Owner's successors in title unless expressly assumed by them.

Section 4.02 - Purpose of Assessments. The assessments levied by the Corporation shall be used exclusively for the maintenance and improvement of the Property, and for services and facilities devoted to and related to the use and enjoyment of the Common Open Space and Townhouses situated in Fairway Oaks. Permitted uses of the assessments shall include, but are not limited to, funds for the insurance, repair, replacement and maintenance of the Common Open Space and improvements therein, periodic re-painting of certain exterior surfaces of the Townhouses as may from time to time be authorized by the Board Directors, and the payment of taxes and other expenses required or permitted by this Declaration as the Board shall determine to be necessary to meet the primary purposes of the Corporation. The foregoing enumeration of purposes of the assessments shall not be deemed to require the Corporation to use the funds derived from such assessment for any one or more of such purposes or to require that any particular amount of funds be expended for any particular purpose. The Corporation shall be entitled to expend such amounts as and for such of the foregoing enumerated purposes as it shall determine, in the exercise of its reasonable and prudent judgment, to be necessary and proper.

Section 4.03 - Annual Assessment. For 2014 the annual assessment shall be Three Thousand And No/100 Dollars (\$3,000.00) per Townhouse Lot.

- a. For each succeeding calendar year the annual assessment may be increased by the Board of Directors not more than ten percent (10%) per year above the annual assessment for the previous year.
- b. The annual assessment may be increased by more than ten percent (10%) at any time by a vote of sixty six percent (66%) of the Owners who are voting, in person or by proxy, at a meeting duly called for this purpose.

Section 4.04 - Fixing Annual Assessment. After consideration of the current maintenance costs and future needs of the Corporation, the Board of Directors shall fix the annual assessment for each calendar year in an amount not in excess of the maximum amount authorized by Sections 4.03a and 4.03b above.

Section 4.05 - Special Assessments for Capital Improvements. In addition to the annual assessment authorized above, the Corporation may levy in any year, a special assessment applicable to that year only, for the purpose of defraying the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Open Space, including the necessary fixtures and personal property related thereto. Any such special assessment shall require the consent of ~~sixty-six~~ percent (66%) of the Members, and shall be used only for the purposes for which it was levied.

Section 4.06 - Uniform Rate; Collection. Both annual and special assessments must be fixed at a uniform rate for all Townhouse Lots. Annual assessments shall be paid monthly without interest. Special assessments shall be payable in accordance with the resolution approving the assessment, and may require the payment of interest on installment payments.

Section 4.07 - Notice; Due Date; Certificates. The Board of Directors shall fix the amount of the annual assessment against each Townhouse Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Member. The due dates shall be established by the Board of Directors and, unless otherwise provided, the Corporation shall collect each month from the Owner of the Townhouse Lot 1/12th of the annual assessment of such Townhouse Lot. Late charges will be assessed for payments beyond forty-five (45) days of established due date. The Corporation shall upon demand at any time furnish a certificate in writing, signed by an officer of the Corporation, setting forth whether the assessments on a specified Townhouse Lot have been paid. A reasonable charge may be made by the Board for the issuance of these certificates. Such certificates shall be conclusive evidence of payment of any assessment therein stated to have been paid. The due date is established as the tenth (10th) day of the month.

Section 4.08 - Effect of Nonpayment of Assessments. Remedies of the Corporation. Assessments not paid within thirty (30) days after the due date shall be charged a fixed dollar amount plus interest as established by the Board. Assessments not paid within sixty (60) days after the due date shall be charged the fixed dollar amount established by the Board for the first thirty (30) days past due, plus double the fixed amount for the second thirty (30) days past due plus accrued interest. A payment plan of the arrearage will be no less than ninety (90) days and no greater than one hundred twenty (120) days.

Assessments unpaid beyond sixty (60) days shall be turned over to the Board for appropriate action. Owner will continue to incur monthly past due fees at the 60-day penalty level. The Board shall have the right to assess fees against an Owner to cover the costs of collection of delinquent accounts. The Corporation may bring an action at law against the Owner to collect past due amounts and/or foreclose its lien against the Townhouse Lot. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Open Space or abandonment of their Townhouse. The lien provided for in this Declaration shall be in favor of the Corporation and shall be for the benefit of all other Owners. The Corporation may recover all costs of collection including a reasonable attorney's fee for any such legal action that it prevails on.

Section 4.09 - Subordination of the Lien to Mortgages and The Woodlands Covenant Assessments. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage or mortgages imposed on any Townhouse Lot to secure debt incurred for the purchase price thereof, or for improvements thereto. Sale or transfer of any Townhouse Lot shall not affect the assessment lien. However, the sale or transfer of any Townhouse Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof shall extinguish the lien of such assessments as to payments which become due prior to such sale or transfer. No sale or transfer of any kind, including

foreclosure, shall relieve such Townhouse Lot from liability for any assessments thereafter becoming due or from the lien thereof. The lien of the assessments provided for herein shall be subordinate to the lien provided for in The Woodlands Covenants. The sale or transfer of any Townhouse Lot pursuant to a decree of foreclosure under the lien provided for in The Woodlands Covenants or any proceeding in lieu of foreclosure thereof, shall extinguish the lien hereunder as to payments thereof which become due prior to such sale or transfer. No sale or transfer pursuant to foreclosure of the lien provided for in The Woodlands Covenants shall relieve such Townhouse Lot from liability for any assessments thereafter becoming due or from the lien thereof.

ARTICLE V

Architectural and Landscaping Review

Section 5.01 - Plan Approval Required. No structure shall be commenced, moved, erected, placed, moved onto, or permitted to remain on any Townhouse Lot, nor shall any existing structure upon any Townhouse Lot be altered in any way which materially changes the exterior appearance thereof unless a complete set of plans, specifications, and site plan of the Townhouse Lot showing the precise location of the proposed structure shall have been submitted to and approved in writing by the Board or by an architectural control committee composed of three (3) or more representatives appointed by the Board. In the event the Board or its designated committee fails to approve or disapprove such plans, specifications, and site plan within sixty (60) days after same are submitted to it, approval will not be required and this article will be deemed to have been fully complied with.

Section 5.02 - Criteria for Architectural Plan Review. In reviewing plans the Board or committee shall consider the size, location, color, materials, design, compatibility and appropriateness of structures, repairs or modifications, and the extent to which same maintain the design and details of the original structures. Without limitation of the factors to be considered, the following elements must match those of the original design and construction (to the extent matching materials are reasonably available):

- a. Windows and paned doors must be of the same design and dimensions and have divided lights or panes, commonly referred to as mullions; provided that window protection for golf course units may be approved by the Board or Committee when consistent with the architectural design and window style of the units. Exterior doors must remain the original color.
- b. Brick must match in size, color, lay pattern and joint strike
- c. Siding, soffit and fascia board must be wood or wood-grained cement fiberboard and must match in color and orientation.
- d. Shingles must match in material, color, weight and design.
- e. Basic detailing of the structure, such as gables, overhangs, roof pitch, etc., must remain the same as original.
- f. Railings and fencing must match in style, color and materials
- g. Any maintenance that is performed must return the building to the same condition or better than original.

Section 5.03 - Landscaping.

- a. Plan approval shall not be required for general landscape maintenance, including planting flowers and pruning or like-kind replacement of dead or diseased shrubbery on the Owner's Townhouse Lot or in the appurtenant yard area within the Common Open Space.
- b. Prior approval of landscaping plans by the Board or a Committee appointed by the Board is required for tree planting or removal and for new or significantly changed landscaping to assure that it is consistent with the overall landscaping scheme in Fairway Oaks.
- c. New shrubbery or flower beds approved by the Board must be bordered with moss rock or evergreen border plants, such as feriope or monkey grass.
- d. Dead or diseased shrubbery on the Owners Townhouse Lot shall be replaced within ninety (90) days of written notification by the Board.

Section 5.04 - Supplemental to The Woodlands Covenants. The requirements contained in this Article V shall be in addition to any architectural control requirements contained in The Woodlands Covenants and the Woodlands Community Association Residential Development Standards, which include the Neighborhood Criteria for Fairway Oaks.

ARTICLE VI

Maintenance; Owner Duties

Section 6.01 - Common Open Space. The maintenance and operation of the Common Open Space deeded to the Corporation shall be the responsibility of the Corporation.

Section 6.02 - Maintenance and Repairs on Townhouse Lots. The Corporation shall provide maintenance of the common sprinkler system, and shall periodically paint the exterior wood siding, gutters, downspouts, soffets, fascia, garage doors and entry doors of all Townhouses as a group. (Any interim painting necessary on an individual Townhouse is the responsibility of the Owner.) There is hereby reserved in favor of the Corporation the right to enter upon all of the Townhouse Lots for the purpose of conducting the foregoing maintenance and repair during normal business hours, or at any time in case of an emergency.

Section 6.03 - Owner's Maintenance. Each Owner shall maintain and keep in repair all improvements on the Owner's Townhouse Lot except for those responsibilities of the Corporation under Section 6.02 above. Owner's maintenance shall include without limitation maintenance of the Townhouse roof, patios, patio railings, and exterior siding and surfaces (except for periodic painting of certain exterior surfaces of the Townhouses as a group, which shall be the obligation of the Corporation as specified in Section 6.02 above), and all personal property or fixtures added and affixed to the exterior of the residence, landscaping installed by Owner, exterior light fixtures operated from a residence, air conditioning compressor and condenser, including pipes and electrical lines connecting same to the residence, sanitary sewer line connecting the residence to the sanitary sewer collection system, electric power service conductors from the exterior of the building to the point of connecting to the electric utility company's junction box or transformer, electric circuit breakers, and any portion of the telephone service lines located on the Townhouse Lot but not maintained by the

telephone company; provided, however, that any lines, pipes, wires, conduits or systems running through a residence which serve one or more other residences and which are not maintained by any utility company shall be operated, repaired and maintained by the Corporation, and shall not be disturbed or relocated by Owner without the written consent and approval of the Corporation. An Owner shall do no act nor any work that will impair the structural soundness or integrity of another Townhouse Lot or impair any easement or hereditament, nor do any act nor allow any condition to exist which will adversely affect the other residences or their Owners.

Section 6.04 - Neglect of Owner. In the event that the need for maintenance or repair is caused through the willful or negligent act of an Owner or the Owner's family, guests, invitees, employees or agents, the cost of such maintenance or repairs shall be added to and become a part of the assessment payable by that Owner and shall be secured by a lien against such Townhouse Lot. The Board will send a written notification to the Owner designating the need for maintenance or repair of said property. The Owner will have sixty (60) days before the Corporation begins repair or maintenance on behalf of the Owner, and the cost or repair or maintenance becomes payable by the Owner.

Section 6.05 - Authority of Corporation. If an Owner shall fail to maintain the premises and the exterior improvements situated thereon in the manner and to the extent required by this Declaration, the Corporation, after approval by two-thirds (2/3) vote of the Board of Directors, shall have the right, through its agents and employees, to enter upon said Townhouse Lot and repair, maintain and restore the Townhouse Lot and the exterior of any improvements erected thereon. The cost of such exterior maintenance shall be added to and become part of the assessment payable by that Owner and shall be secured by a lien against such Townhouse Lot.

Section 6.06 - Management Agreements. The Corporation may enter into an agreement for management of the affairs of the Corporation with a responsible party or parties having experience adequate for the management of a project of this type, upon the affirmative vote of sixty-six percent (66%) of the Members. Each Owner of a Townhouse Lot agrees to be bound by the terms and conditions of any such management agreement. A copy of all such agreements shall be available to each Owner.

Section 6.07 - Taxes. Each Owner shall directly render for taxation its Townhouse Lot and improvements and property thereon, and shall pay all taxes levied or assessed against such property. The Corporation shall render for taxation and pay all taxes levied or assessed against or upon the Common Open Space and the improvements and property appertaining thereto, which expense shall become part of the common expense.

Section 6.08 - Utility Bills. Each Owner shall pay directly to the utility company furnishing such service the cost of the respective services used or consumed by the Owner and any other occupants of the Owner's Townhouse Lot.

ARTICLE VII

Party Walls

Section 7.01 - General Rules of Law to Apply. Each wall which is built as a part of the original construction of the homes upon the Property and placed on the dividing line between the two or more Townhouse Lots shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts

or omissions shall apply thereto. If a wall which is intended as a party wall is situated entirely on one Townhouse Lot instead of on the dividing line between Townhouse Lots, due to error in construction, such wall shall nevertheless be deemed to be on the dividing line and shall constitute a party wall for the purpose of this Article. Reciprocal easements shall exist upon and in favor of the adjoining Townhouse Lots for the maintenance, repair and construction of party walls.

Section 7.02 - Sharing of Repair and Maintenance Cost. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use.

Section 7.03 - Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it, and if the other Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

Section 7.04 - Weatherproofing. Notwithstanding any other provision of this Article, an Owner who negligently or willfully causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against the elements.

Section 7.05 - Right of Contribution Runs with Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

Section 7.06 - Arbitration. In the event of any dispute arising concerning a party wall, or under the provisions of this Article, each party shall choose an arbitrator and such arbitrators shall choose one additional arbitrator and the decision shall be by a majority of all the arbitrators. Should any party refuse to choose an arbitrator within ten (10) days after written request therefore, the Board of Directors of the Corporation shall select an arbitrator for the refusing party. Arbitrator's fees and expenses shall be shared equally by the parties.

ARTICLE VIII

Use Restrictions

The Woodlands Covenants, to which the Property is subject, impose certain use restrictions on the Property. The following use restrictions are supplemental and in addition to the use restrictions of The Woodlands Covenants.

Section 8.01 - Single-Family Residences. None of the Townhouse Lots or the Townhouses thereon shall be used for other than single-family, private residential purposes, and all Townhouse Lots in Fairway Oaks shall be exclusively townhouse residential lots. No commercial activity shall be permitted on any Townhouse Lot, nor shall any commercial activity be engaged in from any such Townhouse Lot, either apart from or in connection with the use thereof as a residence.

Section 8.02 - Resubdivision. No Townhouse Lot may be resubdivided.

Section 8.03 - Improper Activity. No immoral, improper, unlawful, noxious or offensive activity shall be carried or maintained on any Townhouse Lot or upon the Common

Open Space, nor shall anything be done or permitted to be done thereon which may be or become an annoyance or a nuisance to the residents of Fairway Oaks.

Section 8.04 - Use of Common Open Space. The Common Open Space (other than the utility areas which will be regulated as to use by the Corporation) shall not be used for storage of supplies or personal property or trash or refuse of any kind, except common trash receptacles placed at the discretion of the Corporation. Personal property usage shall require Board approval. Permission will be determined on community safety standards and compliance with "The Woodlands Covenants."

Section 8.05 – Unsightly Conditions Prohibited.

- a. Garbage and trash cans must be kept inside at all times except during the evening before and the day of trash pick-up. Trash that will not fit in the dumpsters provided must be scheduled for pick-up with the waste disposal company in accordance with the policies and procedures of The Woodlands Community Association.
- b. Garage doors must be closed at all times except when in use.
- c. Clothes lines are prohibited outside of any Townhouse.
- d. No equipment or materials except common patio items and hoses may be stored outside of any Townhouse. Front and side yard landscape decorations must be approved by the Board. No lighting fixture may create glare or a level of illumination that is offensive or inappropriate when viewed from adjacent properties.
- e. All rubbish, trash or garbage shall be regularly removed from the premises and shall not be allowed to accumulate thereon.

Section 8.06 – Window Coverings. No part of any curtains, blinds, shades, draperies, or other window coverings visible from the exterior of any Townhouse shall be used in any Townhouse unless same is white or off-white or lined with white or off-white material or material of a similar color approved by the Board. Bed sheets or similar window coverings are not permitted. Window blinds or shutters are required on all garage windows.

Section 8.07 - Parking.

- a. The type of vehicles which may be parked in driveways and designated parking areas within the Common Open Space is limited to licensed and operable cars, passenger vans, sport-utility vehicles and pick-up trucks operated by residents of Fairway Oaks and their guests or invitees.
- b. The parking, storage or standing of any type of vehicle, equipment or trailer in any part of Fairway Oaks, other than a garage, driveway, or designated parking area, is expressly prohibited. This provision shall not be construed to prohibit the temporary parking of motor vehicles necessary for servicing or repair of any Townhouse or other property in Fairway Oaks, or the temporary parking of guest vehicles during any special event held at a Fairway Oaks Townhouse.
- c. Owner/occupant vehicles shall be parked in the garage except for extraordinary circumstances and except for temporary driveway parking during periods of garage use, vehicle maintenance, or vehicle loading and unloading.

Section 8.08 - Underground Utilities. No pipe, conduit, cable, line or the like for water, gas, sewage, drainage, steam, electricity or any other energy or service shall be installed and maintained in Fairway Oaks (outside any building) above and along the surface of the ground except for hoses and movable pipes used for irrigation or other purposes as specifically approved in writing by the Board. All auxiliary machines or equipment or facilities used in Fairway Oaks in connection with any such services shall

be located only in such manner and upon such conditions as may be specifically approved by the Board.

Section 8.09 – Signs. Signs are prohibited in the Common Open Space or on a Townhouse Lot, except signs announcing the sale or lease of a Townhouse. Signs used for property sale or lease are limited to two per Townhouse. Signs must be professionally manufactured, not more than six (6) square feet in area, and placed on the Owner's Townhouse or Townhouse Lot, or in the portion of the Common Open Space immediately adjacent to the Owner's Townhouse Lot. Signs must be attached to the Owner's Townhouse or mounted on a free-standing stake or post not more than three (3) feet above ground. Additional signage is prohibited.

Section 8.10 - Short Term Rental. Two or more consecutive rentals / lease of a home (unit) for a term of less than twelve (12) months is a prohibited business use. Two consecutive rentals / leases of six (6) months or less is a prohibited business use.

Units sold after January 1, 2014 shall be Owner occupied with the exception of property owners with renters in situ on or before December 31, 2013. A transfer of ownership shall not constitute transference or grandfathering of the right for future owners to use the property for rental or lease purposes.

Section 8.11 - Gate Entries. During normal business hours, as specified by the Board, entrance gates of the community will remain closed. Access to the property will require the use of an appropriate device to activate the opening mechanism. Owners that are over (21) twenty one years of age may sign for a mechanism with proper photo identification. An activation mechanism can only be issued to an Owner with payment in full of all assessments and HOA fees. Activation mechanisms are the property of the Corporation and must be returned to the Corporation upon sale of the unit. Failure to return the mechanism will result in a minimum assessment of five hundred (\$500) dollars per mechanism and a reprogramming fee of an additional two hundred and fifty (\$250) dollars. A lost or stolen mechanism will be assessed a minimum of five hundred (\$500) dollars for each replacement as well as a (250) two hundred and fifty dollar reprogramming fee. Reprogramming fees may increase if costs of the mechanism or related services increase. The Board has sixty (60) days to notify Owners of such an increase. Gate failure should be reported to a member of the Board.

Section 8.12 - Security. The Corporation currently maintains no security personnel. Accordingly all Owners are expected to be alert to any suspicious activities occurring within the community and notify 911. Gate codes shall be changed quarterly in accordance with security protocols. The Board will notify the Owners of code changes by electronic mail at the time of the change.

ARTICLE IX

General Provisions

Section 9.01 - Duration. The Protective Covenants set forth in this Declaration shall be deemed to run with all or any portion of the Property, and shall be a burden and a benefit to any person or entity acquiring or owning any interest in the Property, and their grantees, successors, heirs, executors, administrators and assigns; and shall run with the land and shall be binding on all parties and persons claiming under them until December 31, 2030, after which time these Covenants and Restrictions shall be automatically extended for successive periods of ten (10) years each unless, prior to the expiration of any such ten year period, an instrument signed by the then Owners of sixty-six percent (66%) of the Townhouse Lots In Fairway Oaks, agreeing to terminate these covenants has been filed for record in Montgomery County, Texas.

Section 9.02 - Amendments. The provisions of this Declaration may be amended or modified at any time by a vote of sixty-six percent (66%) of the Owners, each Townhouse Lot entitling its Owner to one vote as hereinabove prescribed. Such amendment or modification shall be effected by an instrument in writing executed by sixty-six percent (66%) of the Owners and filed for record in the Office of the County Clerk of Montgomery County, Texas.

Section 9.03 - Waiver of Liability. The Corporation shall not be held liable for any personal injury or damage to property resulting from acts or omissions by the Corporation or its agents or employees in connection with the carrying out of any of their rights, duties or obligations under the terms of this Declaration.

Section 9.04 - Insurance.

- a. The Board of Directors of the Corporation shall obtain and continue in effect blanket property insurance to insure the buildings and structures in the Common Open space owned by the Corporation against risks of loss or damage by fire and other hazards as are covered under standard extended coverage provisions. Said insurance may include coverage against vandalism.
- b. The Board of Directors of the Corporation shall obtain Comprehensive public liability insurance in such limits as it shall deem desirable, insuring the Corporation, its board of Directors, agents and employees, and each Owner from and against liability in connection with the Common Open Space.

Section 9.05 - Governance. Under Texas State Law, HB2075 that governs "Texas Residential Property Owners Protection Act", the Corporation will comply with Code 209 and amendments.

- c. Each Owner shall be responsible for its own expense and cost for obtaining its own personal insurance of the contents of its own Townhouse property, and for the Owner's personal liability not covered by liability insurance for all Owners obtained as a part of the common expense.
- d. Each Owner shall obtain insurance for such Owner's Townhouse against loss or damage by fire or other hazards in an amount sufficient to cover the full replacement cost of any repair or reconstruction work in the event of damage or destruction from any hazard. Proof of such insurance coverage shall be certified to the Board by the insurer stating the amount of coverage and the policy number. In the event the insurance coverage is deemed insufficient in the opinion of the Board and the Owner refuses or neglects to remedy the deficiency, the Board may secure such insurance on behalf of the Owner and assess said Owner's Townhouse Lot in an amount to cover the cost of the insurance and other expenses, which shall be secured by a lien against said Townhouse Lot. In the event of damage or destruction by fire or other casualty covered by Owner's insurance, such Owner, upon receipt of the insurance proceeds, shall rebuild or repair such damaged or destroyed portions of the property to as good condition as formerly existed.
- e. The Board shall purchase and maintain in effect at all times a standard policy of Officers' and Directors' Liability, Errors and Omissions, or other equivalent coverage insuring the officers and directors of the Corporation against liability for actions or omissions in the conduct of the business and affairs of the Corporation, to the fullest extent permitted by law.
- f. Except as specifically provided to the contrary in paragraph (d) of this Section 9.04, all costs, charges and premiums for all insurance that the Board of Directors obtained by the Corporation shall be a common expense of all Owners and be a part of the maintenance assessment.

Section 9.05 - Enforcement. The duties and obligations imposed by this Declaration, as same may be amended from time to time, may be enforced by any or a combination of the following means:

- a. the assessment by the Corporation of fines against an Owner for violation of the Declaration, bylaws or rules of the Corporation, after notice and hearing in compliance with the requirements of Property Code Chapter 209 or other applicable law. The fine for each violation will be determined by unanimous consent of the Board, but may not exceed three hundred dollars (\$300) per violation;
- b. by any proceeding at law or in equity filed by the Corporation or any Owner against any person or persons violating or attempting to violate any of the provisions hereof, including actions for damages and actions to restrain or prevent such violation or attempted violation by injunction, prohibitive or mandatory. It shall not be a prerequisite to the granting of any such injunction that there be inadequate remedy at law or that there be any showing of irreparable harm or damage if such injunction is not granted. The Corporation is hereby expressly authorized to use its funds for the purpose of assisting in the enforcement of the terms and provisions of this Declaration. Failure by the Corporation or an Owner to enforce any protective covenant herein contained, or acquiescence in any violation, shall not be deemed a waiver of the right to enforce against the violator or others the conditions so violated or any other conditions;

- c. by entry by the Corporation onto the Property of the violator and correction of the violation, without liability for trespass, and with the cost of correction being added to the assessment due by the Owner of the Property where the violation occurred;
- d. by exercise of any other legal remedy.

Section 9.06 – Notice to Mortgagee. The holder of a first mortgage upon any Townhouse Lot (“Mortgagee”), at its request, shall be entitled to written notification of any default by its mortgagor in the performance of such Owner’s obligations under the terms of this Declaration, the Articles of Incorporation of the Corporation, or the corporation’s Bylaws, which default is not cured within thirty (30) days following notice thereof.

Section 9.07 - Conflicts With The Woodlands Covenants. In the event any clause, sentence, paragraph, sub-section, or section of this Declaration shall be inconsistent with The Woodlands Covenants, the latter shall be controlling. Nothing in this document shall be construed to confer upon the Corporation the right to amend or in any manner change The Woodlands Covenants.

Section 9.08 - Severability. Invalidation of any of these Covenants or Restrictions by judgment, court order or otherwise shall in no wise affect the validity of any other provisions, which shall remain in full force and effect.

Section 9.09 - Headings. All section and paragraph headings used in this Declaration are for convenience only and shall have no efficacy in construing any of the provisions of this Declaration.

Section 9.10 - Counterparts. This Amendment may be executed in multiple counterparts which collectively constitute a single document.

IN WITNESS WHEREOF the parties have caused this instrument to be executed effective on the day and year first hereinabove written.

OWNER

 Printed Name : _____
 Lot No. One

 Printed Name : _____
 Lot No. Two

 Printed Name : _____
 Lot No. Three

 Printed Name : _____
 Lot No. Four

 Printed Name : _____
 Lot No. Five

 Printed Name : _____
 Lot No. Six

Printed Name : _____
Lot No. Seven

Printed Name : _____
Lot No. Eight

Printed Name : _____
Lot No. Nine

Printed Name : _____
Lot No. Ten

Printed Name : _____
Lot No. Eleven

Printed Name : _____
Lot No. Twelve

Printed Name : _____
Lot No. Thirteen

Printed Name : _____
Lot No. Fourteen

Printed Name : _____
Lot No. Fifteen

Printed Name : _____
Lot No. Sixteen

Printed Name : _____
Lot No. Seventeen

Printed Name : _____
Lot No. Eighteen

Printed Name : _____
Lot No. Nineteen

Printed Name : _____
Lot No. Twenty

The State of Texas §
County of Montgomery §

Acknowledged before me on this _____ day of _____, 2007 by

Notary Public
The State of Texas

NEIGHBORHOOD CRITERIA

These Neighborhood Criteria are incorporated in and form a part of the Residential Development Standards. There may be one or several Neighborhood Criteria affecting certain lots within your subdivision. Each set of Criteria apply only to the lots described in that Criteria. Refer to the Criteria that affect your lot.

Subdivision: **GROGAN'S MILL**

Area: **Fairway Oaks** Lots **1-20**

Neighborhood: **Fairway Oaks** Type: **Townhomes**
Neighborhood Homeowners Association
Fairway Oaks Townhome Association

Living Area

The minimum Living Area allowed is **1600** square feet.
 The maximum Living Area allowed is **2600** square feet.

Hard Surface Area

The maximum percentage of the lot which may be covered by hard surface is **55%**.

Building Setback

The Building Setback for the dwelling and garage is **25** feet from the front property line.
 The Building Setback for the dwelling and garage is **25** feet from the rear property line.
 The Building Setback for the dwelling and garage along the side property line along North Millbend Drive is **40** feet.

Garage

The garage must be attached to the dwelling.

Fence

Fences, which would block golf course views from other lots adjacent to the golf course, and the property lines that are along North Millbend Drive must be wrought iron fences with brick columns (Type B). Wrought iron fences with brick columns is required along side and rear lots.

Neighborhood Architectural Style

Homes in this subdivision have a unique architectural style and in order to preserve it, the following exterior materials and design details must match others in the subdivision:

- Arched entry
- Black / Green entry doors
- Exterior fixtures - Black lantern design
- Red/black brick
- Consistent beige trim/siding/garage doors
- Gray composition shingle roofs
- Natural stone edged landscaping
- No Lawn ornamentation or signage

Proposed changes will be considered only if they do not detract from the subdivision's existing character.

Contact the Community Association office for additional information and assistance at (281) 210-3800

**2007 REVISED BYLAWS
OF
FAIRWAY OAKS TOWNHOME ASSOCIATION**

ARTICLE ONE - ORGANIZATION AND PURPOSE

Fairway Oaks Townhome Association (the Corporation) is a Texas non-profit corporation, Charter No. 745527-1, organized for the purpose of administering the operation and maintenance of the Common Open Space and providing the other functions delegated to the Corporation by the Amended And Restated Declaration Of Protective Covenants of Fairway Oaks Townhomes (the Declaration).

ARTICLE TWO - MEMBERS

Each owner of a fee title interest in one or more lots in Fairway Oaks Townhomes Subdivision, as described on the map or plat recorded at Cabinet 126A, Sheet E of the Map Records of Montgomery County, Texas, shall be a Member of the Corporation during its period of ownership. Membership shall be appurtenant to each lot and may not be severed from or held separately therefrom.

A Member shall be in good standing and eligible to vote if such Member:

- a. has paid all assessments or other charges levied by the Corporation then due and payable, as such assessments or charges are provided for;
- b. does not have a lien filed by the Corporation against its lot; and
- c. has discharged other obligations to the Corporation as may be required of Members under the Declaration, these Bylaws and any rules or regulations adopted by the Corporation from time to time under the authority of the Declaration.

The Board of Directors shall have sole responsibility and authority for determining the good standing status of Members, and shall make such determination with respect to all Members prior to a vote being taken by the Members on any matter.

Members shall be entitled to one vote in person or by proxy for each lot owned. Where more than one person or entity holds an ownership interest in any lot, all such persons collectively shall be a single Member, and the vote for such Member shall be exercised as the several parties shall determine among themselves.

Each owner shall demonstrate to the Secretary of the Corporation proof of ownership such as exhibiting a deed, title insurance policy or the like. The Secretary shall list the owner or owners on the membership roll.

ARTICLE THREE - MEETINGS

The annual membership meeting of the Corporation shall be held during the first two weeks of October, with the date, time and place to be determined by the Board of Directors. The Secretary shall cause a notice telling the date, time and place of such annual meeting to be delivered to every Member at the Member's address as it appears

in the membership roll book of the Corporation, at least ten days prior to such meeting. The notice must be in writing, and may be delivered in person or by deposit in the U. S. Post Office. With prior consent of the Member, notices may also be delivered by email or facsimile. The presence of five (5) or more Members who are the sole or joint owners of five (5) or more lots shall constitute a quorum to conduct the business of the Corporation. If a quorum is not present at a duly called meeting, a lesser number may adjourn the meeting for a period of not more than two (2) weeks and the Secretary shall cause a notice of rescheduled meeting to be sent to all Members who were not present at the meeting originally called. A quorum shall be required at any adjourned meeting.

A waiver of notice of any meeting of Members, signed by a Member, whether before or after the meeting, shall be equivalent to the giving of notice of the meeting to such Member. Attendance of a Member at a meeting, either in person or by proxy, shall constitute waiver of notice of such meeting except when the Member attends for the express purpose of objecting to the transaction of business because the meeting is not lawfully called or convened.

Any action required to be taken or which may be taken at a meeting of Members may be taken without a meeting if a consent, in writing, setting forth the action so taken, shall be signed by all of the Members entitled to vote with respect to the subject matter thereof.

Special meetings of the Corporation may be called by the President when deemed to be necessary in the best interest of the Corporation, and shall be called by the President at the written request of three Members of the Board of Directors or the Members owning five (5) lots. Notice of a special meeting shall state the reasons that such meeting has been called, the business to be transacted at such meeting and by whom called. No other business than that specified in the notice may be transacted at such special meeting without the unanimous consent of all present at such meeting. The procedures set out in the preceding paragraphs of this ARTICLE THREE shall also be applicable to special meetings.

ARTICLE FOUR - BOARD OF DIRECTORS

The business of the Corporation shall be managed by a Board of Directors consisting of five (5) or more Members as determined from time to time by the Board. Without limiting the generality of the foregoing, the Board of Directors shall have the power to exercise or cause to be exercised for the Corporation, all of the powers, rights and authority of the Corporation, not reserved to Members, as provided in the Declaration, the Articles of Incorporation, these Bylaws, or the Texas Not-for-Profit Corporation Act or other applicable law.

Directors shall be elected for terms of three (3) years each, two (2) being elected each year. Directors shall be elected at the annual meeting of the Corporation.

At least one month prior to each annual meeting the Board of Directors shall appoint a nominating committee to select at least one candidate for each position due to be filled that year. The names of the candidates shall be included in the notice of annual meeting. Any Member may nominate an additional candidate or candidates at

the annual meeting. Any Member in good standing of the Corporation shall be eligible for election as a Director.

The Board of Directors shall act in the name of the Corporation only at a meeting held in accordance with these Bylaws or by unanimous consent as set out below. Meetings of the Board of Directors shall be held monthly at a date and time established by the Board or at any time upon call by the President. The Secretary shall cause a notice telling the date, time and place of each meeting of the Board to be delivered to each Director at the address as it appears in the membership roll book of the Corporation, at least three (3) but not more than thirty (30) days prior to such meeting. The notice must be in writing, and may be delivered in person or by deposit in the U. S. Post Office. With prior consent of the Director, notices may also be delivered by email or facsimile. A waiver of notice of any meeting, signed by a Director, whether before or after the meeting, shall be equivalent to the giving of notice of the meeting to such Director. Attendance of a Director at a meeting, either in person or by proxy, shall constitute waiver of notice of such meeting except when the Director attends for the express purpose of objecting to the transaction of business because the meeting is not lawfully called or convened.

Any action required to be taken or which may be taken at a meeting of Directors may be taken without a meeting if a consent, in writing, setting forth the action so taken, shall be signed by all of the Directors entitled to vote with respect to the subject matter thereof.

A majority of the Directors shall constitute a quorum. Each director shall have one vote and such voting may not be done by proxy. The Board may make such rules and regulations covering its meetings as it may in its discretion determine necessary.

A director may be removed by the vote of two-thirds (2/3^{rds}) of the Directors when sufficient cause exists for such removal. Vacancies in the Board of Directors due to removal, resignation or otherwise shall be filled for the balance of the term by majority vote of the remaining Directors.

ARTICLE FIVE - OFFICERS

The officers of the Corporation shall be a President, a Vice President, a Secretary and a Treasurer who shall be elected by and from the Board of Directors at the first meeting following each annual members meeting, to serve until the next annual meeting.

The President shall preside at all membership meetings, be chairperson of the Board of Directors, present at each annual meeting of the corporation an annual report of the work of the Corporation, appoint all committees, see that all books, reports and certificates as required by law are properly kept or filed, be one of the officers who may sign the checks or drafts of the Corporation, and have such powers as may be reasonably construed as belonging to the chief executive of any corporation.

The Vice President shall become acting President in the absence or inability of the President to exercise the duties of that office, with all the rights and powers of a duly elected President.

The Secretary shall (subject to the duties of the Treasurer as set out below) keep the minutes and records of the Corporation in appropriate books, file any documents required by law, give and serve all notices to Members of the Corporation, be the official custodian of the records of the Corporation, attend to all correspondence of the Corporation and exercise all duties incident to the office of Secretary.

The Treasurer shall have the care and custody of all monies or securities belonging to the Corporation, be responsible for the timely preparation and filing of any required tax forms or other documents, and be one of the officers who shall sign checks or drafts of the Corporation. No special fund may be set aside that shall make it unnecessary for the Treasurer to sign the checks issued upon it.

No officer or director shall for reason of office be entitled to receive any salary or compensation, but nothing herein shall be construed to prevent an officer or director from receiving compensation from the Corporation for duties other than as a director or officer.

ARTICLE SIX - INDEMNITY

The Corporation shall indemnify all officers, directors and committee members acting upon behalf of the Corporation from liability for damage or costs incurred to the maximum extent permitted by law. Indemnity shall not include, however, liability for acts which are not within the scope of their duties on behalf of the Corporation, which are in violation of law, or which result in whole or in part from a wanton or willful disregard for the rights or safety of the Corporation, any other Member, or any third party.

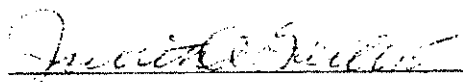
ARTICLE SEVEN - COMMITTEES

All committees of the Corporation shall be established by the Board of Directors and the members appointed by the President. Their term of office shall be for a period until the next annual meeting.

ARTICLE EIGHT - AMENDMENTS

These Bylaws may be altered, amended, repealed or added to by an affirmative vote of Members owning not less than eleven (11) lots in Fairway Oaks Townhomes Subdivision.

Adopted by vote of the Members on the 23rd day of MAY, 2007.



Secretary, Fairway Oaks Townhome Assn.



FAIRWAY OAKS TOWNHOME ASSOCIATION

I _____ (PRINT NAME) acknowledge that by signing this form I am aware of the following information on gate fees and regulations.

A photo identification has been presented when I collected the two remote controls for my unit: number _____.

Only an owner may sign for a remote control. A remote can only be issued with payment in full of all gate assessments and HOA dues. Remote controls are not the property of the homeowner but of the FOTA and must be returned to FOTA upon sale of the unit. Failure to return the two remote controls will result in an assessment of \$500 per remote control and a reprogramming fee of an additional \$250. Therefore the fee at sale for failure to return the remote control will be \$1250 payable to FOTA. A lost or stolen remote control will be assessed \$500 for replacement of the remote will also cover the reprogramming fee of the gate system. Reprogramming fees may increase if the cost of the remote control or services attached to reprogramming increase. The Board of Directors of FTOA have 60 days to notify residents of such an increase.

A copy of this form was received by my person on (date) _____.

Signature and Date

NOTICE OF DEDICATORY INSTRUMENTS
FOR
FAIRWAY OAKS TOWNHOME ASSOCIATION

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

The undersigned, being the authorized representative of Fairway Oaks Townhome Association, a property owners' association as defined in Section 202.001 of the Texas Property Code (the "Association"), hereby certifies as follows:

1. Property: The Property to which the Notice applies is described as follows:
Fairway Oaks Townhomes, a subdivision in Montgomery County, Texas according to the map or plat thereof recorded in Cabinet 126A, Sheet E, of the Map Records of Montgomery County, Texas
2. Restrictive Covenants. The description of the document(s) imposing restrictive covenants on the Property, and the recording information for such document(s) are as follows:
 - a. Document:
Amended and Restated Declaration of Protective Covenants
 - b. Recording Information:
File No. 351-11-1988, et seq. of the Official Public Records of Real Property of Montgomery County, Texas
3. Previously Recorded Dedicatory Instrument: In addition to the Restrictive Covenants identified in paragraph 2, above, the following document is a Dedicatory Instrument governing the Association which was previously recorded in the Official Public Records of Real Property of Montgomery County, Texas:
 - a. Document:
2007 Revised Bylaws of Fairway Oaks Townhome Association
 - b. Recording Information:
File No. 351-11-2003, et seq. of the Official Public Records of Real Property of Montgomery County, Texas
4. Dedicatory Instruments. In addition to the Restrictive Covenants identified in paragraph 2, above, and the previously recorded Dedicatory Instrument identified in paragraph 3, above, the following documents are Dedicatory Instruments governing the Association:
 - a. Records Retention Policy for Fairway Oaks Townhome Association;
 - b. Open Records Policy for Fairway Oaks Townhome Association; and
 - c. Payment Plan Policy for Fairway Oaks Townhome Association.

This Notice is being recorded in the Official Public Records of Real Property Records of Montgomery County, Texas for the purpose of complying with Section 202.006 of the Texas Property Code. I hereby certify that the information set forth in this Notice is true and correct and that the Dedicatory Instruments attached to this Notice are the originals.

Executed on this 11th day of JULY, 2013.

FAIRWAY OAKS TOWNHOME ASSOCIATION

By: *Rick S. Butler*
Rick S. Butler, authorized representative

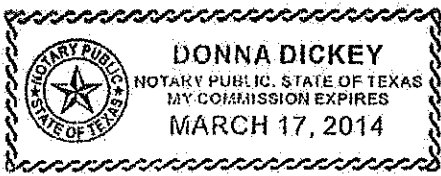
THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

BEFORE ME, the undersigned notary public, on this day personally appeared Rick S. Butler, authorized representative of Fairway Oaks Townhome Association, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purpose and in the capacity therein expressed.

SUBSCRIBED AND SWORN TO BEFORE ME on this the 11th day of July, 2013, to certify which witness my hand and official seal.

Donna Dickey
Notary Public in and for the State of Texas

Return to:
Rick S. Butler
BUTLER | HAILEY
8901 Gaylord Drive, Suite 100
Houston, Texas 77024
240469



RECORDS RETENTION POLICY
for
FAIRWAY OAKS TOWNHOME ASSOCIATION

THE STATE OF TEXAS §
 §
COUNTY OF MONTGOMERY §

I, Allyson Seder President of Fairway Oaks Townhome Association (the "Association"), certify that at a meeting of the Board of Directors of the Association (the "Board") duly called and held on the 26th day of JUNE, 2013, with at least a quorum of the Board members being present and remaining throughout, and being duly authorized to transact business, the following Records Retention Policy was duly approved by a majority vote of the members of the Board:

RECITALS:

1. Chapter 209 of the Texas Property Code was amended to add Section 209.005(m) requiring property owners' associations to adopt a records retention policy and to set forth minimum retention periods for particular types of documents.
2. The new law became effective on January 1, 2012.
3. The Board of Directors of the Association desires to adopt a records retention policy consistent with the new law.

POLICY:

It is the policy of the Association to retain the records of the Association listed below for the periods of time set forth below. The Association is not required to retain any other records. As used herein, "records" means documents originated or obtained by the Association in connection with its operations, whether a paper document or a document in electronic form.

1. **Retention Periods.**

Record Description	Record Retention Period
a) Financial records (including budgets, financial reports, bank records, and paid invoices)	Seven (7) years
b) Account records (including records relating to assessments and other sums owed and paid to the Association and records relating to violations of any dedicatory instrument of the Association) of current owners	Five (5) years
c) Account records (including records relating to assessments and other sums owed and paid to the Association and records relating to violations of any dedicatory instrument of the Association) of former owners	One (1) year after the former owner ceases to own a lot in the subdivision

d) Contracts	Four (4) years after expiration or termination of the contract
e) Minutes of meetings of the Board of Directors	Seven (7) years
f) Minutes of meetings of the members	Seven (7) years
g) Federal tax returns	Seven (7) years
h) State tax returns, if any	Seven (7) years
i) Audit reports	Seven (7) years
j) Articles of Incorporation and Bylaws of the Association and all amendments thereto; Amended and Restated Declaration of Protective Covenants for Fairway Oaks Townhomes and all amendments and supplements to the Amended and Restated Declaration of Protective Covenants for Fairway Oaks Townhomes and deeds conveying real property to the Association	Permanently
k) Other dedicatory instruments of the Association not listed in (j), above, including, without limitation, Architectural Guidelines, Rules and Regulations and Policies	One (1) year after the date the document is rescinded or superseded by another document
l) Minutes and reports of committees	Seven (7) years
m) Insurance policies	Four (4) years after expiration or termination of the policy
n) Insurance claims and related documents	Four (4) years after the claim is resolved
o) Personnel records, excluding payroll records	Permanently
p) Payroll records	Five (5) years after the date of termination of employment
q) Reserve study	For the period of time covered by the study, plus two (2) years
r) Legal opinions issued by counsel for the Association	Permanently
s) Suit files	Seven (7) years after the date the suit is resolved

2. Destruction of Documents.

The documents listed in Section 1 above, will be destroyed as soon as practicable when the applicable retention period expires. Other documents of the Association not listed in Section 1 above, will be destroyed when deemed appropriate by the Board of Directors of the

Association. Destruction of paper documents shall be by shredding, bagging and trash pick-up, unless another method of destroying the documents is approved by the Board of Directors of the Association. Destruction of electronic documents shall be by deletion from hard disks and reformatting of removable disks.

Provided, however, immediately upon learning of an investigation or court proceeding involving an Association matter, all documents and records (both hard copy and electronic, including e-mail) related to the investigation or proceeding must be preserved; this exception supersedes any established destruction schedule for the records in question to the contrary.

I hereby certify that I am the duly elected, qualified and acting President of the Association and that the foregoing Records Retention Policy was approved by the Board of Directors as set forth above and now appears in the books and records of the Association, to be effective upon recording in the Official Public Records of Real Property of Montgomery County, Texas.

TO CERTIFY which witness my hand this the 26th day of JUNE, 2013.

FAIRWAY OAKS TOWNHOME ASSOCIATION

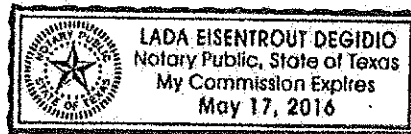
By: Allyson Seidel
Print Name: Allyson Seidel
President

THE STATE OF TEXAS §
 §
COUNTY OF MONTGOMERY §

BEFORE ME, the undersigned notary public, on this 26th day of June, 2013 personally appeared Allyson Seidel, President of Fairway Oaks Townhome Association, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he/she executed the same for the purpose and in the capacity therein expressed.

Lada Eisentrout Degidio
Notary Public in and for the State of Texas

Return to:
Rick S. Butler
Butler | Halley
8901 Gaylord, Suite 100
Houston, Texas 77024
238768



OPEN RECORDS POLICY
FOR
FAIRWAY OAKS TOWNHOME ASSOCIATION

THE STATE OF TEXAS §
 §
COUNTY OF MONTGOMERY §

I, Allyson Saylor, President of Fairway Oaks Townhome Association (the "Association"), certify that at a meeting of the Board of Directors of the Association (the "Board") duly called and held on the 26th day of June, 2013, with at least a quorum of the Board members being present and remaining throughout, and being duly authorized to transact business, the following Open Records Policy was duly approved by a majority vote of the members of the Board:

RECITALS:

1. Chapter 209 of the Texas Property Code was amended to amend Section 209.005 to set forth open records procedures and to require property owners' associations to adopt and record open records policies consistent with the procedures set forth in the statute.
2. The new law relating to open records became effective on January 1, 2012.
3. The Board of Directors of the Association desires to adopt an open records policy consistent with the provisions of Section 209.005 of the Texas Property Code.

POLICY:

It is the policy of the Association to make the books and records of the Association, including financial records, open to and reasonably available for examination by an Owner, or a person designated in a writing signed by the Owner as the Owner's agent, attorney, or certified public accountant (the "Owner's Representative") in accordance with the following provisions:

1. **Request.** An Owner or the Owner's Representative must submit a written request for access or information. The written request must:
 - a. be sent by certified mail to the mailing address of the Association or to the authorized representative of the Association as reflected on the most current Management Certificate of the Association filed of record in accordance with Section 209.004 of the Texas Property Code;
 - b. describe with sufficient detail the books and records of the Association that are requested; and
 - c. state whether the Owner or the Owner's Representative elects to inspect the requested books and records before obtaining copies or have the Association forward copies of the requested books and records.
2. **Election to Inspect.** If an inspection is requested, the Association shall send written notice to the Owner or the Owner's Representative of dates during normal business hours that the Owner or the Owner's Representative may inspect the requested books and records.

Such written notice shall be sent on or before the tenth (10th) business day after the date the Association receives the request, unless the Association sends a notice to the Owner or Owner's Representative in accordance with Section 4 below.

3. **Election to Obtain Copies.** If copies of the identified books and records are requested, the Association shall produce copies of the requested books and records on or before the tenth (10th) business day after the date the Association receives the request, unless the Association sends a notice to the Owner or Owner's Representative in accordance with Section 4.

4. **Inability to Produce Records Within 10 Days.** If the Association is unable to produce requested books and records on or before the tenth (10th) business day after the date the Association receives the request, the Association shall provide written notice to the Owner or the Owner's Representative that:

- a. informs the Owner or the Owner's Representative that the Association is unable to produce the requested books and records on or before the tenth (10th) business day after the date the Association received the request; and
- b. states a date by which the requested books and records will be sent or made available for inspection, which date shall not be later than the fifteenth (15th) business day after the date such notice is given.

5. **Extent of Books and Records.** The Association shall produce books and records requested by an Owner or an Owner's Representative to the extent those books and records are in the possession, custody or control of the Association.

6. **Time of Inspection; Copies.** If an inspection of books and records is requested or required, the inspection shall take place at a mutually agreed upon time during normal business hours. At the inspection, the Owner or the Owner's Representative shall identify the books and records to be copied and forwarded. The Association shall thereafter make copies of such books and records at the cost of the Owner and forward them to the Owner or the Owner's Representative.

7. **Format.** The Association may produce books and records requested by an Owner or an Owner's Representative in hard copy, electronic or other format reasonably available to the Association.

8. **Costs.** The Association may charge an Owner for the compilation, production or reproduction of books and records requested by the Owner or the Owner's Representative, which costs may include all reasonable costs of materials, labor, and overhead. Costs will be billed at the rates established by Section 70.3 of the Texas Administrative Code, as same may be amended from time-to-time. As of the date of this Policy, the rates set forth below are established by Section 70.3 of the Texas Administrative Code. Should the rates set forth in Section 70.3 of the Texas Administrative Code ever be different than in this policy (either through amendment or error by this policy) the then current rates set forth in Section 70.3 of the Texas Administrative Code shall control.

Labor for locating, compiling and reproducing records*	\$15.00 per hour
Copies (8½ x 11 and 8½ x 14)	\$0.10 per page
Oversize paper copies (11 x 17, greenbar and bluebar)	\$0.50 per page
Specialty papers (blue print and maps)	actual cost
Diskette	\$1.00
Magnetic tape or data or tape cartridge	actual cost
CD	\$1.00
DVD	\$3.00
VHS video cassette	\$2.50
Audio cassette	\$1.00
Other	At the rate provided for in Section 70.3 of the Texas Administrative Code

9. **Advance Payment of Estimated Costs.** The Association shall estimate the costs of compiling, producing and reproducing books and records requested by an Owner or an Owner's Representative on the basis of the rates set forth in Section 8 above. The Association may require advance payment of the estimated costs of compiling, producing and reproducing the requested books and records.

10. **Actual Costs.**

- 10.1. If the actual costs of compiling, producing and reproducing requested books and records are less than or greater than the estimated costs, the Association shall submit a final invoice to the Owner on or before the thirtieth (30th) business day after the date the requested books and records are delivered.
- 10.2. If the final invoice includes additional amounts due from the Owner, the Owner shall be required to pay the additional amount to the Association before the thirtieth (30th) business day after the date the invoice is sent to the Owner.
- 10.3. If the final invoice indicates that the actual costs are less than the estimated costs, the Association shall refund the excess amount paid by the Owner not later than the thirtieth (30th) business day after the date the invoice is sent to the Owner.
- 10.4. If the Owner fails to pay to the Association the additional amounts shown in the final invoice in accordance with Subsection 10.1 above, the Association may add the additional amount to the Owner's assessment account as an assessment.

* No labor will be charged if there are 50 or fewer pages unless the documents are in 2 or more separate buildings not physically connected to each other or in a remote storage facility.

11. Books and Records Not Required to be Produced.

11.1. Unless an Owner whose records are the subject of a request provides express written approval to the Association or unless a court order is issued directing either the release of books and records or that books and records be made available for inspection, the Association is not required to release or allow inspection of books and records that:

- a. identify the history of violations of dedicatory instruments of an individual Owner;
- b. disclose an Owner's personal financial information, including records of payment or nonpayment of amounts due the Association;
- c. disclose an Owner's contact information, other than the Owner's address; or
- d. disclose information related to an employee of the Association, including personnel files.

11.2. The Association is not required to release or allow inspection of ballots cast in an election or removal of Directors, except as required by a recount procedure in accordance with Section 209.0057 of the Texas Property Code.

11.3. In addition, information may be released in an aggregate or summary manner that will not identify an individual property Owner.

12. Business Day. As used in this policy, "business day" means a day other than a Saturday, Sunday or state or federal holiday.

I hereby certify that I am the duly elected, qualified and acting President of the Association and that the foregoing Open Records Policy was approved by the Board of Directors as set forth above and now appears in the books and records of the Association, to be effective upon recording in the Official Public Records of Real Property of Montgomery County, Texas.

TO CERTIFY which witness my hand this the 26th day of June, 2013.

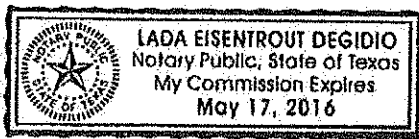
FAIRWAY OAKS TOWNHOME ASSOCIATION

By: Allyson Soder
Print Name: Allyson Soder
President

THE STATE OF TEXAS
COUNTY OF MONTGOMERY

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BEFORE ME, the undersigned notary public, on this 26th day of June, 2013 personally appeared Augusta Soper President of Fairway Oaks Townhome Association, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he/she executed the same for the purpose and in the capacity therein expressed.



Lada Eisentrout Degidio

Notary Public in and for the State of Texas

Return to:

Rick S. Butler
Butler | Hailey
8901 Gaylord, Suite 100
Houston, Texas 77024

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