

Rainbow Ranch Association Bylaws
Amended 11-9-19

Section I

Introduction:

The following are the bylaws for RR Association, Inc. (the "Association"), which apply to the Association's conduct of its affairs with respect to the "Property" as that term is defined in the Association's Articles of Incorporation.

1.1 Membership:

Every person or entity who is a record owner of a fee or undivided fee interest on any Tract located within the Property shall be a member of the Association. The foregoing shall not include persons or entities who are lien holders, mortgagees, trustees under deeds of trust or others who hold an interest merely as security for the performance of an obligation, nor to any holder or owner of any right-of-way easement or similar interest. Membership shall be appurtenant to and may not be separated from any interest in a Tract within the property

1.2 Voting Rights:

Inasmuch as the conditions set forth in those certain Restrictions and Limitations, Rainbow Ranch Subdivision, with respect to the Property and filed or recorded in Hays County, Texas (the "Restrictions") for the subdivision of the membership of the Association into classes no longer apply or exist, there accordingly shall be one class of members. On all matters with respect to which members of the Association shall be entitled to vote, each member shall be entitled to cast one (1) vote for each Tract (as shown by the map or plat of the Property, which has been filed for record in the office of the County Clerk of Hays County, Texas), legal title to which is owned or recorded by such member. Only one (1) vote may be cast with respect to or by reason of the ownership of each Tract. When more than one person owns or holds an interest in a particular Tract, all such persons shall be members and the vote for such Tract shall be exercised as they may determine among themselves; provided, however, in no event shall more than one vote be cast with respect to any one particular Tract.

1.3 Annual Meeting:

An annual meeting of the members of the Association shall be held at nine o'clock (9:00) a.m. on the second (2nd) Saturday of November each year (commencing in 2010) at such place as shall be designated for such purpose in a notice of the meeting; but if no notice is given, or if no other place be designated, then such meeting shall be held at the Wimberley Community Center in Wimberley, Hays County, Texas.

1.4 Special Meetings:

Special meetings of the members may be called at any time by the President, the Vice President, the Secretary or Treasurer, or by two (2) or more members of the Board. Any business which may properly be conducted at an annual or regular meeting of the members may also be conducted at any special meeting.

1.5 Proxies:

A member may vote in person or by proxy; however, no proxy shall be valid after eleven (11) months from the date of execution unless otherwise provided in the proxy. Each proxy shall be revocable unless expressly provided therein to be irrevocable and in no event shall it remain irrevocable for more than eleven (11) months.

1.6 Notice:

No notice of any annual or regular meeting of the members of the Association shall be required, but such notice of any such meeting as the Board may deem advisable may be given. Notice of special meetings shall be given not less than ten (10) nor more than fifty (50) days prior to the date of such meeting. Any notice which shall be given to a member of the Association with respect to any meetings or for any other purpose shall be deemed to have been properly given if addressed to "owner" in care of the street address of the Tract located in the Property with respect to the ownership of which the members that are entitled to vote.

1.7 Quorum:

The owners of at least ten (10) percent of the Tracts located in the Property present in person or by proxy, shall be requisite for and shall constitute a quorum for the transaction of business at all meetings of the members of the Association. Any meeting of members may be adjourned from time to time without notice other than the announcement at the meeting, until a quorum will be present or represented. When a quorum is present at any meeting the vote of the owners of a majority of the Tracts represented at such meeting in person or by proxy shall decide any question brought before such meeting, unless a greater number is required by statute or by provision in the Association's Articles of Incorporation or Bylaws.

Section II - Directors

2.1 Number:

The number of directors of the Association shall be a minimum of three (3), who shall be elected at the annual membership meeting. The directors shall consist of the President, Vice President, Secretary and Treasurer. The President, shall serve for a term of two (2) years. The Vice Presidents, Secretary and Treasurer shall serve a one-year term until their successors are duly elected and qualified. Notwithstanding the foregoing, the directors may determine that in lieu of electing new directors at an annual membership meeting, such election shall be conducted by mail.

2.2 Qualifications:

Directors shall be natural persons of the age of eighteen (18) years or older, and must be members of the Association.

2.3 Vacancies and Removals:

Any director may be removed with or without cause by unanimous vote of the remaining members of the Board (excluding the director to be removed). Upon the death, removal, resignation, or incapacity of any member of the Board, a majority of the then remaining directors shall elect his successor.

2.4 Meetings:

- (a) An annual meeting of the Board of the Association shall be held each year immediately following the adjournment of the annual meeting of the members, and at the same place as the annual meeting of the members; and no notice of such annual meeting of the Board shall be required. Special meetings of the Board may be called by any director or by the President, and shall be held at such time and place as shall be specified in the notice of such meeting. No particular form of notice shall be required for the calling and holding of a special meeting of the Board, provided that actual notice thereof shall have been given to each director in advance of the time of such meetings. Proper notice shall be deemed to have been given of any special meeting of the Board, if provided in writing, by telephone or electronic communication to the contact information on file, not less than five (5)

days preceding the time of the meeting.

- (b) A director may vote in person or by proxy. No such proxy shall be valid after three (3) months from the date of its execution; and each shall be revocable unless expressly provided therein to be irrevocable.

2.5 Management:

- (a) General: The affairs and assets of the Association shall be managed and controlled by the Board. The Board shall have authority to cause the Association to own, acquire, develop, construct, maintain, operate, repair and replace, on a non-profit basis, common areas for the protection, security, or benefit of the Property and the owners thereat including but not limited to, greenways, lighting, signs, roads, streets, curbs, gutters, drainage facilities and such other facilities in the Property for the use, enjoyment, protection and benefit of the members of the Association, and other parties designated by the Board, as the Board may deem appropriate, and they are expressly given full powers not inconsistent with these Bylaws, the Articles of Incorporation of the Association, applicable provision of law and the Restrictions and other similar covenants filed of record with respect to the Property (hereinafter referred to as "Declarations") to accomplish such purposes.
- (b) Powers: The Board of Directors shall also have the power to:
 - (1) Exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation, or the Declarations;
 - (2) Employ a manager, and independent contractor, or such other employees as it deems necessary, and to prescribe their duties.
 - (3) The Board has the authority to purchase insurance coverage as needed.
- (c) Duties: It shall be the duty of the Board of Directors to:
 - (1) Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members;
 - (2) Supervise all officers, agents and employees of this Association, and see that their duties are properly performed.
 - (3) As more fully provided in the Declarations, to:
 - (3.1) Fix the amount of the annual maintenance charge (subject to the limitations set forth in the Restrictions) to be assessed against each Tract at least thirty (30) days in advance of each annual assessment period; and
 - (3.2) Send written notice of each assessment to every member subject thereto at least thirty (30) days in advance of each annual assessment period.
 - (4) Issue, or cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;
 - (5) Procure and maintain adequate liability and hazard insurance on property owned by the Association;

(6) Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(7) Cause the common areas to be maintained.

2.6 Employees:

The Board shall have the responsibility and authority to employ such employees as the affairs of the Association shall require and may delegate to any such employee so much of its authority as it shall deem advisable. The Board shall likewise have power for any cause it deems sufficient to discharge any or all employees as the affairs of the Association shall require and may delegate to any such employee so much of its authority as it shall deem advisable. The Board shall likewise have power for any cause it deems sufficient to discharge any or all employees of the Association and may delegate its authority to do so to any officer of the Association.

2.7 Audit:

The financial records of the Association shall be audited annually by an accountant designated by the Board of Directors who is licensed by the Texas State Board of Public Accounting as a Certified Public Accountant or a bookkeeper or member review committee.

2.8 Indemnification:

Each director and officer or former director or officer of the Association shall be indemnified by the Association against expenses reasonably incurred by him in connection with any action, suit or proceeding to which he may be made a party by reason of his being or having been a director or officer of this Association, except in relation to matters as to which he shall be finally judged in such action, suit or proceeding to be liable for negligence or misconduct in the performance of his duty as such director or officer. Such right of indemnification shall not be deemed exclusive of any other rights to which he may be entitled as a matter of law or under any provision of the Articles of Incorporation, Bylaws, Agreement, vote of members or otherwise; and the Association shall exercise the power to indemnify any such officer or director to the fullest extent to which such power of indemnification is permitted to be exercised under the laws of the State of Texas, including advancing funds to any such director or officer to cover any such expenses.

Section III - Officers

3.1 Composition:

The Officers of the Association shall consist of a President, two (2) Vice Presidents, comprised of one (1) Vice President representing Rainbow Ranch Tract owners along North Rainbow Ranch, including all roads extending from North Rainbow Ranch, and one (1) Vice President representing Rainbow Ranch Tract owners along South Rainbow Ranch, including any roads extending from South Rainbow Ranch, a Secretary and a Treasurer, plus such Assistant Officers as the Board may deem appropriate, each of whom shall be elected by the Board. The Board shall have full authority to remove any officer of the Association by the vote of a majority of the members of the entire Board at any time; and the election of each officer of the Association shall be subject to such power of the Board. If any office shall become vacant, the Board shall select an individual to fill such office for the unexpired term thereof. Any two offices may be held by the same person except the office of President and Secretary.

3.2 Duties:

The duties of the officers of the Association shall be as follows:

President: The President shall be the chief executive officer of the Association. He shall preside at all meetings of the members and directors and shall be responsible for the carrying out of their decisions in the administration of the affairs of the Association. The President shall also execute contracts, conveyances and other documents on behalf of the Association.

In the absence of the President, or when it is inconvenient for the President to act, the Vice President shall perform the duties and exercise the powers of the President. At any time when the Vice President is performing a duty or exercising a power of the President, any third party dealing with the Association may presume conclusively that the President was absent and that the Vice President was authorized to act in his place.

Secretary: The Secretary shall issue notices of directors' and members' meetings if so directed by the party calling the meeting, and shall be responsible for the Association minutes and records. The Secretary shall determine the membership of the Association as of the record date of any meeting. In doing so, he may use any method which he deems to be reasonably calculated to determine the ownership of Tracts in the subject property. Notwithstanding the foregoing, he shall follow any instructions given to him by the Board of Directors to use a specific method in determining the membership of the corporation. The Board may, if it deems it advisable, from time to time designate one or more persons as Assistant Secretaries, who may perform the duties and exercise the powers of the Secretary when the Secretary is absent or it is inconvenient for him to act.

Treasurer: The Treasurer shall be responsible for the custody of corporate funds and securities and the keeping of adequate books of account. The Board may, from time to time, if it deems it advisable, designate one or more persons as Assistant Treasurers who may perform the duties and exercise the powers of the Treasurer if the Treasurer is absent or if it is inconvenient for him/her to act. Any third person dealing with the Association shall be entitled to presume conclusively that any Assistant Treasurer, acting in the capacity of the Treasurer, was duly authorized to do so.

The Treasurer shall prepare a roster of the members and the assessments applicable thereto, and such records shall be open to inspection by any member at any reasonable time during business hours.

Section IV - Assessments

- 4.1 Pursuant and subject to the conditions and limitations of the Declarations which have been or shall be filed of record for the various portions of the Property, which provide for maintenance fees to be paid by all members hereof to a Maintenance Fund administered by this Association or its designated agent, the Board is hereby authorized and given full power and authority to assess and collect from the members of the Association such maintenance fees required by the Association for the performance of its objectives and purposes and to meet its obligations, subject to the provisions of these Bylaws, and the Declarations which shall have been filed of record for any portion of the Property authorizing to limiting the amount of such maintenance fees. Each assessment shall be due and payable by each member at the time and in the manner determined by the Board of Directors subject to the provisions of the Declarations. The Association may designate an individual or entity as its agent to administer the Maintenance Fund including the payment of expenditures from such Maintenance Fund and the collection and enforcement

of the maintenance fee assessments herein described and to carry out such other duties as shall have been specifically designated by the Association. This Association or its designee shall not be liable for the failure of any member to pay any assessed maintenance charge.

- 4.2 The Association and its successors in interest shall have an express lien against each Tract to secure all obligations of the owner or owners of each such Tract to the Association. The terms of such lien shall be as stated and provided in the Declarations covering the specific Tract.
- 4.3 The Association may, by instrument executed by its President or Vice President and authorized by its Board, release or subordinate each lien of the Association, or any other right of the Association created under such Declarations in whole or in part with respect to any Tract for any reason whatsoever and upon such terms as it shall deem advisable, but any such release or subordination shall not affect such lien or rights insofar as they may apply to any other Tract in the Property.
- 4.4 No member who is delinquent in the payment of any assessment, charge, fee or other sum due from such member to the Association shall be entitled to vote upon any matter unless and until all such delinquent sums shall have been paid to the Association in full.

Section V – Disposition of Assets Upon Dissolution

- 5.1 Upon dissolution of the Association, the assets, both real and personal of the Association, shall be dedicated to an appropriate public or quasi-public corporation or agency with power to tax, such as a city, Hays County, or a public district having such powers. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization described in Section 529 of the Internal Revenue Code of 1954, as amended, to be devoted to purposes as nearly as practicable the same as those to which they were required to be devoted by the Association. No such disposition of properties shall be effective to divest or diminish any right of title of any member vested in him under the covenants and deeds applicable to the subject property unless made in accordance with the provisions of such covenants and deeds.

Section VI – Amendments

- 6.1 These Bylaws may be amended at any regular or special meeting of the members, provided that no amendment inconsistent with the provisions of the Articles of Incorporation, applicable law, the applicable Declarations, or any covenant or restriction applicable to the Property, shall be valid. The members may delegate to the Board of Directors the power to amend the Bylaws of the Association.

Rainbow Ranch Association Bylaws
Amended 11-9-19

Board of Directors' Certification:

The undersigned, being the President of the Board of Directors of the Rainbow Ranch Homeowners Association, certifies the foregoing Amended Bylaws, dated 11-9-19, was duly approved at the 11-9-19 Annual HOA meeting. Furthermore, the undersigned certifies that a quorum of members, according to the Bylaws, reviewed and voted to approve the amendments. The amended Bylaws are effective as of November 9, 2019.


Evalene Murphy, RRHOA President

State of Texas

This document was acknowledged before me on November 19, 2019 by Evalene Murphy, Rainbow Ranch Homeowners Association President, located in Wimberley, Texas, on behalf of said association.


Notary Public's Signature

