

**BYLAWS OF MONTRACHET
HOMEOWNERS ASSOCIATION, INC.,
A TEXAS NON-PROFIT ASSOCIATION
(Approved APRIL 21, 2020)**

**ARTICLE I
GENERAL**

The Montrachet Homeowners Association, Inc. is the "Association" described within the Declaration of Covenants, Restrictions and Easements for Montrachet, recorded in the Real Property Records, Tarrant County, Texas (the "Declaration," as amended hereafter). For convenience, several of the provisions of the Declaration will be repeated or summarized within these Bylaws. The remaining terms and provisions of these Bylaws are intended to complement and supplement the Declaration. In the event of any conflict or ambiguity between the Declaration and these Bylaws, and unless otherwise required by law, the terms and conditions of the Declaration shall control and govern. Capitalized terms used herein, but not otherwise defined, have the meaning given them in the Declaration.

**ARTICLE II
OFFICE AND REGISTERED AGENT**

The registered office and registered agent of the Association shall be as designated from time to time by the appropriate filing by the Association with the Office of the Secretary of State of the State of Texas.

**ARTICLE III
MEMBERS**

Section 1. **MEMBERSHIP IN THE ASSOCIATION.** Every Owner (as defined in the Declaration) shall automatically be a member of the Association (a "Member") and such membership shall terminate only as provided in the Declaration. During the Declarant Control Period (as defined in the Declaration), the Association shall be considered to have two classes of membership: one class consist of the Declarant (as defined in the Declaration) and the other class consists of the Owners. Membership in the Association will signify that the Owner has designated the Association as its representative to initiate, defend or intervene in litigation or an administrative proceeding affecting the enforcement of the Declaration or the protection, preservation or operation of the Development (as defined in the Declaration).

Section 2. **VOTING RIGHTS.** Each Owner of a Lot shall be entitled to one (1) vote per Lot; except however, if the Declarant is the Owner, the Declarant may have more than one vote as described in the Declaration. Where such Owner is a group or entity other than one individual person, the vote on behalf of such Owner shall be exercised only by such individual person as shall be designated in a proxy instrument duly executed by or on behalf of such group or entity and delivered to the secretary of the Association, but in no event shall more than one vote be cast with respect to any such Lot. If two (2) or more Lots are re-platted into one (1) Lot as allowed by the Declaration, the Owner of the combined Lot shall be entitled to one (1) vote.

Section 3. TERMINATION OF MEMBERSHIP. Membership shall cease only when a person ceases to be an Owner.

ARTICLE IV **MEETINGS OF MEMBERS**

Section 1. MEETINGS. All meetings of Members for any purpose shall be held at such times and places, within or without the State of Texas, as shall be stated in the notices of the meetings or in executed waivers of notice thereof. The organizational meeting must be called after the Certificate of Formation of the Association is filed with the Texas Secretary of State to adopt these Bylaws and elect officers. The initial members of the Board as named in the Certificate of Formation must be given three (3) days' notice of the organizational meeting. The first meeting of the Members, the "transitional" meeting, may be held at the call of a majority of the directors with three (3) days' notice stating the purpose of the meeting.

Section 2. ANNUAL MEETING. The annual meeting of Members shall be held at such place as the President, or the Vice-President in the absence of the President, may designate, on the last Monday of the second month following the month in which the Association's fiscal year ends (or, if a holiday, on the first business day thereafter), at 7:00 p.m., or at such other date and time as shall be designated from time to time by the Board and stated in such notice of meeting, at which meeting directors shall be elected and such other business transacted as may properly come before said meeting.

Section 3. SPECIAL MEETINGS. Special meetings of the Members, for any purpose or purposes, may be called at any time by the President, Vice President, a majority of the Board or upon a petition signed by at least one-tenth (1/10th) of the total votes to be cast at such meeting. Only business within the purpose or purposes described in the notice required by Section 5 of this Article may be conducted at a special meeting of the Members.

Section 4. FIXING RECORD DATE. Only persons in whose names a Lot is owned according to records of the Association thirty (30) days before any meeting of the Members shall be entitled to notice of or to vote at such meeting.

Whenever action by Members is proposed to be taken by consent in writing without a meeting of Members, the Board may fix a record date for the purpose of determining Members entitled to consent to that action, which record date shall neither precede nor be more than ten (10) days after the date upon which the resolution fixing the record date is adopted by the Board; provided, however, that the Board may not so fix a record date if a record date shall have previously been fixed or determined pursuant to the provisions of this paragraph below. If no record date has been fixed by the Board and the prior action of the Board is not required by the Texas Business Organizations Code, the record date for determining Members entitled to consent to action in writing without a meeting shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the Association by delivery to its registered office, registered agent, principal place of business, or an officer or agent of the Association having custody of the books in which proceedings of meetings of Members are recorded. Delivery shall be by hand or by certified or registered mail, return receipt requested. Delivery to the Association's principal place of business shall be addressed to the President or the principal

executive officer of the Association. If no record date shall have been fixed by the Board and prior action of the Board is required by the Texas Business Organizations Code, the record date for determining Members entitled to consent to action in writing without a meeting shall be at the close of business on the date on which the Board adopts a resolution taking such prior action.

Section 5. NOTICE OF MEMBERS' MEETINGS. Written or printed notice stating the place, day and hour of each meeting of Members, and in the case of a special meeting (or if otherwise required by law), the purpose or purposes for which it is called, shall be delivered (unless otherwise required by law) not less than ten (10) nor more than sixty (60) days before the date of the meeting, either personally, by email or by mail, by or at the direction of the President, the Secretary, or the officer or person calling the meeting, to each Member of record entitled to vote at such meeting.

Section 6. VOTING LIST. The Secretary of the Association shall make, at least ten (10) days before every meeting of Members, a complete list of the Members entitled to vote at the meeting or any adjournment thereof, arranged in alphabetical order, and showing the address of each Member and the number of votes held by each Member. Such list shall be kept on file at the registered office or the principal place of business of the Association and shall be subject to the inspection of any Member during usual business hours, for a period of at least ten (10) days prior to the meeting. The list shall also be produced and kept open at the time and place of the meeting during the whole time thereof, and may be inspected by any Member.

Section 7. VOTING. At any meeting of Members and at each election for directors every Member is entitled to vote as set forth in the Declaration and these Bylaws.

At any meeting of Members, a Member having the right to vote may vote either in person or by proxy executed in writing by the Member. A telegram, telex, cablegram, email or similar transmission by the Member, or photographic, photostatic, facsimile, or similar reproduction of a writing executed by the Member, shall be treated as an execution in writing for purposes of this Section. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy. Each proxy shall be revocable unless the proxy form conspicuously states that the proxy is irrevocable and the proxy is coupled with an interest.

Any vote may be taken by voice or show of hands unless a Member entitled to vote, either in person or by proxy, objects, in which case written ballots shall be used.

Section 8. QUORUM. The holders of twenty-five (25%) of the total votes entitled to be cast at any meeting, present in person, represented by proxy, absentee ballot, or electronic ballot, shall be requisite and shall constitute a quorum at all meetings of Members except as otherwise provided by law, by the Certificate of Formation or in connection with a levy of a Special Assessment in the limited circumstance for which approval of the Members is required under Section 5.05 of the Declaration. Special Assessments exceeding an amount equal to the Annual Assessment then in effect require the approval of three-fourths (3/4) of the Members who are present in person or by proxy at a meeting of Members duly held in accordance with these Bylaws.

If a quorum is present at a meeting of Members, the Members represented in person or by proxy at the meeting may conduct such business as may be properly brought before the meeting

until it is adjourned, and the subsequent withdrawal from the meeting of any Member or the refusal of any Member represented in person or by proxy to vote shall not affect the presence of a quorum at the meeting, except as may otherwise be provided by the Certificate of Formation or by these Bylaws.

If, however, a quorum shall not be present or represented at a meeting of the Members, the holders of a majority of the votes represented in person or by proxy and entitled to vote shall have the power, unless otherwise provided in the Certificate of Formation or these Bylaws, to adjourn the meeting from time to time and to such place, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally called.

Section 9. MAJORITY/PLURALITY VOTE. When a quorum is present at any meeting of Members, the act of the Members relative to any matter (except as to the election of directors, which is discussed in the following paragraph, and except in cases where a different vote is required by express provision of law, the Certificate of Formation or these Bylaws, in which cases such express provision shall govern and control the decision of such matters) shall be decided by the affirmative vote of the holders of a majority of the votes entitled to be cast on that matter and represented in person or by proxy at the meeting.

Directors shall be elected by a plurality of the votes entitled to be cast in the election of directors and represented in person or by proxy at a meeting of Members at which a quorum is present, unless otherwise provided in the Certificate of Formation or these Bylaws.

Section 10. ACTION BY MEMBERS WITHOUT MEETING. Any action required to be taken at an annual or special meeting of Members of the Association, or any action which may be taken at an annual or special meeting of Members, may be taken without a meeting, without prior notice, and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed or approved by an email expressly stating approval for such action, by all the Members entitled to vote with respect to the subject matter thereof, and such consent shall have the same force and effect as a unanimous vote of the Members. The consent may be in more than one counterpart so long as each Member signs one of the counterparts or indicates approval by an email as described above in this Section.

Section 11. TELEPHONIC MEETING. Unless otherwise restricted by the Certificate of Formation, subject to the provisions required or permitted by law and these Bylaws for notice of meetings, Members may participate in and hold a meeting by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in a meeting by such means shall constitute presence in person at the meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

Section 12. RECOUNT OF VOTES

(a) Within 15 days of the day of the meeting when the election was held, a Member may require a recount if the request is submitted in writing either:

(1) By certified mail or by USPS with signature confirmation to the address in the management certificate; or

(2) In person to the managing agent as reflected in the management certificate or to the address where the proxies are mailed.

(b) At the Member's expense, the Association shall retain the services of a person qualified to tabulate votes. The Association shall enter into a contract for the services of a person who:

(1) Is not a member of the Association or related to a Board member within the third degree of consanguinity or affinity; and

(2) Is a current or former County Judge, County Elections Administrator, Justice of the Peace, or County Voter Registrar; or

(3) A person agreed on by the Association and persons requesting the recount.

(c) The recount must be performed on or before the 30th day after the date of receipt of the request and payment for the recount.

(d) If the recount changes the result of the election, then the Association must reimburse the Member for the costs of the recount.

(e) The Association shall provide the results of the recount to each Member that requested the recount.

(f) Any action taken by the Board in the period between the initial election vote tally and the completion of the recount is not affected by any recount.

Section 13. BALLOTS

(a) Any vote cast in an election or vote by a Member must be in writing and signed by the member.

(1) Electronic votes constitute written and signed ballots.

(2) In an Association-wide election, written and signed ballots are not required for an uncontested race.

Section 14. MANNER OR CASTING VOTES

(a) The voting rights of a Member can be cast in the following manner:

(1) In person or by proxy at a meeting of the Association; or

(2) By absentee ballot; or

(3) By electronic ballot: or

(4) By any method of representative or delegated voting provided by a dedicatory instrument.

(b) Absentee or electronic ballot:

(1) May be counted as a Member present and voting for the purpose of establishing a quorum only for items appearing on the ballot;

(2) May not be counted if the Member attends the meeting to vote in person;

(3) May not be counted on the final vote of a proposal if the motion was amended at the meeting to be different from the exact language on the absentee or election ballot.

(c) Solicitation for votes by absentee ballot must include:

(1) An absentee ballot that contains each proposed action with the opportunity to vote for or against each proposal;

(2) Instructions for delivery of the completed absentee ballot, including delivery location; and

(3) The following language: "By casting your vote via absentee ballot you will forgo the opportunity to consider and vote on any action from the floor on these proposals, if a meeting is held. This means that if there are amendments to these proposals, your votes will not be counted on the final vote on these measures. If you desire to retain this ability, please attend any meeting in person. You may submit an absentee ballot and later choose to attend any meeting in person, in which case any in-person vote will prevail."

(d) Electronic ballot means a ballot given by:

(1) Email, facsimile, or posting on an internet website, for which the identity of the Member submitting the ballot can be confirmed; and

(2) The Member can receive a receipt of the electronic transmission and receipt of the ballot.

(e) If the electronic ballot is posted on an internet website, a notice of the posting shall be sent to each Member that contains instructions on obtaining access to the posting on the website.

Section 15. TABULATION OF AND ACCESS TO BALLOTS

(a) A person who is a candidate in an Association election, or who is otherwise the subject of an Association vote, or a person related to that person within the third degree of consanguinity or affinity, may not tabulate or otherwise be given access to the ballots cast in that election or vote. This person or a person besides the one who tabulated the votes may be given

access to the ballots cast in the election or vote as part of a recount process that is authorized by law.

(b) A person, other than a person described above may tabulate votes in an Association election or vote, but may not disclose to any other person how an individual voted.

ARTICLE V **DIRECTORS**

Section 1. **BOARD OF DIRECTORS; POWERS.** The affairs of the Association shall be conducted by a Board of Directors (the "Board"). The Board shall have the power and duties necessary for the administration of the affairs of the Association and for the operation and maintenance of the Development as may be required or permitted by the governing documents and state law. The Board may do any and all things that are lawful and which are necessary, proper, or desirable in operating for the best interests of the Members, subject only to the limitations upon the exercise of such powers as are expressly set forth in the governing documents. The Board, on behalf of the Association and for the benefit of the Property and the Owners and the Members and occupants, may provide and may pay for, out of the Assessment fund(s), one or more of the following:

(a) care, preservation and maintenance of the Common Property (including without limitation the proper maintenance of the private streets) and the furnishing and upkeep of any desired personal property for use in or on the Common Property;

(b) recreational and social programs and activities for the general benefit of the occupants and programs which are designed only for separately identifiable sub-groups of occupants, such as (but not limited to) infants, adolescents, teenagers, students, mothers and senior citizens;

(c) supplementing (to the extent, if any, deemed necessary, appropriate and affordable by the Board) the police, fire, ambulance, garbage and trash collection and similar services within the Property traditionally provided by local governmental agencies;

(d) taxes, insurance and utilities (including, without limitation, electricity, gas, water, sewer and telephone charges) which pertain to the Common Property;

(e) the services of any person or firm (including the Declarant and any affiliates of the Declarant) to manage the Association or any separate portion thereof, to the extent deemed advisable by the Board, and the services of such other personnel as the Board shall determine to be necessary or proper for the operation of the Association, whether such personnel are employed directly by the Board or by the manager of the Association. The Board is specifically authorized to hire and employ one or more managers, secretarial, clerical, staff and support employees. The Board is specifically authorized to engage personnel (such as ad valorem tax consultants and computer operators) and equipment (such as computers, software and electronic communication and transmission devices) for the administration of the collection of Assessments;

(f) legal and accounting services;

(g) architectural and design services; and

(h) any other materials, supplies, furniture, labor, services, maintenance, repairs, structural alterations, taxes or assessments which the Board is required to obtain or pay for pursuant to the terms of these Bylaws or the Declaration or which in its opinion shall be necessary or proper for the operation or protection of the Association or for the enforcement of these Bylaws or the Declaration.

The Board shall have the following additional rights, powers and duties:

(i) To execute all declarations of ownership for tax assessment purposes with regard to any of the Common Property owned by the Association;

(j) To enter into agreements or contracts with insurance companies, taxing authorities, the holders of first mortgage liens on the individual Lots and utility companies with respect to: (i) any taxes on the Common Property; (ii) monthly escrow and impound payments by a mortgagee regarding the assessment, collection and disbursement process envisioned by Article V. herein; (iii) utility installation, consumption and service matters; and (iv) the escrow or impounding of monies sufficient to timely pay the Annual Assessment;

(k) To borrow money for the purpose of carrying out the activities of the Association, including the acquisition, construction, improvement, equipping and maintenance of Common Property, and in aid thereof to encumber by deed of trust, mortgage or other security interest any or all of the Association's property including Common Property and revenues from assessments, user fees and other sources and provided, however, that during the Declarant Control Period, the Association shall not grant or convey to anyone any mortgage, deed of trust or other security interest on or in Common Property without the written approval of Declarant;

(l) To enter into contracts, maintain one or more bank accounts and, generally, to have all the powers necessary or incidental to the operation and management of the Association;

(m) To protect or defend the Common Property from loss or damage by suit or otherwise, to sue or defend in any court on behalf of the Association and to provide adequate reserves for repairs and replacements;

(n) To make reasonable rules and regulations for the operation of the Common Property, charge reasonable expense reimbursements and/or deposits relating to the use, operation and maintenance of the Common Property, to amend any of the foregoing from time to time, and to enter into concession agreements regarding food, beverage, vending and other products and services within the Common Properties;

(o) To prepare an annual operating budget and to make available for review by each Member at the Association offices within ninety (90) days after the end of each Fiscal Year an annual report;

(p) To adjust the amount, collect and use any insurance proceeds to repair damage or replace lost property; and if proceeds are insufficient to repair damage or replace lost property, to assess the Members in proportionate amounts to cover the deficiency;

(q) To enforce the provisions of the Declaration and these Bylaws and any rules made hereunder and to enjoin and seek damages from any Member or occupant for violation of such provisions or rules. The Board is specifically authorized and empowered to establish (and to revise and amend from time to time) a monetary “fines” system which may include component steps such as warning citations, ticketing, due process hearings and appeals and a flat rate or discretionary range or geometric progression of fine amounts, which, when pronounced, shall constitute a permitted individual Lot assessment secured by the continuing lien herein established;

(r) Grant easements or rights of way over Common Property to any municipality or other governmental body, agency or authority, to any quasi-public agency or to any utility company or cable television system or to any owner of land contiguous to the property;

(s) Suspend, pursuant to Section 4.05 of the Declaration, the right of use and enjoyment granted or permitted by Section 3.02 of the Declaration;

(t) Enter into and enforce all applicable provisions of valid agreements of the Association relating to the Common Property or any part thereof for the purpose of providing management, maintenance, materials, services or other matters consistent with the purposes of the Association or the Declarations;

(u) Install, maintain, improve and replace any and all landscaping treatments or other structures on the Common Property previously installed by the Declarant or installed by the Association to the extent that such landscaping or structure is not otherwise maintained by the appropriate county and/or municipal entity having jurisdiction over the roads for Tarrant County, Texas; and

(v) Install, maintain, improve and replace any and all fencing around the perimeter of the Property previously installed by the Declarant or installed by the Association.

Section 2. NUMBER OF DIRECTORS; ELECTION; TERM; QUALIFICATION.
The members of the Board of Directors shall be elected and shall serve as follows:

(a) The number of the Directors shall not be less than three (3). During the Declarant Control Period, the Declarant has the right to appoint and remove any Director of the Board. After the expiration of the Declarant Control Period, at least one-third (1/3) of the Directors of the Board must be elected by the Members other than Declarant. The number of Directors may be increased from time to time by a resolution adopted by the Members at their Annual Meeting, but no decrease shall have the effect of shortening the term of any incumbent Director.

(b) The Directors shall be elected in accordance with the provisions of Sections 7 and 9 of Article IV of these Bylaws at each annual meeting of the Members, except as provided in Section 3 of this Article V, and each Director elected shall hold office until the next succeeding annual meeting of Members and until his successor is elected and qualified or until his earlier death, resignation, retirement, disqualification or removal.

(c) Except as provided herein, the Directors shall be Members or spouses of such Members; provided, however, no person and his or her spouse may serve on the Board at the same time.

(d) At least one or more, but not all Directors, may be required to live in the Development.

Section 3. VACANCIES AND NEWLY CREATED DIRECTORSHIPS. Vacancies occurring on the Board may be filled by election at any annual or special meeting of Members called for that purpose, or by a majority of the remaining Directors, though less than a quorum. A Director elected to fill the vacancy shall be elected for the unexpired term of his predecessor in office.

Any directorship to be filled by reason of any increase in the number of Directors may be filled by election at an annual or special meeting of Members called for that purpose, or by the Board for a term of office continuing only until the next election of one or more Directors by the Members, provided that the Board may not fill more than two such directorships during the period between any two successive annual meetings of Members.

Section 4. REMOVAL OF DIRECTORS. Except to the extent limited by law, or otherwise provided by the Certificate of Formation or these Bylaws, at any meeting of Members called expressly for that purpose, any Director or the entire Board may be removed, with or without cause, by the holders of a majority of votes entitled to be cast at an election of Directors.

Section 5. MEETINGS. Except for electronic or telephonic meetings, the Board of the Association must hold meetings, both regular and special, in Tarrant County.

Section 6. FIRST MEETING. The first meeting of each newly elected Board shall be held without further notice immediately following the annual meeting of Members, and at the same place, unless by the unanimous consent of the Directors, then elected and serving, such time or place shall be changed.

Section 7. REGULAR MEETINGS. Regular meetings of the Board may be held, with or without notice, at such time and place as shall from time to time be determined by the Board. Any action taken without notice to Members must be summarized orally, including an explanation of any known actual or estimated expenditures approved at the meeting, and documented in the minutes of the next regular or special Board meeting.

Section 8. SPECIAL MEETINGS. Special meetings of the Board may be called by the President. Special meetings shall be called by the President or Secretary at the written request of any two of the Directors.

Section 9. QUORUM; MAJORITY VOTE. At all meetings of the Board, a majority of the number of Directors fixed in the manner provided in these Bylaws shall constitute a quorum for the transaction of business, and the act of a majority of the Directors present at any meeting at which there is a quorum shall be the act of the Board, except as may be otherwise specifically provided by law, the Certificate of Formation or these Bylaws. If a quorum shall not be present at

any meeting of the Board, the Directors present may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

Section 10. CONSENT OF DIRECTORS. Unless otherwise restricted by the Certificate of Formation or these Bylaws, any action required or permitted to be taken at any meeting of the Board or of any committee thereof may be taken without a meeting if a majority of the Directors or the committee, as the case may be, execute a written consent (which may be electronically by email) setting forth the action so taken. Such consent must state the date of each Director's or committee member's signature and prompt notice of the taking of an action by Directors or a committee without a meeting by less than unanimous written consent shall be given to each Director or committee member who did not consent in writing to the action. The consent may be in more than one counterpart so long as each Director executes one of the counterparts.

Section 11. TELEPHONIC MEETING. Unless otherwise restricted by the Certificate of Formation, subject to the provisions required or permitted by law or these Bylaws for notice of meetings, members of the Board, or any committee designated by the Board, may participate in and hold a meeting of the Board, or such committee, by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in a meeting by such means shall constitute presence in person at the meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

Section 12. COMMITTEES. The Board may, by resolution adopted by a majority of the whole Board, from time to time designate from among the members of the Board one or more committees. Such committees may have and exercise the authority of the Board in the management of the Association to the extent designated in the resolution. Each committee shall consist of one or more members of the Board who are a majority of the members of the committee. Other committees not having and exercising the authority of the Board in the management of the Association may, but need not, be limited to members of the Board. The Board may designate one or more of its members as alternate members of any committee, who may, subject to limitations imposed by the Board, replace absent or disqualified members at any meeting of that committee.

Except as limited by law, the Certificate of Formation, these Bylaws or the resolution establishing such committee, each committee shall have and may exercise all of the authority of the Board as the Board may determine and specify in the respective resolutions appointing each such committee. The designation of any committee and the delegation of any authority to the committee shall not operate to relieve the Board, or any member of the Board, of any responsibility imposed by law.

A majority of all the members of any such committee may fix the time and place of its meetings, unless the Board shall otherwise provide, and meetings of any committee may be held upon such notice, or without notice, as shall from time to time be determined by the member of any such committee.

At all meetings of any committee, a majority of its members shall constitute a quorum for the transaction of business, and the act of a majority of the members present shall be the act of any such committee, unless otherwise specifically provided by law, the Certificate of Formation, these

Bylaws or the resolution establishing such committee. The Board shall have power at any time, subject as aforesaid, to change the number and members of any such committee, to fill vacancies and to discharge any such committee.

Section 13. ARCHITECTURAL CONTROL COMMITTEE. Notwithstanding any conflicting provisions in Article V Section 12, above, the Board shall establish an Architectural Control Committee in accordance with Article VII of the Declaration.

Section 14. COMPENSATION OF DIRECTORS. By resolution of the Board, the Directors may be paid their expenses, if any, of attendance at each meeting of the Board and may be paid a fixed sum for attendance at each meeting of the Board or a stated salary as Director. No such payment shall preclude any Director from serving the Association in any other capacity and receiving compensation therefore. Members of committees may be allowed like compensation for attending committee meetings.

Section 15. RESIGNATION. Any Director may resign at any time by written notice to the Association. Any such resignation shall take effect at the date of receipt of such notice or at such other time as may be specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. Any Director who does not, for any reason, stand for election at any meeting of Members called for such purpose shall be conclusively deemed to have resigned, effective as of the date of such meeting, for all purposes, and the Association need not receive any written notice to evidence such resignation.

Section 16. OPEN MEETINGS. Regular and special Board meetings will be open to all Members, subject to the right to hold closed executive sessions involving personnel, litigation, contract negotiations, enforcement actions, confidential communications with the Association's attorney, matters involving an invasion of a Member's privacy, or matters that are requested to remain confidential by request of the affected parties and agreement of the Board. After executive sessions, any decisions made during an executive session will be summarized orally and placed in the minutes in general terms, including a general explanation of expenditures approved. Members other than Directors may not participate in any discussion or deliberation except as follows in accordance with a format approved by the Directors from time to time.

ARTICLE VI **NOTICES**

Section 1. METHOD OF NOTICE. Whenever by law, the Certificate of Formation, or these Bylaws, notice is required to be given to any committee member, Director, or Member, it shall not be construed to mean personal notice, but any such notice may be given (i) in writing, by mail, postage prepaid, addressed to such committee member, Director or Member at his address as it appears in the records of the Association, or (ii) by any other method permitted by law (including, but not limited to, electronically, provided that such committee member, Director or Member has provided a valid email address to the Association or by facsimile). Any notice given by mail shall be deemed to be delivered and given at the time when the same is deposited in the United States mail as aforesaid. Any notice given by email is deemed delivered and given at the time it is correctly sent and any notice given by facsimile is deemed delivered on successful transmission of the facsimile.

Section 2. NOTICE OF DIRECTOR'S MEETINGS. Members shall be given notice of the date, hour, place, and general subject of a regular or special Board meeting, including a general description of any matter to be brought up for deliberation in executive session. The notice shall be:

(a) mailed to each Member not later than the tenth (10th) day or earlier than the sixtieth (60th) day before the date of the meeting, or

(b) provided at least seventy-two (72) hours before the start of the meeting by:

(1) posting the notice on any internet website maintained by the Association, or

(2) the notice shall be sent by e-mail to each Member who has registered an e-mail address with the Association.

Section 3. WAIVER OF NOTICE. Whenever any notice is required to be given under the provisions of law, of the Certificate of Formation or by these Bylaws, a waiver thereof in writing, signed by the person or persons entitled to said notice, or expressly consented to via an email, whether before or after the time stated therein, shall be deemed equivalent thereto. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

ARTICLE VII **OFFICERS**

Section 1. OFFICERS. The officers of the Association shall be chosen by the Board and shall consist of a President and a Secretary, and may consist of such other officers and agents as the Board may deem necessary, including one or more Vice Presidents (and, in the case of each Vice President, with such descriptive title, if any, as the Board shall determine), a Treasurer, and one or more assistant positions. Two or more offices may be held by the same person, except for the offices of President and Secretary.

In the discharge of any duty imposed or power conferred upon an officer of the Association, the officer may in good faith and ordinary care rely on information, opinions, reports, or statements, including financial statements and other financial data, concerning the Association or another person, that were prepared or presented by (i) one or more other officers or employees of the Association including members of the Board or (ii) legal counsel, public accountants, bookkeepers, investment bankers, or other persons as to matters the officer reasonably believes are within the person's professional or expert competence. An officer is not relying in good faith within the meaning of the preceding sentence if the officer has knowledge concerning the matter in question that makes reliance otherwise permitted by the above sentence unwarranted.

No officer shall execute, acknowledge, verify or countersign any instrument on behalf of the Association in more than one capacity, if such instrument is required by law, the Certificate of Formation, these Bylaws or any act of the Association to be executed, acknowledged, verified or countersigned by two or more officers.

None of the officers need be a Director or a Member of the Association.

Section 2. ELECTION. Without limiting the right of the Board to choose officers of the Association at any time when vacancies occur or when the number of officers is increased, the Board, at its first regular meeting after each annual meeting of Members or as soon thereafter as conveniently practicable, shall elect the officers of the Association and such agents as the Board shall deem necessary or desirable.

Section 3. TERM; REMOVAL; RESIGNATION; VACANCIES; COMPENSATION. The officers of the Association shall hold office until their successors are elected or appointed and qualified, or until their earlier death, resignation, retirement, disqualification or removal. Any officer or agent elected or appointed by the Board may be removed at any time with or without cause by the affirmative vote of a majority of the Board whenever, in its judgment, the best interests of the Association shall be served thereby, but any such removal shall be without prejudice to the contractual rights, if any, of the person so removed. Any officer may resign at any time by giving written notice to the Board. Any such resignation shall take effect at the date of the receipt of such notice or at such other time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. Election or appointment of an officer or agent shall not of itself create contract rights. Any vacancy occurring in any office of the Association may be filled by the Board for the unexpired portion of the term.

The compensation of all officers and agents of the Association shall be fixed from time to time by the Board or pursuant to its direction. No officer shall be prevented from receiving such compensation by reason of his also being a Director.

Section 4. PRESIDENT. The President shall be the chief operating officer and chief executive officer of the Association and, subject to the direction of the Board, shall have and exercise direct charge of and general supervision over the business affairs and employees of the Association and have general and active management of the business of the Association. He shall also have such other authority and perform such other duties as may be prescribed from time to time by the Board or these Bylaws. The President shall also preside at all meetings of Members and of the Board and see that all orders and resolutions of the Board are carried into effect.

Section 5. VICE PRESIDENTS. Vice Presidents shall have such authority and perform such duties as may be delegated, permitted or assigned from time to time by the President or the Board and, in the event of the absence, unavailability or disability of the President, or in the event of his inability or refusal to act, shall, in the order of their seniority, perform the duties and have the authority and exercise the powers of the President, unless otherwise determined by the Board.

Section 6. [RESERVED].

Section 7. SECRETARY. The Secretary shall have the duty of recording or causing to be recorded the proceedings of the meetings of Members and Board in a minute book to be kept for that purpose and shall perform all like duties for any committees. The Secretary shall give or cause to be given notice, as required by these Bylaws or by law, of all meetings of the Members and all meetings of the Board and shall perform such other duties as may be prescribed by these

Bylaws or by the Board or President, under whose supervision the Secretary shall serve. The Secretary, shall have safe custody of the seal of the Association and the Secretary when authorized and directed by the Board, shall affix the same to any instrument requiring it and when so affixed, it shall be attested by his signature or by the signature of the Treasurer. The Secretary also shall perform such other duties and have such other powers as may be permitted by law or as the Board or the President may from time to time prescribe or authorize.

In the absence of the Secretary, the minutes of all meetings of the Board and of Members shall be recorded by such person as shall be designated by the Board.

Section 8. TREASURER. If a Treasurer is designated as an officer of the Association by the Board, the Treasurer shall have the custody of the corporate funds and securities and shall keep, or cause to be kept, full and accurate accounts and records of receipts and disbursements and other transactions in books belonging to the Association and shall deposit, or see to the deposit of, all moneys and other valuable effects in the name and to the credit of the Association in such depositories as may be designated by or under the authority of the Board. The Treasurer shall: (i) endorse or cause to be endorsed in the name of the Association for collection the bills, notes, checks or other negotiable instruments received by the Association; (ii) sign or cause to be signed all checks issued by the Association; and (iii) pay out or cause to be paid out money as the Association may require, taking vouchers therefore. In addition, he shall perform such other duties as may be permitted by law or as the Board or the President may from time to time prescribe, authorize or delegate. The Board may by resolution delegate, with or without power to re-delegate, any or all of the foregoing duties of the Treasurer to other officers, employees or agents of the Association, and to provide that other officers, employees and agents shall have the power to sign checks, vouchers, orders or other instruments on behalf of the Association. The Treasurer shall render to the Board, whenever they may require it, an account of his transactions as Treasurer and of the financial condition of the Association. If required by the Board, he shall give the Association a bond of such type, character and amount as the Board may require. The Treasurer shall be in charge of the Association's books of account, records and auditing.

If a Treasurer is not designated as an officer of the Association, the functions of the Treasurer shall be performed by the President, the Secretary or such other officer or officers of the Association as shall be designated by the Board at any time or from time to time.

ARTICLE VIII

INDEMNIFICATION; LIABILITY; INSURANCE; AND SECURITY

Section 1. EXTENT OF INDEMNIFICATION. The Association shall indemnify and advance expenses to any person who is or was a Director, officer, committee member, employee, or agent of the Association to the fullest extent that an Association may or is required to grant indemnification under the Texas Business Organizations Code.

Section 2. LIABILITY LIMITATIONS. THE DECLARANT AND ITS OWNERS, DIRECTORS, OFFICERS, AGENTS AND EMPLOYEES, AND THE DIRECTORS, OFFICERS, COMMITTEE MEMBERS, AGENTS AND EMPLOYEES OF THE

ASSOCIATION (FOR PURPOSES OF THIS PARAGRAPH, COLLECTIVELY THE “DECLARANT AND ASSOCIATION PARTIES”) SHALL NOT BE LIABLE FOR DEBTS CONTRACTED FOR OR OTHERWISE INCURRED BY THE ASSOCIATION OR FOR ANY TORTS COMMITTED BY OR ON BEHALF OF THE ASSOCIATION OR FOR A TORT OF AN OWNER OR ANY OCCUPANT, WHETHER SUCH OTHER OWNER OR OCCUPANT WAS ACTING ON BEHALF OF THE ASSOCIATION OR OTHERWISE, EVEN IF ARISING FROM ANY OF THEIR SOLE OR CONCURRENT NEGLIGENCE OR STRICT LIABILITY OF THE DECLARANT AND ASSOCIATION PARTIES. FURTHERMORE, THE DECLARANT AND ASSOCIATION PARTIES SHALL NOT BE LIABLE FOR ANY ACTUAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES FOR FAILURE TO INSPECT OR MAINTAIN ANY RESIDENCE OR OTHER STRUCTURE, IMPROVEMENT OR PORTION OF THE PROPERTY, OR FOR FAILURE TO REPAIR OR MAINTAIN ANY STRUCTURE OR PORTION OF THE PROPERTY, OR FOR FAILURE TO DESIGN, ESTABLISH, CONSTRUCT, REPAIR OR MAINTAIN ANY COMMON PROPERTY OR WATER RUN-OFF PROPERTY, OR FOR ANY PERSONAL INJURY, DEATH OR DAMAGE TO PERSONAL PROPERTY RESULTING FROM SUCH FAILURES AS DESCRIBED ABOVE, EVEN IF ARISING FROM ANY OF THEIR SOLE OR CONCURRENT NEGLIGENCE OR STRICT LIABILITY.

Section 3. INSURANCE; SECURITY ARRANGEMENTS.

(a) The Association shall have the right and option to purchase, carry and maintain in force insurance covering any or all portions of the Common Property, any improvements thereon or appurtenant thereto, for the interest of the Association and of all Members thereof, in such amounts and with such endorsements and coverage as shall be considered good sound insurance coverage for properties similar in construction, location, and use to the subject property. Such insurance may include, but need not be limited to:

(1) insurance against loss or damage by fire and hazards covered by a standard extended coverage endorsement in an amount equal to the maximum insurable replacement value, excluding foundation and excavation costs as determined annually by the insurance carrier;

(2) public liability and property damage insurance on a broad form basis;

(3) fidelity bond for all officers and employees of the Association having control over the receipt or disbursement of funds; and

(4) officers’ and directors’ liability insurance.

The Association will have the authority and the obligation to provide security measures for the Development.

The Association does not warrant nor guarantee that: (a) security is sufficient and adequate to diminish or eliminate the commission of crimes against persons or property; and (b) such acts

will not be attempted or actually occur within the Property. Any security arrangements provided are not designed or intended to replace the conventional police and fire protection and paramedical services.

The Association will seek to carry public liability insurance generally covering bodily injury and property damage arising out of negligent acts by employees, Members or authorized representatives of the Association. THE ASSOCIATION WILL NOT CARRY ANY INSURANCE PERTAINING TO, NOR DOES IT ASSUME ANY LIABILITY OR RESPONSIBILITY FOR, THE REAL OR PERSONAL PROPERTY OF THE MEMBERS AND OCCUPANTS (AND THEIR RESPECTIVE FAMILY MEMBERS AND GUESTS).

(b) Pursuant to the Declaration and these Bylaws, each Member expressly understands, covenants and agrees with the Association that:

(1) the Association has no responsibility or liability of any kind or character whatsoever regarding or pertaining to the real and personal property of each Member;

(2) each Member shall, from time to time and at various times, consult with reputable insurance industry representatives of each Member's own selection to select, purchase, obtain and maintain appropriate insurance providing the amount, type and kind of insurance deemed satisfactory to each Member covering his or her real and personal property (including automobile liability insurance coverage for all drivers of any vehicle(s) used within the Development);

(3) each Member releases and holds the Declarant and the Association harmless from any liability, claims, causes of action or damage of any kind or character whatsoever arising out of or related (directly or indirectly) to any and all aspects of security and private streets within the Property, including, without limitation:

(i) the interviewing, hiring, training, licensing, bonding and employment of security personnel (if any);

(ii) the instructions, directions and guidelines issued to or by the security personnel (if any);

(iii) the duties, performances, actions, inactions or omissions of or by the security personnel (if any); and

(iv) claims, causes of action or damages of any kind or character whatsoever arising out of or related (directly or indirectly) to any and all aspects of occurrences, such as but not limited to the following: soil erosion, soil composition, groundwater, surface water, unstable slopes, ground shift, sink holes, winds, earthquakes, fires, flooding, and all other natural disasters or occurrences and water run-off or drainage within the Property.

(c) each Member will cooperate with the Declarant and the Association in connection with the establishment, evolution and maintenance of reasonable controls on the pedestrian and vehicular traffic into and within the Property and abide by any and all rules and

regulations of the Association, as adopted and promulgated from time to time, related to the entry upon and use of any private streets and other Common Property within the Property.

Section 4. USE OF INSURANCE AND CONDEMNATION PROCEEDS.

(a) The Association shall be the exclusive representative of the Members in any proceedings, negotiations, settlements or agreements concerning insurance covering or condemnation of Common Property. The Association and the Members shall use the net casualty insurance or condemnation proceeds to repair and replace damage or destruction of Common Property covered by such insurance or condemnation. Any balance from the proceeds of insurance or condemnation paid to the Association remaining after satisfactory completion of repair and replacement, shall be retained by the Association as part of a general reserve fund for repair and replacement of the Common Property.

(b) If the insurance or condemnation proceeds are insufficient to repair or replace any loss or damage to Common Property, the Association may levy a special assessment as provided for in Article V of the Declaration to cover the deficiency.

(c) If the Association owns any Lot, through foreclosure or otherwise, the Association shall be entitled as a Member to all rights related to insurance coverage and condemnation of such Lot. The Association may, but is not obligated to, repair or replace any damage to a Lot owned by the Association; provided, however, the Association must exercise its discretion with regard thereto for the benefit of the Members.

ARTICLE IX
GENERAL PROVISIONS

Section 1. CONTRACTS. Subject to the provisions of Article IX, the Board may authorize any officer, officers, agent or agents to enter into any contract or agreement of any nature whatsoever, including, without limitation, any contract, deed, bond, mortgage, guaranty, deed of trust, security agreement, pledge agreement, act of pledge, collateral mortgage, collateral chattel mortgage or any other document or instrument of any nature whatsoever, and to execute and deliver any such contract, agreement, document or other instrument of any nature whatsoever for and in the name of and on behalf of the Association, and such authority may be general or confined to specific instances.

Section 2. ANNUAL STATEMENT. On request, the Board shall present at each annual meeting, and at any special meeting of the Members, a full and clear statement of the business and condition of the Association.

Section 3. DEPOSITS. All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the Association in such banks, trust companies or other depositories as the Board may select.

Section 4. BOOKS AND RECORDS. The Association shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its Members, Board and each committee, shall keep at its registered office or principal place of business, a record

of the identity, address and phone number of each Member of each Lot, as noticed to the Association by each Member. Any books, records, minutes and Lot ownership records may be in written form or in any other form capable of being converted into written form within a reasonable time.

Section 5. CHECKS. All checks or demands for money and notes of the Association shall be signed by such officer or officers or such other person or persons as the Board may from time to time designate.

Section 6. FISCAL YEAR. The fiscal year of the Association shall be fixed by resolution of the Board.

Section 7. SEAL. The corporate seal shall be in such form as may be prescribed by the Board. The seal may be used by causing it or a facsimile thereof to be impressed or affixed or in any manner reproduced.

ARTICLE X **BYLAWS**

Section 1. AMENDMENT, ALTERATION AND REPEAL OF BYLAWS. The power to alter, amend, or repeal these Bylaws or adopt new Bylaws, subject to change by action of the Members, shall be vested in the Board.

Section 2. CONSTRUCTION. Whenever the context so requires, the masculine shall include the feminine and neuter, and the singular shall include the plural, and the converse. If any portion of these Bylaws shall be invalid or inoperative, then, so far is reasonable and possible:

- (a) The remainder of these Bylaws shall be considered valid and operative, and
- (b) Effect shall be given to the intent manifested by the portion held invalid or inoperative.

Section 3. HEADINGS. The headings are for organization, convenience and clarity. In interpreting these Bylaws, the headings shall be subordinated in importance to the other written material.

[Signature page to follow]

I, the undersigned, being the Secretary of the Association DO HEREBY CERTIFY THAT the foregoing are the amended bylaws of said Association, as adopted by the Board of said Association on the 21st day of April, 2020.



Donald L. Siratt II, Secretary

APPROVED:

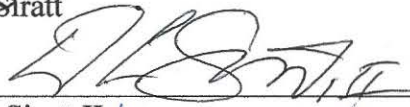


Juli Mason, President

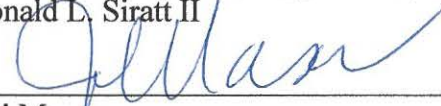
DIRECTORS:



Colby D. Siratt



Donald L. Siratt II



Juli Mason

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