

**AMENDED BYLAWS OF MONTSERRAT
HOMEOWNERS' ASSOCIATION, INC.,
A TEXAS NON-PROFIT ASSOCIATION**
(Approved _____, 2018)

**ARTICLE I
GENERAL**

The Montserrat Homeowners' Association, Inc. is the "Association" described within the Declaration of Covenants, Restrictions and Easements for Montserrat, recorded at Document D204174485 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 (on the one hand) and these Bylaws (on the other hand) 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 and such membership shall terminate only as provided in the Declaration.

Section 2. **VOTING RIGHTS.**

(a) Each Owner of a Lot, and shall be entitled to one (1) vote per Lot. 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.

Section 3. **SUSPENSION OF MEMBERSHIP RIGHTS.** The Board may suspend the rights of any Member to enjoyment of the Common Property of any person who:

(a) Shall be subject to the Right of Abatement by reason of having failed to take reasonable steps to remedy a violation or breach of either the Restrictions or the Design Standards within the deadlines set forth herein after having received notice of the same pursuant hereto;

(b) Shall be delinquent in the payment of any Assessment levied by the Association; or

(c) Shall be in violation of the rules and regulations of the Association relating to the use, operation and maintenance of Common Property.

Such suspension shall be for the balance of the period in which said Member or person shall remain in violation, breach or default, as aforesaid, except that in the case of a violation described in subsection (c) of this Section 3, the suspension may be for a period not to exceed sixty (60) days after the cure or termination of such violation. No such suspension shall prevent an Owner's ingress to or egress from his Lot.

(d) No Owner is disqualified from voting in an election of Board members or on any matter concerning the rights or responsibilities of the owner.

Section 4. 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.

Section 2. BIENNIAL MEETINGS. Commencing with the year 2018, the biennial 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 of Directors and stated in such notice of meeting, at which meeting directors shall be elected for the next two years 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 of Directors 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 of Directors 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 of Directors; provided, however, that the Board of Directors 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 of Directors and the prior action of the Board of Directors is not required by the Texas Business Association Act, 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, transfer agent, registrar, exchange agent, 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 of Directors and prior action of the Board of Directors is required by the Texas Business Association Act, 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 of Directors 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 shares 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. The original stock transfer books shall be prima facie evidence as to who are the Members entitled to examine such list or transfer books or to vote at any meeting of the Members.

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 or by the Articles of Incorporation.

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 Articles of Incorporation 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 Articles of Incorporation 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 Articles of Incorporation 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 Articles of Incorporation 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 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.

Section 11. TELEPHONIC MEETING. Unless otherwise restricted by the Articles of Incorporation, 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, an Owner 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 Owner'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 Owner for the costs of the recount.

(e) The Association shall provide the results of the recount to each Owner 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. RIGHT TO VOTE

(a) A provision in a dedicatory instrument that disqualifies an Owner from voting in the election of Board members or any matter concerning the rights or responsibilities of the Owner is void.

Section 15. VOTING: QUORUM

(a) The voting rights of an Owner 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 an Owner present and voting for the purpose of establishing a quorum only for items appearing on the ballot;
- (2) May not be counted if the Owner 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 Owner submitting the ballot can be confirmed; and

(2) The Owner 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 Owner that contains instructions on obtaining access to the posting on the website.

Section 16. 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 number of Directors and the method of election of Directors shall be as set forth in the Bylaws of the Association. All Board Members shall be residents of the Montserrat Subdivision. 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 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 this Declaration or which in its opinion shall be necessary or proper for the operation or protection of the Association or for the enforcement of this 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 period when the Declarant has the right to appoint members of the Board, 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 Owner 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 Owners 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 Owner, Occupant or Member 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 Owner 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 and Article III, Section 3 above, the right of 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 these 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; CONTROL BY DECLARANT. The members of the Board shall be elected and shall serve as follows:

(a) The Board shall be elected by the Members. Thereafter, the number of Directors to be elected shall be fixed and determined by resolution adopted by the Board of Directors or Members from time to time or at the biennial meeting; provided, however, the number

of the Directors shall not be less than three (3). The number of Directors may be increased or decreased from time to time as provided in these Bylaws, 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 biennial 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 biennial 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.

Section 3. VACANCIES AND NEWLY CREATED DIRECTORSHIPS. Vacancies occurring on the Board of Directors may be filled by election at an biennial 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 biennial or special meeting of Members called for that purpose, or by the Board of Directors for a term of office continuing only until the next election of one or more Directors by the Members, provided that the Board of Directors may not fill more than two such directorships during the period between any two successive biennial meetings of Members.

Section 4. REMOVAL OF DIRECTORS. Except to the extent limited by law, or otherwise provided by the Articles of Incorporation or these Bylaws, at any meeting of Members called expressly for that purpose, any Director or the entire Board of Directors 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 Directors 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 of Directors shall be held without further notice immediately following the biennial 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 of Directors may be held, with or without notice, at such time and place as shall from time to time be determined by the Board of Directors.

Section 8. SPECIAL MEETINGS. Special meetings of the Board of Directors 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 of Directors, 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 of Directors, except as may be otherwise specifically provided by law, the Articles of Incorporation or these Bylaws. If a quorum shall not be present at any meeting of the Board of Directors, 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 Articles of Incorporation or these Bylaws, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting if all members of the Board or the committee, as the case may be, execute a written consent setting forth the action so taken. Such consent shall have the same force and effect as a unanimous vote at a meeting. The consent may be in more than one counterpart so long as each director signs one of the counterparts.

Section 11. TELEPHONIC MEETING. Unless otherwise restricted by the Articles of Incorporation, subject to the provisions required or permitted by law or these Bylaws for notice of meetings, members of the Board of Directors, or any committee designated by the Board of Directors, may participate in and hold a meeting of the Board of Directors, 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 of Directors may, by resolution adopted by a majority of the whole Board, from time to time designate from among the members of the Board of Directors one or more committees. Such committees may have and exercise the authority of the Board of Directors 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 of Directors who are a majority of the members of the committee. Other committees not having and exercising the authority of the Board of Directors in the management of the Association may, but need not, be limited to members of the Board of Directors. The Board of Directors may designate one or more of its members as alternate members of any committee, who may, subject to limitations imposed by the Board of Directors, replace absent or disqualified members at any meeting of that committee.

Except as limited by law, the Articles of Incorporation, these Bylaws or the resolution establishing such committee, each committee shall have and may exercise all of the authority of the Board of Directors as the Board of Directors 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 of Directors, or any member of the Board of Directors, 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 of Directors 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 Articles of Incorporation, these Bylaws or the resolution establishing such committee. The Board of Directors 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 of Directors shall establish an Architectural Control Committee in accordance with Article VII of the Declaration.

Section 14. COMPENSATION OF DIRECTORS. By resolution of the Board of Directors, the Directors may be paid their expenses, if any, of attendance at each meeting of the Board of Directors and may be paid a fixed sum for attendance at each meeting of the Board of Directors 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 Owners, 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 an Owner'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 Articles of Incorporation, 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 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, by telegram, telex, cablegram and, in the case of Directors, by telephone). Any notice required or permitted to be 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 required or permitted to be given by telegram, telex, email or cablegram shall be deemed to be delivered and given at the time transmitted with all charges prepaid and addressed as aforesaid.

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:

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

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

(A) posting the notice in a conspicuous manner reasonably designed to provide notice to Owners on the door of the Montserrat Club House located at 9411 Marbella Drive, Fort Worth, Texas 76126 or on any internet website maintained by the Association, or

(B) the notice shall be sent by e-mail to each Owner 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 Articles of Incorporation or by these Bylaws, a waiver thereof in writing, signed by the person or persons entitled to said notice, 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 of Directors and shall consist of a President and a Secretary, and may consist of such other officers and agents as the Board of Directors may deem necessary, including an Assistant President, one or more Vice Presidents (and, in the case of each Vice President, with such descriptive title, if any, as the Board of Directors shall determine), a Treasurer, a Controller, and one or more Assistant Secretaries and Assistant Treasurers. 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 of Directors or (ii) legal counsel, public accountants, 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 Articles of Incorporation, 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 of Directors to choose officers of the Association at any time when vacancies occur or when the number of officers is increased, the Board of Directors, at its first regular meeting after each biennial meeting of Members or as soon thereafter as conveniently practicable, shall elect the officers of the Association and such agents as the Board of Directors 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 of Directors may be removed at any time with or without cause by the affirmative vote of a majority of the Board of Directors 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 Association. 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 of Directors 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 of Directors 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 of Directors, 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 of Directors or these Bylaws. The President shall also preside at all meetings of Members and of the Board of Directors and see that all orders and resolutions of the Board of Directors 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 of Directors 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 of Directors.

Section 6. CONTROLLER. If a Controller is appointed, the Controller shall have charge of the Association's books of account, records and auditing.

Section 7. SECRETARY AND ASSISTANT SECRETARIES. The Secretary shall have the duty of recording the proceedings of the meetings of Members and Board of Directors 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 of Directors and shall perform such other duties as may be prescribed by these Bylaws or by the Board of Directors or President, under whose supervision the Secretary shall serve. The Secretary, or an Assistant Secretary, shall have safe custody of the seal of the Association and the Secretary, or an Assistant Secretary, when authorized and directed by the Board of Directors, 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 an Assistant Secretary or of the Treasurer or an Assistant Treasurer. The Secretary also shall perform such other duties and have such other powers as may be permitted by law or as the Board of Directors or the President may from time to time prescribe or authorize.

The Assistant Secretary, if any, in the order of their seniority, unless otherwise determined by the Board of Directors shall, in the absence or disability of the Secretary, perform the duties and exercise the powers of the Secretary and shall perform such other duties and have such other powers as may be permitted by law or as the Board of Directors or the President may from time to time prescribe, authorize or delegate.

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

Section 8. TREASURER AND ASSISTANT TREASURERS. If a Treasurer is designated as an officer of the Association by the Board of Directors, 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 of Directors. 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 of Directors or the President may from time to time prescribe, authorize or delegate. The Board of Directors 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 of Directors, 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 of Directors, he shall give the Association a bond of such type, character and amount as the Board of Directors may require.

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 of Directors at any time or from time to time.

The Assistant Treasurers, if any, in the order of their seniority, unless otherwise determined by the Board of Directors, shall, in the absence or disability of the Treasurer, perform the duties and exercise the powers of the Treasurer and shall perform such other duties and have such other powers as may be permitted by law or as the Board of Directors or the President may from time to time prescribe, authorize or delegate. If required by the Board of Directors, the Assistant Treasurers shall give the Association a bond of such type, character and amount as the Board of Directors may require.

ARTICLE VIII **INDEMNIFICATION; LIABILITY; INSURANCE; AND SECURITY**

Section 1. EXTENT OF INDEMNIFICATION. The Association shall indemnify and advance expenses to any person who (i) is or was a Director, officer, committee member, employee, or agent of the Association or (ii) serves or has served at the request of the Association as a director, officer, partner, venturer, proprietor, trustee, employee, agent, or similar functionary of another foreign or domestic Association, partnership, joint venture, sole proprietorship, trust, employee benefit plan, or other enterprise, to the fullest extent that an Association may or is required to grant indemnification to a director under the Texas Business Association Act; notwithstanding the foregoing, however, the Association may indemnify and advance expenses to an officer, committee member, employee or agent, or any person who is identified in (ii) of the first clause of this Article VIII and who is not a Director to such further extent, consistent with law, as may be provided by the Association's Articles of Incorporation, these Bylaws, general or specific action of the Board of Directors, or by contract, or as otherwise permitted or required by common law.

Section 2. LIABILITY LIMITATIONS. THE DECLARANT; THE OWNERS, OCCUPANTS AND MEMBERS; THE DIRECTORS, OFFICERS, MANAGERS, PARTNERS, OWNERS, EMPLOYEES AND AGENTS OF THE ASSOCIATION; AND THE DIRECTORS, OFFICERS, MANAGERS, PARTNERS, OWNERS, EMPLOYEES AND AGENTS OF THE DECLARANT SHALL NOT BE PERSONALLY 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 ANOTHER OCCUPANT, WHETHER SUCH OTHER OCCUPANT WAS ACTING ON BEHALF OF THE ASSOCIATION OR OTHERWISE, EVEN IF ARISING FROM THE SOLE OR CONCURRENT NEGLIGENCE OR STRICT LIABILITY OF THE DECLARANT OR ASSOCIATION OR ANY OF THEIR DIRECTORS, OFFICERS, MANAGERS,

PARTNERS, OWNERS, EMPLOYEES OR AGENTS. THE DECLARANT, THE ASSOCIATION, AND THEIR DIRECTORS, OFFICERS, MANAGERS, PARTNERS, OWNERS, AGENTS EMPLOYEES SHALL NOT BE LIABLE FOR ANY ACTUAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES FOR FAILURE TO INSPECT ANY RESIDENCE OR OTHER STRUCTURE, IMPROVEMENTS OR PORTION THEREOF, OR FOR FAILURE TO REPAIR OR MAINTAIN THE SAME, 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:

(i) 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;

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

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

(iv) 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 OWNERS AND OCCUPANTS (AND THEIR RESPECTIVE FAMILY MEMBERS AND GUESTS).

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

(i) 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;

(ii) 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;

(iii) each Member releases and holds the Association harmless from any uninsured 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:

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

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

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

(d) Each Member will cooperate with 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 areas 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 an Owner 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 Owners.

ARTICLE IX
GENERAL PROVISIONS

Section 1. CONTRACTS. Subject to the provisions of Article IX, the Board of Directors 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 of Directors shall present at each biennial 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 of Directors 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 of Directors 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 Owner of each Lot, as noticed to the Association by each Owner. 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 of Directors may from time to time designate.

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

Section 7. SEAL. The corporate seal shall be in such form as may be prescribed by the Board of Directors. 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 repeal or change by action of the Members, shall be vested in the Board of Directors unless reserved to the Members by law or the Articles of Incorporation. These Bylaws may be altered, amended or repealed or new Bylaws may be adopted, subject to repeal or change by action of the Members, at any regular or special meeting of the Board of Directors, without prior notice, by resolution adopted thereat.

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:

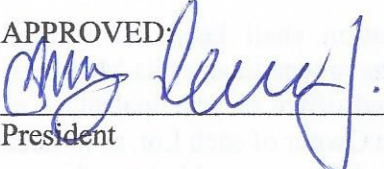
- (a) The remainder of these Bylaws shall be considered valid and operative, and
- (b) Effect shall be given to the intent manifested by the portion held invalid or inoperative.

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.

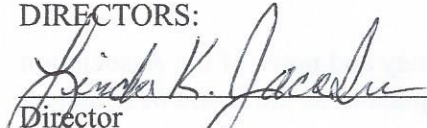
I, the undersigned, being the Secretary of the Association DO HEREBY CERTIFY THAT the foregoing are the amended bylaws of said Association, as adopted by the Board of Directors of said Association on the 16th day of October, 2018.



Secretary

APPROVED:


President

DIRECTORS:


Director



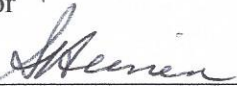
Director



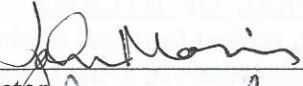
Director



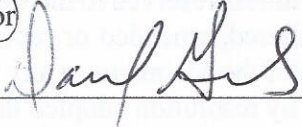
Director



Director



Director



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Director

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