

**BYLAWS
OF
SADDLEBROOK HOMEOWNERS ASSOCIATION, INC**

ARTICLE I.

NAME AND LOCATION. The name of the corporation is SADDLEBROOK HOMEOWNERS ASSOCIATION, INC., hereinafter referred to as the "Association". The principal office of the Association shall be located in Tarrant County, Texas, at such place as the directors shall from time to time designate, but meetings of members and directors may be held at such places within the State of Texas, County of Tarrant, as may be designated by the Board of Directors.

ARTICLE II.

DEFINITIONS

Section 1. "Association" shall mean and refer to SADDLEBROOK HOMEOWNERS ASSOCIATION, INC., its successors and assigns.

Section 2. "Properties" shall mean and refer to that certain real property described in the Declaration of Covenants, Conditions and Restrictions, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 3. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the Owners.

Section 4. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of the Common Area.

Section 5. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 6. “Declarant» shall mean and refer to MAYFAIR INVESTMENTS, INC., its successors and assigns if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

Section 7. “Declaration” shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the Properties recorded in the Deed Records of Tarrant County, Texas.

Section 8. “Member” shall mean and refer to those persons entitled to membership as provided in the Declaration.

ARTICLE III

MEETING OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the Members shall be held within one (1) year from the date of incorporation of the Association, and each subsequent regular annual meeting of the Members shall be held on the same day of the same month of each year thereafter, at the hour of 7:00 p.m. If the day for the annual meeting of the Members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Members may be called at any time by the president or by the Board of Directors, or upon written request of the Members who are entitled to vote one-fourth (1/4) of all of the votes of the Class A membership.

Section 3. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least fifteen (15) days before such meeting to each Member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have power to adjourn the meeting from time to time without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5. Proxies At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Lot.

ARTICLE IV

BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1. Number and Tenure. The affairs of this Association shall be managed by a Board of not less than three (3) nor more than nine (9) directors, who need not be Members of the Association. The number of directors initially shall be three (3). The Board of Directors may, by majority vote of its own Members, increase the Board to nine (9) Members. The initial Board of Directors shall be elected for terms as follows: one for three (3) years; one for two (2) years; and one for one (1) year. Upon the expiration of a director's term, a successor shall be elected for a term of three (3) years at the annual meeting of the Members of the Association. Each director shall be elected to hold office and serve for three (3) years or until his successor shall be elected, and shall duly qualify. Any director may be removed from the Board for cause, by a majority of the votes entitled to be cast by those Members present in person or represented by proxy at a meeting of the Members at which a quorum is present. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining Members of the Board and shall serve for the unexpired term of his predecessor.

Section 2. Compensation. No director shall receive compensation for any, service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 3. Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors

Section 4. Director Conflicts. No director or officer of the Association shall be required to devote his time or render services exclusively to the Association. Each director and officer of the Association shall be free to engage in any and all other business and activities, either similar or dissimilar, to the business of the Association without liability to the Association. Likewise, each and every director and officer of the Association may become a director or officer of any other association, corporation or corporations, entity or entities, whether or not the purposes of the other corporation conflict with the business or activities of this Association, without breach of duty to this Association or its Members or without liability of any character or description to the Association or its Members. No contract or other transaction of this Association shall ever be effected by the fact that any director or officer of the Association is interested in, or connected with any party to such contract or transaction, or is a party to such contract or transaction, provided that such contract or transaction shall be approved by a majority of the disinterested directors present at a meeting of the Board of Directors at which such contract or transaction shall be authorized or confirmed.

ARTICLE V

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by the Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a Member of the Board of Directors, and

two (2) or more Members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the Members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among Members or non-members.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such election, the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VI

MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held monthly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the president of the Association, or by any two (2) directors, after not less than three (3) days notice to each director.

Section 3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have power to:

- (a) to execute all declarations of ownership for tax assessment purposes with regard to any of the Common Properties owned by it as an incorporated entity.
- (b) 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 Properties; (ii) insurance coverage (if any) on Common Properties, as either or both relate to the assessment, collection and disbursement process envisioned by Article V hereinabove; and (iii) utility installation, consumption and service matters;
- (c) to borrow funds to pay costs of operation, secured by assignment or pledge of rights against delinquent Owners, if the Board sees fit;
- (d) 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;
- (e) to protect or defend the Common Properties from loss or damage by suit or otherwise, to sue or defend in any court of law in behalf of the Association and to provide adequate reserves for repairs and replacements;
- (f) to make reasonable rules and regulations for the operation of the Common Properties and to amend them from time to time;
- (g) to make available to each Owner within ninety (90) days after the end of each year an annual report;

(h) 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.

(i) to enforce the provisions of the Declaration and any rules made thereunder and to enjoin and seek damages from any Owner for violation of such provisions or rules;

(j) declare the office of a Member of the Board of Directors to be vacant in the event such Member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and

(k) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

Section 2. Duties. It shall be the duty of the Board of Directors to:

(a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Class A Members who are entitled to vote;

(b) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

(c) as more fully provided in the Declaration, to:

(1) fix the amount of the annual assessment against each Lot at least sixty (60) days in advance of each annual assessment period;

(2) send written notice of each assessment to every Owner subject thereto in advance of each annual assessment period; and

(3) institute legal action against any property for which assessments are not paid or to bring an action at law against the Owner personally obligated to pay the same.

(d) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the

issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(e) procure and maintain adequate liability and hazard insurance on property owned by the Association;

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

(g) cause the Common Area to be maintained; and

(h) pay reasonable legal and accounting fees.

ARTICLE VIII

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Association shall be a president and vice-president, who shall at all times be Members of the Board of Directors, a secretary and a treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 3. Term The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may from time to time determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. Any two (2) or more offices may be held by the same person, except the offices of president and secretary.

Section 8. Duties. The duties of the offices are as follows:

President

(a) The president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and may co-sign all checks and promissory notes; and shall do and perform such other duties as may from time to time be assigned to him by the Board of Directors.

Vice-President

(b) The vice president shall act in the place and stead of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board. Any action taken by the vice-president in performance of the duties of the president shall be conclusive evidence of the absence or inability to act of the president at the time such action was taken.

Secretary

(c) The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members and keep the corporate seal of the Association. He shall serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association, together with their addresses, and he may sign with the president or a vice-president in the name of the Association all contracts, conveyances, transfers, assignments, authorizations and other instruments of the Association and affix the seal of the Association thereto. He shall have charge of and maintain and keep such books and papers as the Board of Directors may direct. These books and papers shall be open to inspection by any director, Member of the Association or any holder of a first mortgage on any property during normal business hours. He shall in general perform all duties incident to the office of secretary subject to the control of the Board of Directors.

Treasurer

(d) The treasurer shall have custody of all the funds and securities of the Association. When necessary or proper, he may co-sign all checks and promissory notes, endorse, on behalf of the Association, for collection, checks, notes and other obligations and shall deposit the same to the credit of the Association in such bank or banks or depositories as shall be designated in the manner described by the Board of Directors. Whenever required by the Board of Directors, he shall render a statement of his cash account, and he shall enter or cause to be entered regularly on the books of the Association kept by him for that purpose a full and accurate account of all monies received and paid out on account of the Association. He shall at all reasonable times exhibit his books and accounts to any director of the Association or any first lien holder or his designee during business hours. He shall perform all acts incident to the position of treasurer subject to the control of the Board of Directors and, if required by the Board of Directors, give a bond for the faithful discharge of his duties in such form as the Board of Directors may require.

ARTICLE IX

BOARD RESPONSIBILITIES

Section 1. Authorized Agents. The Board of Directors, except as otherwise provided herein, may authorize any one (1) or more officers or agents to act in the name of and on behalf of the Association, to enter into any contract or execute and deliver any instrument, or do so such other things as the Board may from time to time direct, and such authority may be general or confined to specific instances. However, unless so authorized by the Board of Directors or expressly authorized by the Bylaws, no officer or agent or employee shall have any power or authority to bind the Association by any contract or engagement or to pledge its credit or to render it liable in any manner.

Section 2. Loans. No loans shall be contracted on behalf of the Association, and no negotiable papers shall be issued in its name unless authorized by the Board of Directors.

Section 3. Payments. All checks, drafts and other orders for the payment of money out of the funds of the Association, and all notes and other evidences of indebtedness of the Association shall be signed on behalf of the Association in such manner as shall from time to time be determined by resolution of the Board of Directors.

Section 4. Association Funds. All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the Association in such banks or other depositories as the Board of Directors may select. For the purpose of such deposits, any officer, agent or employee delegated by the Board of Directors shall have the power to endorse, assign and deliver for deposit checks, drafts and other orders for the payment of money which are payable to the order of the Association.

Section 5. Financial Statements. Whereas Article IX, Section 5 of the Saddlebrook HOA Bylaws requires the Board of Directors to cause to be prepared and make available to any Owner or first mortgage holder, an annual financial review of the financial statements of the association, but does not state who should conduct the annual financial review.

And whereas Article X of the bylaws states that the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purposes.

Therefore, be it resolved that the Board of Directors appoint a Financial Review Committee of not less than two, nor more than three Saddlebrook home owners, to conduct the annual financial review, and submit its report to the board. Nothing in this resolution prevents the board from retaining an outside agent to conduct the annual financial review should it deem it necessary to do so.

Section 6. Gifts. The Board of Directors may accept on behalf of the Association any contribution, gift, bequest or devise for the general purposes or for any special purpose of the Association.

ARTICLE X COMMITTEES

The Association shall appoint an Architectural Control Committee, as provided in the Declaration, and a Nominating Committee, as provided in these Bylaws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purposes. These and all committees shall serve at the pleasure of the Board of Directors and shall present their recommendations and requested reports to the Board of Directors.

ARTICLE XI CORPORATE MATTERS

Section 1. Fiscal Year. The fiscal year of the Association shall begin on the first day of January and end on the last day of December in each year.

Section 2. Corporate Seal. The seal of the Association shall be circular in form and have inscribed thereon the name of the Association.

Section 3. Notice. Whenever any notice whatever is required to be given under the provisions of these Bylaws, said notice shall be deemed to be sufficient if given by depositing the same in a post office box in a sealed, post-paid wrapper, addressed to the person and title thereto at his post office address, as it appears on

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the books of the Association, and such notice shall be deemed to have been given on the day of such mailing. A waiver of notice, whether before or after the time stated therein, shall be deemed equivalent to notice.

Section 4. Director and Officer Resignations. Any director or officer may resign at any time. Such resignation shall be made in writing and shall take effect at the time specified therein; or if no time is specified, at the time of its receipt by the president or secretary. The acceptance of the resignation shall not be necessary to make it effective, unless expressly so provided in the resignation.

ARTICLE XII INDEMNIFICATION

Section I. Indemnification of Officers and Personnel. Except to the extent that such liability or damage or injury is covered by insurance proceeds, the Board of Directors may authorize the Association to pay expenses incurred by, or to satisfy a judgment or fine rendered or levied against, a present or former director, officer, committee Member or employee of the Association in an action brought by a third party against such person, whether or not the Association is joined as a party defendant, officer, committee Member or employee, provided, the Board of Directors determines in good faith that such director, officer or employee was acting in good faith within what he reasonably believed to be the scope of his employment or authority and for the purpose which he reasonably believed to be in the best interest of the Association or its Members. Payment authorized hereunder includes amounts paid and expenses incurred in settling any such action or threatened action. The provisions of this paragraph shall apply to the estate, executor, administrator, heirs, legatees or devisees of a director, officer, committee Member or employee, and the term "person" where used in the foregoing paragraph shall include the estate, executor, administrator, heirs, legatees or devisees of such person.

Section 2. Limitations. Notwithstanding the provisions of the preceding paragraph, no person shall be entitled to indemnification pursuant thereto in relation to any matter in which indemnification is not permitted by law.

ARTICLE XIII

ASSESSMENTS

As more fully provided in the Declaration, each Member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date the Association may bring an action at law against the Owner personally obligated to pay. No owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Area or abandonment of his lot.

ARTICLE XIV

AMENDMENTS

Section 1. These bylaws may be amended, at a regular or special meeting of the Members, by a vote of a majority of a quorum of Members present in person or by proxy, except that the Federal Housing Administration or the Veterans Administration shall have the right to vote amendments while there is Class B membership.

Section 2. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

Section 3. The words “amend” and “amended” shall be broadly interpreted to include alterations, modifications, additions and repeal, in whole or in part. The terms used in these Bylaws, to the extent they are defined in said Declaration, shall have the same definition as set forth in the Declaration.

These Bylaws were adopted by the Board of Directors of the Association at the first meeting of the Board of Directors held in Colleyville, Texas, on the 16th day of June, 1988.

Amendments to the Bylaws:

Amendments Approved February 6, 1997

1. Article I - Changed the location of the principal office of the Association.
2. Article VII Section 2(c)(3) - Changed the wording of the duties of the Board of Directors regarding legal action for failure to pay dues and assessments.
3. Article X - Added wording to maintain the chain of authority from the Board of Directors to the various committees of the association.
4. Article XIII - Deleted the stated percentage rate charged on delinquent assessments allowing the Board of Directors to set the rate as needed.

Amendments Approved February 1, 2018

1. Article IX Section 5 – Changed the language of Section 5 Financial Statements to allow the Board of Directors to appoint a Financial Review Committee to perform a financial review and submit it to the Board of Directors.