

AMENDED AND RESTATED
BYLAWS
OF
SADDLE CLUB SOUTH HOMEOWNERS ASSOCIATION

Effective August 6, 2018

Article I.

GENERAL

Section 1.01 Name and Location. The name of the Association organized under the non-profit corporation laws of the State of Texas is and shall be **SADDLE CLUB SOUTH HOMEOWNERS ASSOCIATION**. The principal office of the Association shall be located in Midland, Midland County, Texas.

Section 1.02 Scope of Business. The Association may, in furtherance of the purposes and objectives thereof, engage in any and all businesses authorized by the Articles of Incorporation, but need not engage in all of those businesses.

Section 1.03 Registered Offices. Registered offices may be established and changed from time to time by the Board of Directors.

Section 1.04 Agents. Registered agents, officers and attorneys-in-fact for the purpose of service of process, and for such other purposes as may be required by law or as may be necessary or convenient to the conduct of the businesses of the Association shall be appointed and changed from time to time by the Board of Directors.

Section 1.05 Management and Control. The business and affairs of the Association shall be managed by the Board of Directors, and Board Members, who may exercise all such powers of the Association and do all such lawful acts and things as are not by statute, the Articles of Incorporation of these Bylaws, directed or required to be done or exercised by the members.

Article II

DEFINITIONS

Section 2.01. "Association" as that term is used herein shall mean and refer to SADDLE CLUB SOUTH HOMEOWNERS ASSOCIATION, its successors and assigns.

Section 2.02. "Properties" when used herein shall mean and refer to that certain real property described in both (i) Exhibit "A" to Restrictions and Covenant for Saddle Club South and (ii) Exhibit "A" to Supplemental Restrictions and Covenants to the Existing Covenants for Saddle Club South to establish the Saddle Club South Homeowners Association, which documents are of record in the Deed-Records of Midland County, Texas and which, by this reference, are incorporated herein for all the purposes hereof as though they are set forth at length herein.

Section 2.03. "Common Area" or "Common Areas" when used herein shall mean and refer to those areas of land within the Properties so designated on any present of future plat embracing the Properties which areas are reserved for the common use, enjoyment and mutual benefit of

the Owners of the Lots and their guests. "Common Areas" shall also include utility and drainage easements together with any building or facilities situated thereon as shown on any portion of the Properties

Section 2.04. "Lot or Lots" when used herein shall mean and refer to any numbered tract(s) or parcels(s) of land (other than the Common Area(s)) shown upon any recorded subdivision plat embracing the Properties.

Section 2.05. "Owner or Owners" when used herein shall collectively mean and refer to the record owner(s) whether one or more persons or entities, of the fee simple title to any lot.

Section 2.06. "Covenants" when used herein shall collectively mean and refer to (i) Restrictions and Covenants for Saddle Club South and (ii) Supplemental Restrictions and Covenants to the Existing Covenants for Saddle Club South to Establish the Saddle Club South Homeowners Association.

Section 2.07. "Member or Members" when used herein shall mean and refer to a person or persons entitled to membership in Saddle Club South Homeowners Association in accordance with the Covenants.

Article III

GENERAL PROVISIONS

Section 3.01. Seal. The Association may dispense with the use of a seal.

Section 3.02. Amendment. These Bylaws may be amended at a properly noticed regular or special meeting of the Board of Directors, by a vote of a simple majority of the Directors present, so long as such amendment does not conflict with the Covenants or Sec. 209.0041 of the Texas Property Code. All other amendments must be approved by the majority of the quorum of Members present (in person or by proxy) and entitled to vote at a meeting properly noticed therefore.

Section 3.03. Conflict. In the case of any conflict between the provisions of the Article of Incorporation and these Bylaws, the Article shall control: and in the case of conflict between the provisions contained in the Covenants and these Bylaws, the Covenants shall control.

Section 3.04. Fiscal Year. The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year.

Section 3.05. Ratification. The Board of Directors may, in its discretion, submit any contract, transaction or act for approval or ratification at any annual meeting of the Members or at any meeting of the Members called for such purpose, and any such contract, transaction or act shall be approved or ratified by a majority of a quorum of the Members present in person or by proxy. When so ratified or approved, any such contract, transaction or act shall be as valid and binding upon the Association and upon all of the Members as though it had been approved or ratified by every Member of the Association.

Section 3.06. Depositories. The funds of the Association shall be deposited in such banks as shall be selected and designated by the Board of Directors. Draft, checks and other orders for the payment or withdrawal of funds on deposit with any such bank shall be signed by such officers or

employees, either or both, as the Board of Directors shall by resolution from time to time determine.

Section 3.07. Waiver of Notices. Whenever by law, by the Articles of Incorporation, or by these Bylaws, notice is required to be given to any Member, Director, Board Member or Committee Member of this Association, a waiver thereof, in writing, signed by the person or persons entitled to such notice, whether before or after the time states in such notice, shall be the equivalent to the giving of such notice. Attendance at a meeting shall constitute waiver of notice of such meeting, except where a person attends such a meeting for the purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called or convened.

Section 3.08. Telephone and Similar Meetings. Members, Directors, and Committee Members may participate in and hold meeting by means of conference telephone or similar communication equipment by means of which all persons participating in the meeting can hear one another. Participations in such a meeting 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 grounds that the meeting in not lawfully called or convened.

Section 3.09. General. In the absence of any specific provisions in these Bylaws with the respect to any matter, reference is hereby made to the general corporation laws of the State of Texas governing the existence and operation of the Association.

Article IV

NOMINATION AND ELECTION OF BOARD OF DIRECTORS

Section 4.01. Nomination. Not less than sixty (60) days prior to the date of the annual meeting of the Members at which a Director or Directors are to be elected, the President of the Board, with the approval of the Board of Directors, may appoint a nominating committee consisting of at least three (3), but not more than five (5) Members. The nominating committee shall select a candidate or candidates for election to the membership on the Board of Directors, such candidate or candidates to be elected at the ensuing annual meeting. The nomination committee shall obtain the consent of all candidates to having their names submitted for election at the annual meeting. The nominating committee shall, by a majority vote, submit to the Secretary of the Board, a written list of their nominees for Directors, which list shall be signed by the Chairperson of the committee. Not less than thirty (30) days prior to the annual meeting, the Secretary shall announce the slate to all Members of the Association. Any other Member may nominate a candidate for Director by filing a petition containing the signatures of three (3) Members of the Association with the nominating committee at least fourteen (14) days prior to the annual meeting. All Members will be notified of all nominees at least five (5) days prior to the annual meeting. The list of candidates shall be presented at the annual meeting and shall, without motion or further proceedings, constitute a valid nomination of each of the persons listed therein as a nominee for Director or Directors. Except as submitted by the nominating committee or as submitted through a petition in accordance with this paragraph, no nominations for Directors shall be entitled to be voted upon or otherwise considered at any annual meeting of Members. Members of the Board of Directors shall be elected by a majority vote of the members in attendance in person or by proxy at the annual meeting. No person who is then in default in any

payment to the Association, including for assessments, fines, or other amounts to the Association, shall be eligible to serve on the Board until such past due amounts are paid in full.

Section 4.02. Election. Election to the Board of Directors shall be by secret written ballot. At the election the Members or the proxies of the Members may cast, in respect to each vacancy, as many votes as they are respectively entitled under the provisions of the Covenants. The number of votes cast for each nominee shall be tabulated. The number of nominees sufficient to fill the vacancies on the Board who shall receive the most votes shall be the new Directors. Cumulative voting shall not be permitted.

Section 4.03. Number and Term. The Board of Directors shall consist of at least five (5) Directors with the number of Board Members making up the Board not more than nine (9), or to be determined from time to time by resolution of the Board of Directors. The Directors shall be elected at the annual meeting of the Members and each Director elected shall serve until his successor has been elected and qualified. To insure continuity in management, the Directors shall be elected using a process of varying terms. Each Director shall serve for a two (2) year term. Three (3) Directors shall be elected in odd-numbered years and two (2) shall be elected in even-numbered years. The Directors shall adjust the terms of the additional Board Members elected, if applicable, appropriately.

Section 4.04. Board of Directors. The Directors of the Association shall be a President, one or more Vice Presidents, a Secretary and a Treasurer. The Directors severally shall have the qualifications and perform the duties prescribed in these Bylaws and shall also have and perform such other and further duties as may be assigned to them from time to time.

Section 4.05. Compensation. No Director elected in accordance with these Bylaws shall be entitled to compensation for services rendered to the Association in the capacity of Director.

Section 4.06. Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of the other offices except in the case of special offices created.

Section 4.07. Vacancies. In the event such Director shall be absent from three (3) consecutive regular meetings of the Board that office shall be declared vacant. Any vacancies occurring on the Board of Directors may be filled by a majority vote at any special meeting of the Members duly called and held for such purpose. A Director elected to fill a vacancy shall be elected for the unexpired terms of his predecessor in office.

Section 4.08. Removal. Any Director may be removed either for or without cause by a majority vote of any special meeting of Members duly called and held for such purpose. Any Director who is a Member of the Association but who's account is not in good standing and owes amounts to the Association past due for six (6) months or longer shall be deemed to have automatically resigned from the Board of Directors.

Article V

DUTIES OF THE BOARD OF DIRECTORS

Section 5.01. Duties. The Duties of the Officers are as follows:

President

(a) The President shall (i) preside at all meetings of the Board, (ii) see to it that orders and resolutions of the Board are carried out, (iii) sign all leases, co-sign promissory notes and other written instruments (iv) perform such other duties and have such other authority as the Board may from time to time prescribe.

Vice President

(b) The Vice President shall act in the place and stead of the President in the event of absence inability or refusal to act of the President, and shall exercise such other authorities and discharge such other duties as may be required by the Board.

Secretary

(c) The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members, serve notice of the meeting of the Board and of the Members, in accordance with these Bylaws; keep appropriate current records showing the names of the Members together with their addresses, and shall perform such other duties as required by the Board.

Treasurer

(d) The Treasurer shall receive and deposit funds in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board; shall sign all checks and promissory notes of the Association, keep proper books; and shall prepare an annual budget and statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to each of the Members.

Article VI

POWERS AND DUTIES OF THE BOARD

Section 6.01. Powers. The Board shall have the power to:

(a) Adopt and publish rules and regulations governing the use of the Common Area(s) and facilities thereon as well as the personal conduct of Members and their guests thereon and to establish penalties for the infraction of such rules and regulations, which penalties shall include suspension, after due notice and hearing, of the right of said Members family and guests to use the recreational facilities in the Common Area(s) for a period not to exceed sixty (60) days for each infraction.

(b) Suspend a Member's right to use the recreation facilities located in the Common Area(s) during any period in which such Member shall be in default in the payment of any assessment levied by the Association.

(c) If permitted under applicable law and the Covenants, following a written notice to cure, levy a fine against any lot owner or enter upon any lot to commence corrective action at the expense of the lot owner for any violation of the Covenants, as determined by the Board to be necessary and in the interest of the Association.

- (d) Exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation, the Covenants or the laws of the State of Texas.
- (e) Sell, rent, lease or exchange property owned by the Association as may be in the interest of the Association as determined by the Board; and
- (f) Hire independent contractors or personnel as they deem necessary, and to prescribe their duties.

Section 6.02. Duties. It shall be the duty of the Board to:

- (a) Cause to be kept a complete record of all of 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 of the Members when such statement is requested in writing by one-fourth (1/4) of the members who are entitled to vote.
- (b) Supervise all officers, agents, independent contractors and employees of the Association, and to see to it that their duties are properly performed.
- (c) As more fully provided in the Covenants to:
 - (1) Fix, determine, levy and collect the prorated assessments to be paid by each of the members toward the gross expenses of the entire Subdivision and by the majority vote of the Board of Directors to adjust, decrease or increase the amount of assessments, and to credit any excess of assessments over expenses and cash reserves to the members against the next succeeding assessment period. To levy and collect special assessments whenever in the opinion of the Board it is necessary to do so in order to meet increased operating or maintenance expense or costs or additional capital expenses, or because of emergencies or because of any other reasons. All assessments shall be in a statement form and shall set forth the detail of all the various expenses for which the assessments are being made.
 - (2) Send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment date; and
 - (3) Foreclose the lien of the Association against any Lot when assessments are not paid within thirty (30) days after the due date of each assessment or to bring an action at law or in equity against the Owner personally obligated to pay the same.
- (d) Issue or cause appropriate officer to issue, upon request by any person, a certificate setting forth whether any assessment has been paid. A reasonable charge may be charged by the Board or the issuance of such a certificate. If a certificate states that an assessment has been paid, such certificate shall be conclusive evidence of such payment.
- (e) Protect and defend the entire Subdivision from loss or damage by suit if otherwise and contract for the liability and hazard insurance to cover all assets owned by the Association as well as to represent the Association before all tax authorities in matters related to the tax status of the Subdivision and the Association. The Board of Directors and each Director shall be included as a named insured.

(f) Cause any or all officers or employees of the Association having fiscal responsibilities be bonded as it may deem appropriate.

(g) Borrow funds in order to pay for any expenditure or outlay required pursuant to the authority granted by the Articles of Incorporation and to execute all such instruments evidencing such indebtedness as the Board may deem necessary, and such indebtedness shall be the several obligation of all the Members equally; provided, however, that the Board shall not borrow more than five thousand (\$5,000.00) dollars or cause the Association to be indebted for more than ten thousand (\$10,000.00) dollars at any one time without prior approval of a majority of the Members of the Association.

(h) See to it the Common Area(s) are maintained; and

(i) Cause to have the books and records and all of the financial transactions of the Board and all officers agents and employees to be prepared and maintained in accordance with good accounting procedures and as may be required by law and subject to an audit if so commissioned by the Board or any Member.

Article VII

COMMITTEES

Section 7.01. Architectural Control. The Association shall appoint an Architectural Control Committee, as provided in the Covenants. If the Board does not appoint an Architectural Control Committee, the Board shall act as the Architectural Committee for all purposes.

Section 7.02. Other Committees. In addition, the Board shall appoint other committees as it shall deem appropriate in carrying out its purposes.

Article VIII

MEETINGS OF THE BOARD

Section 8.01. Regular Meetings. A regular annual meeting of the Board shall be held immediately following the annual meeting of the Members. Other regular meeting of the Board shall be held monthly at such place and hour as may be fixed from time to time by resolution of the Board. Should any such meeting fall upon a weekend day or legal holiday, then that meeting shall be held at the same time on the next day which is not a weekend day or legal holiday. Notice shall be given as prescribed by law.

Section 8.02. Special Meetings. Special meetings of the Board 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 8.03. Quorum. Three (3) 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 of the Board at which a quorum is present shall be regarded as the act and deed of the Board.

Section 8.04. Action Without Meeting. Any action required or permitted to be taken at a meeting of the Board may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all of the Members of the Board. Each consent signed by all the

Members of the Board in accordance with the provisions hereof shall be filed with the minute of the meeting of the Board, shall have the same force and effect for all purposes as a unanimous vote of the Board at a meeting thereof lawfully called and held, and may be stated as such in any instrument or document filed with the Secretary of State of the State of Texas or delivered to any other person whatsoever. Any such consent may be in more than one counterpart. So long as each Director signs one of the counterparts. All such actions without meetings shall conform to the requirements of Chapter 209 of the Texas Property Code.

Section 8.05. Organization. The President of the Association or in his absence, any Vice President of the Association shall preside as chairman at all regular or special meeting of the Board. The Secretary of the Association or any Assistant Secretary thereof shall be present at all regular or special meetings of the Board, whether or not a Director of the Association, and shall keep written minutes of the meeting. The minutes of each meeting of the Board shall be place in the minute book of the Association.

Article IX

MEETINGS AND MEMBERS

Section 9.01. Annual Meetings. Unless otherwise called by a notice of annual meeting by the Board of Directors of the Association, annual meetings of the Members shall be held on the first Monday of August of each year, at the hour to be determined by the Board of Directors, at the Clubhouse located at 4907 Lancashire Rd, Midland, Tx. If the day otherwise set hereunder for the annual meeting of the Members is a weekend day or legal holiday, the meeting will be held at the same hour on the next day which is not a weekend day or legal holiday.

Section 9.02. Special Meetings. Special meetings of the Members may be called at any time by the President or by the Board or upon written request of one-fourth (1/4) of all Members who are entitled to vote.

Section 9.03. Notice of Meetings. Written notice of all meetings of the Members shall be given by the Secretary or person authorized to call the meeting, by either (i) mailing a copy of such notice, postage prepaid, at least ten (10) days but not more than sixty (60) days before the scheduled date of such meeting to each Member entitled to vote thereat, addressed to each Member's address last appearing on the books of the Association, or supplied by such Member of the Association for the purpose of notice or (ii) posting such notice on the website of the Association or on the door of the clubhouse of the Association and emailing such notice to each resident who maintains a current email address with the Association. 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. The failure of any Member to receive a notice prescribed by this section shall not in and of itself invalidate the meeting. The Board of Directors may recess any meeting, including an annual meeting of the Members, to a time and place and on a date announced in any open meeting properly noticed hereunder without the requirement of a new notice being issued.

Section 9.04. Quorum and Proxy. The presence at the meeting of Members or, in their absence, their written proxies which shall in the aggregate be entitled to cast fifty-one percent (51%) of the votes shall constitute a quorum for any action. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have the power to recess the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or be represented. At any recessed meeting at which a quorum is

present or represented, any business may be transacted which might have been transacted at the meeting as originally notified. Once a quorum is determined to be present at any meeting of the Members, the subsequent withdrawal therefrom of any Member or Members shall not extinguish the quorum, and the Members remaining and/or remaining represented may continue to transact business until adjournment. 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 otherwise provided therein to be irrevocable and unless otherwise made irrevocable by law. All proxies shall be filed with the Secretary prior to commencement of any voting.

Section 9.05. Voting Rights. The Association shall have one class of voting membership. The owner of any whole lot shall be entitled to one vote for that property. An owner of more than one lot is entitled to votes equal to the whole number of his total lots. If a Lot is owned by more than one person or entity ("joint owners"), all such joint owners shall be Members but only one vote shall count for the Lot. The first joint owner to cast a vote by absentee, by electronic vote, or by proxy for such meeting shall be deemed the voter of the membership interest until and unless a joint owner appears in person to cast a vote, in which case such joint owner appearing in person shall be deemed the voter of the membership interest for such Lot. The Board shall not be responsible for disputes between joint owners.

Article X

BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by the Member. The Covenants (or copies thereof), the Article of Incorporation and the Bylaws of the Association shall be available for inspection by any Member at the principal office of the Association where copies of said documents may be obtained by Members at their expense.

Article XI

ASSESSMENTS

As more fully provided in the Covenants each Member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the Lot against which each assessment is made. Any assessments which are not paid when due shall be delinquent. If any assessment is not paid within thirty (30) days after its due date, the assessment shall bear the maximum legal interest from the date of delinquency, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the Lot, and interest, costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No owner may waive or otherwise escape liability for the assessments provided for herein by reason of his lack of use of the Common Area(s) or by reason of his abandonment of his Lot.

Article XII

INDEMNIFICATION

Section 12.01. Suit Against Association. The Association shall indemnify any Director or former Director of the Association for expenses and costs (including Attorney's fees) actually and necessarily incurred by connection with any claim asserted against the Director, by action in court

or otherwise, by reason of the Director being or having been such Director, except in relation to matters as to which Director shall have been guilty of negligence or misconduct in respect of the matter in which indemnity is sought.

Section 12.02. Suit by or in Right of Association. The Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action of suit by or in the right of the Association to procure a judgement in its favor by reason of the fact that they are or were a Director of the Association against expenses (including Attorney's fees) actually and reasonably incurred by the Director in connection with such action or suit if the Director acted in good faith and in a manner the Director reasonably believed to be in or not opposed to the best interests of the Association and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of their duty to the Association unless and only to the extent that the appropriate court of the State of Texas or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the appropriate court of the State of Texas or such other court shall deem proper.

Section 12.03. Advance for Expenses. Expenses incurred in connection with any claim for which indemnity is provided under this Article 12, may be paid by the Association in advance of the final disposition of such action, suit, or proceeding, upon receipt of an undertaking by or on behalf of the Director to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Association as authorized in this Article.

Section 12.04 Other Rights. The indemnification provided by this Article 12 shall not be deemed exclusively of any other rights to which those indemnified may be entitled under any other rights, to which those indemnified may be entitled under any other Bylaw, agreement, vote or Members or otherwise, both as to actions in his official capacity and as to actions in another capacity while holding such office, and shall continue as to a person who had ceased to be a Director and shall inure to the benefit of the heirs, executors, and administrators of such person.

Section 12.05. Insurance. The Association may purchase and maintain insurance on behalf of any person who is or was a Director of the Association against any liability asserted against the Director and incurred by the Director in any such capacity, or arising out the status as such, whether or not the Association would have to the power to indemnify him against such liability under the provision of this Article or the Texas Business Organizations Code.

CERTIFICATION

I, the undersigned, do hereby certify,

That I am the duly elected and acting Secretary of the SADDLE CLUB SOUTH HOMEOWNERS ASSOCIATION and I maintain the records of the Association and that the foregoing Bylaws constitute the current Bylaws of said Association, as duly adopted at a meeting of the Members thereof, held on the 6 day of August 2018; and

The forgoing Bylaws have not since been modified, repealed, amended or rescinded.

IN WITNESS THEREOF, I have hereunto subscribed my name this 13 day of August 2018.

Cheryl Welsh

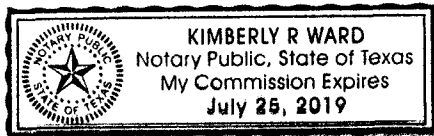
Secretary

ACKNOWLEDGEMENT

THE STATE OF TEXAS

COUNTY OF MIDLAND

The foregoing instrument was acknowledged before me on the 13th day of August, 2018 by Cheryl Welsh, Secretary of SADDLE CLUB SOUTH HOMEOWNERS ASSOCIATION, on behalf of said Association.



Kimberly R. Ward

NOTARY PUBLIC IN AND FOR THE

STATE OF TEXAS