

BYLAWS
OF
QUAIL HOLLOW WESTLAKE HOMEOWNERS ASSOCIATION, INC.

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**BYLAWS
OF
QUAIL HOLLOW WESTLAKE HOMEOWNERS ASSOCIATION, INC.**

**Article I
Name, Principal Office and Definitions**

Section 1.1. Name. The name of the Association shall be **QUAIL HOLLOW WESTLAKE HOMEOWNERS ASSOCIATION, INC.** (the "Association").

Section 1.2. Principal Office. The principal office of the Association in the State of Texas shall be located in Tarrant County. The Association may have such other offices, either within or outside the State of Texas, as the Board may determine or as the affairs of the Association may require.

Section 1.3. Definitions. The words used in these Bylaws shall be given their ordinary, commonly understood definitions. Capitalized terms shall have the same meaning as set forth in the Declaration of Covenants, Conditions and Restrictions for Quail Hollow (said Declaration, as amended, renewed or extended from time to time, is hereinafter sometimes referred to as the "Declaration"), unless the context shall otherwise require.

**Article II
Association: Membership, Meetings, Quorum, Voting, Proxies**

Section 2.1. Membership. Each Owner of a Lot shall be a Member of the Association, as more fully set forth in the Declaration. The provisions of the Declaration pertaining to membership are specifically incorporated herein by reference.

Section 2.2. Place of Meetings. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the Members as the Board may designate.

Section 2.3. Annual Meetings. Annual meetings shall be set by the Board so as to occur during the second quarter of the Association's fiscal year on a date and at a time set by the Board.

Section 2.4. Special Meetings. The President may call special meetings. In addition, it shall be the duty of the President to call a special meeting if so directed by resolution of a majority of the Board or upon a petition signed by Members representing at least ten percent (10%) of the total votes of the Association.

Section 2.5. Notice of Meetings. Written or printed notice stating the place, day and hour of any meeting of the Members shall be delivered, either personally, by mail or by

electronic mail, to each Member not less than ten (10) nor more than sixty (60) days before the date of such meeting, by or at the direction of the President or the Secretary or the officers or persons calling the meeting. Each Member must keep an updated electronic mail address registered with the Association.

In the case of a special meeting or when required by statute or these Bylaws, the purpose or purposes for which the meeting is called shall be stated in the notice. No business shall be transacted at a special meeting except as stated in the notice.

If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the Member at his address as it appears on the records of the Association, with postage thereon prepaid. If electronically mailed, the notice of a meeting shall be deemed to be delivered when the Association electronically transmits the notice to the Member's registered electronic mail address as it appears on the records of the Association.

Section 2.6. Waiver of Notice. Waiver of notice of a meeting of the Members shall be deemed the equivalent of proper notice. Any Member may, in writing, waive notice of any meeting of the Members, either before or after such meeting. Attendance at a meeting by a Member shall be deemed waiver by such Member of notice of the time, date and place thereof, unless such Member specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting also shall be deemed waiver of notice of all business transacted unless an objection on the basis of lack of proper notice is raised before the business is put to a vote.

Section 2.7. Adjournment of Meetings. If any meeting of the Association cannot be held because a quorum is not present, one additional meeting may be called, subject to the notice requirements set forth in Section 2.5, and the required quorum at such second meeting shall be one-half (1/2) of the required quorum at the preceding meeting; provided, however, that no such second meeting shall be held more than sixty (60) days following the first meeting.

The Members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum, provided that any action taken is approved by Members representing at least a majority of the votes required to constitute a quorum.

Section 2.8. Voting Rights. The voting rights of the Members shall be as set forth in the Declaration and these Bylaws, and the Declaration's voting rights provisions are specifically incorporated herein.

Section 2.9. Voting Methods. Unless otherwise provided in the Declaration, Bylaws, or Certificate of Formation (collectively, the "Governing Documents"), Members may vote by one or more of the following methods: in person, by proxy, by absentee ballot or by electronic ballot. The Association is not required to provide Members with more than one voting method; provided, however, Members must be allowed to vote by absentee ballot or by proxy. Electronic ballot means a ballot given by (i) electronic mail, (ii) facsimile, or (iii) posting on an Internet

website, for which the identity of the Member can be confirmed and for which the Member may receive a receipt of the transmission and receipt of the Member's ballot. All proxies, absentee ballots and electronic ballots shall be in writing, dated, signed by the Member and filed with the Secretary or other person designated by the Board to receive proxies/ballots before the appointed time of each meeting. The Board may elect to allow Members to cast their votes by secret ballot. If so elected, the Board shall take measures to reasonably ensure that (i) a Member cannot cast more votes than the Member is eligible to cast in an election or vote; (ii) the Association counts each vote cast by a Member that the Member is eligible to cast; and (iii) in any election for the Board, each candidate may name one person to observe the counting of the ballots, provided that this does not entitle any observer to see the name of the person who cast any ballot, and that any disruptive observer may be removed from the area where the ballots are being counted. Each proxy must also identify the proxy holder and the purpose of the meeting for which the proxy is given. If an electronic ballot is posted on an Internet website, a notice of the posting shall be sent to each Member that contains instructions on obtaining access to the website posting. Proxies and absentee ballots shall be deemed to have been filed upon the Secretary's or other designated person's receipt of the proxy/absentee ballot by mail, facsimile or hand delivery. Ballots cast electronically shall be deemed to have been filed upon the Secretary's or other designated person's receipt of the electronic ballot as evidenced by a facsimile confirmation receipt or an electronic transmission receipt. The Board may establish rules governing when ballots must be filed with the Association in order to be valid for use at a meeting. Electronic ballots which are electronically mailed from the Member's registered electronic mail address shall be deemed to be signed by the Member.

Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of such Member's Lot, or upon receipt of notice by the Secretary of the death or judicially declared incompetence of a Member, or of written revocation, or upon the expiration of eleven (11) months from the date of the proxy. Any proxy designated for a meeting which is adjourned, recessed or rescheduled, is valid for the reconvened meeting unless the proxy is revoked or terminated in writing prior thereto.

Section 2.10. Majority. As used in these Bylaws, the term "majority" shall mean those votes, owners or other group, as the context may indicate, totaling more than fifty percent (50%) of the total number.

Section 2.11. Quorum. The presence in person, by proxy, by absentee ballot or by electronic ballot of Members representing at least ten percent (10%) of the votes of all Members and, until expiration of the Development Period, the presence of a duly appointed representative of the Declarant shall constitute a quorum at all meetings of the Association. Absentee or electronic ballots may be counted towards a quorum only for items appearing on the ballot.

Section 2.12. Conduct of Meetings. The President shall preside over all meetings of the Association, and the Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting, as well as a record of all transactions occurring at the meeting.

Section 2.13. Telephonic and Electronic Meetings. Subject to Board approval, Members of the Association may participate in and hold meetings of the Members by means of conference telephone or similar communications equipment, or another suitable electronic communications system, including videoconferencing technology or the Internet, or any combination, if the telephone or other equipment or system permits each person participating in the meeting to communicate with all other persons participating in the meeting. If voting or an election is to take place outside of a meeting, including voting by electronic or telephonic means, the Board must (i) provide notice of the election or vote to all Members entitled to vote on any matter under consideration not later than the 20th day before the latest date on which a ballot may be submitted to be counted, (ii) implement reasonable measures to verify that every person voting at the meeting by means of remote communications is sufficiently identified; and (iii) keep a record of any vote or other action taken. Participation in the meeting constitutes 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 2.14 Adjournment of Meeting. At any meeting of the Association, at which a quorum is present, a majority of the Members present at the meeting, either in person or by proxy, may move to adjourn the meeting to another time or place.

Section 2.15 Recount of Votes. A Member may request a recount of the votes cast by the Members at a meeting no later than the 15th day after the later of (i) the date of the meeting of Members at which the election or vote was held, or (ii) the date of the announcement of the results of the election or vote. A demand for a recount must be submitted in writing either by verified mail or by delivery by the United States Postal Service with signature confirmation service to the Association's mailing address as reflected on the certificate required to be recorded pursuant to Section 209.004 of the Texas Property Code (the "Code") (the "Management Certificate"); or in person to the managing agent as reflected on the latest Management Certificate or to the address to which absentee and proxy ballots are mailed. Upon the Board's timely receipt of a written request for a recount, the Board shall estimate the costs for performance of the recount by a person qualified to tabulate votes under the Code and must send an invoice for the estimated costs to the requesting Member at the Member's last known address according to the Association's records not later than the 20th day after the date the Association receives the Member's demand for the recount. The Member demanding a recount must pay the invoice in full to the Association on or before the 30th day after the date the invoice is sent to the Member. If the invoice is not paid by the deadline prescribed above, the Member's demand for a recount is considered withdrawn and a recount is not required. If the estimated costs are lesser or greater than the actual costs, the Association shall send a final invoice to the Member on or before the 30th business day after the date the results of the recount are provided. If the final invoice includes additional amounts owed by the Member, any additional amounts not paid to the Association before the 30th business day after the date the invoice is sent to the Member may be added to the Member's account as an assessment. If the estimated costs exceed the final invoice amount, the Member is entitled to a refund. The refund shall be paid to the Member at the time the final invoice is sent under this Section 2.15.

Following receipt of payment of the invoice for the cost of the recount, the Association shall engage the services of a person qualified to tabulate the votes. This person must (i) not be a Member of the Association or related to a Member of the Board; and (ii) be a current or former county judge, county elections administrator, justice of the peace, county voter registrar, or a person mutually agreed upon by the Board and each requesting Member. On or before the 30th day after the date of receipt of payment for the recount the recount must be completed and the Association shall provide written notice of the results of the recount to each Member who requested the recount. If the recount changes the results of the election, the Association shall reimburse the requesting Member for the cost paid by the Member for the recount not later than the 30th day after the date the results of the recount are provided. 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.

Article III

Board of Directors; Number, Term, Powers, Meetings

A. Composition and Selection.

Section 3.1. Governing Body; Composition. The affairs of the Association shall be governed by a Board, each of whom shall have one vote. Except with respect to directors appointed by the Declarant during the Class "B" Control Period, directors shall be Members. In the case of a Member which is not a natural person, the person designated in writing to the Secretary of the Association as the representative of such Member shall be eligible to serve as a director. Members who have been convicted of a felony or crime involving moral turpitude not more than twenty (20) years before evidence of such conviction is presented to the Board are ineligible to serve as a Director.

Section 3.2. Number of Directors. The Board shall consist of not less than three (3) nor more than five (5) persons. The initial Board shall consist of the three (3) persons named in the Certificate of Formation.

Section 3.3. Election and Term of Office. Subject to the provisions of this Section 3.3 below, the directors shall be selected by the Declarant acting in its sole discretion and shall serve at the pleasure of the Declarant until termination of the Class "B" Control Period. Notwithstanding any other provision contained herein:

(a) On or before the 120th day after the date that at least seventy-five percent (75%) of the total number of Lots that may be created and made subject to the Declaration have been conveyed to Members other than the Declarant or a Builder or whenever the Declarant earlier determines (but in no event later than the 10th anniversary of the date the Declaration was recorded), a meeting shall be held at which Members other than the Declarant shall be entitled to elect one of the directors (if the Board is comprised of 3 directors) or shall be entitled to elect two directors (if the Board is comprised of 5 directors). Directors elected by the Members other than Declarant shall be at-large directors. The remaining directors shall be appointees of the Declarant. The directors elected by the Members other than Declarant shall not be subject to

removal by the Declarant and each director shall be elected for a term of two (2) years or until the happening of the event described in Subsection (b) below, whichever is shorter. If such directors' terms expire prior to the happening of the event described in Subsection (b) below, successors shall be elected in the same manner for a like term.

(b) On or before the 120th day after termination of the Class "B" Control Period, the Association shall call a meeting at which the Members shall be entitled to elect the directors. If the Board is then comprised of three (3) directors, two (2) directors shall be elected for a term of two (2) years and one (1) director shall be elected for a term of one (1) year. If the Board is then comprised of five (5) directors, three (3) directors shall be elected for a term of two (2) years and two (2) directors shall be elected for a term of one (1) year. At the expiration of the initial term of office of each member of the Board of Directors and at each annual meeting thereafter, a successor shall be elected to serve for a term of two (2) years.

Section 3.4. Nomination and Election Procedures.

(a) Nominations. Nominations for election to the Board may be made from the floor, by written request of a Member to the Secretary, or by a committee designated by the Board to accept nominations, such as a Nominating Committee. The Nominating Committee, if created, shall consist of a chairman, who shall be a director, and two (2) or more Members. The Nominating Committee shall be appointed, if at all, by the Board not less than thirty (30) days prior to each annual meeting of the Members to serve a term of one (1) year or until their successors are appointed. At least ten (10) days before the date the Association disseminates absentee ballots or other ballots to the members for purposes of voting in a Board member election, the Association must provide notice to the Members soliciting candidates interested in running for a position on the Board. The notice must contain instructions for an eligible candidate to notify the Association of the candidate's request to be placed on the ballot and the deadline to submit the candidate's request. The deadline may not be earlier than the tenth (10th) day after the date the Association provides the notice required hereunder. The notice must be provided to the Members in the same method as provided in Section 3.9 of these Bylaws. Any Member whose nomination is received by the Secretary or other designated person or committee prior to the deadline to submit a request, shall be included on each absentee ballot or other ballot for a Board member election. Any Member whose nomination is received after this period as well as any Member nominated from the floor at the annual meeting shall be included among the nominees running for election to the Board. A change in the list of nominees after the date that the annual meeting notice is sent shall not constitute an amendment to the motion to elect directors. All candidates shall have a reasonable opportunity to communicate their qualifications to the Members and to solicit votes. The Board may adopt additional rules governing the procedures for the nomination of directors.

(b) Election Procedures. Each Member may cast all votes attributed to the Lots which such Member represents for each vacancy to be filled. A candidate, or his or her parent, child, brother, sister, grandparent, grandchild, great grandparent, great grandchild, aunt, or uncle may not count the votes for an election. A person who is authorized to count votes (or who performs a recount under Section 2.15) may not disclose to any other person how a Member voted;

provided, however, that in the event of a recount, the person conducting the recount may be provided access to the ballots for purposes of the recount. Each candidate for election to the Board may name one person to observe the counting of the ballots, provided that this does not entitle any observer to see the name of the person who cast any ballot, and that any disruptive observer may be removed from the meeting. There shall be no cumulative voting. That number of candidates equal to the number of positions to be filled and who receive the greatest number of votes shall be elected. The directors elected by the Members shall hold office until the expiration of his or her term and until his or her successor is duly elected and qualified. Directors may be elected to serve any number of consecutive terms.

Section 3.5. Removal of Directors; Vacancies. Any director elected by the Members other than the Declarant may be removed, with or without cause, by the vote of the Members holding a majority of the votes entitled to be cast for the election of such director. Directors appointed by the Declarant during the Class "B" Control Period shall not be subject to removal by the non-Declarant Members. Directors elected by the non-Declarant Members shall not be subject to removal by the Declarant. Any director whose removal is sought shall be given notice prior to any meeting called for that purpose. Upon removal of a director, a successor shall then and there be elected by the Members to fill the vacancy for the remainder of the term of such director.

If the Board is presented with written, documented evidence from a database or other record maintained by a governmental law enforcement authority that a Director was convicted of a felony or crime involving moral turpitude not more than twenty (20) years before the date the Board is presented with the evidence, then the Director shall be automatically disqualified from service on the Board, and a successor may be appointed by the Board to fill the vacancy for the remainder of the term.

In the event of the death, disability or resignation of a director elected by the Members other than Declarant, a vacancy may be declared by the Board, and it may appoint a successor to serve for the remainder of the term of such director. Alternatively, the Board may call for an election for the purpose of electing a successor to fill any such vacancy on the Board. In such case, the Members shall be entitled to elect a successor to serve for the remainder of the term of such director.

B. Meetings.

Section 3.6. Organizational Meetings. The first meeting of the Board following each annual meeting of the Membership shall be held at such time and place as shall be fixed by the Board. The Board shall announce the actions taken at the organizational meeting, including the election of officers, at the next Board meeting and record those actions in the minutes of that meeting.

Section 3.7. Regular Meetings. Regular meetings of the Board may be held at such time and place as shall be determined from time to time by a majority of the directors. Following expiration of the Class "B" Control Period, at least four (4) such meetings shall be held during

each fiscal year with at least one (1) per quarter and regular meetings, except those held by electronic or telephonic means, must take place in Tarrant County or in any county adjacent thereto. Notice of the date, time and place of the meeting shall be communicated to directors no less than four (4) days prior to the meeting; provided, however, notice of a meeting need not be given to any director who has signed a waiver of notice or a written consent to holding of the meeting.

Section 3.8. Special Meetings. Special meetings of the Board shall be held when called by written notice signed in person or electronically by the President or by any two (2) directors. The notice shall specify the date and time of the meeting, and if the meeting is held solely by using a conference telephone or other communication system, the location of the meeting, and the nature of any special business to be considered. Special meetings, except those held by electronic or telephonic means, must take place in Tarrant County or in any county adjacent thereto. The notice shall be given to each director by one of the following methods: (i) by personal delivery; (ii) written notice by first-class mail, postage prepaid; (iii) by telephone communication, either directly to the director or to a person at the director's office or home who would reasonably be expected to communicate such notice promptly to the director; or (iv) by electronic mail, facsimile, computer, fiber-optics or other communication device. All such notices shall be given at the director's telephone number, facsimile number, registered electronic mail address, or sent to the director's address as shown on the records of the Association. Notices sent by first-class mail shall be deposited into a United States mailbox at least four (4) days before the time set for the meeting. Notices given by personal delivery, telephone, text message, electronic mail or other device shall be delivered or transmitted at least seventy-two (72) hours before the time set for the meeting.

Section 3.9. Notice to Members of Board Meetings. Except as provided in Section 3.10, notice of the date, time, place, and general subject matter, including a general description of matters to be considered in executive session, of each Board meeting shall be given to each Member by one of the following methods: (i) by personal delivery of written notice; (ii) written notice by first-class mail, postage prepaid; (iii) by posting notice in a conspicuous manner in the community on the Common Area or on privately-owned property with the property owner's consent **and** by electronic mail to each Member who maintains a registered electronic mail address with the Association; or (iv) by posting notice on a website, if any, maintained by or on behalf of the Association **and** by electronic mail to each Member who maintains a registered electronic mail address with the Association. It is each Member's duty to keep an updated electronic mail address registered with the Association at all times. All such notices shall be given at the Member's mailing address or registered electronic mail address as shown on the records of the Association. Notices sent by personal delivery or by first-class mail shall be delivered or sent at least ten (10) days before the date of the meeting but not more than sixty (60) days before the date of the meeting. Notices posted in the conspicuous community location or on the Association's website shall be posted at least seventy-two (72) hours before the start of the meeting. Notices given by electronic mail shall be transmitted at least seventy-two (72) hours before the time set for the meeting.

Section 3.10. Action Outside Meeting. Except as provided in this Section 3.10 below, the Board may take action outside a meeting, including voting by electronic or telephonic means, without prior notice to the Members pursuant to Section 3.9 if each Director is given a reasonable opportunity to express the Director's opinion to all other Directors and to vote. Participation in a meeting pursuant to this subsection shall constitute presence in person at such meeting. Any action taken without notice to Members must be summarized orally, including an explanation of any known actual or estimated expenditures approved at the meeting, and documented in the minutes of the next regular or special Board meeting.

Notwithstanding the above, the Board may not, unless done in an open meeting for which prior notice was given to the Members under Section 3.9, consider or vote on: (i) fines; (ii) damage assessments; (iii) initiation of foreclosure actions; (iv) initiation of enforcement actions (except actions that seek the issuance of a temporary restraining order or that relate to violations involving a threat to health or safety); (v) increases in assessments; (vi) levying of special assessments; (vii) appeals from a denial of architectural review approval; (viii) a suspension of a right of a particular Member; (ix) lending or borrowing money; (x) the adoption or amendment of a dedicatory instrument; (xi) the approval of an annual budget or the approval of an amendment of an annual budget that increases the budget by more than ten percent (10%); (xii) the sale or purchase of real property; (xiii) the filling of a vacancy on the Board; (xiv) the construction of capital improvements other than the repair, replacement, or enhancement of existing capital improvements; or (xv) the election of an officer.

Section 3.11. Board Meetings During Development Period. Notwithstanding any other provision contained in these Bylaws to the contrary, during the Development Period, the Board may (i) meet without notice to the Members, (ii) close the Board meeting to Members, and (iii) meet in any county or state other than Tarrant County, Texas. In addition, during the Development Period, the Board is not required to meet in person for any reason, unless a Board meeting is conducted for the purpose of: (i) adopting or amending the Governing Documents; (ii) increasing the amount of the regular assessment or adopting or increasing a special assessment; (iii) electing non-developer Board members or establishing a process by which those members are elected; or (iv) changing the voting rights of the Members.

Section 3.12. Waiver of Notice. Notice of a Board meeting is not required to be given to a director or Member entitled to notice if the director or Member signs a written waiver of notice of the meeting either before or after the meeting. The waiver of notice or consent need not specify the purpose of the meeting. Attendance or participation of a director or Member at a meeting constitutes a waiver of notice of the meeting, unless the director or Member attends a meeting for the sole purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened. Attendance or participation of a director or a Member at a meeting constitutes a waiver of notice of a particular matter at the meeting that is not included in the purposes of the meeting described in the notice, unless the director or Member objects to considering the matter when it is presented.

Section 3.13. Telephonic and Electronic Meetings. Members of the Board or any committee may participate in a meeting of the Board or committee, respectively, by means of

conference telephone, or similar communications equipment, or another suitable electronic communications system, including videoconferencing technology or the Internet, or any combination, if (i) the telephone or other equipment or system permits each director to hear and be heard by every other director. Except for telephonic or electronic Board or committee meetings conducted during the Development Period or any portion of a Board or committee meeting conducted in executive session, telephonic or electronic meetings must permit all Members in attendance to hear all directors, and Members are allowed to listen using electronic or telephonic communication method used or expected to be used by a director to participate, and the notice of the meeting includes instructions for Members to access any communication method required to be accessible hereunder.

Section 3.14. Quorum of Board. At all meetings of the Board, a majority of the directors, including at least one Declarant-appointed director if such meeting is held during the Class "B" Control Period, shall constitute a quorum for the transaction of business, and the directors present at a meeting at which a quorum is present shall constitute the decision of the Board. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for that meeting. If any meeting of the Board cannot be held because a quorum is not present, a majority of the directors who are present at such meeting may adjourn the meeting to a date and time not less than ten (10) nor more than sixty (60) days from the date the original meeting was called, subject to the notice requirements set forth in Section 3.9 and Section 3.10. At the reconvened meeting, if a quorum is present, any business which might have transacted at the meeting originally called may be transacted without further notice.

Section 3.15. Adjournments of Board Meetings. If the Board recesses a regular or special Board meeting to continue the following regular business day, the Board is not required to post notice of the continued meeting if the recess is taken in good faith and not to circumvent the right of Members to notice of and attend Board meetings. If a regular or special Board meeting is continued to the following regular business day, and on that following day the Board continues the meeting to another day, the Board shall give notice of the continuation in at least one manner prescribed by Section 3.9 within two (2) hours after adjourning the meeting being continued.

Section 3.16. Compensation. No director shall receive any compensation from the Association for acting as such unless approved by Members representing a majority of the total votes of the Association at a regular or special meeting of the Association; provided any director may be reimbursed for expenses incurred on behalf of the Association upon approval of a majority of the other directors.

Section 3.17. Conduct of Meetings. The President shall preside over all meetings of the Board, and the Secretary shall keep a minute book of meetings of the Board, recording therein all resolutions adopted by the Board of Directors and all transactions and proceedings occurring at such meetings.

Section 3.18. Open Meetings. Except as provided in Section 3.11 of these Bylaws, all meetings of the Board shall be open to all Members, but Members other than directors may not participate in any discussion or deliberation unless permission to speak is requested on his or her behalf by a director. In such case, the President may limit the time any Member may speak. Notwithstanding the above, the Board may adjourn any meeting of the Board and reconvene in executive session, excluding Members, to discuss the following matters: (i) personnel matters; (ii) pending or threatened litigation; (iii) contract negotiations; (iv) enforcement actions; (v) confidential communications with attorneys; (vi) matters involving the invasion of privacy of individual Members; or (vii) matters that are to remain confidential by request of the affected parties and agreement of the Board. The general nature of any business to be considered in executive session must first be announced at the open meeting. Any decision made or expenditure approved shall be orally summarized (including a general explanation of expenditures) at the meeting and recorded in the minutes of the meeting in such a manner as to protect the sensitive or confidential nature of the information discussed.

Section 3.19. Action Outside a Formal Meeting. Except with respect to those matters which must be considered or voted upon at an open meeting of the Board pursuant to Section 209.0051(h) of the Code, actions may be taken outside a meeting of the Board, and without prior notice to the Members, electronically or telephonically. The Board shall orally summarize any action taken outside a meeting, including an explanation of any known actual or estimated expenditures approved, at the next Board meeting and shall record those actions in the minutes of that next meeting.

C. Powers and Duties.

Section 3.20. Powers. The Board shall have all of the powers and duties necessary for the administration of the Association's affairs and, as provided by law, may do or cause to be done all acts and things as are not by the Governing Documents or by law directed to be done and exercised exclusively by the Members or the membership generally.

Section 3.21. Duties. The duties of the Board shall include, without limitation, the following:

(a) preparation and adoption, in accordance with the Declaration, of annual budgets in which there shall be established the contribution of each Owner to the Common Expenses;

(b) making assessments to defray the common expenses, establishing the means and methods of collecting such assessments, and establishing the period of the installment payments of the annual assessment; provided, unless otherwise determined by the Board, the annual assessment for each Lot's proportionate share of the common expenses shall be payable on January 1 of each year;

(c) providing for the operation, care, upkeep and maintenance of all of the Common Area;

(d) designating, hiring and dismissing the personnel necessary for the operation of the Association and the maintenance, operation, repair and replacement of its property and the Common Area and, where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies and materials to be used by such personnel in the performance of their duties;

(e) collecting the assessments, depositing the proceeds thereof in a bank depository which it shall approve and using the proceeds to operate the Association; provided, any reserve fund may be deposited in the directors' best business judgment, in depositories other than banks;

(f) making and amending rules and regulations;

(g) opening of bank accounts on behalf of the Association and designating the signatories required;

(h) making or contracting for the making of repairs, additions and improvements to or alterations of the Common Area in accordance with the other provisions of the Declaration and these Bylaws after damage or destruction by fire or other casualty;

(i) enforcing by legal means the provisions of the Governing Documents and bringing any proceedings which may be instituted on behalf of or against the owners concerning the Association;

(j) obtaining and carrying insurance against casualties and liabilities, as provided in the Declaration, and paying the premium cost thereof;

(k) paying the cost of all services rendered to the Association or its Members and not chargeable directly to specific Owners;

(l) keeping books with detailed accounts of the receipts and expenditures affecting the Association and its administration, specifying the maintenance and repair expenses and any other expenses incurred;

(m) making available upon written request to any prospective purchaser of a Lot, any Owner of a Lot, any First Mortgagee, and the holders, insurers and guarantors of a First Mortgage on a Lot, at the requesting parties' expense, current copies of the Governing Documents and all other books, records and financial statements of the Association; and

(n) permitting utility suppliers to use portions of the Common Area reasonably necessary to the ongoing development or operation of the Property.

Section 3.22. Management. The Board may employ for the Association a professional management agent or agents at a compensation established by the Board to perform such duties and services as the Board shall authorize. The Board may delegate to its managing agent or

manager, subject to the Board's supervision, all of the powers granted to the Board by these Bylaws. The management agent shall obtain and continue in effect during the term of the engagement, normal commercial insurance and crime insurance, naming the Association as an additional insured thereunder.

Section 3.23. Accounts and Reports. The following management standards of performance will be followed unless the Board by resolution specifically determines otherwise:

(a) accrual or cash accounting, as defined by generally accepted accounting principles, shall be employed;

(b) accounting and controls should conform to generally accepted accounting principles;

(c) cash accounts of the Association shall not be commingled with any other accounts;

(d) no remuneration shall be accepted by the managing agent from vendors, independent contractors or others providing goods or services to the Association, whether in the form of commissions, finder's fees, service fees, prizes, gifts or otherwise; anything of value received shall benefit the Association;

(e) any financial or other interest which the managing agent may have in any firm providing goods or services to the Association shall be disclosed promptly to the Board;

(f) an annual report consisting of at least the following shall be made available to all Members within one hundred twenty (120) days after the close of the fiscal year: (i) a balance sheet; (ii) an operating (income statement); and (iii) a statement of changes in financial position for the fiscal year. The annual report referred to above shall be prepared on an audited, reviewed or compiled basis, as determined by the Board, by an independent public accountant; provided, upon written request of any holder, guarantor or insurer of any First Mortgage on a Lot, the Association shall provide an audited financial statement at the expense of the requesting party.

Section 3.24. Borrowing. The Association shall have the power to borrow money for any legal purposes; provided the Board shall obtain the approval of a majority of the Class "A" Members, and, during the Development Period, the approval of the Declarant.

Section 3.25. Rights of the Association. With respect to the Common Area, and in accordance with the Certificate of Formation and the Declaration, the Association shall have the right to contract with any person for the performance of various duties and functions. Without limiting the foregoing, this right shall entitle the Association to enter into common management, operational or other agreements with trusts, condominiums, cooperatives and other owners or residents associations, both within and without the Property. Such agreements shall require the consent of a majority of the total number of directors of the Association.

Section 3.26. Enforcement. The Association shall have the power to impose sanctions, including the levying of fines, for violations of the Governing Documents. The failure of the Board to enforce any provision of the Governing Documents shall not be deemed a waiver of the right of the Board to do so thereafter or of the right to enforce any other violation.

(a) Notice. Except as provided below, prior to suspending an Owner's right to use the Common Area, filing suit against an Owner (other than a lawsuit to collect an assessment or related charge or to foreclose the Association's assessment lien), charging an Owner for property damage, or levying a fine for a violation of the Governing Documents, the Board or its delegate shall serve the alleged violator with written notice by certified mail, notifying the Owner of the following: (i) the nature of the alleged violation or property damage and the amount, if any, due the Association from the Member, (ii) a reasonable time period in which the violator may cure the violation and avoid the proposed sanction (unless the violator was given notice and a reasonable opportunity to cure a similar violation within the preceding six months, or unless the violation is incurable or poses a threat to public health or safety), (iii) that the Owner may present a written request for a hearing on or before the 30th day after the date the notice was mailed to the Owner, and (iv) notice that the owner "may have special rights or relief related to the enforcement action under federal law, including the Servicemembers Civil Relief Act (50 U.S.C. app. Section 501 *et seq.*), if the owner is serving on active military duty."

The notice and hearing provisions of this Section 3.26 do not apply if the Association files a suit seeking a temporary restraining order or temporary injunctive relief or files a suit that includes foreclosure as a cause of action.

(b) Hearing. If a hearing is requested within the allotted thirty (30) day period, the hearing shall be held before the Board in executive session. The alleged violator shall be afforded a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of proper notice shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the person who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed.

(c) Additional Enforcement Rights. Notwithstanding anything to the contrary herein contained, the Board may elect to enforce any provision of the Governing Documents by self-help (specifically including, but not limited to, the towing of vehicles that are in violation of parking restrictions or rules and regulations) or by suit at law or in equity to enjoin any violation or to recover monetary damages or both without the necessity of compliance with the notice and hearing procedure set forth above. In any such action, to the maximum extent permissible, the Owner or occupant responsible for the violation of which abatement is sought shall pay all costs, including reasonable attorney's fees actually incurred. Any entry onto a Lot for purposes of exercising this power of self-help shall not be deemed a trespass.

Article IV **Officers**

Section 4.1. Officers. The officers of the Association shall be a President, Vice President, Secretary and Treasurer, to be elected from among the members of the Board. The Board may appoint such other officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable, such officers to have the authority and perform the duties prescribed from time to time by the Board. Any two or more offices may be held by the same person, except the offices of President and Secretary.

Section 4.2. Election and Term of Office. The officers of the Association shall be elected annually by the Board at the first meeting of the Board following each annual meeting of the Members.

Section 4.3. Removal and Vacancies. Any officer may be removed by the Board whenever in its judgment the best interests of the Association will be served thereby. A vacancy in any office arising because of death, resignation, removal or otherwise may be filled by the Board for the unexpired portion of the term.

Section 4.4. Powers and Duties. The officers of the Association shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as may from time to time specifically be conferred or imposed by the Board. The President shall be the chief executive officer of the Association. The Treasurer shall have primary responsibility for the preparation of the budget as provided for in the Declaration and may delegate all or part of the preparation and notification duties to a finance committee, management agent or both.

Section 4.5. Resignation. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of the 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 4.6. Agreements, Contracts, Deeds, Leases, Checks, etc. All agreements, contracts, deeds, leases, checks and other instruments of the Association shall be executed by at least two (2) officers or by such other person or persons as may be designated by resolution of the Board.

Section 4.7. Compensation. Compensation of officers shall be subject to the same limitations as compensation of directors under Section 3.16.

Article V **Committees**

Section 5.1. General. Committees are hereby authorized to perform such tasks and to serve for such periods as may be designated by a resolution adopted by a majority of the directors present at a meeting at which a quorum is present. Each committee shall cooperate in

accordance with the terms of the resolution of the Board designating the committee or with rules adopted by the Board of Directors.

Article VI **Miscellaneous**

Section 6.1. Fiscal Year. The fiscal year of the Association shall be set by resolution of the Board. In the absence of a resolution, the fiscal year shall be the calendar year.

Section 6.2. Conflicts. If there are conflicts between the provisions of Texas law, the Certificate of Formation, the Declaration and these Bylaws, the provisions of Texas law, the Declaration, the Certificate of Formation and the Bylaws (in that order) shall prevail.

Section 6.3. Books and Records.

(a) Inspection by Mortgagees. Except for Confidential Records (as defined in Section 6.3(e) below), the books and records of the Association (including financial records) shall be made available for inspection and copying by any holder, insurer or guarantor of a First Mortgage on a Lot, or by the duly appointed representative of any of the foregoing, upon written request stating a proper purpose for the request. Such inspection shall take place during normal business hours at the office of the Association or at such other place within the Property as the Board shall prescribe. The cost, including copy charges, document retrieval charges and a reasonable administrative fee, shall be at the expense of the requesting party and may be required to be paid in advance of the inspection.

(b) Inspection or Production of Records. Each Member of the Association may submit a written request to the Board or its representative by certified mail to the address of the Association or authorized representative as listed on the most current management certificate filed of record, to either inspect the books and records of the Association (including financial records) identified in the request or to have the Association deliver those books and records identified in the request to the Member or to a person designated in a writing signed by the Member as the Member's agent, attorney or certified public accountant. Except for Confidential Records (as defined in Section 6.3(e) below), the Member may inspect or the Association must produce the books and records identified in the request. If the Member requests to inspect the Association's books and records, the Association must, on or before ten (10) business days of receipt of a request, send written notice of the dates and times during normal business hours that the Member may perform the inspection to the extent that those books and records are in the possession, custody or control of the Association. If the Member requests that the Association produce the books and records, the Association must, to the extent that those books and records are in the possession, custody or control of the Association, either (i) produce the records requested on or before ten (10) business days from the date of receipt of the request; or (ii) if the Association cannot produce records on or before ten (10) business days, inform the Member of that fact on or before the ten (10) business day time period and then produce the records on or before fifteen (15) business days of providing that notice.

(c) Inspection and Production Costs. The Association shall adopt and record a

records production and copying policy that prescribes the costs for compilation, production and copying of Association records in response to a Member's records request. Upon adoption and recordation of this policy, the Association may require the Member to pay, in advance, the estimated costs of the records inspection or production (subject to the cost limitations set forth under law). On or before the thirtieth (30th) business day following the completion of the document inspection or production, the Association shall send the Member a final accounting invoice for the inspection or production. If the actual costs exceed the estimated costs of the inspection or production, the Member must reimburse the Association on or before thirty (30) business days of the final accounting invoice. In the event that the Member fails to timely reimburse the Association, the unpaid balance of the invoice shall be added to and become a part of the Member's assessment obligation to the Association and a lien against the Member's Lot, and may be collected in the same manner as any other assessment payable to the Association. If the actual costs are less than the estimated costs of the inspection or production of records, the Association shall refund the excess amount to the Member on or before the thirtieth (30th) business day after the date that the Association sends the final accounting invoice.

(d) Inspection by Directors. Every director shall have the absolute right at any reasonable time to inspect all books, records and documents of the Association and the physical Property owned or controlled by the Association. The right of inspection by a director includes the right to make extracts and a copy of relevant documents at the expense of the Association.

(e) Confidential Records. Except as hereinafter provided, Members are not entitled to inspect or to have produced to them Confidential Records. For purposes of these Bylaws, Confidential Records shall mean and include records that identify a Member's covenant violation history, a Member's personal financial information (including payment and delinquency information) with the Association, a Member's contact information (other than the Member's address in the development), employee records, attorney's files and records relating to the Association (excluding invoices requested by a Member under Section 209.008(d) of the Texas Property Code), or documents constituting attorney work product or attorney client communications. If a Member whose records are the subject of another Member's inspection or production request consents in writing to the release of his or her Confidential Records, the Association must allow the requesting Member to inspect the Confidential Records or the Association must produce the Confidential Records. In addition, the Association must allow an inspection or must produce Confidential Records if so ordered by a court of competent jurisdiction.

Section 6.4. Notices. Unless otherwise provided in these Bylaws, all notices, demands, bills, statements or other communications under these Bylaws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by United States mail, first-class postage prepaid:

(a) if to a Member, at the physical address which the Member has designated in writing and filed with the Secretary or, at the Member's registered electronic mail address, or, if no such physical or electronic address has been designated or registered, at the address of the Lot of such Member; or

(b) if to the Association, the Board, or the managing agent, at the principal office of the Association or the managing agent, if any, or at the address listed in the most recent recorded management certificate, or at such other address as shall be designated by notice in writing to the Members pursuant to this Section.

Section 6.5. Amendment.

(a) By Declarant. During the Class "B" Control Period, the Declarant may unilaterally amend these Bylaws at any time and from time to time for any purpose.

(b) By Members. Except as provided above and otherwise specifically provided herein, these Bylaws may be amended only by the affirmative vote or written consent, or any combination thereof, of Members representing at least fifty-one percent (51%) of the total votes in the Association, and the consent of the Declarant until expiration of the Development Period. Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause. Any amendment to be effective must be recorded in the County Clerk Official Records of Tarrant County, Texas.

If an Owner consents to any amendment to the Declaration or these Bylaws, it will be conclusively presumed that such Owner has the authority so to consent and no contrary provision in any mortgage or contract between the Owner and a third party will affect the validity of such amendment.

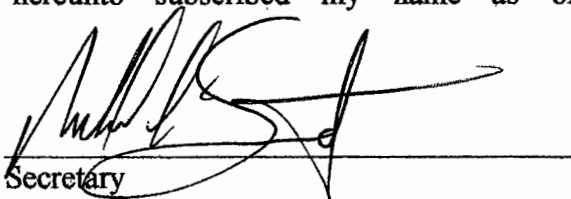
No amendment may remove, revoke or modify any right or privilege of the Declarant without the written consent of the Declarant (or the assignee of such right or privilege).

SECRETARY'S CERTIFICATE

I, the undersigned, am the duly elected and acting Secretary of QUAIL HOLLOW WESTLAKE HOMEOWNERS ASSOCIATION, INC., a Texas non-profit corporation, and I do hereby certify:

That the within and foregoing Bylaws were adopted as the Bylaws of said corporation as of the 6th day of June, 2016, that the same do now constitute the Bylaws of said corporation, and that they have not been modified, amended nor rescinded.

IN WITNESS WHEREOF, I have hereunto subscribed my name as of June 6th, 2016.


Secretary

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