

**BY-LAWS
OF
THE OAKS HOMEOWNERS ASSOCIATION, INC.**

ARTICLE I

NAME AND LOCATION

The name of the corporation is The Oaks Homeowners Association, Inc., (hereinafter referred to as "the Association"). The principal office of the Association shall be located at 3911 River Oaks, Temple, Texas, but meetings of members and directors may be held at such places within the State of Texas, as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 1. "Declaration" shall mean and refer to the Amended and Restated Declaration of Covenants, Conditions and Restrictions for The Oaks, a planned unit development to the City of Temple, Bell County, Texas, recorded in Volume _____, Page _____, Official Records of Bell County, Texas, and any amendments thereto. Terms used in these By-Laws shall have the same meaning as in the Declaration.

Section 2. "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration and Articles of Incorporation of the Association.

ARTICLE III

MEETING OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the members shall be held on JANUARY 21, 1992, at 5:30 p.m., and subsequent annual meetings shall be held on the first (1st) Tuesday in each January thereafter at 5:30 p.m.; if a legal holiday, then on the next succeeding business day.

Section 2. Special Meetings. Special meetings of the members may be called at any time by the President of the Association or Board of Directors, or upon written request of the members who are entitled to vote one-half (1/2) of all of the votes of the membership.

Section 3. Notice of Meetings. Unless otherwise required by the Declaration, no written notice will be required for the annual meetings of the members, and written notice of each special meeting of the members shall be given by the Secretary or person authorized to call the meeting. Unless otherwise required by the Declaration notice shall be mailed, postage prepaid, at least five (5) days before such meeting to each member entitled to vote. Notice shall be 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, date, hour and purpose of the meeting.

Section 4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-half (1/2) of the votes of the membership shall constitute a quorum for any action, except as otherwise provided in the Articles of Incorporation, Declaration or by these By-Laws. If however, a quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have the power to adjourn the meeting from time to time (without notice other than an announcement at the meeting) until a quorum shall be present or represented.

Section 5. Proxies. At the meetings, each member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. When the full fee interest in any lot is held by more than one person, and all such persons are members, then the vote for such lot shall be exercised in person or by

proxy as they, among themselves, determine, but in no event shall more than one vote be cast with respect to any lot. In the event that multiple persons are voting by proxy, each person's signature will be required on the proxy instrument. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of this lot.

Section 6. Written Consent in Lieu of Meetings. Any action required to be taken at any annual or special meeting of members of the Association, or any action which may be taken at any annual or special meeting of the members, may be taken without a meeting, with prior notice, and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the members having not less than the minimum number of votes that would be necessary to take such action at a meeting at which all members entitled to vote on the action were present and voted. Prompt notice of the taking of any action by the membership without a meeting by less than unanimous written consent shall be given to those members who did not consent in writing.

ARTICLE IV

BOARD OF DIRECTORS: SELECTION AND TERM OF OFFICE *KGA 7*

Section 1. Number and Term of Office. The number of Directors shall be six. If ownership of a lot vests in more than one person, only one of such owners shall serve as a director. At the first annual meeting the members shall elect two directors for a term to end one year after the next annual meeting of the members, two directors for a term to end two (2) years after the next annual meeting of the members, and two directors for a term to end three years after the next annual meeting of the members; and at each annual meeting thereafter, the members shall elect directors for terms of three years, as needed.

Section 2. Nomination. Nomination for the initial Directors of the Association shall be made from the floor at the first annual meeting of the members. Thereafter, nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at such annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors at least thirty (30) days prior to each annual meeting of the members. 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.

Section 3. 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 Articles of Incorporation and Declaration. The persons receiving the largest number of votes shall be elected.

ARTICLE V

MEETING OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held at such time and place as shall be designated from time to time, by resolution of the Board of Directors. ~~One of such regular meetings shall be held immediately after the adjournment of the annual meeting of the Association.~~ Should any of said meetings 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 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.

Section 4. Unanimous Consent. 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 shall be signed by all of the members of the Board, and such unanimous consent shall have the same force and effect as a unanimous vote at a meeting.

Section 5. Indemnification. The Association shall, to the fullest extent allowed by applicable law, including Article 2.02-1 of the Texas Business Corporation Act, as it may be amended from time to time, indemnify Directors of the Association for liability incurred in connection with service to the Association.

ARTICLE VI

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. Subject to and consistent with the Declaration, the Board of Directors shall have the power to:

(a) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws or the Articles of Incorporation or the Declaration; and

(b) declare the office of a member of the Board of Directors to be vacant in the event each such member shall be absent from three (3) consecutive regular meetings of the Board of Directors.

Section 2. Duties. It shall be the duty of the Board of Directors to cause to be kept a complete record of all its acts and 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 a majority of the members who are entitled to vote.

ARTICLE VII

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Association shall be a President, Vice President, Treasurer, and Secretary who shall at all times be members of the Board of Directors, and such other officers as the Board, 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 the officer shall sooner resign, be removed, or otherwise be 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 by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt 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 replaced.

Section 7. Duties. The duties of the officers are as follows:

(a) President. The president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; and shall sign all instruments on behalf of the Association.

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

(c) Secretary. 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 special meeting of the Board and of special meeting of the members; keep appropriate records showing the members of the Association together with their addresses; and perform such other duties as required by the Board.

(d) Treasurer. The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; keep proper books of accounts; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting. Copies of these documents shall be

available for purchase at a reasonable cost. The Treasurer shall also prepare and mail or deliver to the Members a monthly statement of receipts and disbursements.

Section 8. Checks. The signature of both the President and the Treasurer shall be required on all checks.

ARTICLE VIII

COMMITTEES

The Board of Directors shall appoint committees as deemed appropriate in carrying out its purposes.

ARTICLE IX

BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Articles of Incorporation and By-Laws of the Association, and the Declaration shall be available for inspection by any member at the principal office of the Association where copies may be purchased at a reasonable cost.

ARTICLE X

AMENDMENTS

Section 1. These By-Laws may be amended, at any annual or special meeting of the members, by a majority vote of a quorum of members present in person or by proxy.

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

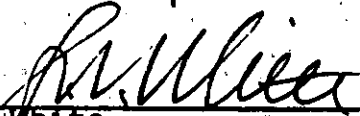
ARTICLE XI

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,

except that the initial fiscal year shall begin on the date of incorporation.

IN WITNESS WHEREOF, we, being all of the initial Board of Directors as named in Articles of Incorporation have hereunto set our hands this 24th day of JANUARY, 1992.


Sid White


Dana Gant Phillips


Clarice V. Kubala

