

BYLAWS
OF
THE OAKLANDS OWNERS ASSOCIATION, INC.
(A Texas Non-Profit Corporation)

ARTICLE I
NAME AND PRINCIPLE OFFICE

1.1 NAME AND ADDRESS. The name of the corporation shall be THE OAKLANDS OWNERS ASSOCIATION, INC. Its principal office shall be located at 700 Oak Park Drive, Round Rock, Texas 78681. Communications should be directed to the current President of the Association or the property management company; currently the Elliott System located at 4105 Medical Parkway, Austin, Texas 78756.

ARTICLE II
DEFINITIONS

2.1 ARCHITECTURAL CONTROL COMMITTEE. The Architectural Control Committee shall mean the committee created pursuant to the Declarations to review and approve plans for constructions of improvements upon the property and to ensure overall adherence to the property restrictions as defined in the Declarations.

2.2 ARTICLES. "Articles" shall mean the Articles of Incorporation of The Oaklands Owners Association, Inc.

2.3 ASSESSMENT. "Assessment" or "Assessments" shall mean the assessments levied by the Association under the terms and provisions of the Declarations.

2.4 ASSOCIATION. "Association" shall mean and refer to The Oaklands Owners Association, Inc., a Texas non-profit corporation.

2.5 ASSOCIATION PROPERTY. "Association Property" shall mean all real or personal property now or hereafter owned by or eased to the Association.

2.6 BOARD. "Board" shall mean the Board of Directors of the Association, and shall consist of both Directors.

2.7 BYLAWS. "Bylaws" shall mean the Bylaws of the Association which are adopted by the Board, as from time to time amended.

2.8 COMMON AREA. Common Area shall mean and refer to those areas within the property designated as common area on any plat of the Oaklands and held for the benefit of the owners of the Oaklands

2.9 DECLARATIONS. "declarations" shall mean the Amended and Restated Declaration of Covenants, Conditions and Restriction for The Oaklands, which have been or shall be filed of record in the Official Records of Williamson County, Texas, as it may be amended from time to time.

2.10 DIRECTOR. "Director" shall mean a member of the Board of Directors of the Association with full voting and decision making rights under these Bylaws.

2.11 IN GOOD STANDING. members shall be in good standing when all assessments and/or late charges are paid in full or less than 60 days delinquent.

2.12 LOTS. "Lot" or "Lots" shall mean any parcel or parcels or land within the Property shown as a subdivided lot on a Plat (as defined in the Declarations) of a subdivision out of the Property, together with all improvements located thereon.

2.13 MEMBER. "Member" or "Members" shall mean any persons, entity, or entities holding membership rights in the Association.

2.14 OWNER. "Owner" or "Owners" shall mean the persons, entity or entities, including Co-Declarant, holding a fee simple interest in any portion of the Property, but shall not include the Mortgagee (as defines in the Declarations) of a Mortgage (as defined in the Declarations).

2.15 PROPERTY. "Property" shall mean and refer to The Oaklands, Sections One-A, One-B, Two, Three-A and Three-B, subdivisions and tracts of land in Williamson County, Texas, all as more particularly described on Exhibits "A" and "B" of the Declarations.

ARTICLE III
PURPOSES, DUTIES, and POWERS

3.1 PURPOSES. The purpose for which this Association is formed are the civic and social benefit, the betterment, and the protection of the residents and Owners of Lots in the Oaklands.

3.2 DUTIES and POWERS. The Association shall have the duties and powers as defined in Article V of the Declarations.

ARTICLE IV
REGISTERED OFFICE AND AGENT

4.1 OFFICE AND AGENT. The Association shall have and continuously maintain in the State of Texas a registered office and a registered agent, whose office is identical with such registered office, as required by the Texas Non-Profit Association Act. The registered office may be, but need not be, identical with the principal office in the State of Texas, and the address of the registered office may be changed from time to time by the Board.

ARTICLE V
MEMBERSHIP, VOTING RIGHTS, MEETINGS AND ASSESSMENTS

5.1 MEMBERSHIP. Every person or entity who is an Owner of a fee or undivided fee interest in a Lot shall be a Member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from any ownership of a Lot. Ownership of such Lot shall be the sole qualification for membership.

5.2 VOTING RIGHT. All Members in good standing shall have the right to cast one (1) vote per lot.

5.3 ANNUAL MEETINGS. The annual meeting of the Members shall be the November Board of Directors meeting of each year. All annual meetings of the Members shall be held at the Oaklands Clubhouse located at 700 Oak Park Dr. in the Oaklands, unless otherwise determined by the Board. No notice of the annual meetings shall be necessary,

5.4 SPECIAL MEETINGS. Special meetings of the Members shall be held at the Oaklands Clubhouse, or at such other places as may be designated in the notice of waiver or waivers of notice of the respective meetings. Special meetings of the Members may be called by the President of the Association or by a majority of the Directors. Written notice of each special meeting shall state the time and place thereof and indicate briefly the purpose or purposes thereof. Notice of meetings of the Members may be sent by mail, postage paid, or telegram or may be delivered by the Secretary, the President, Vice President, or the officers or persons calling the meeting, directly to the Members of the Association, at their respective addresses, as shown by the records of the Association, at least thirty (30) and not more than fifty (50) days prior to the date set for the holding of the meeting. Unless otherwise indicated in the notice or waiver or waivers of notice thereof, any and all business may be transacted at any annual or special meeting of the Members,

5.5 QUORUM. Except as otherwise provided, Members holding one-tenth (1/10) of the votes entitled to be cast, either in person or by proxy, shall constitute a quorum for all purposes at any meeting of the Members. If the number of Members necessary to constitute a quorum at any annual or special meeting is not present in person or by proxy, the Members may adjourn such meeting from time to time without notice until the number requisite to constitute a quorum shall be present in person or by proxy. At any such adjourned meeting at which a quorum

may be present, in person or by proxy, any business may be transacted which might have been transacted at the meeting as originally noticed or called.

5.6 ASSESSMENT CHANGES. Changes in the regular assessments will be by the Board of Directors per Section 6.04 of the Declarations. The assessment for the upcoming year will be declared at the Annual Meeting.

5.7 PRESIDING OFFICER. The President of the Association, or in his absence, a Vice President of the Association, shall call the Member meetings to order and in addition shall act as Chairman. In the absence of the President and a Vice President of the Association, the Members present may appoint a Chairman. The Secretary of the Association, shall act as Secretary of all meetings of the Members but in the absence of the Secretary, the presiding officer may appoint any person to act as Secretary of the meeting.

5.8 VOTING. At all meetings of Members, all questions, except those expressly governed by statute, by these Bylaws, by the Articles or by the Declarations, shall be decided by a simple majority of the votes of the Members having a right to vote pursuant to Section 5.2 above, as applicable, present in person or by proxy at a meeting duly called with a quorum present. All voting shall be by voice, except that, upon the determination of the presiding officer of any meeting or upon the demand of any Member or his proxy, voting may be by secret ballot. Each ballot shall be signed by the Member voting or by his proxy. Cumulative voting for Directors is expressly prohibited. All voting shall be by Members in person or by proxy as allowed by statute.

5.9 INFORMAL ACTION. The Association may act, with or without a meeting, on any issue on which a vote of the Members is required by obtaining the written consent of Members having the requisite majority of all of the eligible outstanding votes of Members of the Association.

ARTICLE VI BOARD OF DIRECTORS

6.1 POWERS. The business of the Association and Association Property shall be managed and controlled by the board and shall be subject to the restrictions imposed by law, by the Articles, by these Bylaws and by the Declarations. The Board may exercise all of the powers of the Association, may delegate for the Association all powers, duties and authority vested in or delegated to this Association and not otherwise reserved to the Membership by other provisions of these Bylaws, as the Board may determine necessary, advisable or convenient to effectuate and perform the purposes, powers, provisions and duties which are provided in the Declarations, Articles, and these Bylaws and may perform any and all duties imposed on or powers allowed to the Board by applicable law.

6.2 NOMINATION. Nomination for election of Directors to the Board shall be made by a Nominating Committee (hereinafter defined). Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a Member of the Board, and two (2) or more Members of the Association. The Nominating Committee shall be appointed by the Board prior to each annual meeting of the Members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Nomination shall be to the general board and not to specific offices. Such nominations may be made from among Members or non-members who are residents of the State of Texas. *amend 6.2*

6.3 NUMBER AND TENURE. There shall be a minimum of five (5) Directors and a maximum of ten (10). Each Director shall be elected by secret ballot for a term of two (2) year at the annual meeting of the Members of the Association. Each Director shall be elected to hold office and serve for two (2) years or until their successor shall be elected, and shall duly qualify. Term of office shall commence the first day of January following the annual meeting. Beginning in 1996 (per the November 1995 annual meeting) three of the Directors (the President, Vice-

president, and Communication Director) shall serve one year terms. The remaining Directors (the Treasurer and Secretary) shall serve two (2) year terms. Beginning in 1997 all Directors shall serve two (2) year terms.

Any Director may be removed from the Board for cause, by a majority of the votes entitled to be cast by those Members present in person or represented by proxy at a meeting of the Members at which a quorum is present, provided that notice of the intent to act upon such matter was given in the notice calling such meeting. In the event of death, resignation or removal of a Director, his successor shall be selected by the remaining Members of the Board and shall serve for the un-expired term of his predecessor. *The* Directors need not be Members of this Association.

6.4 PLACE OF MEETINGS. The Directors may hold their meetings and have offices and keep the books of the Association, except as otherwise provided by statute, at the office of the Association.

6.5 COMPENSATION- No Director shall receive compensation for any service they may render to the Association. However, any Director may be reimbursed for his actual reasonable expenses incurred in the performance of his duties.

6.6 FIRST MEETING. At the first meeting of the Board in each year at which a quorum of the Board is present, the Board shall proceed to the election of the officers of the Association. No notice or waiver of notice of any such first meeting shall be required or necessary if it is held immediately after either the annual meeting or the adjourned annual meeting of the Members, and any and all business of any nature or character may be transacted at such first meeting.

6.7 REGULAR MEETINGS. Regular meetings of the Board shall be held at such time and place as shall be designated, from time to time, by resolution of the Board. Notice of such regular meetings shall not be required.

6.8 SPECIAL MEETINGS, Special meetings of the Board shall be held whenever called by the President or a majority of the Directors in office. Notice of each special meeting shall be given by any officer of the Association by telegraph, mail, telephone or personal delivery to each Director at his residence or usual place of business at least three (3) days prior to the meeting. Unless otherwise indicated in the notice thereof, any and all business may be transacted at a special meeting. At any meeting at which every Director shall be present, even though without any notice, any business may be transacted

6.9 ACTION TAKEN WITHOUT A MEETING. The Directors shall have the right to take any action without a meeting which they could take at a meeting by obtaining the written consent of all of the Directors. Any action so approved shall have the effect as though taken at a meeting of Directors.

6.10 QUORUM. The majority of the Directors then in office shall constitute a quorum for the transaction of business, but if at any meeting of the Board there is less than a quorum present, the majority of those present may adjourn the meeting from time to time without notice, other than by announcement at the meeting, until a quorum is present or in attendance thereat. The act of a majority of the Directors present at a meeting at which a quorum is in attendance shall constitute the act of the Board, except as otherwise provided by law, the Articles, these Bylaws or the Declarations.

6.11 TELEPHONE MEETINGS. Subject to the provisions of applicable law and these Bylaws regarding notice of meetings, members of the Board may, unless otherwise restricted by the Articles or these Bylaws, participate in and hold a meeting of such Board or committee by using conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this Section 6.11 shall constitute presence in person at such meeting, except when a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting was not lawfully called or convened.

6.12 ORDER OF BUSINESS AND PRESIDING OFFICER. At the meetings of the Board, business shall be transacted in such order as from time to time the Board may determine. At all meetings of the Board the President shall preside, and in the absence of the President, a

Chairman shall be chosen from the Directors present. The Secretary of the Association shall act as Secretary of all meetings of the Board, but in the absence of the Secretary, the presiding officer may appoint any person to act as Secretary of the meeting.

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

ARTICLE VII OFFICERS AND DUTIES

7.1 OFFICERS. The officers of the Association shall consist of a President, a Vice Presidents, a Treasurer, a Secretary, a Communications Coordinator, and such other officers as the Board may from time to time elect or appoint. Any or all of the officers of the Association may be Directors. Any two or more offices may be held by the same person, except the offices of President and Secretary. All officers shall be subject to removal, with or without cause, at any time, by vote of a majority of the whole Board. A vacancy in any office shall be filled by a vote of a majority of the Directors then in office.

7.2 PRESIDENT The President, subject to the control of the Board, shall be in general charge of the affairs of the Association in the ordinary course of its business. He/she shall preside at all meetings of the Members and of the Board. He/she may, when authorized to do so by the Board make, sign and execute all deeds, conveyances, assignments, bonds, contracts and shall co-sign with the Treasurer all checks and promissory notes, and he shall do and perform such other duties as may from time to time be assigned to him by the Board.

7.3 VICE PRESIDENT. Each Vice President shall have the usual powers and duties pertaining to his office including the power to act as President in the President's absence and such other powers and duties as may be assigned to him by the Board.

7.4 TREASURER. The Treasurer shall have custody of all the funds and securities of the Association. When necessary or proper, he/she may co-sign with the President all checks and promissory notes, and endorse, on behalf of the Association, for collection, checks, notes and other obligations and shall deposit the same to the credit of the Association in such bank or banks or depositories as shall be designated in the manner described by the Board. Whenever required by the Board, he/she shall render a statement of the Association's cash account, and he shall enter or cause to be entered regularly on the books of the Association kept by him for that purpose a full and accurate account of all moneys received and paid out on account of the Association. He/she shall at all reasonable times exhibit his books and accounts to any Director of the Association. He shall perform All acts incident to the position or Treasurer subject to the control of the Board of Directors and, if required by the Board of Directors, give a bond at the Association's expense for the faithful discharge of his duties in such form as the Board of Directors may require.

7.5 SECRETARY- The Secretary shall keep the minutes of all meetings of the Board and the minutes of all meetings of the Members in books provided for that purpose. He shall attend to the giving and serving of all notices and he may sign with the President or a Vice President in the name of the Association all contracts, conveyances, transfers, assignments, authorizations and other instruments of the Association. He shall have charge of and maintain and

keep such books and papers as the Board may direct. These books and papers shall be open to inspection by any Director or Member of the Association during normal business hours. He shall in general perform all duties incident to the office of Secretary subject to the control of the Board.

7.6 COMMUNICATIONS COORDINATOR. The Communications Coordinator shall be responsible for the publication and distribution of the monthly Association newsletter and the annual Association telephone directory.. He/she will give proper notice for all regular and special meetings called by the Board of Directors and to the Annual meeting. He/she will establish a network of block captains for the distribution of the newsletter and other communications to the residents of the Oaklands.

ARTICLE VIII BOARD RESPONSIBILITIES

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

8.2 LOANS. No loan shall be contracted on behalf of the Association, and no negotiable paper shall be issued in its name unless authorized by the Board.

8.3 PAYMENTS. All checks, drafts and other orders for the payment of money out of the funds of the Association, and all notes and other evidences of indebtedness of the Association shall be signed on behalf of the Association, as determined by resolution of the Board.

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

8.5 FINANCIAL STATEMENTS. The Board, within ninety (90) days after the fiscal year end, shall cause to be prepared, and shall make available to any Owner or first mortgage holder of any Owner, annual audited financial statements of the Association.

ARTICLE IX CORPORATE MATTERS

9.1 FISCAL YEAR. The fiscal year of the Association shall end at midnight on December 31st, of each calendar year.

9.2 NOTICE. Whenever any notice whatever is required to be given under the provisions of these Bylaws, said notice shall be deemed to be sufficient if given by depositing the same in a post office box in a sealed, post-paid wrapper addressed to the person entitled thereto at his post office address, as it appears on the books of the Association, and such notice shall be deemed to have been given on the day of such mailing. A waiver of notice, whether before or after the time stated therein, shall be deemed equivalent to notice.

9.3 DIRECTOR AND OFFICER RESIGNATION Any Director or officer may resign at any time. Such resignation shall be made in writing and shall take effect at the time specified therein or if no time is specified, at the time of its receipt by the President or Secretary. The acceptance of the resignation shall not be necessary to make it effective, unless expressly so provided in the resignation.

ARTICLE X
INDEMNIFICATION

All officers and Directors, and other classes of persons named therein, shall be indemnified by the Association in accordance with the provisions of Article VII of the Articles.

ARTICLE XII
AMENDMENTS

11.1 REQUIREMENTS. Notwithstanding anything contained in these Bylaws to the contrary, amendment of these Bylaws shall require the assent of a majority of the Board of Directors..

11.2 CONFLICTS. In case of any conflict between the Articles and the Bylaws, the Articles shall control: in case of any conflict between these Bylaws and the Declarations, the Declarations shall control.

11.3 DEFINITION. The words "amend" and "amended" shall be broadly interpreted to include alterations, modifications, additions and repeal, in whole or in part. The terms used in these Bylaws which are not defined herein, to the extent they are defined in the Declarations, shall have the definitions ascribed thereto in the Declarations, as the same may be amended from time to time.

These Bylaws were adopted by the Board of Directors of the Association at the meeting of the Board of Directors held in Round Rock, Texas, on the xx day of August, 1995.

Theodore G. Scardamalia, President
Scott Sommerfeld, Vice President
Terry Hazel, Treasurer
Bill Stall, Secretary
Toni Scott, Communications Coordinator