

BYLAWS
OF
THE RETREAT AT OAK HILLS
ASSOCIATION, INC.

ARTICLE I

NAME AND LOCATION

The name of the corporation is The Retreat at Oak Hills Homeowners Association, Inc., hereinafter referred to as the "**Association**". The initial registered office of the corporation shall be located at, 16414 San Pedro Suite 700, San Antonio, Texas 78232, but meetings of members and directors may be held at such places within the State of Texas, County of Bexar or as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 2.1. "**Association**" shall mean and refer to The Retreat at Oak Hills Homeowners Association, Inc., a Texas nonprofit corporation established for the purposes set forth herein.

Section 2.2. "**Common Areas**" shall mean and refer to that portion of the Property, if any, conveyed to the Association for the use and benefit of the Owners, including, without limitation, the following improvements located thereon: parkways, medians, islands, entry gates, private streets, landscaping, walls, bridges, safety easements or park areas.

Section 2.3. "**Common Maintenance Areas**" shall mean and refer to the Common Areas, if any, the median and adjoining rights-of-way of Oakdell Way and Danny Kaye and any areas within public rights-of-way, easements (public and private), public parks, and any improvements or landscaping that the Board of Directors of the Association deems it necessary or appropriate to maintain for the common benefit of the members.

Section 2.4. "**Lot**" shall mean and refer to any of the plots of land indicated upon a recorded subdivision plat(s) of the Property (hereinafter defined) or any part thereof creating single-family homesites. Common Area and areas deeded to a governmental authority or utility, together with all improvements thereon, shall not be included as part of the definition of a Lot.

Section 2.5. "**Declaration**" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions for The Retreat at Oak Hills recorded in Volume 8147, Page 0428 of the Real Property Records of Bexar County, Texas, and any amendments and supplements thereto made in accordance with its terms.

Section 2.6. "**Owner**" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot, including contract sellers, but excluding those having an interest merely as security for the performance of an obligation.

Section 2.7. "**Property**" shall mean and refer to the Property (as defined in the Declaration) together with such portions of the Eligible Property (as defined in the Declaration) as may from time to time

be made subject to the Declaration but shall not include any of the Eligible Property unless and until such Eligible Property is so annexed.

ARTICLE III

MEMBERSHIP

Section 3.1. Membership. Every Owner of a residential Lot in The Retreat at Oak Hills Phase I recorded in Volume 8147, Page 0427 of the Deed and Plat Records of Bexar County, Texas, and areas annexed thereto pursuant to the recorded Declaration, shall be a member of the Association. Membership shall be appurtenant to and shall not be separated from ownership of any Lot. When ownership of any Lot is held by more than one person or by a legal entity which is not a natural person, all such Owners shall be members of the Association, however, the voting rights of such members shall be limited to the number of votes set forth herein exercised as they among themselves shall determine.

Section 3.2. Suspension of Membership. During any period in which a member shall be in default in the payment of any annual regular or special assessment levied by the Association, the voting rights and right to use of the recreational facilities, if any, of such member may be suspended by the Board of Directors until such assessment has been paid. Such rights of a member may also be suspended after notice and hearing, for a period not to exceed sixty (60) days, for violation of any rules and regulations established by the Board of Directors governing the use of the Common Area and facilities.

ARTICLE IV

PROPERTY RIGHTS: RIGHTS OF ENJOYMENT

Section 4.1. Each member shall be entitled to the use and enjoyment of the Common Areas as may be depicted on the Plat of The Retreat at Oak Hills, Phase I and any future subdivision plat recorded against the Property that subdivides the Property or a portion thereof into single family residential lots.

ARTICLE V

BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 5.1. Number. The affairs of the Association shall be managed by a Board of not less than three (3) and not more than five (5) directors, who need not be members of the Association.

Section 5.2. Election. The initial directors shall be appointed by the incorporator. At the first annual meeting the members shall elect one (1) director for a term of one (1) year, two (2) directors for a term of two (2) years, and two (2) directors for a term of three (3) years; and at each annual meeting thereafter the members shall elect the director(s) for a term of three (3) years to fill each expiring term.

Section 5.3. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation or removal of a director, his successors shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 5.4. Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

ARTICLE VI

MEETINGS OF DIRECTORS

Section 6.1. Regular Meetings. Regular meetings of the Board of Directors shall be held annually without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 6.2. 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 6.3. 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 6.4. Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE VII

NOMINATION AND ELECTION OF DIRECTORS

Section 7.1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among members or non-members.

Section 7.2. Election. Election to the Board of Directors shall be by secret written ballot cast at the annual meeting. 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. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VIII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 8.1. Powers. The Board of Directors shall have the power:

(a) To adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;

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

(c) To declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors without just cause having been furnished to and accepted by the Board;

(d) To establish, and disburse and maintain such petty cash fund as necessary for efficiently carrying on the business of the Association; and

(e) To engage the services of a manager, an independent contractor, or such employees as it deems necessary, and to prescribe the conditions, compensation and duties of their work. Such power shall include authority to enter into management agreements with other parties to manage, operate or perform all or any part of the affairs and business of the Association.

Section 8.2. Duties. It shall be the duty of the Board of Directors:

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

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

(c) To establish membership fees or assessments;

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

(e) To cause all officers, employees or agents, having fiscal responsibility to be bonded, as it may deem appropriate; and

(f) To cause the Common Area to be maintained.

ARTICLE IX

COMMITTEES

Section 9.1. The Board of Directors may appoint committees as deemed appropriate in carrying out its purposes, which may include for example, but not by way of limitation, the following:

(a) **A Recreation Committee** to advise the Board of Directors on all matters pertaining to the recreational program and activities of the Association and to perform other such functions as the Board in its discretion determines;

(b) **A Maintenance Committee** to advise the Board of Directors on all matters pertaining to the maintenance, repair or improvement of the Common Areas, if any, and to perform such other functions as the Board in its discretion determines;

(c) **A Publicity Committee** to inform the members of all activities and functions of the Association and after consulting with the Board of Directors, to make such public releases and announcements as are in the best interest of the Association, and

(d) **An Audit Committee** to supervise the annual audit of the Association's books and approve the annual budget and statement of income and expenditures to be presented to the membership at its regular annual meeting, as provided in Article XI, Section 11.8(d). The Treasurer shall be an ex-officio member of this committee when formed.

Section 9.2. It shall be a function of each committee to receive complaints from members on any matter involving Association duties and activities within its field of responsibility. It shall dispose of such complaints as it deems appropriate or refer them to such other committee, director or officer of the Association as is further concerned with the matter presented.

ARTICLE X

MEETINGS OF MEMBERS

Section 10.1. Annual Meetings. The first annual meeting of the members shall be held between thirty (30) days before and 30 days after the date which is one year from the date of incorporation of the Association, and each subsequent regular annual meeting of the members shall be held on the same day of the same month of each year thereafter, at the hour of 7:00 p.m. provided that the Board of Directors may upon written notice to the members at least ten (10) days prior to forty-five (45) days either side of the previous regular annual meeting date scheduling the annual meeting date for a date not more than fourteen (14) days subsequent to the regular annual meeting date. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first business day following which is not a legal holiday.

Section 10.2. Special Meetings. Special meetings of the members may be called at any time by the president or by the Board of Directors, or upon written request of the members who are entitled to vote one-fourth (1/4) of all of the votes of the entire membership.

Section 10.3. Notice of Meetings. Except as otherwise provided in the Articles of Incorporation, or these Bylaws, written notice of each meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least 10 days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting and, in the case of a special meeting, the purpose of the meeting.

Section 10.4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of each of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, Declaration of Covenants, Conditions and Restrictions or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid, shall be present or be represented.

Section 10.5. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon cessation of membership or restriction of the member's voting rights.

Section 10.6. Canvass in Lieu of Meeting. In the event that a quorum of members is not achieved at any scheduled meeting, the Board of Directors may authorize a door-to-door canvass of all members whose votes shall be duly recorded, and any action so taken shall have the same force and effect as if taken at a meeting at which a quorum of members was present. Any such canvass must be completed within 30 days of the Board's decree.

Section 10.7. Majority Vote; Withdrawal of Quorum. When a quorum is present at any meeting of the members, the vote of the holders of a majority of the votes, present in person or represented by proxy, shall decide any question brought before such meeting unless the question is one upon which by express provision of the statutes, the Articles of Incorporation or these Bylaws, a different vote is required, in which case such express provision shall govern and control the deciding of such question. The members present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum.

ARTICLE XI

OFFICERS AND THEIR DUTIES

Section 11.1. Enumeration of Officers. The officers of this Association shall be a president and vice-president, who shall at all times be members of the Board of Directors, a secretary, and a treasurer, and such other officers as the Board may from time to time by resolution create.

Section 11.2. 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 11.3. Term. The officers of this Association shall be elected annually by the Board and shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 11.4. 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 11.5. 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 notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein; the acceptance of such resignation shall not be necessary to make it effective.

Section 11.6. Vacancies. A vacancy in any office may be filled in the manner prescribed for regular election. The officer elected to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 11.7. Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 5 of this Article.

Section 11.8. Duties. The duties of the officers are as follows:

President

(a) The president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out, shall sign all leases, mortgages, deeds, and other written instruments and shall co-sign all promissory notes.

Vice-President

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

Secretary

(c) The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as required by the Board.

Treasurer

(d) 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; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting and deliver a copy of each to the members.

ARTICLE XII

ASSESSMENTS

Section 12.1. Personal Obligation for Assessments. As more fully provided in the Declaration, each member is obligated to pay to the Association annual regular and special assessments which are secured by a continuing lien upon the Lot against which such assessment is made. Any assessments which are not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of six (6) percent per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waiver or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his/her Lot.

ARTICLE XIII

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 the Bylaws of the Association shall be available for inspection by any members at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XIV

CORPORATE SEAL

The Association shall have seal in circular form having within its circumference the words: The Retreat at Oak Hills Homeowners Association, Inc.

ARTICLE XV

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 first fiscal year shall begin on the date of incorporation.

ARTICLE XVI

AMENDMENTS

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

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

ARTICLE XVII

GENDER AND GRAMMAR

The singular wherever used herein shall be construed to mean the plural when applicable, and the necessary grammatical changes required to make the provision hereof apply either to corporations or individuals, men or women, shall in all cases be assumed as though in each case fully expressed.

ARTICLE XVIII

ENFORCEMENT

In the event that the Association institutes legal action to enforce any restrictive covenant or other condition of the Declaration, Articles of Incorporation or Bylaws, and the violator voluntarily corrects or

abates such violation after litigation has been filed, the Association shall not dismiss or abandon such legal action until it has been reimbursed all of its expenses, including reasonable attorney's fees and court costs.

IN WITNESS WHEREOF, we being all the Directors of The Retreat at Oak Hills Homeowners Association, Inc., have hereunto set our hands this 18th day of JANUARY, 2000.

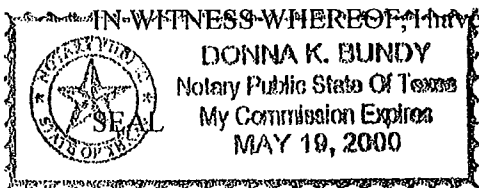
Damon Lyles
Damon Lyles

Pat Bibb
Pat Bibb

Steve Hamilton
Steve Hamilton

THE STATE OF TEXAS §
 §
COUNTY OF BEXAR §

I, the undersigned authority, a Notary Public in and for said County and State, do hereby certify that on this day, the 19th day of January, 2000, personally appeared before me Damon Lyles, Pat Bibb, and Steve Hamilton, who, each being by me first duly sworn, each personally declared that he is one of the persons who signed the foregoing document as a member of the Board of Directors of The Retreat at Oak Hills Homeowners Association, Inc. and that the above is a true and correct statement of the Bylaws adopted by said Board.



Donna K. Bundy
Notary Public
State of Texas

My Commission expires: _____

Notary Printed Name

CERTIFICATION

I, the undersigned do hereby certify:

THAT I am the duly elected and acting Secretary of The Retreat at Oak Hills Homeowners Association, Inc., a Texas non-profit corporation, and that the foregoing Bylaws constitute the original By-Laws of the said Association, as duly adopted at a meeting of the Board of Directors thereof, held on the 18th day of JANUARY, 2000.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 18th day of JANUARY, 2000.

Steve Hamilton
Secretary