

**BY-LAWS OF OAK VALLEY ESTATES
HOMEOWNERS ASSOCIATION, INC.
(AMENDED and RESTATED)**

**ARTICLE I
OFFICES, DEFINITIONS**

SECTION 1: Registered Office and Agent

The location of the Registered Office of the Oak Valley Estates Homeowners Association (the "Association") and the person serving as the Registered Agent shall be determined by the Association.

SECTION 2: Other Offices

The Association may also have offices at such other places within or without the State of Texas as the Board of Directors may from time to time determine or the business of the Association may require.

SECTION 3: Definitions

The following words, when used in these Bylaws (unless otherwise indicated), shall have the following meanings:

(a) **"The Restrictions"** shall mean and refer to the "Restrictive Covenants of Oak Valley Estates Phases 8 , 9, 10 & 11" as recorded in the Real Property Records of Johnson County, Texas or any Supplemental Restrictions or Revised Restrictions to such property.

(b) **"The Property"** shall mean and refer to Oak Valley Estates Phases 8 , 9, 10 & 11 as recorded in the Real Property Records of Johnson County, Texas.

(c) **"Common Property"** shall mean and refer to those areas of land shown on any recorded subdivision plat or revised plat of The Property and easements intended to be devoted to the common use and enjoyment of the members of the Association, conveyed to the Association to be devoted to common use.

(d) **"Lot"** shall mean and refer to any plot of land shown upon any recorded subdivision plat of The Property, with the exception of Common Property as herein defined.

(e) **"Living Unit"** shall mean and refer to any portion of a building situated upon The Property designed and intended for use and occupancy as a residence by a single family.

(f) **"Owner"** shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot or Living Unit which is a part of The Property, but notwithstanding any applicable theory of the mortgage, shall not mean or refer to the mortgagee unless and until such mortgagee has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure.

(g) **"Member"** shall mean and refer to owner.

(h) **"Garrett Development"** shall mean and refer to Garrett Development Co.

(i) **"RAD"** shall mean and refer to R. A. Development, Inc.

(j) **"The Association"** shall mean and refer to the Oak Valley Estates Homeowners Association.

ARTICLE II MEMBERSHIP AND VOTING RIGHTS

SECTION 1: Membership

Every person or entity who is a record Owner of any Lot, including purchasers under contract from Garrett Development Co. and RAD, shall be a Member of the Association (provided that any such person or entity who holds such interest merely as security for the performance of an obligation shall not be a Member), and any person or entity who acquired any such fee or undivided fee interest shall be deemed to have accepted membership and assumed all obligations thereof.

SECTION 2: Voting Rights

The Association shall initially have one class of voting membership.

Members shall be entitled to one vote for each Lot in which they hold the interest required for membership by Section I. When more than one person holds such interest in any Lot, all such persons shall be Members and the vote for such Lot shall be exercised as they between or among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

SECTION 3: Methods of Voting

At any meeting of the Members, every Member having the right to vote shall be entitled to vote in person, or by written absentee vote, or his duly authorized attorney-in-fact. Any member intending to vote by their attorney-in-fact shall file their Power of Attorney with the Secretary of the Association at least three days prior to the time of the

meeting. In the absence of any action by the Board of Directors, the date upon which the Notice of Meeting is mailed shall be the record date.

ARTICLE III MEETING OF MEMBERS

SECTION 1: General Meetings

All meetings of the Members for the election of directors shall be held at the office of the Association in Texas, or at such other place, within or without the State of Texas as may be specified in the Notice of the Meeting or in a duly executed Waiver of Notice thereof. Meetings of Members for any other purpose may be held at such time and place, within or without the State of Texas as shall be stated in the Notice of the Meeting or in a duly executed Waiver of Notice thereof.

SECTION 2: Annual Meeting

An Annual Meeting of the Members shall be held between May 1st and June 30th each year. At such meeting, Directors shall be elected, reports of the affairs of the Association shall be considered, and any other business may be transacted which is within the powers of the Members.

SECTION 3: Member List

At least ten (10) days before each meeting of the Members, a complete list of the Members entitled to vote at each meeting shall be prepared by the Secretary. Such list shall be kept on file at the Registered Office of the Association for a period of ten (10) days prior to such meeting and shall be subject to inspection by any Member. Such list shall be produced and kept open at the time and place of the meeting during the whole time thereof, and shall be subject to the inspection of any Member who may be present. The Secretary shall use ordinary care in preparing the list and shall be responsible for listing only those members who have furnished their names and current addresses to the Secretary.

SECTION 4: Call for Special Meetings

Special meetings of the Members for any purpose or purposes, unless otherwise prescribed by statute, the Articles of Incorporation, or these Bylaws, may be called by the President, the majority of the Board of Directors or the holders of not less than one-fifth (1/5) of all the Members entitled to vote at the meetings. Business transacted at any special meeting shall be confined to the subjects stated in the Notice of the Meeting.

SECTION 5: Notice

(a) Written or printed notice stating the place, date and time of the meeting shall be delivered not less than fifteen (15) or more than thirty (30) days before the date of the meeting, either personally or by mail, by or at the direction of the President, the Secretary, or the officer or person calling the meeting, to each Member of record entitled to vote at the meeting.

(b) Notice of any meeting of Members, in addition to the place, date and time of the meeting, shall also specify the purpose of the meeting if it is a special meeting, or if its purpose or one of its purposes will be to consider a proposed termination or the revocation of a voluntary termination by act of the Association or to consider a proposed disposition of all, or substantially all of the assets of the Association outside the ordinary course of business.

SECTION 6: Quorum; Adjournments

Except as otherwise provided in the Deed Restrictions, by statute, by the Articles of Incorporation or these Bylaws, the Members holding one-third (1/3) of the votes issued and outstanding and entitled to vote, present in person or represented by absentee vote, shall be required and shall constitute a quorum at all meetings of the Members for the transaction of business. An absentee vote must be in writing, and must be signed and dated by the member prior to or on the day of the meeting during which the vote is taken. If, however, a quorum shall not be present in person or represented by absentee vote, the Members present shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented, and any business may be transacted which might have been transacted at the meeting as originally notified.

SECTION 7: Transaction of Business

When a quorum is present at any meeting, the vote of the Members holding a majority greater than fifty-percent (50%) of the votes shall decide any question before such meeting, unless the question is one upon which by express provisions of the statutes, the Articles of Incorporation, or these Bylaws, a different vote is required, in which case such express provision shall govern. The Members present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of any Member to leave less than a quorum.

ARTICLE IV DIRECTORS

SECTION 1: Powers

The business and affairs of the Corporation shall be managed by its Board of Directors who may exercise all the powers of the Corporation and may do all lawful acts and things which are not by statute, the Declaration, the Articles of Incorporation or these Bylaws directed or required to be exercised or done by the Members.

SECTION 2: Expenditure of Association Funds

The Board of Directors is empowered to disburse funds for the normal operating expenses of the Association without a vote of the membership. The types of expenditures allowed without a vote are: monthly utility costs, landscaping maintenance costs, repair to the sprinkler system and wall bordering the property along Hurst Road, liability insurance premiums and deductibles, office supplies to be used only for official Association business, web site maintenance fees, legal fees and accounting fees. All other expenditures must be approved by a vote of the membership.

SECTION 3: Number and Election

The Board of Directors shall consist of three (3) Directors. The Directors shall be elected at the annual meeting of the Members, except as hereinafter provided, and each Director elected shall hold office until his successor has been elected and qualified. In addition to the nominations presented by the Central Advisory Committee, any member may make additional nominations for Directors at the annual meeting of Members.

SECTION 4: Term of Office

Directors shall be elected for a term of two (2) years.

SECTION 5: Removal; Filling Vacancies

Any Director may be removed, with or without cause, at any special meeting of the Members by the affirmative vote of a majority of the Members present in person or by proxy at such meeting and entitled to vote for the election of such Director, if notice of intention to act upon such matter shall have been given in the notice calling such meeting. If any vacancies occur in the Board of Directors, for any reason, a majority of the Directors then in office, though less than a quorum, may choose a successor or successors. Each successor Director so chosen shall be elected for the unexpired term of the predecessor in office.

SECTION 6: Prohibition of Cumulative Voting

Directors shall be elected by a majority vote of the Members present at a meeting at which a quorum is present. Cumulative voting shall not be permitted.

SECTION 7: Location of Meetings

The Directors of the Corporation may hold their meetings, both regular and special, either within or without the State of Texas.

SECTION 8: Annual Meetings

The first meeting of each newly elected Board of Directors shall be held without further notice immediately following the annual meeting of Members, and at the same place, unless by unanimous consent of the Directors then elected and serving shall change the time or place.

SECTION 9: Regular Meetings

Regular Meetings of the Board of Directors shall be held semi-annually or more frequently if called by the President or by a majority of Board Members at such time and place as shall from time to time be determined by the Board.

SECTION 10: Special Meetings

Special Meetings of the Board of Directors may be called by the President, Secretary, or a majority of the Board of Directors on two (2) days notice to each Director, either personally or by mail or by email. Except as may be otherwise expressly provided by statute, the Articles of Incorporation or these Bylaws, neither the business to be transacted at, nor the purpose of any special meeting need be specified in a notice or waiver of notice.

SECTION 11: QUORUM

At all meetings of the Board of Directors, the presence of two (2) of the Directors shall be necessary and sufficient to constitute a quorum for the transaction of business and the act of two (2) of the Directors present at any meeting at which there is a quorum shall be the act of the Board of the Directors, except as may be otherwise specifically provided by statute, the Declaration, the Articles of Incorporation or these Bylaws. If a quorum shall not be present at any meeting of Directors, the Director present thereat may adjourn the meeting from time to time without notice other than by an announcement at the meeting, until a quorum shall be present.

ARTICLE V NOTICES

SECTION 1: Formalities of Notices

Whenever under the provisions of the statutes, the Articles of Incorporation or these Bylaws, notice is required to be given to any Director or Member, and no provision is made as to how such notice shall be given, it shall be construed to mean either personal notice or notice in writing, by mail, postage prepaid, or by email, addressed to such Director or Member at such address as appears on the books of the Corporation. Any notice required or permitted to be given by mail shall be deemed to be given at the time when the same shall be thus deposited in the United States Mail as aforesaid.

SECTION 2: Waiver of Notices

Whenever any notice is required to be given to any Member or Director of the Corporation under the provisions of the statutes, the Articles of Incorporation or these Bylaws, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated in such notice, shall be deemed equivalent to the giving of such notice. Signing the minutes of any meeting shall be deemed a waiver of all formalities with respect to such meeting.

ARTICLE VI OFFICERS AND COMMITTEES

SECTION 1: Miscellaneous Provisions

The officers of the Corporation shall be elected by the Directors and shall be a President, a Secretary and a Treasurer. Any two or more offices may be held by the same person, except that the offices of President and Secretary and President and Treasurer shall not be held by the same persons. Any such officer shall have the powers and duties usually associated with such office, subject to limitations or extension by the Board of Directors.

SECTION 2: Other Agents

The Board of Directors may appoint such other officers and agents as it shall deem necessary, who shall be appointed for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board.

SECTION 3: 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; shall sign all contracts, mortgages, tax returns, and other written instruments; shall co-sign all checks (except those on a monthly recurring nature previously approved by the Board), and promissory notes; shall appoint committee chairmen and members of committees with the concurrence of the Board; and shall carry out such other duties as may be assigned by the Board or the Policy Manual as adopted by the Board.

(b) **Secretary.** The Secretary shall perform or cause to be performed the following secretarial activities: record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; keep the corporate seal and affix it on all papers requiring said seal; serve notice of meetings of the Board and members; keep the appropriate current records showing the ownership of Lots and membership of the Association, together with their addresses; and shall perform such other duties as required by the Board or the Policy Manual as adopted by the Board.

(c) **Treasurer.** The Treasurer shall perform or cause to be performed the following financial activities: receive and deposit in appropriate bank accounts all monies of the Association and disburse such funds as directed by a Resolution of the Board; co-sign all checks; 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 the budget and assessments adopted by the Board to each Member. The Treasurer shall perform an annual review to be presented to the Central Advisory Committee. The Treasurer shall perform such other duties as required by the Board or the Policy Manual as adopted by the Board. The Treasurer is also responsible for maintaining a record of the status of assessment payments for each Lot and recommending appropriate action to the Board for collection of any delinquencies.

SECTION 4: Salaries

All officers and directors of the Corporation shall serve without compensation. However, expenses may be reimbursed for approved activities carried out on behalf of the Corporation. Any officer may receive compensation for services rendered to the Corporation in other than his official capacity.

SECTION 5: Tenure; Removal; Vacancies

Each officer of the Corporation shall hold office for a term of one (1) year or until his successor is chosen and qualified in his stead or until death, resignation or removal from office. Any officer or agent elected or appointed by the Board of Directors may be removed at any time by the affirmative vote of a majority of the whole Board of Directors, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

If the office of any officer becomes vacant, for any reason; the vacancy may be filled by the Board of Directors.

SECTION 6: Committee

There shall be one (1) standing Central Advisory Committee. The Chairman and members of the Central Advisory Committee shall be appointed by the Board of Directors. Additional ad hoc committees may be appointed by the Board of Directors as the need may arise. The Central Advisory Committee is responsible for obtaining nominations for election to the Board of Directors and for conducting the election at the annual meeting. This Committee shall make as many nominations for election to the Board as it shall in its discretion determine, but not less than one (1) for each vacancy to be filled. The Chairman of the Central Advisory Committee shall conduct that portion of the meeting devoted to the elections. The Chairman of the Central Advisory Committee shall count the votes at the meeting and announce the results. Other duties of this committee shall be to participate in an annual financial review with the Treasurer, provide recommendations to the Board of Directors pertaining to the disposition of Association funds, and to other special interests of the Association members that may arise. The scope of the Committee shall be decided by the Chairman of the Committee. The members and Chairman of the Central Advisory Committee shall not be a member of the Board of Directors.

ARTICLE VII GENERAL PROVISIONS

SECTION 1: Fiscal Year

The fiscal year of the Corporation shall be the calendar year.

SECTION 2: Seal

There shall be no necessity for a corporate seal, but if there should be one, such seal shall have inscribed thereon the name of the Corporation and the word "TEXAS". Such seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

SECTION 3: Indemnification

The Association shall indemnify any Director, officer or employee or former Director, officer or employee of the Corporation, against expenses actually and necessarily incurred by him and any amount paid in satisfaction of judgments in connection with any action, suit or proceeding, whether civil or criminal in nature, in which he is made a party by reason or being or having been such a Director, officer or employee (whether or not a Director, officer or employee at the time such costs or expenses are incurred by or imposed upon him is a Director, officer or employee) except in relation to matters as to which he

shall be adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct in the performance of duty. The Corporation shall pay or cause to be paid to any Director, officer or employee the reasonable costs of settlement of any such action, suit or proceeding. Such right of indemnification shall not be deemed exclusive of any other rights to which such Director, officer or employee may be entitled by law or under any bylaw, agreement, vote of members or otherwise. When authorized by the Board of Directors, the Association may pay for the costs or expenses of the defense of any action as such cost or expense is incurred; provided however, if the Director, officer or employee shall be adjudged to have been liable for gross negligence or willful misconduct, the Association shall be promptly reimbursed for the cost or expense paid by the Association and the costs and expenses shall be a lien upon the property of an Owner whose costs and expenses were paid.

SECTION 4: Additions to Association

The Association may, by majority vote, declare and decide to add additional subdivisions or phases to the Homeowners Association. Such additions shall be with an eighty percent (80%) or more majority of the current Members of the Association and an eighty percent (80%) or more majority of the homeowners approval of any particular section choosing to join into the Association. The Association shall cause each subdivision or phase and individual property owners to execute the necessary documents to enable to the properties to be added to the Association.

SECTION 5: Architectural Control

The Board of Directors shall serve as the Architectural Committee designated in the Restrictive Covenants and shall be responsible for approving or disapproving the design, location, details, color, texture, materials and specifications of all new construction, landscaping and tree removal for any additions or modifications to buildings or Lots. All decisions by the Board of Directors shall be based on the Restrictive Covenants of Oak Valley Estates, Phases 8, 9, 10, and 11. The Board of Directors may employ such accountants, attorneys, architects, and engineers as may be necessary to enforce or amend the Restrictive Covenants for the common benefit of the members even though one or more members who are less than a majority of a quorum may object.

SECTION 6: Fees and Dues

The Board of Directors shall establish and assess all dues and fees and shall submit them in a vote to the Members for approval by a majority of a quorum. The Board of Directors shall collect and receive all of such dues and fees and file suit on behalf of the Association to collect such funds. The Board of Directors may file a lien to secure the payment of such funds and foreclose such lien upon final judgment for such funds.

SECTION 7: Subordination of Liens Created by Deed Restrictions

Any lien created pursuant to the Restrictions or these by-laws to secure payment of sums due the Association for dues, assessments, special assessments or otherwise shall remain second and inferior to any lien granted to a lender to secure a purchase money loan on any lot, including any refinance of such loans.

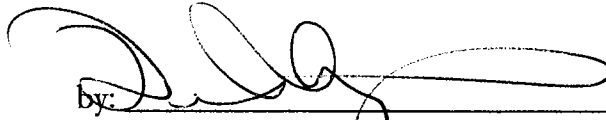
**ARTICLE VIII
AMENDMENTS**

SECTION 1:

These Bylaws may be altered or amended by a majority vote of greater than 50% of members voting in person, by absentee vote, or by proxy at a duly called regular or special membership meeting at which a quorum is present.

Amended and restated this 31st day of July, 2006.

Oak Valley Estates
Homeowners Association, Inc.


by: _____
DENNIS AVRIPAS, President



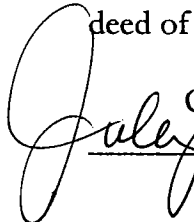
SUSAN DYESS, Secretary

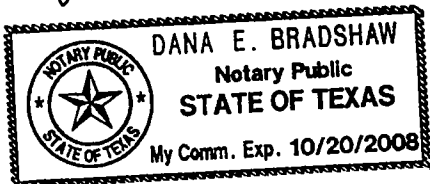
STATE OF TEXAS

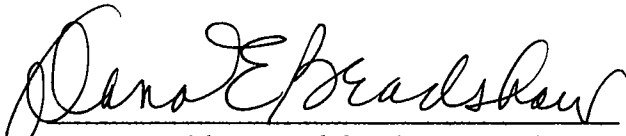
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COUNTY OF JOHNSON

BEFORE ME, the undersigned, a Notary Public in and for the State of Texas, on this day personally appeared Dennis Avripas, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed and as the act and deed of said corporation.

 GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 31st day of July, 2006.





Notary Public in and for the State of Texas
My Commission Expires: _____

STATE OF TEXAS

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COUNTY OF JOHNSON

BEFORE ME, the undersigned, a Notary Public in and for the State of Texas, on this day personally appeared Susan Dyess, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same for the purposes and consideration therein expressed and as the act and deed of said corporation.

July GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 31st day of _____, 2006.

Dana E. Bradshaw
Notary Public in and for the State of Texas
My Commission Expires: _____

