

RESTATED BYLAWS
OF
OAKWELL FARMS
HOMEOWNERS ASSOCIATION

Amended on September 23, 2004

The name of the corporation is Oakwell Farms Homeowners Association. The following definitions shall apply to these Bylaws.

1. "Association" shall mean and refer to the Oakwell Farms Homeowners Association, a non-profit Corporation chartered under the laws of the State of Texas, filed of record in the office of the Secretary of State of Texas, January 10, 1983, its successors and assigns as provided for herein and in the Amended Declarations of Covenants, Conditions, and Restrictions, Oakwell Farms Planned Unit Developments, filed of record in Official Public Records of Real Property, Bexar County, Texas.

2. "Properties" shall mean and refer to that certain real property lying within Oakwell Farms Planned Unit Developments as depicted on the Subdivision Plats and additions thereto as have become or may become subject to the jurisdiction of the Association, as provided for in the Declaration of Covenants, Conditions and Restrictions cited above.

3. "Common Facilities" shall mean and refer to all property leased, owned, or maintained by the Association for the use and benefit of the Members of the Association. By way of illustration, Common Facilities may include, but not necessarily be limited to, the following: private streets, boulevards, signs, fountains, statuary, swimming pool and adjacent buildings, tennis courts, landscaping, walls, dikes, bridges, safety lanes, trails, green belts, playground, athletic fields and other similar or appurtenant improvements.

4. "Lot" shall mean and refer to any of the plots of land used for residential purposes subject to jurisdiction of Oakwell Farms Homeowners Association and depicted on subdivision plats filed in Plat Records of Bexar County, Texas.

5. "Subdivision Plat" shall mean and refer to the map or plat of Oakwell Farms Unit 2 Planned Unit Development filed for record in Volume 9500, Pages 40-41, Plat Records of Bexar County, Texas, and any map or plat of any subdivision or unit thereof which has or may become subject to the jurisdiction of the Association.

6. "Living Unit" shall mean and refer to a single-family residence and its attached or detached garage situated upon a Lot.

7. "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 portion of a Lot, within the Properties, including contract sellers but excluding those having interest merely as security for the performance of an obligation.

8. "Member" shall mean and refer to all those Owners who are members of the Association as provided in Article II, Section 1, hereof.

9. "Builder Members" shall mean and refer to those Members approved by Declarant (Denton Development Co., Inc., and its successors or assigns) for construction of residences within the Properties and owning one or more Lots for the purpose of such construction and sale to others.

10. "Bye Properties" shall mean and refer to those near-by tracts of land which are not within the "Properties" as defined above but which, by special agreement, are subject to assessment by the Association for a portion of certain Association maintenance expenses relating to Common Facilities outside the walls.

11. "Board of Directors" shall mean and refer to the governing body of the Association as provided for in the Articles of Incorporation, in the Declaration of Covenants and as set forth in Article IV hereof, hereinafter referred to as "the Board".

12. "Officers" shall mean and refer to the President, Vice President, Secretary, and Treasurer of the Association as set forth in Article V, Sections 1, 4, 5, and 6 hereof.

ARTICLE I

OBJECT

1. The primary purpose of this non-profit Association is to maintain and administer the Common Facilities and to collect and disburse the assessments and charges, existing or hereinafter created, pertaining to the residential properties known as Oakwell Farms Unit 2 Planned Unit Development and such additions thereto as have been or may hereafter be brought within the jurisdiction of the Association as provided for in the Articles of Incorporation and the Amended Declarations of Covenants, Conditions and Restrictions.

2. All Owners, tenants, or any other person who might use the Common Facilities in any manner, are subject to the regulations set forth in these Bylaws. The mere acquisition or rental of any Lot or the mere act of occupancy of any Lot will signify that these Bylaws will be complied with and are accepted and ratified.

3. Should any clause in these Bylaws not conform with the requirements of the Amended Declarations of Covenants, Conditions and Restrictions, or of the Articles of Incorporation, the remainder of these Bylaws shall not be affected.

ARTICLE II

MEMBERSHIP, VOTING, QUORUM, PROXIES

1. Membership. Any person or entity on becoming an Owner of a fee or undivided interest in any Lot shall automatically become a member of this Association and be subject to these Bylaws, excluding, however, any person or entity holding an interest in any such Lot merely as security for the performance of an obligation. Such membership shall terminate without any formal Association action whenever such person or entity ceases to own a Lot, but such termination shall not relieve or release any such former Owner from any liability or obligation incurred under or in any way connected with the Properties during the period of such ownership and membership in the Association, or impair any rights or remedies which the Board or others may have against such

former Owner and Member arising out of or in any way connected with such ownership and membership and the covenants and obligations incident thereto. No certificates of stock shall be issued by the Association, but the Board may, if it so elects, issue one membership card to the Owner(s) of a Lot.

2. Voting Rights. Association Members shall be entitled to one vote for each Lot in which they hold the interest required for membership specified in Section 1 of Article II. When more than one person holds such interest or interests in any Lot, all such persons shall be Members, and the vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any such Lot.

3. Quorum. Except as provided in Article VII, Sections 4, 5 and 6 of these Bylaws, the presence in person or by proxy of Owners representing thirty percent (30%) of the Owners of all Lots, shall constitute a quorum at meetings of members.

4. Proxies. Votes may be cast in person or by proxy. Proxies must be filed with the Secretary before vote is taken on any matter on which the proxy is to be exercised.

ARTICLE III

ADMINISTRATION

1. Association Responsibilities. The Owners of Lots constitute the Oakwell Farms Homeowners Association, hereinafter referred to as "Association", which has the responsibility of administering Association business through a Board.

2. Place of Meeting. Meetings of the Association shall be held at such place as the Board may determine.

3. Annual Meeting. There shall be a meeting of the Association on the first week of November of each year at 6:30 p.m. or at such other reasonable time and place (not more than sixty (60) days before or after such date) as the Board may determine. At such meetings there shall be elected by ballot of the owners a Board in accordance with the requirements of Section 5 of Article 4 of these Bylaws. The Owners may also transact such other business of the Association as may properly come before them.

4. Special Meetings. It shall be the duty of the President to call a special meeting of the Owners as directed by resolution of the Board or upon a petition signed by thirty percent (30 %) of the Owners and having been presented to the Secretary. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice unless by consent of four-fifths (4/5) of the Owners present, either in person or by proxy.

5. Notice of Meeting. It shall be the duty of the Secretary to mail to each Owner a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, at least ten (10) but not more than fifteen (15) days prior to the annual meeting, and at least thirty (30) days prior to any special meeting. The mailing of notice in the manner provided in this paragraph shall be considered notice served.

6. Adjourned Meetings. If any duly called meeting of Owners cannot be organized because a quorum is not present, the meeting will be adjourned and another meeting may be called, subject to the following:

(a) For re-scheduled meetings concerning Special Assessments or concerning increasing Annual Assessments by more than ten percent (10%) over that of the previous year, notice requirements shall be as set forth in Section 5 above for special meetings.

(b) For meetings for purposes other than described in (a) above, notice shall be given at least ten (10) days prior to the date of the re-scheduled meetings.

ARTICLE IV

BOARD

1. Number and Qualifications. The affairs of the Association are governed by a Board composed of from three (3) to nine (9) Association Members, in good standing, the number to be determined by the Board from time to time by two-thirds (2/3) vote.

2. Powers and Duties. The Board has, by law, the powers and duties necessary for the administration of the affairs of the Association and for the operation and maintenance of a first class residential development. All Directors are co-equals and exercise the rights, powers, and authorities of the Board only when assembled together in a properly constituted meeting of the Board, or when authorized to act alone or with other Directors by resolution of the Board. The Board may do all such acts and things that the Association may do and which are not, by these Bylaws or by the Amended Declaration of Covenants, Conditions and Restriction directed to be exercised and done by the Owners or by the Architectural Control Committees.

3. Other Powers and Duties. The Board shall be empowered and shall have the duties as follows:

(a) To administer and enforce the covenants, conditions, restrictions, uses, limitations, obligations, and all other provisions set forth in any declaration of covenants, conditions, and restrictions, applicable to the Properties, or any part thereof, excepting those duties reserved to the Architectural Control Committee as provided in Article VII, Declarations of Covenants, Conditions and Restrictions.

(b) To establish, make and enforce compliance with such reasonable rules as may be necessary for the operation, use and occupancy of the Common Facilities, with the right to amend same from time to time, including such rules and regulations relating to traffic and parking as may be deemed necessary or convenient. A copy of such rules and regulations shall be delivered to, or mailed to, each Member promptly upon the adoption thereof.

(c) To keep in good order, condition and repair all of the Common Facilities and all items of personal property of the Association used in the maintenance and enjoyment of the Properties.

(d) To insure and keep insured all of the insurable Common Facilities in an amount equal to their maximum replacement value. Maximum replacement value shall be determined from time to time by one or more written appraisals. Further, to obtain and maintain comprehensive liability insurance covering the entire premises in amounts of not less than One Hundred Thousand Dollars (\$100,000.00) per person and Three

Hundred Thousand Dollars (\$300,000.00) per accident and Fifty Thousand Dollars (\$50,000.00) property damages. To insure and keep insured all of the fixtures, equipment and personal property acquired by the Association for the benefit of the Association and its Members and their first mortgagees. To obtain on behalf of the Association, insurance providing protection against all errors, omissions, or acts, Officers, employees, and agents for which the Association might be held liable.

(e) To determine, within the limits set in the Declaration of Covenants, Conditions and Restrictions, levy and collect annual assessments of Members and the monthly prorated assessments to be paid by each of the Owners. To levy, within the limits set in the Declaration of Covenants, Conditions & Restrictions, and collect special assessments whenever in the opinion of the Board it is necessary to do so in order to meet increased operating or maintenance expenses or costs, or additional capital expenses, or because of emergencies. All special assessments shall be in an itemized statement form and shall set forth the detail of the various expenses for which the assessments are being made. Additionally, the Association shall be empowered to charge reasonable admission and other fees for the use of the Common Facilities.

(f) To appoint an Architectural Control Committee (ACC) which will review exterior architectural requests. The ACC will approve or disapprove the request in accordance with the "Guidelines for Architectural Control Committee" based on the Declaration of Covenants, Conditions and Restrictions for Oakwell Farms (attached). The ACC will serve for an indefinite period of time at the pleasure of the Board.

(g) To levy and collect assessments allocated to Bye Properties.

(h) To collect delinquent assessments by suit or otherwise and to enjoin or seek damages from an Owner as is provided in these Bylaws.

(i) To prosecute all claims of the Association for damages or otherwise, including the authority to contract for the services of attorneys and determine when and whether to file suit. Such power shall extend to all causes of action the Association may have whether for damages at law or injunctive or other relief.

(j) To protect and defend the entire premises from loss and damage by suit or otherwise.

(k) To borrow funds for the purpose of constructing or improving the Common Facilities and in aid thereof to mortgage said properties and facilities, and to execute such instruments as necessary evidencing such indebtedness which shall be the obligation of all of the Owners in the same proportion as their interest in the Properties may bear, provided, however, that such action shall require approval of two-thirds (2/3) vote of Members voting at a meeting duly called for such purpose.

(l) To take such steps as are reasonably necessary to protect the; Common Facilities against foreclosure.

(m) To suspend the enjoyment rights of any Member for any period during which any assessment remains unpaid, and for a period not to exceed thirty (30) days for any infraction of the published rules and regulations of the Association.

(n) To enter into contracts within the scope of their duties and powers.

(o) To establish a bank account for the common treasury and for all separate funds which are required, or may be deemed advisable by the Board .

(p) To dedicate or transfer all or any part of the Common Facilities to any public agency, authority, or utility for such purposes and subject to such conditions as may be approved by a two-thirds (2/3) vote of the Members, provided however, the Board shall be empowered to accept donations of property to the Association on behalf of the Association which donations prohibit such dedications or transfers or are otherwise conditioned.

(q) To keep and maintain full and accurate books and records showing all of the receipts, expenses or disbursements and to permit examination thereof at any reasonable time by each of the Owners, and to cause to be prepared by a competent certified public accountant an annual financial statement of the Association.

(r) To prepare and deliver annually to each Owner, if requested by the Owner, a statement showing all receipts, expenses or disbursements since the last such statement.

(s) To meet at least quarterly.

(t) To employ or engage the personnel necessary for the maintenance and operation of the Common Facilities.

(u) In general, to carry on the administration of this Association and to do all of those things, necessary and reasonable, in order to carry out the communal aspect of subdivision ownership.

4. Managing Agent. The Association shall engage the services of a Managing Agent (Administrator) to represent the Association and perform or cause to be performed all acts and responsibilities of the Board which may, by law and these Bylaws, be delegated. Responsibilities and authority of the Managing Agent shall be specified in a written contract for management services developed by the Board.

5. Election and Term of Office. At the annual meetings of the Association, elections shall be held to elect Association Directors by ballot of the Owners. The term of office is three (3) years but their terms are staggered. At the expiration of the three-year term of office of each respective Director, a successor shall be elected to serve a term of three (3) years. The Board shall, no less than sixty (60) days prior to the Annual Meeting, appoint a Nominating Committee, excluding current Directors. The Nominating Committee shall choose its own chairperson. The Committee shall present a slate of one or more nominees for each Director position to be filled. Nominations may also be made from the floor. Anyone nominated from the floor must be present or have consented in writing to accept such nomination. "Write-in" nominations shall not be accepted nor recognized as valid nominations. No Association Member shall be eligible to seek election to the Board for more than two consecutive terms of office even though the first term served may be less than three (3) years. This provision shall be effective for the elections in 1996 and thereafter.

6. Vacancies. Vacancies on the Board caused by a Director no longer being an Association Member, or by any reason other than the removal of a Director by a vote of the Association, shall be filled by vote of the majority of the remaining Directors and each person so elected shall be a Director until a successor is elected at the next annual meeting of the Association. Such successor elected at an annual meeting shall serve the remainder of the 3 year term of the Director whose position was vacated.

7. Removal. At any regular or special meeting of the Association, duly called, anyone or more of the Directors may be removed, with or without cause, by vote of more than fifty percent (50%) of the eligible votes of the Association, and a successor shall then and there be elected to fill each vacancy thus created to serve the remainder of the term of the Director. Any Director whose removal has been proposed by the Owners shall be given an opportunity to be heard at the meeting.

8. Organization Meeting. The first meeting of a newly elected Board shall be held within thirty (30) days of the election, at such time and place as shall be fixed by the Directors at the meeting at which such Directors were elected; and no notice shall be necessary to the newly elected Directors in order legally to constitute such meeting, provided a majority of the whole Board shall be present.

9. 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; but at least four (4) such meetings shall be held during each fiscal year. Meetings are open to all Association Members. Notice of regular meetings of the Board shall be given to each Director and to the Association membership, in order to provide sufficient notice for interested Owners to attend.

10. Special Meetings. Special meetings, including Executive meetings, of the Board shall be called by the President, at the request of any Director, with three (3) days notice to each Director, given personally, or by mail, telephone or other means, which notice shall state time, place and purpose of the meeting. Executive meetings are private meetings requiring confidentiality and attendance is limited to Directors and others specifically invited.

11. Waiver of Notice. Before or at any meeting of the Board, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice at the time and place thereof. If all the Directors are present at any meeting of the Directors, no notice shall be required and any business may be transacted at such meeting.

12. Board of Director's Quorum. At all meetings of the Board, a majority of the Directors shall constitute a quorum for the transaction of business; and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board. If, at any meeting of the Board, there be less than a quorum present, the meeting may be re-scheduled and all Directors given three (3) days notice of time, place, and purpose.

13. Fidelity Bonds. The Board may require that all officers and employees of the association handling or responsible for association funds shall furnish a fidelity bond. The premium on such bonds shall be paid by the association.

ARTICLE V

OFFICERS

1. Designation. The officers of the Association shall be a President, a Vice President, a Secretary and a Treasurer, each of whom shall be elected by and from the Board. The Board may, without abrogating its responsibilities or authority, appoint or hire such assistant secretaries or assistant treasurers as it deems necessary to conduct the business of the Association.

2. Election of Officers. The officers of the Association shall be elected annually by the Board at the organization meeting of each new Board and shall hold office at the pleasure of the Board. However, no officer shall be eligible to hold the same office for more than two consecutive years. This provision shall become effective on approval of these Bylaws.

3. Removal of Officers. Upon an affirmative vote of a majority of the members of the Board, any officer may be removed, with or without cause, and a successor elected at any regular meeting of the Board, or at any special meeting of the Board called for such purpose.

4. President. The President shall be the chief executive officer of the Association. The President shall preside at all meetings of the Association and of the Board. The President shall have all the general powers and duties which are usually vested in the office of president of an association, including but not limited to the power to appoint committees from among the Owners from time to time, with concurrence of the Board as may be appropriate, to assist in the conduct of the affairs of the Association. In the absence of the President, the Vice President will preside during the election of a Director to preside at the meeting.

5. Vice President. The Vice President shall perform the duties of the President in the absence or inability of the President to perform such duties. In addition, the Vice President shall perform such duties as may from time to time be requested by the Board or President.

6. Secretary. The Secretary shall keep all the minutes of all meetings of the Board and the minutes of all meetings of the Association; shall have charge of such books and papers as the Board may direct; and shall, in general, perform all the duties incident to the office of Secretary. The Secretary shall compile and keep up to date at the principal office of the Association a complete list of Members and their last known addresses as shown on the records of the Association. Such list shall also show opposite each Member's name the number or other appropriate designation of the Lot(s) owned. Such list shall be open to the inspection by members and/or their agent at reasonable times during regular business hours.

7. Treasurer. The Treasurer shall have responsibility for Association funds and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. The Treasurer shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit of the Association in such depositories as may from time to time be designated by the Board. The Treasurer shall prepare and submit to the Board the initial draft of the annual budget.

ARTICLE VI

INDEMNIFICATION OF OFFICERS AND MANAGERS

The Association shall indemnify every Director, manager, or officer, his heirs, executors, administrators, personal representatives, successors, and assigns against all loss, costs and expense including counsel fees, reasonably incurred by him in connection with any action, suit or proceeding to which he may be made a party by reason of his being or having been a Director, manager, or officer of the Association, except as to matters as to which he shall be finally adjudged in such action, suit, or proceeding to be liable for gross negligence or willful misconduct. In the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Association is advised by counsel that the person to be indemnified has not been guilty of gross negligence or willful misconduct in the performance of their duty as such manager or

officer in relation to the matter involved. The foregoing rights shall not be exclusive of other rights to which such Director, manager, or officer may be entitled. All liability, loss, damage, costs and expense incurred or suffered by the Association by reason or arising out of or in connection with the foregoing indemnification provisions shall be treated and handled by the Association as Common Expense; provided, however, that nothing in this Article VI contained shall be deemed to obligate the Association to indemnify any member or Owner of a Lot, who is or has been a Director, manager, or officer of the Association, with respect to any duties or obligations assumed or liabilities incurred by them under and by virtue of any declaration of covenants, conditions, and restrictions related to the Properties, as a Member or Owner of a Lot covered thereby.

ARTICLE VII

OBLIGATIONS OF OWNER

1. Assessments. All Owners shall be obligated to pay to the Association:

(a) Annual assessment or charges.

(b) Special assessments for capital improvements, such assessments to be fixed, established, and collected from time to time as hereinafter provided. The annual and special assessments, together with such interest thereon and costs of collection thereof as are hereinafter provided, shall be a charge on each Lot and shall be a continuing lien upon each Lot against which such interest thereon and costs of collection thereof as hereinafter provided shall also be the personal obligation of the person who was the Owner of such Lot at the time the obligation accrued.

2. Purpose of Assessments. The assessments levied by the Association shall be used for the purpose of promoting the recreation and welfare of the member and in particular, for the improved maintenance and operation of common facilities devoted to this purpose and related to the use and enjoyment of the property by the members. These include, but are not limited to maintenance of safety lanes, streets, drains, common areas, landscaping, pathways, common area irrigation systems, statuary, common fences, common walls and fountains.

3. Basis and Maximum of Annual Assessments. The Board shall determine the annual assessment for both improved and unimproved Lots in the manner provided for herein, after determination of current maintenance costs and anticipated needs of the Association during the fiscal year for which the assessment is being made. The maximum annual assessment for improved Lots and the maximum annual assessment for unimproved Lots may be increased only as provided in Section 5 (listed below). A Lot shall be deemed to be an "improved Lot" when construction of a Living Unit thereon is completed and closing of a sale thereof has taken place, or when the Living Unit is occupied by the Owner, whichever first occurs.

4. Special Assessments for Capital Improvements. In addition to the annual assessments provided for in Section 3 (listed above), the Association may levy, in any assessment year, a special assessment on improved Lots only applicable to that year and only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement on or which is a part of the Common Facilities or the acquisition of property to become part of the Common Facilities. Such assessment shall have the assent of two-thirds (2/3) of the votes of the Improved Lot Owners voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all Improved Lot Owners.

5. Change in Basis and Maximum of Annual Assessment. The maximum annual assessment may be adjusted by majority vote of the Board but shall not be increased by more than ten percent (10%) above that of the previous year without a vote of the Membership. Any increase in the maximum annual assessment of more than ten percent (10%) above that of the previous year shall require approval of two-thirds (2/3) vote of Members voting at a meeting duly called for such purpose.

6. Quorum for Any Action Authorized Under Sections 4 and 5. The quorum required for any action by members authorized by Sections 4 and 5 hereof shall be as follows:

At any meeting called, as provided in Sections 4 and 5 hereof, the presence at the meeting of Members, or of proxies, entitled to cast sixty percent (60%) of all votes of Association members shall constitute a quorum. If the required quorum is not forthcoming at the first meeting scheduled, another meeting may be scheduled subject to the notice requirements set forth in Sections 4 and 5, and the required quorum at any such subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting, provided that such reduced quorum requirement shall not be applicable to any such subsequent meeting held more than sixty (60) days following the preceding meeting.

7. Date of Commencement of Annual Assessments: The annual assessments provided for herein shall commence as to all lots on the first day of November of a fiscal year. The assessment of each fiscal year (November 1 - October 31) shall become due and payable and shall be collected as the Board shall determine. The amount of the annual assessment may be levied on a Lot for the balance remaining in the first year of assessments shall be an amount which bears the same relationship to the annual assessment provided for in Section 3 hereof as the remaining number of months in that fiscal year bear to twelve. When a Lot becomes an improved Lot after the annual assessment for it as an unimproved Lot has been paid, there shall be payable, as of the first day of the month following the month when it becomes an improved Lot, a sum equal to the difference between the annual assessment for unimproved Lots and the annual assessment for improved Lots prorated over the balance of the year then remaining. The due date of any special assessment under Section 4 hereof shall be fixed in the resolution authorizing such assessment.

8. Duties of the Board Regarding Assessments: In October of each year, the Board shall fix the amount of the annual assessment against each Lot for the fiscal year (November 1 - October 31) and shall, at that time, prepare a roster of the Lots and assessments applicable thereto which shall be kept in the office of the Association. Written notice of the assessment shall thereupon be sent to every Owner. The Association shall, upon demand at any time, furnish to any Owner liable for said assessment an account analysis setting forth whether said assessment has been paid. A Member shall be deemed to be in good standing and entitled to vote at any annual or special meeting of Members, within the meaning of these Bylaws, if and only if assessments made or levied against that member and the lot or lots owned by that member have been fully paid.

9. Effect of Non-Payment of Assessments: If the assessments are not paid on the date when due, as specified by the Board, then such assessment shall become delinquent and shall, together with such interest thereon and cost of collection thereof, become a continuing lien on the property which shall bind such property in the hand of the then Owner, his heirs, devise, personal representatives, successors, and assigns. If the assessment is not paid within one (1) month after the due date, the assessment shall bear interest from the due date at the rate of ten percent (10 %) per annum, and the Association may bring an action at law against the Owner to pay the same or to foreclose the lien against the Lot, and there shall be added to the amount of such assessment all reasonable expenses of collection including the costs of preparing and filing the complaint, reasonable attorney's fees and costs of suit.

10. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any mortgage or mortgages now or hereafter placed upon the Lots subject to assessment, provided however, that such subordination shall apply only to the assessments which have become due and payable prior to the sale or transfer of such Lot pursuant to a decree of foreclosure. Such sale or transfer shall not relieve such Lot from liability for any assessments thereafter becoming due, nor from the lien of any such subsequent assessment.

11. Exempt Property. The charges and liens created herein shall apply only to the Lots, and the remainder of the Properties shall not be subject thereto.

12. General.

(a) Each Owner shall comply strictly with the provisions of the Amended Declaration of Covenants and Restrictions applicable to the Oakwell Farms Planned Unit Development in which the Owner's lot lies. All Owners shall promptly and completely comply with the rules and regulations promulgated by the Board in conformance with these Bylaws.

(b) Each Owner may use the Common Facilities in accordance with the purpose for which they were intended without hindering or encroaching upon the lawful rights of the other Owners.

(c) The Common Facilities are intended for use to afford vehicular and pedestrian movement within the development, to provide access to the Lots of the Owners and improvements thereon, for recreational use by the Owners and occupants of Lots, for the beautification of the development, and for providing privacy to the residents thereof through landscaping and such other means as shall be deemed appropriate. No part of the Common Facilities shall be obstructed so as to interfere with its use for the purposes herein recited. No part of the Common Facilities may be used for general storage purposes after the completion of the construction on Lots by developer, except maintenance storage room, nor anything done thereon in any manner which shall increase the rate of hazard and liability insurance covering said area and improvement situated thereon.

(d) No resident of the Properties shall post any advertisements, signs, or posters of any kind on the Properties except as authorized by the Association.

ARTICLE VIII

This Association is not organized for profit. No Member, Director, or person from whom the Association may receive any property or funds, shall receive or shall be lawfully entitled to receive any pecuniary profit from the operation thereof, and in no event shall any part of the funds or assets of the Association be paid as salary or compensation to, or distributed to, or inure to the benefit of any member of the Board. However, reasonable compensation may be paid to any member while acting as an agent or employee of the Association for services rendered in effecting one or more of the purposes of the Association, and that any member of the Board may, from time to time, be reimbursed for his actual and reasonable expenses incurred in connection with the administration of the affairs of the Association.

ARTICLE IX

The principal office for the transaction of business of this Association is: Oakwell Farms Homeowners Association, 1600 N. E. Loop 410, Suite #202, San Antonio, Texas 78209, (Ph. 210-829-7202).

ARTICLE X

The persons authorized by the Association to execute instruments of conveyance or encumbrances, including promissory notes, are the President, the Vice President, the Secretary, and the Treasurer of the Association, the signatures of two or more of whom shall be required on documents, within limits and rules prescribed by the Board, these Bylaws, and the Amended Declaration of Covenants, Conditions, and Restrictions.

ARTICLE XI

The latest edition of ROBERT'S RULES OF ORDER, NEWLY REVISED, shall be the parliamentary authority in all matters of procedure not specifically covered by these Bylaws.

ARTICLE XII

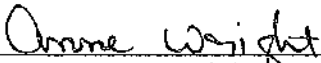
To amend these Bylaws, the Board shall invite Association member participation; and amendments to these Bylaws shall require the approval of a majority of the full Board.

Attachment

"Guidelines for Architectural Control Committee based on Declaration of Covenants, Conditions and Restrictions"

Amended on November 19, 1998

Amended on September 23, 2004



Anne Wright, Secretary