

BYLAWS OF
MUSTANG VALLEY OWNERS ASSOCIATION, INC.

ARTICLE I. NAME AND LOCATION

Section 1.1. Name. The name of the Corporation is MUSTANG VALLEY OWNERS ASSOCIATION, INC., hereinafter sometimes referred to as the "Association" or the "Corporation".

Section 1.2. Location. The principal office of the Corporation shall be located at 21232 Gathering Oaks, Suite 103, San Antonio, Texas, 78258, but meetings of members and directors may be held at such places within the State of Texas, as may be designated by the Board of Directors.

ARTICLE II. DEFINITIONS

Section 2.1. "Association" shall mean and refer to the MUSTANG VALLEY OWNERS ASSOCIATION, INC., a Texas nonprofit corporation, its successors and assigns.

Section 2.2. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 2.3. "Properties" shall mean and refer to that certain real property described in the Declaration of Covenants, Conditions and Restrictions for VALLEY VIEW SUBDIVISION UNIT 1, commonly known as MUSTANG VALLEY, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 2.4. "Common Properties" shall mean and refer to all real property owned and/or controlled by the Association for the common use and enjoyment of the Owners as described in the Declaration. "Common Area" shall mean property, both real and personal, owned or managed by the Association.

Section 2.5. "Lot" Lots 38 through 63 in Block 61, Lots 1 through 34 in Block 62, Lots 1 through 22 in Block 63, Lots 1 through 7 in Block 64, and Lots 1 through 9 in Block 65, all in Valley View Subdivision Unit 1, commonly known as Mustang Valley, a subdivision in Bexar County, Texas, according to the Map or Plat thereof recorded in Volume 9565 at Page 123 of the Plat Records of Bexar

Exhibit "A"

County, Texas, with the exception of Common Area, easements and dedicated rights-of-way.

Section 2.6. "Declarant" shall mean and refer to FIELDSTONE COMMUNITIES SAN ANTONIO, LLC, a Texas limited liability company, its successors or assigns provided such successor or assign acquires in a single transaction not less than ten (10) residential lots for purposes of development or residential construction and receives an assignment of Declarant's rights as a part of the acquisition.

Section 2.7. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Conditions For VALLEY VIEW SUBDIVISION UNIT 1, (MUSTANG VALLEY), hereinafter sometimes referred to as the "Declaration", applicable to Lots 38 through 63 in Block 61, Lots 1 through 34 in Block 62, Lots 1 through 22 in Block 63, Lots 1 through 7 in Block 64, and Lots 1 through 9 in Block 65, all in Valley View Subdivision Unit 1, commonly known as Mustang Valley, a subdivision in Bexar County, Texas, according to the Map or Plat thereof recorded in Volume 9565 at Page 123, of the Plat Records of Bexar County, Texas,

Section 2.8. "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration.

ARTICLE III. MEETINGS OF MEMBERS

Section 3.1. Annual Meetings. There shall be a meeting of the Association on the 3rd Tuesday of December of each year, commencing the year 2005, at 9:00 a.m. or at such other reasonable time and at such place (not more than sixty days before or after such date) as the Board of Directors may determine.

Section 3.2 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 Class A membership.

Section 3.3. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the Secretary or the person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least ten (10) but not more than twenty (20) days before such meeting date, to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association. 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. The Board of Directors shall determine the place of the meeting.

Section 3.4. Quorum. The presence at the meeting of members, in person or by proxy, entitled to cast one-tenth (1/10) of the votes of each class of

membership, shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration or these Bylaws. If however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have the power to adjourn the meeting from time to time, without notice, other than announcement at the meeting, until a quorum as aforesaid shall be present or represented. No such subsequent meeting shall be held more than thirty (30) days after the date of the original called meeting, except as provided in the Declaration for special meetings called in regard to special assessments.

Section 3.5. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing, on a form approved by the Board of Directors, and filed with the Secretary of the Association prior to the issuance of ballots. Every proxy shall be revocable and shall be for no period greater than eleven (11) months.

Section 3.4. Member in Good Standing. Only members in good standing shall be entitled to cast votes or serve as a Member of the Board of Directors. A member is "in good standing" only if all assessments, affecting the member's lot or lots, are paid in full and there are no unsatisfied judgments against the member, in favor of the Association.

Section 3.6. Order of Business. Unless determined otherwise by the Board of Directors, the order of business at all meetings of the membership of the Association shall be as follows:

- a. Roll Call
- b. Proof of Notice of Meeting or Waiver of Notice
- c. Reading of Minutes of Preceding Meeting
- d. Reports of Officers
- e. Reports of Committees
- f. Election of Directors
- g. Unfinished Business
- h. New Business
- i. Adjournment

ARTICLE IV. BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 4.1. Number. The affairs of the Association shall be managed by a Board of three (3) directors who must be members in good standing with the Association or appointed by Declarant. The number of Directors may be changed by amendment of the Bylaws of the Association, but in no event shall be less than three

Section 4.2. Term of Office. Appointed Members of the Board of Directors shall serve until removed by Declarant or Class A member elected directors are elected to replace appointed directors. For so long as any director appointed by Declarant holds office, elected directors shall serve from the time of the election until the next annual meeting. At the first Annual Meeting after all appointed directors have been replaced with elected directors, one director shall be elected for a term of one year, one director shall be elected for a term of two years and one director shall be elected for a term of three years; thereafter at each annual meeting one director shall be elected for a period of three years. In the case of the resignation, removal, death or incapacity to serve of any of the aforesaid directors elected to office, by the members of the corporation, a special meeting of the members entitled to elect such director shall be called to elect a successor to serve the balance of the term of said directors.

Section 4.3. Removal. Any Director elected by Class A members may be removed from the Board, with or without cause, by a majority vote of Class A members. Any Director appointed by Declarant may be removed only by Declarant.

Section 4.4 Compensation. No Director shall receive compensation for any service rendered to the Association; however, and Director may be reimbursed for reasonable expenses actually paid in the performance of the director's duties.

Section 4.5. Action Taken Without a Meeting. The Directors shall have the right to take any action in the absence of a meeting that they could take at a meeting by obtaining the written approval of all Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

ARTICLE V. NOMINATION AND ELECTION OF DIRECTORS

Section 5.1 Nomination. Nomination for election to the Board of Directors may be made by a Nominating Committee, by the Board of Directors and by the membership. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and one or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors at least ninety (90) days prior to each Annual Meeting of members, to serve 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.

Section 5.2. Election. Election to the Board of Directors shall be by secret ballot. At such election, the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the

Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted. However, if the number of candidates does not exceed the number of director positions to be filled, the candidates may be elected by acclamation, through a voice vote.

ARTICLE VI. MEETINGS OF DIRECTORS

Section 6.1. Regular Meetings. Regular meetings of the Board of Directors shall be held quarterly, without the requirement of 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, then that meeting shall be held at the same time on the next day that 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.

ARTICLE VII. POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 7.1. Powers. The Board of Directors shall have the power to:

- (a) Adopt and publish rules and regulations governing the use of the Common Area and facilities, if any, and the personal conduct of the members and their guest thereon, and to establish penalties for the infraction thereof.
- (b) Suspend the voting rights and other privileges of a member during any period in which such member shall be in default in the payment of any assessment and/or other fees levied by the Association. Such rights may also be suspended after notice of hearing for a period not to exceed sixty (60) days for infraction of published rules and regulations or continuing violation of the standards established in the Declaration.
- (c) Exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation or the Declaration.
- (d) Declare the office of an elected 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.

- (e) Enter into contracts with independent contractors or municipalities for police or security protection, fire protection, landscaping services, and sanitary services such as garbage collection.
- (f) Employ a manager, independent contractors, or such other employees as they deem necessary, and to prescribe their duties.
- (g) Cause audited or unaudited reports of the business affairs of the Association to be prepared from time to time.

Section 7.2. Duties. It shall be the duty of the Board of Directors to:

- (a) 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) Supervise all officers, agents and employees of this Association.
- (c) As more fully provided in the Declaration, to:
 - (1) Fix the amount of the annual assessments against each Lot at least thirty (30) days in advance of each annual assessment period;
 - (2) Send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period.
- (d) Procure and maintain adequate liability and hazard insurance on property owned and/or managed by the Association.
- (e) Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate.
- (f) Cause the Common Area, if any, to be maintained (including, but not limited to, any private streets, entry and gates serving the Properties).
- (g) Maintain landscaped areas described in or covered by the Declaration.

ARTICLE VIII. OFFICERS AND THEIR DUTIES

Section 8.1. Enumeration of Offices. 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 Treasurer, and such other officers as the Board may from time to time create by resolution.

Section 8.2. 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 8.3. Term. The officers of this Association shall be elected annually by the Board, and shall hold office until their replacements or successors are elected by the Board, or earlier upon resignation, removal or disqualification.

Section 8.4. 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 8.5. Resignation and Removal. Any officer may be removed from office without cause by the Board, at any time. Any officer may resign at any time, giving written notice to the Board, the President or Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 8.6. Vacancies. A vacancy in an officer may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he/she replaces.

Section 8.7. Multiple Offices. The offices of Vice President, 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 8.4 of this Article.

Section 8.8. Duties. The duties of the officers are as follows:

(a) President. The President shall preside at meeting of the Board of Directors and of the membership, and shall sign all contracts, leases, mortgages, deeds and other written instruments.

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

(c) Secretary. The Secretary shall be responsible for the recording of the votes and the keeping of minutes of all meetings and proceedings of the Board and of the Annual Meeting and Special Meetings of the membership, the service of notice of meetings of the Board and of the membership, the maintenance of appropriate

and current records showing the members of the Association, together with their addresses and such other duties as required by the Board.

(d) Treasurer. The Treasurer shall be responsible for the receipt and deposit, in appropriate bank accounts, of all monies of the Association, and the disbursement of such funds as directed by resolution of the Board of Directors; the maintenance of proper books of account; the issuance of audited or unaudited financial statements of the Association's books to be prepared at the completion of each fiscal year; and the preparation an annual budget and statement of income and expenditures to be presented to the membership at its Annual Meetings, and delivery of copies (which delivery may be by mail or publishing same in the Association newsletter) of each to the members. Further, the Treasurer shall sign all promissory notes of the Association.

ARTICLE IX. BOOKS AND RECORDS

Section 9.1. Books and Records. The books, records and papers of the Association, except for the personal files of each member for which disclosure may be prohibited by the Fair Debt Collection Act or other rule of law, shall at all times, during reasonable business ours, Monday through Friday, be subject to inspection by any member. The Declaration, the Articles of Incorporation and the Bylaws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable costs.

ARTICLE X. COMMITTEES

Section 10.1. Architectural Control Committee. When the Board of Directors of the Association is vested with the power and authority to appoint and remove members of the Architectural Control Committee, hereinafter sometimes called the "ACC", pursuant to the Declaration, the Board of Directors shall appoint an Architectural Control Committee, as provided by the Declaration. The ACC, regardless of who appointed its membership, shall prepare and adopt a written statement setting forth development and building standards and procedures for the implementation and enforcement of same, said statement to be called "Architectural Design Guidelines", shall perform such functions as directed by the Declaration, and shall advise the Board on all matters pertaining to the maintenance, sue, repair or improvements to the Properties. The ACC may have delegated to it, by the Board, such powers and duties as are necessary to enforce the Declaration. The actions of the ACC shall not conflict with the Declaration.

Section 10.2. Nominating Committee. The Board of Directors shall appoint, from time to time, a Nominating Committee as provided by these Bylaws.

Section 10.3. Other Committees. The Board shall appoint such other committees as it deems appropriate to carry out the purposes of the Declaration, the Articles of Incorporation and these Bylaws, and delegate to said committees such powers and duties required to execute and enforce the committee's responsibilities.

ARTICLE XI. ASSESSMENT

Section 11.1. Assessment. As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments that are secured by a continuing lien upon the property against which the assessment is made. Any assessments that are not paid when due shall be delinquent. If the assessment is not paid within sixty (60) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of ten percent (10%) per annum or the highest lawful rate, whichever is lower, and the Association may bring an action at law against the Owner personally obligated to pay the same and/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 waive or otherwise escape liability for assessments provided for herein by nonuse of the Common Area or abandonment of his/her Lot.

ARTICLE XII. NO CORPORATE SEAL

Section 12.1. No Corporate Seal Required. The Association shall not be required to have a corporate seal for any purposes. However, the Board of Directors may adopt a corporate seal if it so wishes.

ARTICLE XIII. AMENDMENTS AND CONFLICTS

Section 13.1. Amendment. These Bylaws may be amended at a regular or special meeting of the members by a vote of a majority of a quorum of each class of members present in person or by proxy.

Section 13.2. Conflicts. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles of Incorporation shall control; and in the case of any conflict between the Declaration of Covenants, Conditions and Restrictions and the Articles of Incorporation or these Bylaws, the Declaration shall control.

ARTICLE XIV. FISCAL YEAR

Section 14.1. Fiscal Year. The fiscal year of the Association shall begin on the first day of January and end on the last day of December of each year, except for the year of incorporation when the fiscal year shall begin on the date of incorporation.

ARTICLE XV. INDEMNIFICATION OF DIRECTORS, OFFICERS AND MANAGERS

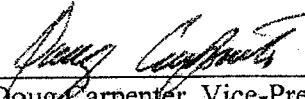
Section 15.1. Indemnification. The Association shall indemnify every Director, Officer and Manager, his/her heirs, executors, administrators, personal representatives, successors, and assigns against all loss, costs and expense, including counsel fees, reasonably incurred in connection with any action, suit or proceeding to which he/she may be made a party by reason of being or having been a Director, Officer or Manager of the Association, except for matters as to which he/she 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 his/her duty as such Director, Officer or Manager in relation to the matter involved. The foregoing rights shall not be exclusive of other rights to which such Director, Officer or Manager may be entitled. All liability, loss, damage, cost and expense incurred or suffered by the Association by reason of, or arising out of, or in connection with the foregoing indemnification provisions shall be treated and handled by the Association as Common Expenses; provided, however, that nothing in this Article shall be deemed to obligate the Association to indemnify any Member or Owner of a Lot, who is or has been a Director, Officer or Manager of the Association, with respect to any duties or obligations assumed or liabilities incurred by him/her under and by virtue of the Declaration of Covenants, Conditions and Restrictions related to the Properties, as a member or Owner of a Lot covered thereby. The Association may obtain such insurance as the Board of Directors may deem advisable to cover the foregoing described matters.

ARTICLE XVI. DISSOLUTION

Section 16.1 Manner of Dissolution. The Corporation may be dissolved only with the assent given in writing and signed by sixty-seven percent (67%) of the Members of all then existing classes and with the written consent of the Class B Members. Written notice of a proposal to dissolve, setting forth the reasons therefore and the disposition to be made of the assets and/or the methods available to satisfy all outstanding indebtedness and obligations, shall be given to every Member at least ninety (90) days in advance of any meeting at which any such action may be taken.

Section 16.2. Distribution of Assets. Upon dissolution of the Corporation, the assets both real and personal of the Corporation shall be applied and distributed in accordance with the provisions of Article 1396-6.02 of the Texas Non-Profit Corporation Act, as it may be amended from time to time.

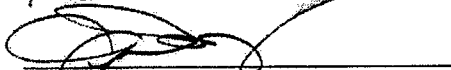
IN WITNESS WHEREOF, we, being all of the initial Directors of MUSTANG VALLEY OWNERS ASSOCIATION, INC., have hereunto set our hands this 7TH day of JUNE, 2005.



Doug Carpenter, Vice-President



Ricke Barnett, Secretary



Jesse T. Murphy, President


CERTIFICATE OF SECRETARY

I, the undersigned, do hereby certify:

That I am the duly elected and acting Secretary of MUSTANG VALLEY OWNERS ASSOCIATION, INC., a Texas nonprofit corporation; and

That the foregoing Bylaws constitute the original Bylaws of said Association, as duly adopted at a meeting of the initial Board of Directors thereof, held on the 7TH day of JUNE, 2005.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 7TH day of JUNE, 2005.



Ricke Barnett, Corporate Secretary

Doc# 20080026565 Fees: \$60.00
02/11/2008 9:36AM # Pages 12
Filed & Recorded in the Official Public
Records of BEXAR COUNTY
GERARD RICKHOFF COUNTY CLERK

Any provision herein which restricts the sale, or use of the described real property because of race is invalid and unenforceable under Federal law STATE OF TEXAS, COUNTY OF BEXAR
I hereby certify that this instrument was FILED in File Number Sequence on this date and at the time stamped hereon by me and was duly RECORDED in the Official Public Record of Real Property of Bexar County, Texas on:

FEB 11 2008





COUNTY CLERK BEXAR COUNTY, TEXAS