BYLAWS

OF

VILLAS AT REDLAND RANCH HOMEOWNERS ASSOCIATION, INC.

ARTICLE I. NAME AND LOCATION

Section 1.1 Name. The name of the Corporation is **VILLAS AT REDLAND RANCH HOMEOWNERS ASSOCIATION, INC.**, hereinafter referred to as the "Association."

Section 1.2 Location. The principal office of the Corporation shall be located at 1848 Lockhill-Selma, Suite 102, San Antonio, Texas 78213, but meetings of members and Directors may be held at such places within the State of Texas, County of Bexar, as may be designated by the Board of Directors.

ARTICLE II. DEFINITIONS

Section 2.1 "Association" shall mean and refer to VILLAS AT REDLAND RANCH HOMEOWNERS 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, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 2.4 "Common Area" 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.

Section 2.5 "Lot" shall mean and refer to any plot of land shown upon the recorded subdivision map or plat of the Properties with the exception of the Common Area.

Section 2.6 "Declarant" shall mean and refer to Continental Homes of San Antonio, L.P., a Texas limited partnership, its successors and assigns, if such successors or assigns should acquire more than one Lot from the Declarant for the purpose of constructing residences thereon and selling the same to members of the general public.

Section 2.7 "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions, hereinafter referred to as the "Declaration," applicable to the Properties and recorded in the Official Public Records of Real Property 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. MEETING OF MEMBERS

Section 3.1 Annual Meetings. The first annual meeting of the members shall be held within one (1) 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 o'clock p.m. 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 day following which is not a legal holiday.

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 (¼) of all of the votes of the 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 fifty (50) 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 3.4 Quorum. The presence at the meeting of members entitled to cast (or of proxies 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 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 3.5 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 conveyance by the member of his Lot.

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

Section 4.1 Number. The affairs of this Association shall be managed by a Board of five (5) Directors who need not be members of the Association. The number of Directors may be changed by amendment of the Bylaws of the Association. Notwithstanding the foregoing, until the election of Directors at the first annual meeting of the members, the three (3) initial Board of Directors shall so serve.

Section 4.2 Term of Office. At the first annual meeting, the Class A members shall elect two (2) Directors for a term of one (1) year; and the Class B member(s) shall elect three (3) Directors for a term of one (1) year; and at each annual meeting thereafter, the same procedure shall be followed until there are no longer any Class B member(s); and at such time the Class A members shall thereafter elect the entire Board of Directors as follows: three (3) directors shall be elected for a term of one (1) year each; and two (2) directors shall be elected for a term of two (2) years each; thereafter, all directors shall be elected for two (2) year terms.

Section 4.3 Removal. Any Director may be removed from the Board, with or without cause, by a majority vote of each class of members of the Association. In the event of death, resignation or removal of a Director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 4.4 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.

Section 4.5 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 V. NOMINATION AND ELECTION OF DIRECTORS

Section 5.1 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 one or more members of each class of 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 shall be made from Class A members for Class A vacancies to be filled, and from Class B members for Class B vacancies to be filled.

Section 5.2 Election. Election to the Board of Directors shall be by secret written 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.

ARTICLE VI. MEETINGS OF DIRECTORS

Section 6.1 Regular Meetings. Regular meetings of the Board of Directors shall be held quarterly 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, then 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.

ARTICLE VII. POWERS AND DUTIES OF THE BOARD OF DIRECTORS

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

(a) Adopt and public 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) Suspend the voting rights and right to use of the recreational facilities of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing for a period not to exceed sixty (60) days for infraction of published rules and regulations.

(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 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.

(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 (¼) of the Class A members who are entitled to vote.

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

(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; and

(3) Foreclose the lien against any property for which assessments are not paid within sixty (60) days after due date or to bring an action at law against the Owner personally obligated to pay the same.

(d) Issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment.

(e) Procure and maintain adequate liability and hazard insurance on property owned by the Association.

(f) Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate.

(g) Cause the Common Area to be maintained.

(h) 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 a Treasurer, and such other officers as the Board may, from time to time, by resolution create.

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 each shall hold office for one (1) year unless he shall sooner resign or shall be removed or otherwise disqualified to serve.

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. 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 any office 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 replaces.

Section 8.7 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 8.4 of this Article.

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

(a) President. The President shall preside at 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 checks and promissory notes, except as may be otherwise approved by the Board of Directors.

(b) Vice President. 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.

(c) Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; 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.

(d) Treasurer. 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 unaudited annual financial statement of the Association books to be prepared 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 IX. BOOKS AND RECORDS

Section 9.1 The books, records, and papers of the Association shall at all times, during reasonable business hours, 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 cost.

ARTICLE X. COMMITTEES

Section 10.1 The Association shall appoint an Architectural Control Committee, as provided in the Declaration, and a Nominating Committee, as provided in these Bylaws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE XI. ASSESSMENT

Section 11.1 As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any

assessments which 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, 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 attorneys' fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Area or abandonment of his Lot.

ARTICLE XII. NO CORPORATE SEAL

Section 12.1 The Association shall not be required to have a seal for any purposes.

ARTICLE XIII. AMENDMENTS

Section 13.1 These Bylaws may be amended at a regular or special meeting of the members by a vote of a majority of a quorum of each class of members present in person or by proxy, provided that so long as there is Class B membership, the approval of the VA or HUD must be obtained for any amendment hereto.

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

ARTICLE XIV. MISCELLANEOUS

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

IN WITNESS WHEREOF, we, being all of the initial Directors of VILLAS AT REDLAND RANCH HOMEOWNERS ASSOCIATION, INC., have hereunto set our hands this 14th day of April, 1997.

Louis M. Christa
LOUIS M. CHRISTA

TIMOTHY D. PRUSKI

DAVE MATLOCK

STATE OF TEXAS §
§
COUNTY OF BEXAR §

BEFORE ME, the undersigned authority, on this day personally appeared LOUIS M. CHRISTA, TIMOTHY D. PRUSKI, and DAVE MATLOCK, known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they executed the same for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, on this the 14th day of April, 1997.

[NOTARY'S SEAL]

ELIZABETH ALONZO
NOTARY PUBLIC
STATE OF TEXAS
My Comm. Exp. 8-14-99

Elizabeth Alonzo
Notary Public, State of Texas

CERTIFICATION

I, the undersigned, do hereby certify:

THAT I am the duly elected and acting Secretary of VILLAS AT REDLAND RANCH HOMEOWNERS 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 14th day of April, 1997.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 14th day of April, 1997.

Secretary

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 the 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

DEC 09 2005

COUNTY CLERK BEXAR COUNTY, TEXAS

Doc# 20050286936 Fees: $88.00
12/09/2005 8:41AM # Pages 19
Filed & Recorded in the Official Public
Records of BEXAR COUNTY
GERRY RICKHOFF COUNTY CLERK