

BYLAWS OF

**HUNTER VALLEY TOWNHOME
OWNERS ASSOCIATION, INC.**

A TEXAS NON-PROFIT CORPORATION

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HUNTER VALLEY TOWNHOME
OWNERS ASSOCIATION, INC.
A TEXAS NON-PROFIT CORPORATION

ARTICLE I
NAME AND LOCATION

The name of the corporation is HUNTER VALLEY TOWNHOME OWNERS ASSOCIATION, INC., hereinafter referred to as the "Association." The principal office of the corporation shall be located at 3890 W. Northwest Hwy, Suite 100 Dallas, Texas 75220, or at such other place as determined by the Board of Directors, but meetings of Members and Directors may be held at such places within the State of Texas, County of Dallas, as may be designated by the Board of Directors.

ARTICLE II
DEFINITIONS

The following words when used in these Bylaws, unless a different meaning or intent clearly appears from the context, shall have the following meanings:

"Assessment" or "Assessments" means assessment(s), Maintenance Assessments, Special Assessments and Special Individual Assessments, levied by the Association under the Declaration.

"Association" means and refers to HUNTER VALLEY TOWNHOME OWNERS ASSOCIATION, INC, its successors and assigns.

"Board" means the Board of Directors of the Association.

"City" means and refer to the City of Dallas, Texas.

"Declarant" means Hunter Valley, LP, a Texas limited partnership, and successors and assigns of its interest as Declarant under the Declaration.

"Declarant Control Period" means the period of time during which Declarant controls the operation and management of the Association as provided in the Declaration.

"Declaration" means and refers to that certain Declaration of Covenants, Conditions and Restrictions for Hunter Valley executed by Declarant and recorded in the Real Property Records of Dallas County, Texas, as such Declaration may be amended or supplemented from time to time.

"Lot" shall mean and refer to any portion of the Property shown as a subdivided residential lot on the Plat.

"Member" means each Owner and the Declarant.

"Owner" shall mean and refer to the record owner, including sellers pursuant to executory contracts for conveyance and whether one or more persons or entities, of fee simple title to any Lot, but excluding those persons or entities having such interest merely as security for the performance of an obligation.

"Plat" shall mean the subdivision plat of the Property now or hereafter filed for record in the Map or Plat Records of Dallas County, Texas, as such plat or plats may be amended from time to time.

"Property" shall mean and refer to any and all property which is or becomes subject to the terms of the Declaration.

"Restrictions" shall mean the covenants, conditions and restrictions contained in the Declaration, the Certificate of Formation of the Association (the "Certificate"), these Bylaws, any rules and regulations promulgated by the Association pursuant to the Declaration and any rules, regulations, guidelines or procedures promulgated by the Architectural Committee (as defined in the Declaration), as any of the foregoing may be adopted and amended from time to time.

ARTICLE III MEETING OF MEMBERS

Section 1. Annual Meetings. An annual meeting of the Members shall be held each calendar year on such date and at such time as shall be designated from time to time by the Board. The first annual meeting of the Members shall be held within one year after the date of incorporation of the Association. At each annual meeting, the Members shall elect Directors and transact such other business as may properly be brought before the meeting. The meeting shall be held at the place and hour designated by the Board in the notice of meeting.

Section 2. Special Meeting. Special meetings of the Members may be called at any time by the President or by the Board, or upon written request of the Members who are entitled to vote one-fourth (1/4) of all of the votes of the Class A membership. Only such business shall be transacted at a special meeting of Members as may be stated or indicated in the notice of such meeting.

Section 3. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, not less than ten (10) nor more than sixty (60) days before such meeting to each Member entitled to vote at such meeting, 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. When a meeting of the Members is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of the original meeting. When a meeting is adjourned for less than thirty (30) days, it shall not be necessary to give any notice of the time and place of the adjourned meeting or of the business to be transacted at such meeting other than by adjournment at the meeting at which the adjournment is taken.

Section 4. Waiver of Notice. Waiver of notice of a meeting by a Member shall be deemed the equivalent of proper notice. Any Member may, in writing, waive notice of any meeting of the Members, either before or after such meeting. Attendance of a meeting by a Member shall be deemed waiver of notice of the time, date and place thereof, unless the Member specifically objects to the lack of proper notice at the time the meeting is called to order. Attendance at a special meeting shall also be deemed waiver of notice of all business transacted at such meeting unless objection to the calling or convening of the meeting, of which proper notice was given, is raised before the business is put to a vote.

Section 5. Quorum. Members holding one-tenth (1/10) of the votes of each class of membership entitled to be cast at a meeting of Members, represented in person or by proxy, shall constitute a quorum for any action to be taken at such meeting. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote at such meeting 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. At such adjourned meeting at which the requisite amount of votes shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally noticed. The vote of the holders of a majority of the votes entitled to be cast and thus represented at a meeting at which a quorum is present shall be required to constitute the act of the Members, unless the vote of a greater number is required by law, the Certificate, these Bylaws or the Declaration.

Section 6. Voting and Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and signed by the Member or his or her duly authorized attorney in fact and shall bear a date not more than eleven (11) months prior to any such meeting, unless the proxy provides that it is to be valid for a period in excess of eleven (11) months. Each proxy shall be revocable unless expressly provided therein to be irrevocable, and in no event shall it remain irrevocable for more than eleven (11) months. A proxy granted by any Member shall automatically cease as to any Lot conveyed by such Member to another person. At any election of Directors, every Member entitled to vote at such election shall have the right to vote, in person or by proxy, the number of votes allocated to such Member for as many persons as there are Directors to be elected and for whose election he or she has a right to vote. Members are expressly prohibited from cumulating their votes in any election for Directors of the corporation.

Section 7. Membership in the Association. The Declarant and every Owner shall be a Member of the Association; provided, after the expiration of the Declarant Control Period, the Declarant shall be a Member only if and to the extent that it is also an Owner. Membership shall be appurtenant to, and shall not be separated from, ownership of a Lot, but no person or

entity shall be a Member merely by having an interest in a Lot as security for the performance of an obligation.

Section 8. Voting Rights. The right to cast votes and the number of votes which may be cast for election of members of the Board and on all other matters to be voted on by the Members shall be determined as provided in this Section, subject, however, to the rights of the Declarant during the Declarant Control Period as set forth in the Declaration or in these Bylaws. Each Owner of a Lot (and the Declarant) shall automatically and mandatorily be a Member. Each Owner of a Lot (other than the Declarant) shall be entitled to one (1) vote for each Lot so owned; provided, however, following the Declarant Control Period, Declarant shall be entitled to one (1) vote for each Lot it owns. When more than one Person owns the fee simple interest in any Lot, all such Persons shall be Members. The vote for such Lot shall be exercised as such Persons among themselves determine and so advise the Secretary of the Association prior to the vote, but in no event shall the vote for such Lot exceed the total vote to which such Lot is otherwise entitled under this Section 8. The right of any Owner to vote may be suspended by the Board, for any period during which any Assessment against such Owner's Lot remains past due and for any period during which such Owner or such Owner's Lot is in violation of the Restrictions. Members are expressly prohibited from cumulating their votes in any election for members of the Board. Prior to submitting any matter for a vote of the Members, the Board shall determine the total number of votes outstanding and the Members entitled to vote.

ARTICLE IV BOARD OF DIRECTORS

Section 1. Number. The affairs of this Association shall be managed by a Board of three (3) Directors, who need not be Members of the Association; provided, however, upon expiration of the Declarant Control Period, the number of Directors shall be increased to five (5).

Section 2. Term of Office. Prior to the expiration of the Declarant Control Period, each Director shall be elected for a term of three (3) years. At the first annual meeting of Members following the expiration of the Declarant Control Period, two (2) Directors shall be elected for a one (1) year term, two (2) Directors shall be elected for two (2) year terms and one (1) Director shall be elected for a three (3) year term. Each Director shall hold office for the term for which he or she is elected and until his or her successor shall be elected and qualified unless sooner removed as provided in these Bylaws.

Section 3. Removal; Vacancies. Any Director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association at any meeting of the Members duly called and held. In the event of death, resignation or removal of a Director, his or her successor shall be selected by the remaining Directors and shall serve for the unexpired term of his or her predecessor.

Section 4. Compensation. No Director shall receive compensation for any service he may render to the Association. Any Director may, however, be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Annual Meetings. The annual meeting of the Board shall be held, without further notice, immediately following the annual meeting of Members, and at the same place or at such other time and place as shall be fixed with the consent in writing of all Directors.

Section 6. Regular Meetings. Regular meetings of the Board may be held without notice at such time and place as shall from time to time be determined by the Board. At least one regular meeting, in addition to the annual meeting, shall be held during each twelve (12) month period.

Section 7. Special Meetings. Special meetings of the Board shall be held when called by the President, or by any Director, after not less than three (3) days notice to each Director. All notices shall be in writing sent by regular mail or by personal delivery or by facsimile or e-mail to the Director's address reflected in the records of the Association. A Director may waive notice of any meeting in writing, either before or after the meeting. Attendance at any meeting shall be deemed waiver of the notice unless the Director objects to the lack of adequate notice prior to the commencement of business at such meeting.

Section 8. 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 meeting duly called and held at which a quorum is present shall be regarded as the act of the Board.

Section 9. Telephone Meetings. Members of the Board may participate and hold meetings by conference telephone or similar communication by means of which all persons participating in the meeting can hear one another. Participation in such meeting constitutes presence in person at the meeting, except where a person participates for the express purpose of objecting to the conduct of business at the meeting on the ground that the meeting is not lawfully called or convened.

Section 10. 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 the number of Directors required to have approved the action at such meeting. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

Section 11. Powers of Board of Directors. In addition to the powers and authority expressly conferred by these Bylaws upon them, the Board may exercise all such powers, duties and authority vested in or delegated to the Association by law, the Certificate or the Declaration and do all other lawful acts and things, except to the extent that any of the foregoing are directed or required by law, the Certificate, the Declaration or these Bylaws to be exercised or done by the Members.

Section 12. Committees. The Board may designate one or more committees, which, to the extent provided in the resolution establishing such committee, shall have and exercise the authority of the Board in the management of the corporation. Each such committee shall consist of two or more persons, a majority of whom are Directors; the remainder need not be Directors.

The designation of such committees and the delegation thereto of authority shall not operate to relieve the Board, or any individual Director, of any responsibility imposed upon it or him by law. Any non-director who becomes a member of any such committee shall have the same responsibility with respect to such committee as a Director who is a member thereof. Other committees not having and exercising the authority of the Board in the management of the corporation may be designated and appointed by the Board. Membership on such committees may, but are not required to, include Directors.

Section 13. Professional Management. The Board may employ for the Association a professional management company of compensation agreed upon by the Board to perform such duties and services as the Board shall authorize. The Board may delegate to such management company, subject to the Board's supervision, all of the powers granted to the Board which may properly be delegated.

ARTICLE V OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of the Association shall be a President and Vice President, a Secretary and a Treasurer, who shall at all times be Members of the Board, and such other officers as the Board may from time to time designate. Any two or more offices may be held by the same person, except the offices of president and secretary.

Section 2. Election of Officers; Term. The officers of the corporation shall be chosen annually by the Board at its annual meeting or as soon after such annual meeting as practicable. Each officer shall hold office until his or her successor is chosen and qualified, or until his or her death or until he or she shall have resigned or shall have been removed.

Section 3. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 4. 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 5. Duties. All officers and agents of the corporation, as between themselves and the corporation, shall have such authority, perform such duties and manage the corporation as provided in these Bylaws or as may be determined by resolution of the Board not inconsistent with these Bylaws. Without limiting the generality of the foregoing, the following officers shall have the duties provided below:

President

The President shall be the executive manager of the operation of the corporation and shall preside at all meetings of the Board or the Members.

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.

Secretary

The Secretary shall record the vote 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.

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; keep proper books of account; and shall perform such other duties as required by the Board.

ARTICLE VI INDEMNIFICATION

The corporation shall indemnify any person who was, is or is threatened to be made a named defendant or respondent in a proceeding (as hereinafter defined) because the person is or was a Director or officer of the corporation to the fullest extent that a corporation may grant indemnification to a person serving in such capacity under the Texas Non-Profit Corporation Law, as the same exists or may hereafter be amended. Such right shall be a contract right and shall include the right to be paid by the corporation for all expenses incurred in defending any such proceeding in advance of its final disposition to the maximum extent permitted under the Texas Non-Profit Corporation Law, as the same exists or may hereafter be amended. If a claim for indemnification or advancement of expenses hereunder is not paid in full by the corporation within ninety (90) days after a written claim has been received by the corporation, the claimant may at any time thereafter bring suit against the corporation to recover the unpaid amount of the claim, and if successful in whole or in part, the claimant shall be entitled to be paid also the expenses of prosecuting such claim. It shall be a defense to any such action that such indemnification or advancement of costs of defense are not permitted under the Texas Non-Profit Corporation Law, but the burden of proving such defense shall be on the corporation. Neither the failure of the corporation (including its Board or any committee thereof, special legal counsel or Members) to have made its determination prior to the commencement of such action that indemnification of, or advancement of costs of defense to, the claimant is permissible in the circumstances nor an actual determination by the corporation (including its Board or any

committee thereof, special legal counsel or Members) that such indemnification or advancement is not permissible, shall be a defense to the action or create a presumption that such indemnification or advancement is not permissible. The corporation shall additionally indemnify any person covered by the grant of mandatory indemnification contained above to such further extent as is permitted by law and may indemnify any other person to the fullest extent permitted by law. As used herein, the term "proceeding" means a threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, arbitratve or investigative, any appeal in such an action, suit or proceeding and any inquiry or investigation that could lead to such an action, suit or proceeding. The corporation shall maintain insurance, at its expense, for its benefit in respect of such indemnification and for the benefit of any such person, whether or not the corporation would otherwise have the power to indemnify such person to the extent provided in the Declaration.

ARTICLE VII BOOKS AND RECORDS

The Association shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its Members, Board and committees having any authority of the Board and shall keep at its registered or principal office in the State of Texas a record of the names and addresses of its Members entitled to vote. A Member, on written demand stating the purpose of the demand, shall have the right to examine and copy, in person or by agent, accountant or attorney, at any reasonable time, for any proper purpose, the books and records of the corporation relevant to the stated purpose, at the expense of the Member.

ARTICLE VIII CORPORATE SEAL

The Association shall not have a seal.

ARTICLE IX AMENDMENTS

The power to alter, amend or repeal these Bylaws shall be vested in the Members. The express consent of at least two-thirds (2/3) of the Members entitled to vote present at a meeting where a quorum is present shall be required to modify or amend these Bylaws; provided, however, during the Declarant Control Period (as detailed in the Declaration), the consent of the Declarant shall be required to approve any such modification or amendment.

ARTICLE X MISCELLANEOUS

Section 1. Fiscal Year. The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

Section 2. Conflicting Provisions. In the case of any conflict between the Certificate and these Bylaws, the Certificate shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

Section 3. Invalid Provisions. If any part of these provisions shall be held invalid or inoperative for any reason, the remaining parts, so far as possible and reasonable, shall be valid and operative.

Section 4. Headings. The headings used in these Bylaws have been inserted for convenience only and shall not be given effect in construing the meaning of any provision.

Section 5. Resale Certificates. The Association shall comply, or shall cause its managing agent, if any, to comply, with any properly submitted request for information under Section 207.003(a) of the Texas Property Code. Neither the Association nor its managing agent shall have any duty to inspect the Property prior to issuing a resale certificate pursuant to any such request, nor shall the Association, or its managing agent, have a duty to update any information provided pursuant to any such request, except in response to a properly submitted further request for updated information. The Association may establish a reasonable fee to assemble, copy and deliver the information requested pursuant to Section 207.003 of the Texas Property Code.

EXHIBIT E
Summaries of Disclosures

By its acquisition and ownership of a Lot in the Property, each Owner acknowledges that:

(a) due to the topography of its Lot and the Property, water will, at times, flow through and over portions of its Lot from adjacent and surrounding Lots in order to achieve positive drainage away from its Residence and all applicable Lots. No adverse action may be taken by said Owner(s) to the detriment of this positive drainage on its or adjacent Lots. Because its Lot may have "back-to-front" or "front-to-back" drainage, there may be a swale or swales over various portions of its Lot due. The depth and width of any swales will vary depending on the elevations of its and adjacent Lots. The front and the rear portions of its Lot will not be level and no adjustments to the depth or severity of any swales should be made due to cosmetic or aesthetic concerns. Any alterations made after closing to any swales or drainage patterns by an Owner may impact the drainage as well as any applicable foundation warranty.

(b) the property adjacent to Hunter Valley is not owned or controlled by Declarant and Owner has hereby been advised to consult with the applicable departments of the City for any changes to and/or specific zoning information regarding its Lot, the Property and the zoning or proposed (re-)zoning of any adjacent property. It is also understood that there are no oral, written or implied representations or warranties regarding conditions such as traffic, noise, school attendance zones, zoning or development related to its Lot, the Property or adjoining properties.

(c) its lot falls under the jurisdiction of the Hunter Valley Townhome Owners Association, Inc., which requires mandatory affiliation thereto, including the payment of an annual fee (which may be payable on a quarterly or other basis) per Article 6 of the Declaration. In conjunction therewith, a proforma budget reflecting an estimate of the Association's expenses for a full year of operation is attached. It may also incur a working capital contribution fee and a transfer fee per Article 6 of the Declaration, which it understands should be further reviewed for more detailed information regarding Association dues, assessments and restrictions.

(d) it is anticipated that each Lot will be serviced by TXU for electrical, by Atmos Energy for gas, by AT&T for telephone service, and by Time Warner Cable for cable service, although other service providers may utilize the utility easements and/or public rights-of-way throughout the Property.

(e) it understands and agrees that neither Declarant nor Builder has any responsibility as to the present condition or future maintenance of any trees on its Lot. Furthermore, it is understood that neither Declarant nor Builder makes any assurances, implied or stated, in regard to the survival of any trees during the construction process of building and completing a Residence on its Lot. It is also acknowledged that neither Declarant nor Builder has any liability consideration on trees either during construction or after a

Residence is purchased and occupied on the Lot. It is further understood that each Owner assumes all responsibility for the maintenance and the condition of any trees on his Lot.

(f) it understands that failure to submit and obtain prior written MACC approval of plans and specifications for any modifications or additions to its Residence or any Structure on its Lot may result in the imposition of fines against the Owner and/or the removal of such modifications or additions at Owner's expense.

(g) there is no prescribed time for the construction or marketing by Builder or Declarant of a Residence on any Lot or the Lot itself. It is also understood that Builder and Declarant make no assurances regarding any established period of time during which Lots near the model homes or trailers of any Builder will remain vacant since the utility of such homes or trailers is of an indeterminate length of time.

(h) it should direct any issues, concerns or questions regarding the Common Area or the Association to the Managing Agent, whose name can be obtained by contacting the Builder or Declarant.

(i) its property is also subject to the Master Restrictive Covenants covering all of Las Colinas and Supplementary Declaration No. 130 covering the Subdivision and that The Las Colinas Association has jurisdiction over the Subdivision and enforcement rights with respect to the Master Restrictive Covenants and Supplementary Declaration No. 130. In addition to any dues payable to Hunter Valley Townhome Owner Association, Inc., Owner will owe dues to The Las Colinas Association.