

BYLAWS  
OF  
THE SANCTUARY AT SKY ISLAND  
HOMEOWNERS ASSOCIATION

**ARTICLE I.  
OFFICES**

The principle office of the Association in the State of Texas shall be located in the City of El Paso, County of El Paso, Texas. The Association may have such other offices as the Board of Directors may designate or as business of the Association may require from time to time.

**ARTICLE II.  
MEMBERSHIP**

**SECTION 1. Members.**

Membership in the Association is obtained by ownership of property within SKY ISLAND UNIT III in El Paso County, Texas. Members are subject to the terms and provisions of the Declaration of Covenants, Conditions, and Restrictions recorded under Clerk's File No 20090014905, as amended (the "Declaration"). Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Declaration.

Every Owner of a Lot shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from the interest of the Owner of any Lot. Ownership of a Lot shall be the sole qualification for membership; provided, however, a Member's voting rights or privileges in the Common Areas, or both, may be regulated or suspended as provided in the Declaration, the Bylaws or the Association Rules, subject to any limitations set forth in the Texas Property Code. Each Lot shall be entitled to one vote, even if the Lot has multiple Owners.

The membership held by any Owner shall not be transferred, pledged or alienated in any way, except that such membership shall automatically be transferred to the purchaser of the interest of an Owner in a Lot. The Association shall have the right to record the transfer upon the books of the Association without any further action or consent by the transferring Owner. Any attempt to make a prohibited transfer is void and will not be reflected upon the books and records of the Association. To help defray the administrative expenses involved with the transfer of memberships, the Association may assess a transfer fee for every transfer of membership associated with a Lot after the initial transfer of the

Lot from the Declarant to the first Owner. The transfer fee shall be payable by the purchaser of the Lot being conveyed. The amount of the transfer fee shall be subject to adjustment by the Association.

All voting rights shall be subject to the restrictions and limitations provided in the Declaration and in the Certificate of Formation, Bylaws and Association Rules to the extent allowed by law. There is only one class of voting membership and each Lot has one vote.

**SECTION 2. Annual Meeting.**

An annual meeting of the Members shall be held in February and/or March in 2020. Beginning in 2021, the annual meeting shall be held in February upon the date and at the hour designated by the Board of Directors by notice to the Members, for the purpose of electing the Board of Directors and the transaction of such business as may come before the meeting.

**SECTION 3. Special Meeting.**

Special meetings of the Members, for any purpose or purposes specified in the notice of the meeting, unless otherwise prescribed by statute, may be called by the President, the Board of Directors or such other person or persons as may be authorized in the certificate of Formation or these Bylaws, or by the holders of at least ten (10) percent or such other number as may be provided in the Certificate of Formation of all the membership interests of the Association entitled to vote at the proposed special meeting.

**SECTION 4. Place of Meeting.**

The Board of Directors may designate any place within El Paso County as the place of meeting for any annual meeting or for any special meeting called by the Board of Directors. A waiver of notice signed by all Members entitled to vote at a meeting may designate any place within El Paso County, unless otherwise prescribed by statute, as the place for the holding of such meeting.

**SECTION 5.           Notice of Meeting.**

Written or printed notice stating the place, day and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall, unless otherwise prescribed by statute, be delivered not less than fifteen (15) nor more than thirty (30) days before the date of the meeting by mail, by or at the direction of the President, the Secretary or the officer or person calling the meeting, to each Member entitled to vote at such meeting. Such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the Member at the Member's address as it appears on the records of the Association, with postage thereon prepaid. Should a member not have an address in the records of the Association, notice shall be deemed to be delivered when deposited in the United States mail, addressed to the Member at the Member's property address located within the Sanctuary at Sky Island or at the address identified as the mailing address in the records of the El Paso County Appraisal District.

Upon written authorization by the Member, Notice of this Meeting may be delivered electronically at the email address provided by the Member. Notice under this provision shall be deemed delivered when sent by the sender.

**SECTION 6.           Fixing of Record Dates for Matters Other Than Consent to Action.**

For the purpose of determining Members entitled to notice of or to vote at any meeting of the Members or any adjournment thereof, or in order to make a determination of Members for any other purpose (other than determining Members entitled to consent to action by Members proposed to be taken without a meeting of Members), the Board of Directors of the Association may fix in advance a date as the record date for any such determination of Members, such date in any case to be not more than sixty (60) days and, in the case of a meeting of Members, not less than (10) days prior to the date on which the particular action requiring such determination of Members be taken. If no record date is fixed for the determination of Members entitled to notice of or to vote at a meeting of Members, the date on which notice of the meeting is mailed shall be the record date for such determination of Members. When a determination of Members entitled to vote at any meeting of Members has been made as provided in the Section 5, such determination shall apply to any adjournment thereof.

**SECTION 7. Fixing Record Dates for Consents to Action.**

Unless a record date shall have previously been fixed or determined pursuant to Section 5 of this Article, whenever action by Members is proposed to be taken by consent in writing without a meeting of Members, the Board of Directors may fix a record date for the purpose of determining Members, the Board of Directors may fix a record date shall not precede, and shall not be more than ten (10) days after, the date upon which the resolution fixing the record date is adopted by the Board of Directors. If no record date has been fixed by the Board of Directors and the prior action of the Board of Directors is not required by statute, the record date for determining Members entitled to consent to action in writing, without a meeting shall be the first date on which a signed written consent setting forth the action taken, or proposed to be taken is delivered to the Association by delivery to its registered office, its principal place of business, or an officer or agent of the Association having custody of the books in which proceedings of the meetings are recorded. Delivery shall be by hand or by registered mail return receipt requested. Delivery to the Association's principal place of business shall be addressed to the President of the Association. If no record date for determining Members entitled to consent in writing without a meeting shall be at the close of business on the date on which the Board of Directors adopts a resolution taking such prior action.

**SECTION 8. Quorum of and Voting by Members.**

Unless otherwise provided in the Certificate of Formation in accordance with applicable statute, a quorum shall be present at a meeting of Members if the holders of 60% of the memberships of the Association entitled to vote are represented at the meeting in person or by proxy. Unless otherwise provided in the Certificate of Formation or these Bylaws, once a quorum is present at a meeting of Members, the Members represented in person or by proxy at the meeting may conduct such business as may be properly brought before the meeting until it is adjourned, and the subsequent withdrawal from the meeting of any Member or the refusal of any Member represented in person or by proxy to vote shall not affect the presence of a quorum at the meeting. Unless otherwise

provided in the Certificate of Formation or these Bylaws, the Members represented in person or by proxy at a meeting of Members at which a quorum is not present may adjourn the meeting until such time which is no more than 60 days after the meeting being adjourned and to such place as may be determined by a vote of the holders of a majority of the shares represented in person or by proxy at that meeting. The quorum requirement for the subsequent meeting shall be 30% of the memberships of the Association entitled to vote represented at the meeting in person or by proxy.

Unless otherwise provided in the Certificate of Formation, directors shall be elected by a plurality of the votes cast by the holders of memberships present or represented by proxy at a meeting of Members at which a quorum is present. With respect to any matter, other than the election of directors or a matter for which the affirmative vote of the holders of a specified portion of the memberships entitled to vote is required by statute, the affirmative vote of the holders of a majority of the memberships entitled to vote on that matter and represented in person or by proxy at a meeting of Members at which a quorum is present shall be the act of the Members, unless otherwise provided in the Certificate of Formation or these Bylaws in accordance with applicable statute. Any Member may vote either in person or by proxy executed in writing by the Member.

#### **SECTION 9. Proxies.**

At all meetings of Members, a Member may vote in person or by proxy executed in writing by the Member. After, September 2020, such proxy shall be filed with the Secretary of the Association before or at the time of the meeting. A telegram, telex, cablegram or similar transmission by the Member, or a photographic, photostatic, facsimile or similar reproduction of a writing executed by the Member, shall be treated as an execution in writing for purposes of this Section 9. No proxy shall be valid after eleven (11) months from the date of its execution unless provided in the proxy. A proxy shall be revocable unless the proxy form conspicuously states that the proxy is irrevocable and the proxy is coupled with an interest in accordance with applicable law. A proxy may not be irrevocable for longer than eleven (11) months.

**SECTION 10. Voting of Shares by Certain Holders.**

If any Lot is owned by an association, partnership, trust, or other entity (the "Ownership Entity"), such Ownership Entity shall be a Member and shall designate in writing at the time of acquisition of the Lot an individual who shall have the power to vote said membership. In the absence of such designation and until such designation is made, the chief executive officer, if any, of the Ownership Entity shall have the power to vote the membership, and if there is no chief executive officer, then the board of directors or general partner of such Ownership Entity shall designate who shall have the power to vote the membership.

Membership interests held by an administrator, executor, guardian or conservator may be voted by him so long as such shares forming a part of an estate are in the possession and forming a part of the estate being served by him, either in person or by proxy, without a transfer of such interests into his name. Membership interests standing in the name of a trustee may be voted by him, either in person or by proxy, but no trustee shall be entitled to vote membership interests held by him without a transfer of the Lot into his name as trustee.

Membership interests standing in the name of a receiver may be voted by such receiver, and membership interests held by or under the control of a receiver may be voted by such receiver without the transfer thereof into his name if authority so to do be contained in an appropriate order of the court by which such receiver was appointed. Membership interests may not be pledged or hypothecated.

**SECTION 11. Remote Communications Technology.**

Subject to the provisions of these Bylaws for notice of meetings, Members may participate in and hold a meeting of such Members by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting consent to the form of meeting and all persons can hear each other, and participation in such a meeting shall constitute presence in person at such meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

**SECTION 12. Election of Directors and Officers, no Cumulative Voting.**

At each 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 owned by the Member (equal to the number of Lots owned by the Member) for as many persons as there are directors to be elected and for whose election the Member has a right to vote. Cumulative voting is prohibited.

**ARTICLE III.  
BOARD OF DIRECTORS**

**SECTION 1. General Powers.**

The powers of the Association shall be exercised by or under the authority of, and the business and affairs of the Association shall be managed under the direction of, the Board of Directors of the Association. Unless otherwise required by the Declaration, these Bylaws or the Certificate of Formation of the Association, Directors shall be Members of the Association.

**SECTION 2. Number and Election of Directors.**

The Board of Directors of the Association shall consist of three members. The number of directors may be increased from time to time by amendment to, or in the manner provided in, the Certificate of Formation or these Bylaws, but no decrease shall have the effect of shortening the term of an incumbent director. Unless removed in accordance with the provision of these Bylaws or the Certificate of Formation, each director shall hold office until the next annual meeting of Members and until his successor shall have been elected and qualified, or until such director delivers an earlier written notice of his/her resignation as a director. Upon the death of a director, action can be taken to replace the director.



**SECTION 3.            Nomination and Election of Directors.**

After September 2020, 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 two or more 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 may be made from among members.

**SECTION 4.            Regular Meetings.**

A regular meeting of the Board of Directors shall be held without other notice than this Bylaw immediately after, and at the same place as, the annual meeting of Members. The Board of Directors may provide, by resolution, the time and place for the holding of additional regular meetings without other notice than such resolution.

**SECTION 5.            Special Meetings.**

Special meetings of the Board of Directors may be called by or at the request of the President or any two directors. The person or persons authorized to call special meeting of the Board of Directors may fix the place for holding any special meeting of the Board of Directors called by such person(s).

**SECTION 5.            Notice of Meeting.**

Notice of any special meeting shall be given at least three (3) days previously thereto if written notice is mailed to each director at his home or business address. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed, with postage thereon prepaid. Notice of any special meeting may also be given one (1) day previously thereto if

written notice is delivered personally to each director at his home or business address or by telegram, telecommunications, telephone, telecopy or similar facsimile transmission or express delivery service. If notice be given by express delivery service, such notice shall be deemed to be delivered when deposited with an express delivery service other than the United States mail with delivery costs charged to the sender. If notice be given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. If notice be given by telecommunications, telephone, telecopy or similar facsimile transmission, such notice shall be deemed delivered when transmitted. Any director may waive notice of any meeting. Attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

**SECTION 6. Quorum of and Action of Directors .**

A majority of the number of directors fixed by, or in the manner provided in, the Certificate of Formation or these Bylaws shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, but if less than such majority is present at a meeting, a majority of the directors present may adjourn the meeting from time to time without further notice. The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number of directors is required by statute, the Certificate of Formation or these Bylaws.

**SECTION 7. Actions Without a Meeting; Telephone Meetings.**

Any action required or permitted to be taken by the Board of Directors or any committee of the Board of Directors may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all members of the Board of Directors or committee, as the case may be. Subject to the provisions of these Bylaws for notice of meetings, members of the Board of Directors, or members of any committee designated by such board, may participate in and hold a meeting of such board or committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in

such a meeting shall constitute presence in person at such meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

**SECTION 8.           Vacancies.**

Any vacancy occurring in the Board of Directors other than as a result of an increase in the number of directors may be filled by the affirmative vote of a majority of the remaining directors though less than a quorum of the Board of Directors. A director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.

Any vacancy occurring in the Board of Directors to be filled by reason of an increase in the number of directors may be filled by election at an annual or special meeting of Members called for that purpose.

**SECTION 9.           Compensation.**

The Board of Directors shall serve without compensation.

**SECTION 10.         Presumption of Assent.**

A director of the Association who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his dissent shall be entered in the minutes of the meeting or unless he shall file his written dissent to such action with the person acting as the Secretary of the meeting before the adjournment thereof or shall forward such dissent by registered or certified mail, return receipt requested, to the Secretary of the Association immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action

**SECTION 11.         Removal.**

Any Director or the entire Board of Directors may be removed, with or without cause, at any meeting of the Members called expressly for that purpose,

by a vote of the holders of a majority of the shares then entitled to vote at an election of directors.

**ARTICLE IV.**  
**POWERS AND DUTIES OF THE BOARD OF DIRECTORS**

**SECTION 1.        Powers.**

To the extent allowed by law and the Associations' Covenants and Bylaws, 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, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;
- A. Terminate all services, facilities and utilities provided by the Association to any member during any period in which such Member shall be in default in the payment of any assessment levied by the Association and to suspend the voting rights of such Member during such period of delinquency. The Member's voting rights and his rights to use the recreational facilities and Common Areas of the Association may also be suspended after a notice and hearing for infraction of the rules and regulations of the Association, such suspension to be for such reasonable time as the Board of Directors shall determine;
- B. 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;
- C. 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;
- D. Employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

**SECTION 2.        Duties.**

It shall be duty of the Board of Directors to:

- A. Cause to be kept a complete record of all its acts and affairs and to present statements thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by  $\frac{1}{4}$  of the members who are entitled to vote.
- B. As more fully provided in the Declaration, to:
  - (1) Fix the amount of the regular annual assessments against each Lot.
  - (2) Send written notice of each new assessment to every Member subject thereto at least 10 days in advance of the first due date thereof and thereafter to send monthly notices of the aggregate of all regular and special assessments levied against each such owner;
  - (3) Enforce any or all of the provisions contained in the Declarations relating to a default in the payment of assessments including the termination of all facilities and services rendered to the owner, the termination of his right to vote or to use the common facilities or to foreclose the lien against the property of said owner as regards any delinquent assessments or to bring an action at law against the owner personally obligated to pay the same.
- C. 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;
- D. Procure and maintain adequate liability and hazard insurance on property owned by the Association;
- E. Cause all officers, employees or contractors having fiscal responsibilities to be bonded, as it deem appropriate;
- F. Cause the common area to be maintained.

**SECTION 3.            Personal Liability of Board Officer or Director**

No officer or member of the Board of Directors shall be personally liable for any act taken in the course and scope of the duties of the Officer or Board member or in the furtherance of the business of the Association unless such action is the result of fraud or malfeasance on the part of the Officer or Board member.

**ARTICLE V.**  
**OFFICERS AND THEIR DUTIES**

**SECTION 1.        Number.**

The officers of the Association shall be a President, a Vice President and a Secretary/Treasurer each of whom shall be a director of the Board of Directors and elected by the Members in such manner as may be prescribed by these Bylaws.

**SECTION 2.        Term.**

The officers of the Association shall be elected annually by the Board and each shall hold office for (1) year or until his successor be duly elected unless he shall sooner resign, or shall be removed, or otherwise be disqualified to serve.

**SECTION 3.        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 4.        Resignation and Removal.**

Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time 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 any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

**SECTION 5.           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 6.           Multiple Offices.**

No person shall hold more than one of any of the other offices except in the case off special offices created pursuant to Section 3 of this Article.

**SECTION 8.           Duties.**

The duties of the officers are as follows:

**President**

- A. The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds, contracts and other written instruments in the ordinary course of the business of the Association or, if not in the course of business, upon authority from the Board of Directors. He shall co-sign all checks and promissory notes.

**Vice-President**

- B. The Vice-President shall act in the place and stead of the President in the event of his absence or inability or refusal to act, and shall exercise and discharge such other duties as may be required.

**Secretary/ Treasurer**

- C. The Secretary/Treasurer shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and 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.

The Secretary/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 co-sign all checks of the Association; keep proper books of account; at the completion of each fiscal year, he shall cause an annual audit of the Associations books to be made by the public accountant selected by the Board; 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 VI. COMMITTEES**

The Board of Directors shall appoint an Architectural Review Committee, as provided in the Declaration. The Architectural Review Committee shall monitor continued compliance and shall report any non-compliance or concerns of non-compliance to a member of the Board of Directors and/or a designated representative of the Board of Directors. The Board of Directors shall appoint 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 VII. CONTRACTS, LOANS, CHECKS AND DEPOSITS**

### **SECTION 1. Contracts.**

The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association, and such authority may be general or confined to specific instances.

### **SECTION 2. Loans.**



No loans shall be contracted on behalf of the Association and no evidence of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

**SECTION 3. Checks, Drafts, Etc.**

All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Association shall be signed by such officer or officers, agent or agents, of the Association and in such manner as shall from time to time be determined by resolution of the Board of Directors.

**SECTION 4. Deposits.**

All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the Association in such banks, trust companies or other depositories as the Board of Directors may select.

**ARTICLE VIII. MANAGER**

The Board of Directors may contract with an outside management company to manage Sky Island Unit III and in connection therewith pay the outside management company fair compensation. The contractual arrangement with a management company shall not relieve the Board of Directors from liability imposed by law.

**ARTICLE IX. FISCAL YEAR**

The fiscal year of the Association shall be determined and fixed by the Board of Directors of the Association.

**ARTICLE X. CORPORATE SEAL**

The Board of Directors may (but shall not be required to) provide for a corporate seal that shall be circular in form and shall have inscribed thereon the name of the Association and such other description as the directors may approve.

## **ARTICLE XI. WAIVER OF NOTICE**

Unless otherwise provided by law, whenever any notice is required to be given to any Member or Director of the Association under the provisions of these Bylaws, the provisions of the Certificate of Formation or the Texas Business Organizations Code, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

## **ARTICLE XII. INSURANCE OR OTHER ARRANGEMENTS**

To the extent authorized by the Texas Business Organizations Code, the Board of Directors of the Association shall have the authority to purchase and maintain insurance or another arrangement on such terms and conditions as the Board of Directors shall determine in its discretion and without further approval of the Members of the Association except as required by applicable law, with persons or entities that either are or are not regularly engaged in the business of providing insurance coverage, to indemnify any and all officers, directors, employees and agents of the Association or persons who are or were serving at the request of the Association as a director, officer, partner, venturer, proprietor, trustee, employee, agent or similar functionary against any liability asserted against such person and incurred by him in such a capacity or arising out of his status as such person, whether or not the Association would otherwise have the power under Texas law to indemnify such persons against such liability.

## **ARTICLE XIII. AMENDMENTS**

These Bylaws may be altered, amended or repealed, and new bylaws may be adopted, at any meeting of the Board of Directors of the Association by a majority vote by the Directors.

