

BY-LAWS  
OF  
COLONIA ESCONDIDA ASSOCIATION, INC.

ARTICLE I  
NAME AND LOCATION

The name of this Corporation is COLONIA ESCONDIDA ASSOCIATION, INC., hereinafter referred to as the "Association." The principal office of the Association shall initially be located at 2212 East Yandell, El Paso, Texas, but the location of the principal office may be moved to such other location within El Paso County, Texas, or Dona Ana County, New Mexico, as the Board of Directors may determine. Meetings of members and directors may be held at such places within El Paso County, Texas, or Dona Ana County, New Mexico, as may from time to time be designated by the Board of Directors.

ARTICLE II  
DECLARATION AND ARTICLES OF INCORPORATION

Reference is hereby made to the Declaration of Covenants, Conditions and Restrictions for COLONIA ESCONDIDA, which is

filed in the Deed Records of El Paso County, Texas, and Dona Ana County, New Mexico, hereinafter referred to as the "Declaration." In the event of any conflict between the Declaration and these By-Laws, the Declaration will control. The definitions contained in ARTICLE I of the Declaration shall apply to these By-Laws.

Reference is hereby made to the Articles of Incorporation of the Association for the purpose of calling attention to the powers, duties and restrictions contained therein. In the event of any conflict between the Articles of Incorporation and these By-Laws, the Articles of Incorporation shall control.

ARTICLE III  
MEETINGS OF MEMBERS

Section 1. Annual Meetings. The annual meeting of members shall be held on the 20th day of February in each year, commencing with the year 1974. The meeting shall commence at 7:00 p.m. unless a different time is specified by the Board of Directors in the notice of the meeting. If the day fixed for the annual meeting of members is a Sunday or legal holiday in the State of Texas, the meeting will be held at the same hour on the first day following, which is not a Sunday or legal holiday.

Unless otherwise specified by the Board of Directors, the meetings will be held at the principal office of the Association.

Section 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 the Class A membership.

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 by first class United States mail with postage prepaid, at least fifteen (15) days before such meeting to each member entitled to vote thereat. Notices to Class A members shall be sent to the Owner at the address of the Lot which he owns. Notices to Class B members shall be sent to 2212 East Yandell, El Paso, Texas 79903, or to such other address as the Class B member shall furnish to the Association. Such notices shall be effective upon posting, even though delivery is not made or is delayed. 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 4. Quorum. The presence, in person or by proxy, of members 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 By-Laws. 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 represented.

Section 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 prior to the meeting. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his Lot.

Section 6. Voting. The Association has two classes of voting membership:

Class A. Class A members shall be all Owners, with the exception of the Declarant. (The terms Owner and Declarant are defined in the Declaration.)

(a) Class A members shall be entitled to one (1) vote for each lot owned.

(b) When more than one (1) person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they among themselves determine. In no event shall more than one (1) vote be cast with respect to any Lot.

(c) The vote cast by Absentee Owners on any one matter shall not exceed forty-nine percent (49%) of the total vote cast. Absentee Owners shall mean those Owners who do not physically reside in the dwelling on the Lot which they own. If a Lot is owned by more than one (1) person, and at least one (1) of the Owners physically resides in the dwelling on the Lot in which he owns an interest, then the vote cast for that Lot shall not be considered as being cast by an Absentee Owner. The Declarant, its successors or assigns, shall not be considered an Absentee Owner. These rules shall apply to all matters voted upon by the Association membership.

Class B. The Class B member shall be the Declarant and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

(a) When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership;

(b) On DECEMBER 31, 1977.

Cumulative voting is not allowed.

ARTICLE IV

BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of nine (9) directors, who need not be members of the Association.

Section 2. Term of Office. At the first annual meeting the members shall elect three (3) directors for a term of one (1) year, three (3) directors for a term of two (2) years and three (3) directors for a term of three (3) years; and at each annual meeting thereafter the members shall elect three (3) directors for a term of three (3) years.

Section 3. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the 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. 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 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 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 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 or nonmembers.

Section 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  
MEETING OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held monthly 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 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' verbal or written notice to each director.

Section 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 1. Powers. The Board of Directors shall have 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;

(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 By-Laws, the Articles of Incorporation, the Declaration or the laws of the State of Texas;

(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; and

(e) Employ and prescribe the duties for a manager, an independent contractor, or such other employees as the Board shall deem necessary.

Section 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, 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 assessment 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 thirty (30) 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.

## ARTICLE VIII

### OFFICERS AND THEIR DUTIES

Section 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 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 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 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 5. 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 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 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 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 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

PRESIDENT

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 and other written instruments and shall co-sign all checks and promissory notes.

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 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 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 of Directors;

shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant 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

#### COMMITTEES

The Association shall appoint a Nominating Committee, as provided in these By-Laws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

#### ARTICLE X

#### BOOKS AND RECORDS

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 By-Laws 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 XI  
ASSESSMENTS

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 thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of six percent (6%) 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 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 the assessments provided for herein by nonuse of the Common Area or abandonment of his Lot.



ARTICLE XII  
CORPORATE SEAL

The Board of Directors shall prescribe a suitable seal for the Association.

ARTICLE XIII  
AMENDMENTS

These By-Laws may be amended, at a regular or special meeting of the members, by a vote of a majority of a quorum of members present in person or by proxy, except that the Federal Housing Administration or the Veterans Administration shall have the right to veto amendments while there is Class B membership.

ARTICLE XIV  
MISCELLANEOUS

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.

CERTIFICATION

I, the undersigned, do hereby certify that I am the secretary of COLONIA ESCONDIDA ASSOCIATION, INC., a Texas corporation, and that the foregoing By-Laws constitute the original By-Laws of said Association as duly adopted at a meeting of the Board of Directors thereof, held on the 30<sup>th</sup> day of April, 1973.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this 30<sup>th</sup> day of April, 1973.

  
Secretary

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NOTE: The Roman numerals in the index pertain to the Part Number of the Association directive; the Arabic Numbers refer to the page number within a given Part. For example, to look up the regulation on the storage of recreational vehicles in Colonia Escondida, under "Recreational Vehicles", the reference to "I-19, 20" means to look on pages 19 and 20 within Part I. For those who do not have an updated printing of the directive, "Part" designations are as follows:

- Part I AMENDED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
  - Part II ARTICLES OF INCORPORATION
  - Part III CERTIFICATE OF AUTHORITY, STATE OF NEW MEXICO
  - Part IV BY-LAWS
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