

BYLAWS
OF
VILLA SERENA ASSOCIATION, INC.

ARTICLE I
NAME AND LOCATION

The name of this Corporation is VILLA SERENA ASSOCIATION, INC., hereinafter referred to as the "Association." The principal office of the Association shall initially be located at 1718 Couer D'Alene, El Paso, Texas, but the location of the principal office may be moved to such other location within El Paso County, Texas as the Board of Directors may determine. Meetings of members and directors may be held at such places within El Paso County, Texas 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, Restrictions, Easements and Liens for VILLA SERENA, which is filed in the Deed Records of El Paso County, Texas, hereinafter referred to as the "Declaration." In the event of any conflict between the Declaration and these Bylaws, the Declaration will control. The definitions contained in the Declaration shall apply to these Bylaws.

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 Bylaws, the Articles of Incorporation shall control.

ARTICLE III

MEETINGS OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the members shall be held on November 15, 1982, and each subsequent regular annual meeting of members shall be held on the same day of the same month of each year thereafter. Annual meetings 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 Saturday, 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 Saturday, 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. Such notices shall be effective upon posting, even though delivery is not made or is delayed. Notices to Class A members shall be sent to the Owner at the address of the Unit which he owns. In lieu of mailing notices to Class A members, the notice may be delivered to the Unit which he owns. Notices to Class B members shall be sent to 1718 Couer D'Alene, El Paso, Texas 79922, or to such other address as the Class B member shall furnish to the Association. Notice of such meeting shall also be sent to all Mortgagees at the address of each Mortgagee as furnished to the Secretary of the Association or if the Mortgagee has not furnished an address to the Secretary of the Association, then to the office of the Mortgagee in El Paso, Texas (or to the principal office if the Mortgagee has more than one in El Paso, Texas) or if the Mortgagee does not have an office in El Paso, Texas, then to the principal office of the Mortgagee wherever located. 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 twenty-five percent (25%) 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 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 Unit.

Section 6. The Association has two (2) classes of voting membership:

Class A. Class A members shall be all Owners, with the exception of the Declarant.

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

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

(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 Unit which they own. If a Unit is owned by more than one (1) person, and at least one (1) of the Owners physically resides in the Unit in which he owns an interest, then the vote cast for that Unit 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.

No longer effective
Class B. The Class B member shall be the Declarant and shall be entitled to three (3) votes for each Unit 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:

Not effective

- (a) When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; or
- (b) On December 31, 1984.

Cumulative voting is not permitted.

The terms "Owner" and "Declarant" are defined in the Declaration.

ARTICLE IV

BOARD OF DIRECTORS: SELECTION; TERM OF OFFICE

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.

Section 2. Term of Office. The directors shall be elected for a term of one year and thereafter until their successors have been duly elected and qualified. *Changed to Jan of a year*

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. By unanimous consent of those present at an annual meeting, the election of directors may be conducted by a voice vote.

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 and to each Mortgagee.

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 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 Common Area 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, 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) Fix and enforce Assessments as provided in the Declaration.

✓ (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.

✓ (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 provided in the Declaration;

✓ (g) Cause the Common Area to be maintained.

✓ (h) Perform the maintenance, repairs, replacements and all other duties required of the Association in the Declaration.

ARTICLE VIII

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Association shall be a President, who shall at all times be a member of the Board of Directors, a Vice President, 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. ~~(by Member in good standing voting, pg 8,~~

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.

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 Bylaws. 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 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 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 to enclose the lien against the property, and interest, costs, and 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 Unit.

In addition to the foregoing, when any assessment is not paid within fifteen (15) days after the due date, the Board of Directors shall have authority to:

- (a) Suspend the use of the Common Area by the Owner of the Unit, his family, licensees and or invitees; and/or

(b) Suspend any or all utility or other services to the Unit supplied by the Association.

Such action may be taken only after notice and hearing as described in the Declaration.

ARTICLE XII

CORPORATE SEAL

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

ARTICLE XIII

AMENDMENTS

The power to amend these Bylaws is vested in the members, subject to the rights of Mortgagees as specified in the Declaration. Proposed amendments to the Bylaws must be submitted to the Secretary of the Association in writing. Notice of the regular or special meeting of the members at which the proposed amendments are to be voted upon shall contain a copy of the proposed amendment. At such meeting the amendment, with or without modification, (so long as the modification deals with the general subject matter of the amendment) may be adopted by a vote of the majority of a quorum of the members present in person or by proxy. These provisions are subject to the general rules concerning voting on all matters of the Association and to the rights of Mortgagees with respect to amendments to the Bylaws.

So long as there is a Class B membership, the Federal Housing Administration or the Veterans Administration shall have the right to veto amendments to these Bylaws.

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 VILLA SERENA ASSOCIATION, INC., a Texas corporation, and that the foregoing Bylaws constitute the original Bylaws of said Association as duly adopted at a meeting of the Board of Directors thereof, held on the _____ day of _____, 19____.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this _____ day of _____, 19____.

Secretary

VILLA SERENA CONDOMINIUM ASSOCIATION

RULES AND REGULATIONS:

PAGE 13 THROUGH 20 OF DECLARANT:

I. VEHICLES: PAGE 15 (9).

- A) NO VEHICLE SHALL BE ALLOWED TO BE STORED IN ANY OF THE COMMON AREAS.
- B) NO ATTACHEMENT TO A VEHICLE SUCH AS CAMPER SHELL, TRAILER, OR RV WILL BE STORED IN ANY COMMON AREA.
- C) NO VEHICLE IS ALLOWED TO PARK IN ANY COMMON AREA WITH THE EXCEPTION OF THE DESIGNATED PARKING AT THE ENDS OF EACH BUILDING AND IN THE CENTER BETWEEN 1-A AND 5-A.
VEHICLES WILL BE TOWED AT OWNER'S EXPENSE.
- D) NO CYCLE OR SIMILAR VEHICLE SHALL BE OPERATED ON PROPERTY EXCEPT TRANSPORTATION DIRECTLY TO AND FROM AN OUTSIDE TRIP.

II. MAINTENANCE: PAGE 19 (3.7) THROUGH 20.

- A) OWNER SHALL MAINTAIN HIS/HER OWN YARD IN A NEAT WEED/TRASH FREE MANNER.
- B) OWNER SHALL BE RESPONSIBLE FOR BROKEN WINDOWS WHICH SHALL BE REPAIRED IMMEDIATELY.
- C) OWNER IS TOTALLY RESPONSIBLE FOR THE HEATING AND COOLING SYSTEM.
- D) NO EXTERIOR ALTERATIONS CAN BE MADE WITHOUT BOARD APPROVAL AND IN CONFORMANCE WITH THE CONDO DECLARATION.
- E) OWNER IS RESPONSIBLE FOR ANY ANIMAL WASTE IN HIS YARD AND THE COMMON AREA CAUSED FROM HIS PET.

III. GENERAL OWNER RESTRICTIONS: PAGE 13 THROUGH 17.

- A) NO WASTE MATERIAL/GARBAGE WILL BE PERMITTED IN THE YARD AREAS.
- B) NO SIGN OF ANY KIND SHALL BE DISPLAYED FROM YARD OR BUILDING AT ANY TIME WITHOUT CONSENT OF THE BOARD.
- C) NO LOUD NOISE OR OFFENSIVE ACTIVITY WILL BE ALLOWED.
- D) NOTHING WILL BE ALLOWED TO BE HUNG OR DRAPED ON OR AROUND THE BALCONIES SUCH AS CLOTHES, TOWELS, RUGS.
- E) OWNERS MAY HAVE NO MORE THAN TWO PETS PER UNIT. PETS MUST WEIGH LESS THAN 15 LBS. AND MUST BE KEPT IN HOUSE OR YARD AT ALL TIMES. THE EL PASO LEASH LAW APPLYS TO DOGS AND CATS ALIKE. OWNERS SHALL CLEAN UP PET WASTE AT ALL TIMES. OWNERS ARE TOTALLY RESPONSIBLE FOR THEIR PETS AT ALL TIMES. OWNER SHALL NOT ALLOW PET DOGS TO BARK EXCESSIVELY OUTSIDE DAY OR NIGHT.
- F) NO UNIT SHALL BE USED FOR HOTEL/TRANSCIENT PURPOSES.
- G) FAMILIES OCCUPYING UNITS SHALL BE TOTALLY RESPONSIBLE FOR THEIR CHILDREN'S ACTIVITIES. OUTSIDE AREAS FOR CHILDREN'S PLAY SHALL BE RESTRICTED TO RESPECTIVE YARDS AND NOT IN COMMON AREAS SUCH AS DRIVEWAYS AND SIDEWALKS. (INSURANCE COST WILL INCREASE IF CHILDREN ARE ALLOWED TO PLAY IN THE DRIVEWAYS AND COMMON SIDEWALKS. WE HAVE HAD ONE CHILD INJURED BY A CAR DRIVING INTO THE PROPERTY THUS FAR.)

VILLA SERENA CONDOMINIUM ASSOCIATION

RULES AND REGULATIONS: DECLARANT

OWNERS WITH RENTAL PROPERTY:

1. OWNERS MUST SUPPLY BOARD OF DIRECTORS WITH RENTOR'S NAME IMMEDIATELY UPON RENTING OF UNIT.
2. OWNER MUST INFORM RENTORS OF ALL RULES AD REGULATIONS.
3. OWNER WILL REMAIN RESPONSIBLE FOR ALL MAINTENANCE REGARDING HEATING/ COOLING, MAILBOXES, AND ANY PROPERTY DAMAGE, PRIVATE OR COMMON.
4. OWNER WILL PAY MONTHLY ASSESSMENTS ON UNITS, BOTH OCCUPIED AND UN- OCCUPIED.
5. BOARD MAINTAINS THE RIGHT ^{TO} CORRECT ANY PROBLEM WHICH IS CONSTRUED AS POTENTIALLY DAMAGING TO THE RENTEDOR UNOCCUPIED UNIT OR SURROUNDING UNITS. OWNER WILL BE RESPONSIBLE FOR ANY COSTS INCURRED.
6. OWNERS ARE RESPONSIBLE FOR ALL UPKEEP IN UNITS BOTH OCCUPIED AND UN- OCCUPIED AND ARE TO INSPECT PROPERTY PERIODICALLY TO INSURE CARE AND APPEARANCE OF UNIT.

VILLA SERENA CONDOMINIUM ASSOCIATION

ASSESSMENT RULE:

- I. 1. ONE MONTH IN ARREARS: VOTING RIGHTS DISCONTINUED UNTIL PAID IN FULL.
2. TWO MONTHS IN ARREARS: NOTICE OF WATER CUT-OFF.
3. THREE MONTHS IN ARREARS: WATER CUT-OFF AND NOTICE OF LIEN TO BE FILED IN NINETY (90) DAYS.

THERE WILL BE A FIVE DOLLARS LATE CHARGE FOR EACH MONTH IN ARREARS AFTER THE 20TH OF EACH MONTH.

AT SIX (6) MONTHS LIEN IS FILED AGAINST UNIT AND BOARD WILL TAKE UNDER ADVISEMENT ACTION FOR REPOSSESSING PROPERTY.

11. FOR REPAYMENT OF ASSESSMENTS DUE THROUGH FEBRUARY, 1988, CURRENT MONTH PAYMENT AND ONE PREVIOUS MONTH WILL BE DUE (UNLESS ENTIRE AMOUNT CAN BE PAID) UNTIL ALL BACK ASSESSMENTS ARE PAID IN FULL IE., TWO (2) PAYMENTS ONE CURRENT AND ONE IN ARREARS).

IF REPAYMENT IS MISSED, WATER WILL BE CUT-OFF AND THE ABOVE PROCEEDINGS WILL OCCUR.

111. ALL FUTURE PAYMENT BEGINNING WITH THE MARCH PAYMENT WILL BE SENT TO: