

CODE OF BYLAWS OF
THE SPRINGS BUSINESS PARK CONDOMINIUM
ASSOCIATION, INC.

ARTICLE I
Name and Location

1.01 Name. The name of this corporation shall be The Springs Business Park Condominium Association, Inc.

1.02 Place of Business. The principal office and place of business of this Association shall be maintained in the City and County of El Paso, Texas.

1.03 Offices. Other offices for the transaction of the business of the Association shall be located at such other places either within or outside the State of Texas as may be determined by the Board of Directors from time to time.

1.04 Definitions. The following terms used in these bylaws are defined as follows:

"Articles" shall mean and refer to the Articles of Incorporation of the Association.

"Administrator" - the person, firm or organization, if any, appointed or employed at any time and from time to time by the Board to administer and manage the affairs of the Project in the manner provided for in the By-Laws.

"Assessments" - those periodic charges imposed from time to time by the Condominium Association upon the Co-Owners for the purpose of paying Common Expenses and Special Assessment imposed on a Co-Owner

"Association" - shall mean The Springs Business Park Condominium Association, a Texas non-profit corporation.

"Board" or "Board of Directors" - the Board of Directors of the Association elected by the Co-Owners pursuant to the By-Laws and having the authority granted in the Condominium Documents to manage the affairs of the Project.

"Building(s)" - the building(s) to be constructed on the Pad Sites shown on the Plat. Each Building must be located within and may not be larger than the Pad Site shown on the Plat.

"By-Laws" - the By-Laws for the Condominium Association as they be amended from time to time.

"Common Elements" - the entire Project Property, except the Units, including, but not limited to:

- (1) The Land, lawns, landscaping, walkways, parking areas and other paved areas located thereon.
- (2) All utility lines located on the Land designed and intended for common use, including without limitation all pipes, wires, cables and conduits, designed and intended for common use and service to more than one Unit in connection with telephone, electricity, gas, cold water, sewer, plumbing and other central services, located in Common Elements.

(3) All enclosed space, if any, marked "common elements" and all other facilities, if any, marked "common facilities" on the plats of the Buildings as described and depicted on the Plat.

(4) All Condominiums which may at any time be acquired and held by the Condominium Association or its nominee, but such Condominiums shall be included in the Common Elements only so long as they are so held by the Condominium Association or its nominee.

(5) All easements, permits, licenses and other rights, title and interests appurtenant to or existing for the benefit of the Project or the Project Property, wherever located and whether presently existing or to exist in the future.

(6) All Limited Common Elements.

"Common Expenses":

(1) expenses of administration, operation, maintenance, repair or replacement (or reasonable reserves for replacement) of the Common Elements, including, without limitation, the costs and salary incident to employing the Administrator, but excluding the cost of maintenance, repair or replacement to any improvements to the Limited Common Elements;

(2) the cost of capital improvements which the Association may from time to time authorize;

(3) expenses agreed upon as Common Expenses by the Association;

(4) expenses declared Common Expenses by the provisions of the Condominium Documents;

(5) insurance premiums for policies covering the Project Property and other policies maintained by the Association;

(6) taxes assessed against the Project Property except those assessed against each Condominium; and

"Common Interest" - the undivided percentage interest in and to the Common Elements that is appurtenant to an individual Unit, as set forth in Section 2.1 and Exhibit C attached to the Declaration.

"Co-Owner" - the person, firm, corporation, limited liability company, partnership, trust, association or other legal entity or any combination thereof from time to time holding the fee title to a Condominium.

"Condominium" - a Unit together with all of such Unit's Common Interest, rights and appurtenances.

"Condominium Documents" - the Declaration, the By-Laws and the Rules and Regulations.

"Declarant"-shall mean Cardel Construction, Inc.

“Declarant’s Control Period”- the period of time beginning on the date of this Declaration and ending on the earlier of: (i) sixty (60) days after 6 Units have been built and occupied either by Co-Owners or tenants of a Co-Owner or Declarant; or (ii) Declarant’s notice to the Association of the termination of Declarant’s Control Period.

"Declaration" shall mean and refer to the Condominium Declaration for the Springs Office Park, of record in Volume ____, Page ____, Real Property Records, El Paso County, Texas.

“Land”-shall having the meaning given to such term in the Declaration.

"Limited Common Elements" - those portions of the Common Elements as shown on the Plat to be Limited Common Elements and which are reserved for the exclusive use of the Co-Owner of a specified Unit.

"Member" shall mean and refer to a member of the Association.

"Mortgage" - shall mean the encumbrance of any Condominium or other portion of the Project to secure the performance of an obligation, which encumbrance shall be released or reconveyed upon the due performance of said obligation, and shall include a Deed of Trust.

"Mortgagee" - shall mean a person or entity to whom a Mortgage is made and shall include the beneficiary of a deed of trust.

"Mortgagor" - shall mean a person or entity who mortgages his or its property to another, or who conveys his or its property to another by a deed of trust.

“Pad Site”-the location of Units shown on the Plat. A Building must be located within the Pad Site, but may not be larger than the Pad Site.

“Plat”shall be the Plat attached to the Declaration and which may be amended by Declarant as provided in the Declaration.

"Project" - The Springs Business Park as the same exists or shall hereafter exist in the Condominium form of ownership, as described in Exhibits A and B to the Declaration

"Project Property" - the Land, the Buildings and any personal property and fixtures that from time to time are acquired for use as, in or in conjunction with the Common Elements.

“Proportionate Part of the total Assessment for Common Expenses” means for each Co-Owner, the total Assessment for Common Expenses for a calendar year as determined by the Board of Directors multiplied by the Co-Owner’s percentage ownership of Common Interest.

"Rules and Regulations" shall mean the Rules and Regulations governing the use of the Property or any portion thereof, duly adopted or as may be duly amended by the Board of Directors.

"Special Assessment" - shall mean and refer to a charge against a particular Co-Owner and his Condominium equal to the cost incurred by the Association for corrective action performed pursuant to provisions of the Declaration and the By-Laws of the Association.

"Special Expenses" - shall mean:

- (1) the expenses incurred by the Association for the repair of damage or loss to the Common Elements or the property of other Co-Owners caused by the act or neglect of a Co-Owner which is not covered or fully covered by insurance;
- (2) any other item or items designated by or in accordance with other provisions of the Declaration or the By-Laws of the Association to be Special Expenses.

"Unit" - a physical portion of the Project Property the boundaries of which are set forth in the Declaration, which is susceptible of separate ownership under the terms of the Act and the Condominium Documents, exclusive of any Common Interest or other rights appurtenant thereto.

ARTICLE II Membership and Assessments

2.01 Membership. Each Co-Owner will be a Member of the Association. Membership shall be appurtenant to and may not be separated from the ownership of a Condominium. Ownership of a Condominium shall be the sole qualification for membership. The membership held by a Co-Owner shall not be transferred, pledged or alienated in any way, except upon the sale of such Condominium, and then only to the purchaser of such Condominium. Any attempt to make a prohibited transfer is void, and will not be reflected upon the books and records of the Association. Evidence of transfer of membership shall be furnished to the Association in the form of a certified copy of the recorded conveyance of a Condominium signed by the current Co-Owner thereof as reflected upon the books and records of the Association.

2.02 Voting. Voting will be on a percentage basis. Each Co-Owner is entitled to a percentage of the total vote equal to the Common Interest appurtenant to its Unit. If a Unit has more than one Co-Owner, the aggregate vote of the Co-Owners of the Unit may not exceed Common Interest of the Unit.

2.03 Suspension of Rights. The voting rights of any Member shall be automatically suspended during any period during which such Member shall be delinquent in the payment of Assessments due the Association.

ARTICLE III Membership Meetings

3.01 Annual Meeting. An annual meeting of the membership shall be held during the month of February. Special meetings may be called by the Board of Directors of the Association upon the giving of thirty days' written notice to the membership. At the annual meeting, the Members shall elect the Directors for the ensuing year and transact such other business as may come before the meeting. Notwithstanding the foregoing, during Declarant's Control Period, Declarant will have the exclusive right to nominate and elect the Directors.

3.02 Quorum. Members holding 33.3% of the votes which may be cast at any meeting shall constitute a quorum at such meeting. If a quorum is not present at any meeting of members, a majority of the members present may adjourn the meeting from time to time without further notice.

3.03 Proxy. At any meeting of members, a Member may vote by proxy executed in writing by the Member or by his duly authorized attorney-in-fact. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy.

ARTICLE IV
Board of Directors

4.01 **Number**. The Board of Directors shall be at least three in number and may consist of any number greater than three.

4.02 **Election**. The members of the Board of Directors shall be elected by the Membership (or during Declarant's Control Period, by Declarant) and shall hold office for a term of one year or until their successors are duly elected and are qualified. Notwithstanding the foregoing, during Declarant's Control Period, Declarant will have the exclusive right to nominate and elect the Directors. After Declarant's Control Period all members of the Board of Directors shall be Members or if a Member is not a natural person, an owner or employee of the Member designed by the Member to act on the its behalf.

4.03 **Vacancy**. If the office of any Director becomes vacant for any reason, the Board of Directors shall choose a successor shall hold office for the unexpired term in which such vacancy occurred.

4.04 **Meetings**. The Board of Directors shall meet at least once each year. The annual meeting shall be held immediately following the annual meeting of the membership, and at such meeting, the Board of Directors shall elect the Officers of the Association for the ensuing year. The Board of Directors shall also meet when called by any two members of the Board, and unless waived, notice of such meeting shall be at least ten days in advance of the called date. A quorum for the transaction of business shall be two-thirds of the Directors.

4.05 **Duties**. The Board of Directors shall have control and management of the affairs of the funds of this Association and all its functions. The Board of Directors shall have the authority to appoint and confirm special committees of the Board of Directors to exercise within the area of their appointment all the powers of the Board of Directors. The Board of Directors shall have the authority, from time to time, to make reasonable rules and regulations regarding the use and enjoyment of the Common Areas which are not inconsistent with the Declaration or the Articles which rules and regulations shall be binding upon all Members.

4.06 **Administrator**. The Board of Directors may employ a professional management agent to perform such duties and services as the Board of Directors shall direct, including, but not limited to the collection of and accounting for assessments made by the Association. Any such management agreement shall provide for a rate of compensation to be established and/or approved by the Board of Directors, and shall further provide for the right of the Association to terminate the same with cause upon not more than thirty (30) days written notice and without cause upon not more than sixty (60) days written notice.

ARTICLE V
Officers

5.01 **Officers**. Officers of the Association shall be:

President
One or more Vice Presidents
Secretary and one or more Assistant Secretaries
Treasurer and one or more Assistant Treasurers

Any two or more offices may be held by the same person, except the offices of President and Secretary. These Officers shall be elected by a majority vote of the Board of Directors at the annual meeting of the Board of Directors.

5.02 Term. Each officer shall hold office during the ensuing year or until his successor shall have been duly elected and qualified.

5.03 Qualifications. After the Declarant's Control Period, no person shall be eligible to hold office in this Association unless such person is a Member or if a Member is not a natural person, an owner or employee of the Member designed by the Member to act on the its behalf.

5.04 Removal. Any Officer elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests of the Association would be served thereby.

5.05 Vacancy. A vacancy in any office because of death, resignation, disqualification or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

ARTICLE VI Duties of Officers

6.01 President. The President shall preside over the meetings of the Board of Directors. The President shall have general direction and control of the affairs of the Association. He shall preside at all meetings of the Association. He shall perform such other duties as are usual to his office, including the execution of documents, contracts or instruments authorized by the Board of Directors.

6.02 Vice Presidents. The First Vice President shall perform the duties of the President in the absence or inability of the President. The Second Vice President shall perform these duties in case of the absence or inability of the First Vice President, et cetera.

6.03 Secretary. The Secretary shall keep the records of the Association. He shall perform such other duties as may be required of him for the proper conduct of his office.

6.04 Treasurer. The Treasurer shall supervise the receipt and care of all funds of the Association and shall approve the disbursement of the same upon checks and vouchers. He shall keep an accurate account of the funds and may be required by the Board of Directors to give a bond in such amount as the Board of Directors may determine. He shall report regarding the funds in his possession whenever required to do so by the Board of Directors or the President.

ARTICLE VII Assessments

7.01 Authority. The Board of Directors shall have the responsibility and authority to assess each Condominium for Common Expenses and the Co-Owners of such Condominiums shall be personally liable for the payment of all Assessments levied during the time any such Co-Owner owns a Condominium and the Assessment applicable to each Condominium shall be a charge and continuing lien upon each such Condominium.

7.02 Procedure. Not less than thirty (30) days prior to the beginning of each calendar year the Board of Directors shall, after taking into consideration all anticipated items of Common Expense, for such calendar year, together with a reasonable reserve for contingencies, fix and establish the amount of the total Assessment for Common Expenses for the ensuing calendar year.

Each Co-Owner will be required to pay each Co-Owner's Proportionate Part of the total Assessment for Common Expenses.

Following the establishment of the Assessment for Common Expenses, each Co-Owner shall be given notice of the total Assessment for Common Expenses and each Co-Owner's Proportionate Part of the total Assessment for Common Expenses, but the failure of an Co-Owner to receive such notice shall not affect such Co-Owner's liability for the payment of each Co-Owner's Proportionate Part of the total Assessment for Common Expenses. Each Co-Owner's Proportionate Part of the Assessment for Common Expenses shall be due and payable by each Co-Owner in equal installments as determined by the Board of Directors, but such installments shall be payable no more frequently than monthly during the calendar year.

During the course of a calendar year should the Board of Directors determine that the Assessment for Common Expenses for the year will be inadequate, the Board of Directors from time to time may increase the Assessment for Common Expenses for the calendar year and each Co-Owner's Proportionate Part of the total Assessment for Common Expenses. Conversely, should the Board of Directors during the course of a calendar year determine that the Assessment for Common Expenses will create a surplus in excess of that necessary as a reserve for contingencies, the Board of Directors from time to time may decrease the Assessment for Common Expenses and each Co-Owner's Proportionate Part of the total Assessment for Common Expenses. In either such event, the Board of Directors shall notify each Co-Owner of the adjustment and the revised amount of each quarterly installment thereafter due by each Co-Owner.

7.03 Failure to Assess. If the Board of Directors shall fail to fix and establish the total Assessment for Common Expenses and the Proportionate Part of the total Assessment for Common Expenses due by each Co-Owner, the total Assessment for Common Expenses and the Proportionate Part of the total Assessment for Common Expenses due by each Co-Owner for the previous calendar year shall be automatically established immediate prior to the commencement of the calendar year so that there will be no interruption in the payment by an Co-Owner of the installments due paying such Co-Owner's Proportionate Part of the total Assessment for Common Expenses.

7.04 During Declarant's Control Period. During Declarant's Control Period, Declarant will have no obligation to pay to the Association the Proportionate Part of the total Assessment for Common Expenses applicable to Condominiums owned by Declarant. Declarant shall, however, during the Declarant's Control Period, pay to the Association from time to time, as required, any amounts necessary (over and above payments to the Association by other Condominium Co-Owners) to satisfy the Association's current operating expenses on a cash basis. Declarant shall have no obligation to contribute any sums to the Association on account of reserves. During Declarant's Control Period, after the Board of Directors have fixed the total Assessment for Common Expenses as provided in Section 1, each Co-Owner's (other than Declarant) will pay its Proportionate Part of the total Assessment for Common Expenses. Each Co-Owner's Proportionate Part of the total Assessment for Common Expenses shall be due and payable by each Co-Owner in equal monthly installments. At the termination of the Declarant's Control Period, the Condominiums owned by Declarant, if any, shall bear their full Proportionate Part of the total Assessment for Common Expenses and Special Assessments.

7.05 Sales of Condominiums. Each Co-Owner Each Co-Owner of a Condominium purchased from Declarant, on the date of the purchase, shall become liable to the Association for a pro rata part of the Proportionate Part of the total Assessment for Common Expenses attributable to such Condominium with the pro rata part being a fraction, the numerator of which is the number of calendar days until the next ensuing January 1, and the denominator of which is 365. The prorated monthly payment for the month in which a Condominium is purchased shall be due and payable by

each such Co-Owner within ten (10) days after receipt from the Association of a statement for the amount due.

7.06 No Exemption. No Co-Owner shall be exempt from liability for Assessments duly established by the Association. Further, no diminution or abatement of Assessments shall be allowed or claimed for inconvenience or discomfort arising from the making of repairs or improvements to the Common Areas or Condominiums or from any action taken to comply with any law, ordinance or order of a governmental authority.

7.07 Special Assessments. Upon incurring any Special Expense, the Association will give written notice to the Co-Owner who actions or neglect caused the damage or loss. The notice will contain estimates or bids to correct or repair the damage or evidence of the amount paid by the Association to correct or repair the damage or loss. If the Co-Owner fails to pay the cost or repair or to the Association within thirty (30) days of the notice, the Board of Directors will assess a Special Assessment against the Co-Owner and its Condominium equal to the cost incurred by the Association for corrective action. The Board of Directors will give the Co-Owner written notice of the Special Assessment and may file written notice of the Special Assessment in the Real Property Records of El Paso County, Texas.

7.08 Delinquent Assessments. The payment of an Assessment shall be considered delinquent if not paid upon the due date thereof and shall bear interest from such date at the rate of eighteen (18%) percent per annum until paid. The Association shall also be entitled to collect a late charge in such amounts and upon such conditions as the Board of Directors may from time to time determine. Each Co-Owner (whether one or more) shall be and remain personally liable for the payment of all Assessments which may be levied against such Co-Owner's Condominium by the Association in accordance with the terms and provisions of the Declaration until the same shall be paid in full, both principal and interest.

The Association may enforce collection of delinquent Assessments in accordance with the terms of the Declaration and the Act.

7.09 Assessment Roll and Records. The Assessments against all Co-Owners shall be set forth upon a roll of the Condominiums which shall be available in the office of the Association for inspection at all reasonable times by Co-Owners and Mortgagees or their duly authorized representatives. The Assessment Roll shall indicate for each Condominium the name and address of the Co-Owner or Co-Owners, the Assessments for all purposes and the amounts of all Assessments paid and unpaid. A certificate signed by an officer of the Association as the status of an Co-Owner's Assessment account shall limit the liability of any person for whom made other than the Co-Owner. The Association shall issue such certificates to such persons as an Co-Owner may request in writing and shall be entitled to charge a reasonable fee therefor in such amount as shall be determined by the Board of Directors from time to time.

ARTICLE VIII Contracts, Checks, Deposits and Funds

8.01 Authority to Contract. The Board of Directors may authorize any officer or officers, agent or agents of the Association, in addition to the officers so authorized by these bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association. Such authority may be general or confined to specific instances.

8.02 Checks and Drafts. All checks, drafts or orders for the payment of money, notes, or other evidences 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. In the absence of such determination by the Board of Directors, such instruments shall be signed by the Treasurer or an Assistant Treasurer and countersigned by the President or a Vice President of the Association.

8.03 Bank Accounts. All funds of the Association 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 IX Amendments to Bylaws

9.01 Amendments. These Bylaws may be amended from time to time as required, provided that no amendment may contradict or conflict with any provision of the Declaration, the terms of which will always control.

9.02 Procedure. In any case in which it is desired to amend these Bylaws, the Board of Directors, by a majority vote of a quorum thereof, shall first approve the proposed amendment for submission to the Members at an Annual or Special Meeting thereof. Notice of the time, place and purposes of any such meeting shall be as set forth in Article III hereof, except that notice of an Annual Meeting to amend the Bylaws shall state said purposes.

9.03 Vote. The proposed amendment shall be put to a vote of the Members present at said meeting and if said amendment shall receive the affirmative votes of Members representing at least two thirds of the ownership of the Common Interest (provided such Members shall constitute a quorum), the amendment shall be declared adopted.

ARTICLE X Seal

10.01 Official Seal. The official seal of this Association shall consist of a design consistent with the approval of the Board of Directors, but the corporate seal shall not be required to be placed on any deed, contract or other corporate document in order to validate the same.

ARTICLE XI Indemnification of Directors and Officers

11.01 Indemnification of Officers and Directors. To the extent permitted by law, each director and officer or former director and officer of the Association may be indemnified, defended and held harmless by the Association against liabilities imposed upon him or her and against him or her (including attorney's fees), or any action, of his or her service as a director or officer, and against such sums as independent counsel selected by the Board of Directors shall deem reasonable payment made in settlement of any such claim, action, suit or proceeding; provided, however, that no director or officer shall be indemnified with respect to matters which shall be settled by the payment of the sums which counsel for the Association may deem unreasonable payment or with respect to matters for which such indemnification would be against public policy or in contravention of Tex.Rev.Civ.Stat.Ann. art. 1396-2.22A, as amended.

11.02 Insurance. The Association may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, or agent of the Association against any liability asserted against him or her and incurred by them in any such capacity or arising out of their status as such, whether or not the Association would have the power to indemnify them against such liability.

We, _____, President, and _____, Secretary of **, do hereby certify that the foregoing constitutes the Code of Bylaws of the Association, formally adopted by the Members of the Association at the meeting, held in the City of El Paso, Texas, on the _____ day of _____, 2002.

President

Secretary

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