

CORONADO TOWNHOUSE ASSOCIATION, INC.

BYLAWS

222 South Resler Dr., El Paso, Texas 79912
(915) 584-5959

ARTICLE I

Name and Location: The name of the Corporation is CORONADO TOWNHOUSE ASSOCIATION, INC., hereinafter referred to as the "Association." The principal office of the Corporation is at 222 South Resler, El Paso, Texas 79912, but meetings of members and directors may be held at such places within The State of Texas, County of El Paso, as may be designated by the Board of Directors.

ARTICLE II
Definitions

Section 1: "Association" shall mean and refer to CORONADO TOWNHOUSE ASSOCIATION, INC., its successors and assigns.

Section 2: "Properties" shall mean and refer to that certain Real property described in the Declaration of Covenants, Conditions and Restrictions, including Unit 2 annexed December 12, 1972, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 3: "Common Area" shall mean all Real property Owned by the Association for the common use and enjoyment of the Owners.

Section 4: "Lot" shall mean and refer to any plot of land shown upon any recorded Subdivision Map of the Properties, with the exception of the Common Area.

Section 5: "Owner" shall mean and refer to the record Owner whether one or more persons or entities, of the fee simple Title to any Lot which is a part of the Properties, including Contract Sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 6: "Declarant" shall mean and refer to CORONADO TOWNHOUSES, LTD., its successors and assigns, if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

Section 7: "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the Properties recorded in the Office of the County Clerk, El Paso County, Texas.

Section 8: "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration.

Section 9: "Delinquent" shall mean and refer to those members whose assessments are not paid when due as explicitly stated in the Declaration, Article IV, Section 8.

ARTICLE III
Meeting of Members

Section 1: ANNUAL MEETINGS. The first annual meeting of the members shall be held within one (1) year from the date of incorporation of the Association, and each subsequent regular annual meeting of the members shall be held on the second Tuesday of February each year thereafter, at the hour of 7:00 o'clock P.M. If the day of the annual meeting is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2: SPECIAL MEETING. 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 by one-fourth (1/4th) of all of the votes of the membership.

Section 3: NOTE 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 being called, shall be delivered not less than ten (10), nor more than fifty (50) days before the date of the meeting, either personally or by mail, by or at the direction of the President, or the Secretary, or the officers or persons calling the meeting, to each member entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the member at his address as it appears on the records of the Corporation, with postage thereon paid.

Section 4: QUORUM. Notice and Quorum for any action authorized under Article IV, Sections 3 and 4 of the Declaration. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4 shall be sent to all members not less than thirty (30) days, nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all the votes of the membership, shall constitute a quorum. If the required quorum is not present, another meeting may be called, subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such meeting shall be held more than sixty (60) days following the preceding meeting.

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. Every proxy shall be revocable and shall automatically cease upon Conveyance by the member of his Lot.

Section 6: NATURE OF MEETINGS. All meetings, whether annual or special, are open to attendance by any member of the Association, except that the Board shall meet in Executive Session (closed session) for discussion of delinquent member fees and Association employee personnel matters only. A time shall be allotted on the agenda of each meeting for public comment by members of the Association concerning matters of governance of the Association.

ARTICLE IV Board of Directors

Section 1: NUMBER. The affairs of this Association shall be managed by a Board of seven (7) Directors who shall be members of the Association.

Section 2: TERM OF OFFICE. At each annual meeting, the members shall elect a Director or Directors, as the case may be, for a term of three (3) years to replace the outgoing Director or Directors, as the case may be.

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 as directed by the Board of Directors.

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 of the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

Section 6: MAJOR EXPENDITURES. The Directors shall adhere to the following procedures prior to incurring obligations for major capital expenditures or contractual services:

- a. Obligations of \$1,000 or more, but less than \$10,000 be subject to a thirty (30) day comment period by the members of the Association following the first reading of the proposed expenditures at a Board Meeting. During the comment period, such proposal shall be posted upon the

Association bulletin board. During this period, the membership at large shall be permitted to comment either in writing or orally at the next Board meeting, before final vote of the Board.

- b. Any single expenditure of \$10,000 or more shall be subject to the same ratification process by the membership as the Bylaws and Covenants require for an increase in membership fees.
- c. Exemptions: Normal roof maintenance contracts, review fees, and repairs covered by the Association's insurance policies are exempt from these procedures.

ARTICLE V

Nomination and Election of Directors

Section 1: NOMINATION. Nomination for election of 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 (2) 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 nomination must be made from among the members of the Association.

Section 2: ELECTION. Election to the Board of Directors shall be by secret written ballot. At such elections, the members or their proxies may be cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration, Article II, Section 1(b); and Article III, Section 2. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted. (Cumulative = "formed, or becoming larger, by successive additions.")

ARTICLE VI

Meetings 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 called by the President of the Association, or by any two (2) Directors, after not less than three (3) days' 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 the 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 an 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 Declaration, Article II, Section 1(b);

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, or the Declaration;

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. to authorize the officers to enter into one (1) or more management agreements with third parties in order to facilitate efficient operation of the Properties. It shall be the primary purpose of such management agreements to provide for the administration, management, repair and maintenance of the Properties, all improvements included therein and designated as Common Areas, the roofs and exterior walls of the Townhouses, and the receipt and disbursement of funds as may be authorized by the Board of Directors. The terms of said management agreements shall be determined by the Board of Directors to be in the best interests of the Corporation, and shall be subject in all respects to the Articles of Incorporation, these Bylaws and the Declaration.

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 (1/4th) of the 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;

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 insurance and hazard insurance covering property Owned by the Association, as the Directors deem advisable;

f. cause all officers or employees having fiscal responsibility to be bonded, as it may deem appropriate;

g. cause the Common Area to be maintained; and,

h. cause the exterior of the dwellings to be maintained.

ARTICLE VIII
Officers and Their Duties

Section 1: ENUMERATION OF OFFICERS. 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 be 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 office of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one (1) 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

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 and other written instruments and shall co-sign all Promissory Notes.

VICE-PRESIDENT

b. 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

c. 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 the 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 duties as required by the Board.

TREASURER

d. 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 Promissory Notes of the Association; keep proper books of account; cause an annual review of the Association to be made 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.

CHECK SIGNING

e. Any two of the four duly elected officers of the Board of Directors of the Association (President, Vice-President, Secretary, and Treasurer) shall co-sign all checks.

ARTICLE IX
Committees

Section 1: The Association shall appoint an Architectural Control Committee as provided in the Declaration and a Nominating Committee as provided in these Bylaws. In addition, the Board of Directors may appoint other committees as deemed appropriate in carrying out its purposes, such as:

a. A RECREATION COMMITTEE which shall advise the Board of Directors on all matters pertaining to the recreational program and activities of the Association and shall perform such other functions as the Board, in its discretion, determines;

b. A MAINTENANCE COMMITTEE which shall advise the Board of Directors on all matters pertaining to the maintenance, repair or improvement of the Properties and shall perform such other functions as the Board, in its discretion, determines;

c. A PUBLICITY COMMITTEE which shall inform members of all activities and functions of the Association and shall, after consulting with the Board of Directors, make such public releases and announcements as are in the best interests of the Association; and,

d. A FINANCIAL REVIEW COMMITTEE which shall supervise the annual review of the Association's books and approve the annual budget and statement of income and expenditures to be presented to the membership at its regular annual meeting, as provided in Article VIII, Section 8(d). The Treasurer shall be an EX-OFFICIO member of the Committee.

Section 2: It shall be the duty of each committee to receive complaints and requests from members on any matter involving Association functions, duties and activities within its field of responsibility. The committee shall refer its findings and recommendations to the Board of Directors for their disposition if not otherwise covered in the standing operating procedure.

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, as well as the Management Agreement, 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 specific 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 seven per cent (7%) 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 assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

ARTICLE XII
Corporate Seal

The Association shall have a seal in circular form having within its circumference the words: CORONADO TOWNHOUSE ASSOCIATION, INC.

ARTICLE XIII
Amendments

Section 1: These Bylaws may be amended, at a regular or special meeting of the members, by vote of a majority of members.

Section 2: In case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

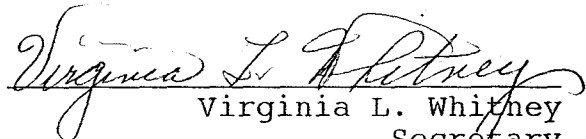
ARTICLE XIV
Miscellaneous

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December 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 duly elected and acting Secretary of the CORONADO TOWNHOUSE ASSOCIATION, INC., a Texas Corporation; and, that the foregoing Bylaws constitute the revised Bylaws of said Association.


Virginia L. Whitney
Secretary

April 10, 1996