

WESTERN SKIES PATIO HOMES
OWNERS ASSOCIATION INCORPORATED
BYLAWS

ARTICLE I
CORPORATION NAME

The name of the Corporation is WESTERN SKIES PATIO HOMES OWNERS ASSOCIATION INCORPORATED, hereinafter referred to as the "Association."

ARTICLE II
GENERAL INFORMATION

These Bylaws are subordinate to the Articles of Incorporation (hereinafter referred to as the "Charter") and to the Declaration of Covenants, Restrictions and Conditions, (hereinafter referred to as the "Covenants"), and all amendments thereto, and shall not conflict with them.

ARTICLE III
MEETING OF OWNERS

SECTION I
ANNUAL MEETINGS

A. TIME AND PLACE. Regular meetings of Owners shall be held in the month of January of each year and Owners shall be notified of the date and time not less than ten (10) days nor more than fifty (50) days before the date of the meeting.

B. REPORTS TO OWNERS. At the annual meeting, the Board of Directors of the Association shall furnish Owners a report on all corporate activities for the preceding year, a comparison of expenditures, by month, with the budget of the preceding year, explanation for over/under budget expenditures, an estimated forecast of expenditures required for the next three (3) years, financial statements showing all cash on hand, value of investments, and inventory of the Association, and any other information deemed of value to the Owners or required by law.

SECTION 2
BUDGET MEETINGS

A budget meeting shall be held during the month of November, each year, at which time the Board of Directors will present a review of the October financial statement, a proposed budget for the new year, and the amount of assessment that will be required to support the budget. The approved budget and assessment shall become effective January 1 of the following year.

SECTION 3
SPECIAL MEETINGS

Special meetings may be called at any time by the President or Vice-President of the Association, the Board of Directors, or by any two Directors or by Owners having not less than twenty percent (20%) of the vote eligible to vote at such meetings. Each request for a special meeting shall be in writing, to include a specific agenda, and delivered to the Secretary of the Association or to a Director. The Secretary shall give notice of the special meeting as herein provided, said notice to contain the time, place and subject matter of the special meeting.

SECTION 4
NOTICE, QUORUM AND PROXIES

A. NOTICE AND QUORUM. Written notice of a special meeting shall be sent to all Owners not less than ten (10) or more than fifty (50) days in advance of such meeting. A quorum is defined in Article III, Section 3 of the Covenants, shall be 60%.

B. PROXIES. All business of the Association conducted at a meeting of the owner may be voted by proxy, except proxies shall not be used to amend the covenants. Proxies shall be valid for the specific meeting as set forth in the proxy, unless the proxy is in the form of a Power of Attorney of longer validity. The Board of Directors shall provide proxy forms to the Owners at least two (2) weeks before meetings, and shall state the meeting for which the proxy is valid. Proxies should be delivered to a member of the Board of Directors of the Association or received at the designated place of the association at least eight hours before the subject meeting. As the first order of business at meetings, the Secretary of the meeting shall certify the names of the owners and proxies. Proxies will be automatically voted for the slate of Directors designated by the Nominating Committee or for the person(s) named in the proxy.

**ARTICLE IV
BOARD OF DIRECTORS**

SECTION I
COMPOSITION

The Board of Directors of the Association (hereinafter the "Board") shall consist of not less than three nor more than nine (9) Directors. To be eligible to serve as a Director of the Association, an individual must be an Owner of a unit in Western Skies Patio Home Owner's Association, Incorporated, and not be delinquent with respect to any assessments.

SECTION 2
TERMS OF OFFICE

A. LENGTH OF TERMS. Beginning January, 2007, the President, Vice-President, Secretary, Treasurer and five (5) Directors shall be elected for two (2) year staggered terms. At such election, Directors shall also be elected to fill unscheduled vacancies on the Board, including those positions that have been filled temporarily by appointments to the Board. The term of office for Directors elected to fill unscheduled vacancies or temporary board appointments shall be the number of years remaining on those vacancies. Directors may serve consecutive terms of office.

B. EFFECTIVE DATES. Regular terms of Directors shall be effective immediately after election and end when a successor Director is elected. Partial terms (those to fill unscheduled vacancies) shall be effective immediately after election and end at the end of the term of the vacancy being filled.

C. REMOVAL OF DIRECTORS. Any Director may be removed by a majority vote of a quorum at any Owner meeting.

SECTION 3
NOMINATIONS AND ELECTIONS

A. NOMINATIONS. The nominating committee shall provide a slate of nominees consisting of only one candidate per household for each Board vacancy before announcing such nominees to the Owners. The committee shall indicate to the Board whether nominees are nominated to fill the regular two-year term or to fill unscheduled vacancies. The Board will announce the slate to the Owners, in writing at least thirty (30) days prior to the annual election date. Additional nominations will be accepted from the floor at the annual meeting, provided that the nominees have consented in writing to serve if elected.

B. ELECTIONS. Elections to the Board shall be held at the annual meeting of Owners, and will be conducted by secret ballot, but may be by acclamation if there are no nominations from the floor. If there are nominations from the floor, nominees getting the most votes from a quorum of eligible voters shall be elected.

SECTION 4
UNSCHEDULED VACANCIES

A. NO MORE THAN FOUR VACANCIES. When there are no more than four unscheduled vacancies, the nominating committee shall submit to the Board the names of candidates to serve in the vacant positions, for Board approval. The Board shall appoint persons to fill the vacancies from the submitted names, and those appointed shall serve until the next regular meeting of Owners.

B. FIVE OR MORE VACANCIES. When there are five or more unscheduled vacancies, the Board will not have a working quorum, and a special

meeting of owners will be called to elect new Directors to fill the vacant positions, The President of the Association, any two Directors, or any eight Owners shall call a special meeting, with notice thereof being given to the Owners as with any special meeting. The nominating committee shall name a candidate to fill each vacancy on the Board, and nominations may be accepted from the floor. In the event that a working quorum of the Board is not established within 60 days after the quorum is lost, any individual Owner may bring an action in the proper court in El Paso County, Texas, to establish a quorum, and may take all other actions necessary to restore management operations of the Board, and the cost of such actions shall be borne by the Association.

SECTION 5 MEETINGS

A. REGULAR MEETINGS. Regular meetings of the Board shall be held quarterly or as deemed necessary as agreed by the presiding Board.

B. SPECIAL MEETINGS. The President, Vice-president, or any two Directors may call special meetings of the Board by giving the Directors and Committee Chairman three (3) days prior notice. In case of urgent or emergency situations, the President or acting Board member may act without a special meeting, and report the action taken at the next meeting of the Board and present the action for ratification by the Board.

C. OPEN MEETINGS. All Board meetings shall be open to owners, and owners may address any issue or subject at the meetings, but should schedule their issues in writing at least four (4) days prior to the Board meeting.

SECTION 6 DUTIES OF THE BOARD

A. PRIMARY DUTY. The Board shall follow the purpose of the Covenants and protect the value and desirability of the Association and its property, and shall enforce the provisions of the covenants and these Bylaws.

B. ARCHITECTURAL REQUESTS. The Board shall appoint an Architectural And External Appearance Control Committee which shall consider requests from Owners for approval of or changes to properties, and shall respond to Owners' requests as soon as possible following receipt of all information required by the Architectural And External Appearance Control Committee to assist in their determination. The Architectural And External Appearance Control Committee shall refer any questionable matters concerning requests to the Board, and shall submit all approved requests to the Board for development of rules to govern all changes. The Board, by Approval of Architectural Request, shall notify Owners of approved requests.

C. ASSESSMENTS. The Board shall fix the amount of the annual operating assessment and notify Owners of such assessments and collect the

assessments, all in accordance with the Covenants and these Bylaws. Assessments are due on the first day of each month, and the Board shall assess a late payment charge on assessments not received by the Association by the 15th day of each month. Delinquent Assessment notice shall be used to notify Owners of delinquent assessments.

D. AGENTS AND BONDS. The Board may appoint persons or companies to collect and disburse Association funds, and shall assure that the appointed persons and/or companies that have direct access to Association funds are bonded.

E. BUDGET. The Board shall assure that over-budget expenditures are reviewed for justification before commitment.

F. FILES AND RECORDS. The Board shall faithfully maintain the files and records of the Association.

G. FINANCIAL SERVICES. The Board shall faithfully and responsibly perform all financial activity of the Association.

H. INSURANCE. The Board shall procure and maintain insurance in adequate amounts for public liability and hazard on all Association property and liability insurance for Board members and officers of the Association.

I. MAINTENANCE. The Board shall select an individual, preferably a Director, to act as point of contact between the Board and maintenance personnel, and shall assure compliance with the maintenance provisions hereof and under the Covenants. The Board shall assure immediate response to urgent maintenance requests, such as stopped sewer or drain or broken water lines, and shall respond to applicable maintenance requests as soon as the maintenance schedule allows. Additionally, the Board shall assure compliance with the following provisions regarding agreements with contractors for specific non-continuing work:

(a) All agreements with contractors for specific non-continuing work shall provide that a minimum of 10% of the value of the contract shall not be paid for 30 days after the contractor claims completion, and in any case shall not be paid until the Association determines the work has been completed to the satisfaction of the Association.

(b) New contracts for specific work shall require review and approval by the Board of Directors and the Board of Directors may seek legal counsel as necessary.

(c) The President, Vice-president, Treasurer, Secretary or management firm shall sign all approved contracts, and this final approval, for both contractual and final payment, shall not be delegated.

J. NOTICES TO REALTORS/TITLE COMPANIES. At such time as the Board of Directors is advised in writing that an Owner's property is for sale and the Board is provided the name of the Owner's realtor, if any, and the name of the title company closing the transaction, the Board or its representative shall provide to such realtor/and or title company, as appropriate, the Notice to Real Estate Agents, Delinquent Form, Bylaws, and Declarations and Covenants, and such other information as may be required by law. The Board shall in all things comply with applicable law.

K. OPERATION COSTS. The Board shall assure the continuous examination of the business operations of the Association to minimize the cost of operation and still be consistent with the primary duty of maintaining property values.

L. RESPONSE TO REQUESTS. The Board timely shall respond to written requests from Owners as prescribed by these Bylaws.

SECTION 7 POWERS OF THE BOARD

A. AUTHORITY. The Board shall exercise for the Association all powers, duties, and authority vested in or delegated to the Association and not reserved to the Owners by provisions of the Charter, Covenants, or these Bylaws.

B. CONTRACTS. The Board may enter into contracts with firms or individuals for services for the Association, such as maintenance services of a non-continuing nature or financial services.

C. EMERGENCY ACTIONS. In the absence of the President or Vice-President, any Board member may take immediate action in case of an emergency situation. A list of approved emergency maintenance companies will be provided to each member of the Board of Directors. When such emergency actions are taken, the person knowledgeable of the circumstances shall notify the Board within 24 hours.

D. NEGOTIATIONS. The Board may negotiate with companies or individuals for prices and benefits for the Association, which may be available to the Association as a whole or to Owners individually.

E. RULES AND REGULATIONS. The Board has the authority to adopt and publish rules and regulations governing the use of the Common Area and the facilities and conduct of persons thereon, and to establish penalties for the infraction of such rules, and rules shall be subject to revocation and/or amendment by the Board.

F. SUSPENSION OF PRIVILEGES. The Board may suspend the voting rights of an Owner and/or the Owner's right to use the common grounds during any period in which an Owner/Tenant is in default of any assessment or for any

infraction of these Bylaws, which after written notice by the Board, continues for a period of sixty (60) days.

G. VACATE BOARD POSITIONS. The Board, by a vote of two thirds of the Directors, may vacate the position of any Director for the good of the Association.

**ARTICLE V
OFFICERS**

**SECTION 1
GENERAL**

A. OFFICERS. Officers of the Association shall be a President, Vice-President, Secretary, Treasurer, and 5 Members At Large. All officers must be Owners. No person shall hold more than one office at a time.

B. TERMS OF OFFICE. Terms of office are two (2) years and are staggered, with the President, Secretary, and 2 Members-At-Large elected in the odd numbered years. Officers may serve consecutive terms. The new Board will take office at the first regular Board meeting following the annual meeting, but if officers change during the year they shall take office as soon as named by the Board.

C. REMOVAL FROM OFFICE. Any officer may be removed from office by a vote of two thirds of the Directors.

**SECTION 2
DUTIES OF THE PRESIDENT**

A. PRIMARY DUTY, The President shall be the Chief Executive Officer of the Association, and as such shall have all the duties and authority of a general manager. He shall execute all resolutions of the Board, and have the authority to make decisions and take actions within the limitations of the Charter, Covenants, Bylaws, and written policies of the Association and not reserved to the Board or to the Owners,

B. OTHER DUTIES, The President shall also preside at Board meetings as Chairman of the Board and at Owner meetings. He may delegate this duty temporarily, Additionally, the President shall enforce the provisions of all Directives of the Board, directly supervise the activities of officers and committees, collect Association funds and disburse the funds in compliance with budgetary controls, and with the Budget and Long Range Planning Committee develop Association budgets and long-range plans for the Association. The President shall approve payments of invoices and other debts of the Association within budgetary limits, assure the reporting of all pertinent activities of the Association to the Board and Owners in accordance with generally accepted business practices and these Bylaws, promptly call attention of the Board and/or Owners to developing problems,

which are beyond his duties and authority, supervise officers and committee chairmen, who, in effect, are assistants to the President and perform their duties under his direction, sign all promissory notes of the Association, and perform such other duties as the executive officer of the Association, or as may be assigned by the Board.

SECTION 3 DUTIES OF THE VICE-PRESIDENT

The Vice-President shall, in the absence of the President or in the event of the President's inability or refusal to carry out his duties, perform the duties of the President. The Vice-President shall familiarize himself with all duties of the President and shall perform such other duties as may be assigned him by the President or the Board.

SECTION 4 DUTIES OF THE SECRETARY

The Secretary shall assure that the minutes of all Owners and Board meetings are recorded and distributed to Board members and Chairmen of standing committees and to Owners upon written request. After minutes of the annual meeting are approved, the secretary shall inform all Owners, in writing, of resolutions passed and any other pertinent information and assure that all notices are duly given in accordance with the provisions of these Bylaws or as required by law. The Secretary shall keep a register of post office addresses of each Owner who does not reside in the complex and keep a list of resident owners/renters and their addresses and telephone numbers. The Secretary shall keep on hand copies of all directives to be given to new Owners, or provided to Owners and others when copies are requested at a cost of \$1.00 per page, and perform all other duties assigned by the President or the Board.

SECTION 5 DUTIES OF THE TREASURER

The Treasurer shall assure that all funds of the Association are received and deposited in appropriate bank accounts. The Treasurer, or any management company or agent employed by the Association, upon approval by the board and/or by the President, may disburse such funds. The President is accountable to the Board for the expenditures and will direct any management company to notify the Owners who are delinquent in their assessments, and recommend to the Board what action should be taken toward the collection of the past due assessments. The treasurer will compare the budgeted amounts of individual categories with actual expenditures and present to the Board at regular Board meetings, chair the Budget Committee, assure that the President is informed regularly of trends indicating probability of over/under-budget categories, and alert the President as far in advance as possible of probable over-total budget situation development. The treasurer will perform all other duties assigned by the President or the Board.

SECTION 6
DUTIES OF THE MEMBERS-AT-LARGE

The Members-At-Large shall assist with any of the duties of the officers set forth above, and act as liaison between Owners and the Board with each Member-at-Large being responsible for approximately 12 residences and their own residence to aid in disseminating information from the board and keeping the members apprised at all times of the actions of the association Board of Directors.

**ARTICLE VI
FILES AND RECORDS**

A. OFFICIAL FILES. The official Association files shall be kept for a period not to exceed ten (10) years. These copies shall be marked "OFFICIAL COPY." Official copies shall not be removed from the files. One copy of all documents shall be marked "FILE COPY" and these files will be available for duplication by an Officer, upon request in writing, from the person designated as custodian of the files. The file copy must be returned to the files within three (3) business days. One copy of all correspondence shall be given to the Secretary for the official files. A copy of all financial records, to include income tax records, shall be maintained on file. These records shall not be removed from the file unless approved by the Treasurer or, in his absence, the President and then only for the purpose of making copies. Two copies of the minutes of all Owner meetings, Board meetings, and Committee Meetings, if applicable, shall be maintained on file. One copy shall remain in the files; the other may be removed to make additional copies when required, and shall be returned to the files immediately. Other business records of the Association, such as contracts, agreements, and settlements shall be maintained on file.

B. REVIEW OF FILES. Any Owner desiring to check out a document (other than the original) to read, may do so upon written request to the Secretary, or in his absence, the President. The request shall be noted on a sign-out sheet and the sheet shall remain in the file after material is returned.

C. COPIES. Any Owner desiring to have copies of any documents on file shall request such from the Secretary, or in his absence, the President. The Owner shall be charged for the copies. Response time for request shall be ten (10) days.

D. INSPECTION OF BOOKS AND RECORDS. Books, records, and papers of the Association shall be subject to inspection by any Owner or his agent or attorney, at the Owner's expense, by appointment, Monday through Friday. Requests for appointments shall be made to the President or Secretary. The Secretary or President shall be present during the inspection. The President shall be informed about the request for the inspection before it occurs.

ARTICLE VII COMMITTEES

SECTION I TYPES OF COMMITTEES

A. **STANDING COMMITTEES.** Standing committees shall be the Architectural and External Appearance Control Committee, Budget and Long Range Planning Committee, and Nominating Committee.

B. **SPECIAL COMMITTEES.** The Board or the President may establish ad hoc committees for specific purposes.

SECTION 2 GENERAL

A. **COMPOSITION AND APPOINTMENT OF COMMITTEES.** The President shall designate committee chairmen and may name committee members or delegate this responsibility to committee chairmen. The President shall be ex-officio member of all committees (without vote, except to break a tie). At the request of the committee chairman, a vice chairman may be appointed. No individual shall be chairman of more than one committee. All committee chairmen shall be instructed at the time of their appointments to become familiar with these Bylaws.

B. **TERMS OF OFFICE.** Standing committee terms of office shall end at the first Board meeting in which a new or re-elected president presides. Special committee terms of office shall end at the time the written reports are submitted to the Board or President, unless directed to conduct additional study.

C. **MEETINGS AND REPORTS.** All committees, except the Nominating Committee, shall meet upon the call of the President, chairman, or two committee members. Committees shall meet on an as needed basis. Recommendations and findings of committees shall be reported in writing to the Board.

D. **ACTIVITIES OF COMMITTEES.** Except as provided in these Bylaws, or by resolution of the Board, Committees shall not have or exercise the authority of the Board in the management of the Association. No committee chairman or member shall commit or attempt to commit the Association or any officer of the Association to any action or make contracts or agreements, in writing or verbally, with any Owner, agent, individual or company which might be construed to bind the Association to a specific action.

SECTION 3 ARCHITECTURAL AND EXTERNAL APPEARANCE CONTROL COMMITTEE

The Committee will serve at the pleasure of the President of the Board of Directors and will be appointed by the President and the Board of Directors. The committee shall consist of a Chairman who, if possible, is a former Board member

or a person who has served on one or more committees of the Association. The committee shall consist of at least three (3) members and no more than five (5) members. The Committee shall assure the requirements of these Bylaws are met before acceptance of a request for architectural change to the properties, study the requests considering the provisions of applicable directives, and mark the pertinent information in the directives for use when making their recommendations to the Board. The chairman will present written findings and recommendations to the Board. The Board of Directors will notify the homeowner of acceptance or rejection of the request.

SECTION 4 BUDGET AND LONG RANGE PLANNING COMMITTEE

The Budget and Long Range Planning Committee shall consist of the Treasurer and two (2) or four (4) additional members. The Committee shall develop and maintain a budget format containing budget categories indicating sources of income and anticipated categories of yearly and monthly expenditures. These categories shall be coded, and all budget category transactions shall be entered into the appropriate system. Additionally, the committee shall coordinate with the President and committees in the development of a budget proposal for the next fiscal year, and present the proposal to the Board not later than October first each year, and make a comparison of expenditures by month with the budget of the preceding year and determine the reasons for over/under-budget expenditures. The Committee will make an estimated forecast of expenditures required for the next three (3) years or longer based on long range planning and goals for the association. The President and Budget Committee Chairman will be instrumental in developing the long range planning and goals for the association.

SECTION 5 NOMINATING COMMITTEE

The Nominating Committee shall consist of the President and three (3) members appointed by the President. The Committee shall select Owners of Western Skies Patio Homes to serve as Directors and obtain, in writing, the agreement of the Owners selected, and present the names to the Board. The Committee shall name owners for the number of candidates necessary to fill the vacancies.

ARTICLE VIII ASSESSMENTS AND MONEY MANAGEMENT

A. **ASSESSMENTS.** The Covenants contain information on regular and special assessments. Each month, an amount equal to 10% of the total assessments, excluding the garbage and water payment shall be transferred from the Operations Account to the Reserve Fund. Expenditures from the Reserve Fund shall be used only to reduce or eliminate the need for special assessments. Special Assessments are prohibited without prior approval of sixty percent (60%) percent of the Owners entitled to vote. The Reserve Fund shall be maintained in a separate

income-producing account for contingencies provided for here in below. Transfers from this account to Operations Account shall require a resolution of the Board, and the Board is required in the same resolution to determine the time and methods for replacing the transferred funds into the income-producing account. Bank charges plus a reasonable fee per check for returned Owners/Tenants checks shall be charged to and collected from the Owners/Tenants.

B. MONEY MANAGEMENT. An annual audit shall be performed. Association monies shall be divided between an Operations Account and a Reserve Fund. The Operations Account is used for day-to-day transactions, the receiving of income, disbursements for expenses, and transfers to and from the Reserve Fund, and at the discretion of the Board of Directors may include a petty cash account. The Reserve Fund is for the purpose of decreasing and, if possible, eliminating special assessments. It is not an emergency fund. Ideally, it must be large enough to pay for any large maintenance expense of a foreseeable or repetitive nature. It is extremely important that large expenditures should not be planned for a single year, but spread over as long a period as possible to eliminate special assessments for such purposes. The Reserve Funds may be an investment account, but such investment shall maintain the liquidity and availability of such funds and shall be limited to insured short-term certificates of deposit or interest bearing accounts at local banking institutions.

ARTICLE IX ARCHITECTURAL CHANGES

A. REQUESTS. An Owner desiring to make external changes to his property shall submit his request to the Architectural and External Appearance Control Committee. Requests shall include plans similar to those required by the City to obtain a City permit; specifications and a description showing the nature, kind, shape, dimensions, color, materials, and location of the proposed changes.

B. CRITERIA. Approval of architectural changes shall be subject to compliance with applicable directives the Covenants, and these Bylaws and shall be subject to compliance by the requesting Owner with all applicable building and zoning code requirements.

C. NOTIFICATION. After the decision of approval/disapproval, the Architectural and External Appearance Control Committee will notify the Board of Directors and the Board of Directors will notify the Owner in writing within 5 business days from the date of the decision.

ARTICLE X MAINTENANCE

A. MAINTENANCE REQUESTS. Emergency and urgency maintenance *requests* shall be sent to the President, or, in his absence, the Vice-President. The person notified shall be responsible for acting immediately on the request. Routine requests shall be sent to the Board.

B. MAINTENANCE PERFORMANCE. Landscape/maintenance of common areas, sewer, water, and rock walls shall be done at the direction of the Board. The Board will determine all maintenance work required by the Association according to the Covenants and Bylaws of the Association. The Board reserves the right to allocate maintenance responsibilities consistent with the Covenants and these Bylaws.

ARTICLE XI RULES, RESTRICTIONS, PROHIBITIONS

SECTION I VEHICLE STORAGE AND PARKING

A. AUTHORIZATION. Passenger vehicles are allowed to be parked or stored overnight on the properties, except in areas permanently or temporarily designed as restricted by the Board. Other vehicles, trailers, or boats are not allowed unless they are kept in a garage.

B. EXCEPTIONS. Recreational vehicles and boats of Owners may be parked on the properties for not more than 48 hours at one period of time. Recreational vehicles belonging to houseguests of Owners may be parked for a period not to exceed 10 days in one of the parking areas upon prior written permission of the President of the Board.

C. OTHER PROHIBITIONS. Stripped down vehicles, wrecked vehicles, jalopy-type cars, and racing vehicles shall not be allowed to remain on the properties.

D. PARKING ON STREETS, SIDEWALKS, LAWNS, OR CINDER/ROCK AREAS. Vehicles will not be parked in a manner that will block sidewalks, driveways, nor will they be parked on lawns or cinder/rock areas. Parking on Silver Shadow Drive, Desert Skies Place, or Western Sage Place is prohibited at all times.

SECTION 2 SPECIFIC USE RESTRICTIONS

A. OBSERVATION OF COVENANTS. The Owners shall observe the Covenants with respect to use restrictions and prohibitions. Clotheslines, equipment, garbage cans, service yards, and wood piles shall be kept screened by adequate planting or fencing so as to conceal them from view of neighboring Patio Homes and streets. "For Sale" and "For Rent" signs of not more than 5 square feet may be used on the properties. No other signs are permitted. Rubbish, trash, and garbage shall be regularly removed from the properties and shall not be allowed to accumulate thereon.

B. COMMON GROUND CONSTRUCTION. Any construction by any Owners on common ground shall be strictly prohibited. Examples are added rooms, relocation of exterior walls of the house, storage buildings, carports, etc. Owners shall not be allowed to plant trees or shrubs of any kind; to erect flower boxes, borders, fences, or rock walls; or to otherwise alter the appearance of the properties, except in areas for which the Owners are responsible for the maintenance.

C. RESTRICTED ITEMS. The following items are restricted items which require approval pursuant to the Covenants: security gates, patio covers, enclosed patios, hothouses, screened porches, lean-tos, tall antennas of any type and satellite dishes which are larger than 2 feet in diameter, any type of weather vanes, meteorological instruments, ventilators, solar panels, basketball hoops or backboards, ornamental items other than Seasonal Decorations. These provisions shall not be interpreted to mean that items not listed are allowed, and the Covenants shall apply to any item added to or removed from the properties.

D. When changes to the properties are approved in accordance with these Bylaws, the applicable rules, as published, shall govern.

SECTION 3 PET CONTROL

Owners of pets (dogs or cats) shall assume responsibility for the proper control and care of their pets and comply with all City Ordinances regarding the keeping and controlling of pets. No dangerous animals shall be kept upon the property.

ARTICLE XII DISPUTES

A. SUBJECTS OF DISPUTES. In case of a dispute between an Owner and the Association and the matter cannot be agreed upon between the two, at the written request of either side, the matter shall be submitted to arbitration under the procedures below. Violations of the provisions of any directive by any Owner are not subject to arbitration.

B. ARBITRATION PROCEDURES. The dispute shall be submitted to three arbitrators, one chosen by the Board and one chosen by the Owner, and these two arbitrators shall then choose a third arbitrator. If one of the disputants fails to name an arbitrator within ten (10) days after the request for arbitration is made, the other disputant shall have the right to name the first two arbitrators. Also, if the first two arbitrators cannot decide upon a third, any judge of the District Courts of EL Paso County, Texas, shall name the third arbitrator. The three arbitrators shall then submit a written statement to the disputants for their signature, of all details of the dispute and a notation that the statement of the dispute is satisfactory to both disputants and that each shall be bound by a majority decision of the arbitrators. The arbitrators will then make a decision. Costs of arbitration, if any,

shall be borne by the disputant found at fault by the arbitrators. In case arbitration is not used, and a civil court suit is filed, all costs, including attorney fees, court costs, and the disputant determined to be at fault shall pay other expenses.

ARTICLE XIII COMPLIANCE AND DEFAULT

A. COMPLIANCE. All Owners shall comply with the Covenants, these Bylaws, and the duly adopted rules and regulations of the Association. The ownership, occupancy, or rental of a property in the Western Skies Patio Homes shall signify that the Covenants, these Bylaws, and duly adopted rules and regulations of the Association are accepted and ratified.

B. DEFAULT. Failure to comply with any of the terms of the Covenants, these Bylaws, the Charter, or duly adopted rules and regulations of the Association shall constitute an event of default and shall be grounds for relief which may include, without intending to limit the same, an action to recover sums due for damages and injunctive relief, or any combination thereof. In the event of default by an Owner in paying to the Association any assessment as determined by the Association, such Owner shall be obligated to pay interest at the maximum legal rate on such assessments from the due date thereof, together with all expenses, including collection costs and attorney's fees incurred by the Association in any proceeding brought to collect such unpaid assessments. The Association, through the Board of Directors or duly authorized agent, shall have the right and duty to attempt to recover such assessments, together with the interest thereon, and the expense of the proceeding, including attorney's fees, in an action to recover the same brought against such Owner, or by foreclosure of lien on the property securing the Owner's obligation to pay his proportionate share of the assessments. In addition to its right to enforce collection of delinquent assessments by suit of law for a money judgment and the expenses incurred in collecting unpaid assessments, including interest, costs, and attorney's fees, the Association may also discontinue the furnishing of water and other services provided by the Association to an Owner or property concerned ten (10) days following the mailing of written notice of such default to the Owner at the Owner's last known address. The Owner, in addition to all other delinquent charges, shall pay the cost of the reconnection service including the fee for disconnection before reconnecting the water or performing other services. In addition to the foregoing, each Owner (whether one or more persons) shall be, and remain, personally liable for the payment of all assessments, which are levied against the property.

ARTICLE XIV MORTGAGEE APPROVAL FOR CERTAIN ACTS

Notwithstanding anything herein to the contrary, unless at least 60% of the first mortgagees (based upon one vote for each mortgage) of the individual lots in the properties have given their prior written approval, this Association shall not be entitled to:

(a) By act or omission seek to abandon, partition, subdivide, encumber, sell, or transfer real estate or improvements thereon which are owned, directly or indirectly, by such Association, for the benefit of the lots in the properties. The granting of easements for public utilities or for other public purposes consistent with the intended use of such property by the properties shall not be deemed for a transfer within the meaning of this clause;

(b) Change materially the method of determining the obligations, assessments, dues, or other charges that may be levied against an Owner; This provision shall not apply to the setting of assessments or special assessments as provided herein.

(c) By act or omission materially change, waive, or abandon any scheme or regulations, or enforcement thereof pertaining to the architectural design or the exterior appearance of units, the maintenance of party walls or common fences and driveways, or the upkeep of common open spaces in the properties;

(d) Fail to maintain fire and extended coverage of insurable common area on a current cost of replacement basis in an amount not less than 100% of the insurable value based on current replacement costs;

(e) Use hazard insurance proceeds for losses to any common area for other than the repair, replacement, or reconstruction of such improvements.

ARTICLE XV AMENDMENT

These Bylaws may be amended by a vote of 66.667 % of the Owners entitled to cast votes of WESTERN SKIES PATIO HOMES OWNERS ASSOCIATION, INCORPORATED, in a regular or special meeting. To the extent necessary to modify these Bylaws to effect their overall intent, the Directors may modify these Bylaws by a majority vote of Directors.

ARTICLE XVI EFFECTIVE PROVISIONS

The provisions of these Bylaws replace all provisions of prior Bylaws of the Association, and are effective as herein stated until amended in writing.

**ARTICLE XV
EFFECTIVE PROVISIONS**

The provisions of these Bylaws replace all provisions of prior Association, and are effective as herein stated until amended in writing.

SECRETARY'S CERTIFICATION

I, the undersigned, Secretary of the Association, do hereby certify that the foregoing were duly adopted by the Owners of Western Skies Patio Homes properties at the Special Owner's Meeting on the day 30th of November 2006 called for the specific purpose of adopting these Bylaws.

IN WITNESS WHEREOF, I hereby subscribe my name this 30th day of November 2006.



Secretary



