

BY-LAWS
OF
LOS COMPADRES CANYON HOMEOWNERS ASSOCIATION, INC.

ARTICLE I

OFFICES

Section 1. Principal Offices: The principal offices of LOS COMPADRES CANYON HOMEOWNERS ASSOCIATION, INC. shall be in the City of El Paso, El Paso County, Texas.

Section 2. Other Offices: The Association may establish an office or offices at such other places within the State of Texas as the Board of Directors may from time to time designate.

ARTICLE II

DEFINITIONS

Section 1. Association: Association shall mean and refer to LOS COMPADRES CANYON HOMEOWNERS ASSOCIATION, INC., its successors and assigns.

Section 2. Properties or Premises. Properties or premises shall mean and refer to that certain real property hereinafter described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 3. Common Area: Common Area shall mean all of the property owned by the Association for the common use and enjoyment of the members of the Association, such Common Area being described as follows:

Lots 4A, 23, 23A, 69A, 72A, 79A, 86, 87, 88, 41A, 45A, 53 and 65 in Block 1, LOS COMPADRES CANYON, an Addition in the City of El Paso, El Paso County, Texas, containing 5.53733 acres more or less.

Section 4. Lot and Unit: Lot and Unit shall be synonymous and shall mean and refer to a plot consisting of all improvements and a single family residence erected thereon, situated on any lot,

including the lot plus a small fraction of an adjoining lot, or any lot less a small fraction thereof embodied in the plot of an adjoining tract of land.

Section 5. Member: Member shall be only one (1) member per residential unit, whether the same is held jointly or otherwise.

Section 6. Owner: Owner shall mean and refer to the record owner, whether one or more persons or entities, of equitable title (or legal title if equitable title has merged) of any lot which is part of the properties.

ARTICLE III

MEMBERSHIP

Section 1. Eligibility for Membership: Membership in the Association, except for membership of the incorporators and the first Board of Directors, shall be limited to record owners of equitable title (or legal title if equitable title has merged) of each Lot or residential unit constructed on the following described premises, and any additions thereto as may hereafter be brought within the jurisdiction of this Association by annexation and for this purpose:

All of Blocks 94, 105 & 106, and portions of Blocks 92, 95 and 104, KERN PLACE ADDITION, an Addition in the City of El Paso, El Paso County, Texas, containing 15.22465 acres more or less, and more particularly described by metes and bounds in Exhibit A attached hereto and incorporated herein by reference.

Membership in the Association shall be issued to the record owner of equitable title (or legal title, if equitable title has merged) of each Lot or residential unit. The record owners of equitable title (or legal title, if equitable title has merged) collectively shall be called the members of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. In the event any such Lot or residential unit is owned by two or more persons whether as community property, by joint tenancy, tenancy in common, or otherwise, the membership as to such Lot or residential unit shall be issued in the name of all the owners, who shall have the power to vote said membership. No membership shall be issued in substitution for outstanding memberships assigned to new record owners of equitable title (or legal title, if equitable title has merged).

Section 2. . Suspension of Membership: In the event any Lot or residential unit owner shall be in arrears in the payment of any amounts due under any of the provisions of the Declaration for a period of fifteen (15) days, or shall be in default in the performance of any of the terms of the Declaration for a period of fifteen (15) days, said Lot or residential unit owner's right to vote as a member of the Association shall be suspended and shall remain suspended until all payments are brought current and all defaults remedied. Notwithstanding the foregoing, any breach or violation of the published rules and regulations of the Association shall result in a suspension of the unit owner's right to vote as a member of the Association for a period of sixty (60) days only.

ARTICLE IV

PROPERTY RIGHTS AND RIGHTS OF ENJOYMENT

Section 1. Use and Enjoyment: Each member shall be entitled to the use and enjoyment of the Common Area and facilities as provided in the Declaration. Any member may delegate his rights of enjoyment of the Common Area and facilities to the members of his family, his tenants or contract purchasers, who reside on the property. Such member shall notify the secretary in writing of the name of any such delegee. The rights and privileges of such delegee are subject to suspension to the same extent as those of the member.

Section 2. Reasonable Fees: The Association shall be entitled to charge a reasonable fee for the use of the Common Areas.

ARTICLE V

MEMBERS OF THE ASSOCIATION

Section 1. Annual Meetings: The first annual meeting of the members of the Association shall be held within thirty (30) days after of the conveyance of nine (9) lots to unit owners. Thereafter, the annual meetings of the members of the Association shall be held on the first Monday of each November, or at such other times as the members of the Association may by majority vote approve. At such meeting, there shall be elected a Board of Directors in accordance with the requirements of Article VI of these By-Laws. The members of the Association may also transact such other business of the Association as may properly come before them.

The exact date, time and place for the holding of the annual meeting shall be determined by the Board of Directors who shall give or cause to be given notice of the date, time and place of holding of such meeting by mailing or hand delivering such notice at least five (5) days prior to such meeting to each member of the Association at the respective addresses of said members as they appear on the records of the Association. If the election of Directors is not held on the day herein designated for any annual meeting, or at any adjournment of such meeting, the Board of Directors shall call the annual meeting of the membership as soon as is conveniently possible thereafter. At such meeting the election of Directors shall take place, and such election and any other business transacted thereat shall have the same force and effect as at an annual meeting duly called and held.

Section 2. Special Meeting: Special meetings of the members of the Association for any purpose or purposes other than those regulated by statute may be called for by the President as directed by resolution of the Board of Directors or upon a petition signed by the members who are entitled to vote one-fourth (1/4) of all of the votes of of the entire membership or who are entitled to vote one-fourth (1/4) of the votes of the membership. Such petition shall state the purpose or purposes of such proposed meeting. No business shall be transacted at a special meeting except as stated in the notice unless by consent of ~~four-fifths (4/5) of the members present~~ either in person or by proxy.

Section 3. Notice of Special Meeting: The President or Secretary shall give or cause to be given notice of the time, place and purpose of holding such special meeting by mailing or hand delivering such notice at least five (5) days prior to such meeting to each member of the Association at the respective addresses of said members as they appear on the records of the Association.

Section 4. Quorum: The presence, either in person or by proxy, of at least ten (10%) per cent of the members of the Association of record shall constitute a quorum of the members of the Association for all purposes unless the representation of a larger group shall be required by law, by the Articles of Incorporation, or by these By-Laws, and in that event representation of the number so required shall constitute a quorum.

Section 5. Voting Rights: Each member of the Association being present in person or by proxy shall be entitled to one vote for each unit owned by said member.

Section 6. Adjournment of Meetings: If the number of members necessary to constitute a quorum shall fail to attend in person or by proxy at the time and place of meeting, the Chairman of the meeting, or a majority in interest of the members present in person or by proxy, may adjourn the meeting from time to time without notice other than an announcement at the meeting until the necessary number of members shall be in attendance. At any adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the original meeting.

Section 7. Proxies: A member may appoint only his or her spouse or any joint owner of his unit or any other member of the Association as a proxy. In addition to the eligible proxy holders indicated above, any directors, officer or employee of a corporation which is a member of the Association shall be eligible to hold and vote proxies of any member, including said Association, upon being so authorized by said Association. Any proxy must be filed with the Secretary before the appointed time of each meeting or upon the calling of the meeting to order. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of the lot.

Section 8. Waiver of Notice: Any member may at any time waive any notice required to be given under these By-Laws. The presence of a member in person at any meeting of the members of the Association shall be deemed such a waiver.

ARTICLE VI

DIRECTORS

Section 1. Number and Qualification: The business, property and affairs of the Association shall be managed, controlled and conducted by a Board of Directors. The Board of Directors as initially elected at the first annual membership meeting shall be composed of nine (9) members.

Section 2. Powers and Duties: The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association, and may do all such acts and things as are not by law or by these By-Laws directed to be exercised and done by the members. The powers of the Board of

Directors shall include, but not be limited to, all of the rights and duties of the Board of Directors as set forth elsewhere in these By-Laws and the Articles of Incorporation, and in the Declaration of Covenants, Conditions and Restrictions applicable to the property and shall also include the power to promulgate such rules and regulations pertaining to such rights and duties as may be deemed proper and which are consistent with the foregoing. The Board of Directors may delegate such duties as appear in the best interests of the Association and to the extent permitted by law.

Section 3. Election and Term of Office: The term of office of the Directors named in the Articles of Incorporation shall be until the first annual membership meeting or until their successors are duly chosen and qualify. Their successors shall be elected at the first annual meeting of the members of the Association. At the first annual membership meeting, three (3) Directors shall be elected for a term of one year, three (3) Directors for a term of two years and three (3) Directors for a term of three years; and at each annual meeting thereafter, a Director or Directors, as the case may be, shall be elected for a term of three (3) years to replace the outgoing Director or Directors, as the case may be. The number of Directors may be altered from time to time by the action of a majority of the members of the Association at any regular or special meeting called for such purpose. In the event the number of members of the Board of Directors is, at any time, increased, such additional Director or Directors shall be elected for a term or terms which will, as nearly as possible, result in a situation whereby one-third (1/3) of the Directors will be elected each year to serve for a term of three (3) years. The election shall be by secret written ballot. The persons receiving the largest number of votes shall be declared elected. In the event of any increase in the number of Directors in advance of the annual meeting, each additional Director shall be elected by the then Board of Directors and hold office until his successor is elected and shall qualify.

Section 4. Vacancies: Vacancies on the Board of Directors caused by any reason shall be filled by vote of the majority of the remaining Directors even though they may consist of less than a quorum, and each person so elected shall be a Director until his successor is elected by the members of the Association at the next annual meeting.

Section 5. Removal of Directors: At any regular or special meeting of the members of the Association, any one or more of the Directors may be removed with or without cause at any time by the

affirmative vote of a majority of the entire membership of record and a successor may then be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the members shall be given an opportunity to be heard at the meeting.

Section 6. Compensation: No compensation shall be paid to Directors for their services as Directors. No remuneration shall be paid to a Director for services performed by him for the Association in any other capacity, unless a resolution authorizing such remuneration shall be unanimously adopted by the Board of Directors before the services are undertaken.

Section 7. Organization Meetings: The first meeting of a newly elected Board of Directors shall be held within ten (10) days of election at such time and place as shall be fixed at the meeting at which such Directors were elected, and no notice shall be necessary to the newly elected Directors in order legally to constitute such meeting, providing a majority of the whole Board shall be present.

Section 8. Regular Meetings: Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the Directors, but at least two such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Director, personally or by mail, telephone or telegraph, at least three (3) days prior to the day named for the meeting.

Section 9. Special Meetings: Special meetings of the Board of Directors may be called by the President on three (3) days' notice to each Director, given personally or by mail, telephone or telegraph, which notice shall state the time, place (as hereinabove provided) and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at least two (2) of the Directors.

Section 10. Waiver of Notice: Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver by him of notice of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 11. Quorum: A majority of the Board of Directors shall constitute a quorum for the transaction of business, but if at any meeting of the Board there be less than a quorum present, a majority of those present may adjourn the meeting from time to time. 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 unless the Articles of Incorporation or the By-Laws otherwise specifically require the affirmative vote of a larger number of Directors on a specific matter.

Section 12. Adjournments: The Board of Directors may adjourn any meeting from day to day or for such other time as may be prudent or necessary in the interests of the Association, provided that no meeting may be adjourned for a period longer than thirty (30) days.

Section 13. 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 14. Fidelity Bonds: The Board of Directors may require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate Fidelity Bonds. The premiums on such bonds shall be paid by the Association.

ARTICLE VII

OFFICERS

Section 1. Designation: The principal officers of the Association shall be a ~~President, a Vice-President, a Secretary, and a Treasurer~~, all of whom shall be elected by and from the Board of Directors. ~~The Directors may appoint~~ an Assistant Secretary and an Assistant Treasurer, and such other officers as in their judgment may be necessary.

Section 2. Election of Officers: The officers of the Association shall be elected annually by the Board of Directors at the organization meeting of each new Board.

Section 3. Removal of Officers: Upon an affirmative vote of three-fourths (3/4ths) of the members of the Board of Directors, any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board called for such purpose.

Section 4. Resignation of Officers: Any officer may resign at any time by 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 5. Vacancies: A vacancy in any office may be filled in the manner prescribed for regular election. The officer elected to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 6. President: The President shall be the chief executive officer of the Association. He shall have all of the general powers and duties which are normally vested in the office of the President of an association, including but not limited to the power to appoint committees from among the members of the Association from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Association.

Section 7. Vice-President: The Vice-President shall take the place of the President and perform his duties whenever the President shall be absent, unable to act or refuses to act. If neither the President nor the Vice-President is able to act, the Board of Directors shall appoint some other member of the Board to do so on an interim basis. The Vice-President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Directors.

Section 8. Secretary: The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the members of the Association; he shall have the custody of the seal of the corporation; he shall have care of the membership books and such other books and papers as the Board of Directors may direct; and he shall, in general, perform all the duties incident to the Office of Secretary.

Section 9. Treasurer: The Treasurer shall have the responsibility for Association funds and securities and shall be

responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit, of the Association in such depositories as may from time to time be designated by the Board of Directors.

Section 10. Compensation: No compensation shall be paid to officers for their services as officers. No remuneration shall be paid to an officer for services performed by him for the Association in any other capacity, unless a resolution authorizing such remuneration shall have been unanimously adopted by the Board of Directors before the services are undertaken.

ARTICLE VIII

POWER, RIGHTS AND DUTIES OF THE ASSOCIATION AND MEMBERS THEREOF

The Association and its members shall have all the powers, rights, duties and obligations set forth in the Articles of Incorporation for the Association, these By-Laws, rules and regulations pursuant thereto, and recorded restrictions of the property, and as any of the same may be duly adopted or amended. No transfers of membership in the Association shall be made except as provided herein and no such transfer shall be made upon the books of the Association within ten days next preceding the annual meeting of the members.

The members and Board of Directors, or each of them, shall have the express authorization, right and power to enter into one or more management agreements with third parties in order to facilitate efficient operation of the common area, including the real property described in Article II above. It shall be the primary purpose of such management agreements to provide for the administration, management, repair and maintenance of said real property, all improvements thereon designated as common area, and the roofs and exterior walls of the residence units.

The terms of said management agreements shall be determined by the Board of Directors to be in the best interests of the Association, and shall be subject to the Articles of Incorporation, these By-Laws and the Declaration of Covenants, Conditions and Restrictions affecting said property.

ARTICLE IX

CORPORATE SEAL

The Board of Directors shall provide a suitable corporate seal containing the name of the Association, which seal shall be in the custody and control of the Secretary. The corporate seal shall be in circular form, shall have inscribed thereon the name of the Association, the year it was organized and the word "Texas." If and when so directed by the Board of Directors, a duplicate seal may be kept and used by such officer or other person as the Board of Directors shall name.

ARTICLE X

MISCELLANEOUS

Section 1. Books and Accounts: Books and accounts of the Association shall be kept under the direction of the Treasurer and in accordance with the reasonable standards of accounting procedure and prudence.

Section 2. Auditing: At the closing of each fiscal year, the books and records of the Association shall be audited by a Certified Public Accountant, whose report will be prepared and certified. Based on such reports the Association will have available for inspection by its members a statement of the income and disbursements of the Association for each fiscal year.

Section 3. Inspection of Books: The books, records and papers of the Association and financial reports, such as are required to be furnished, and the membership records of the Association shall be available at the principal offices of the Association for inspection at reasonable times by any members, where copies may be purchased at a reasonable cost. The Declaration, the Articles of Incorporation and the By-Laws of the Association shall likewise be available for inspection by any member at the principal offices of the Association, where copies may be purchased at a reasonable cost.

Section 4. Execution of Corporation Documents: With the prior authorization of the Board of Directors, all notes, checks and contracts or other obligations shall be executed on behalf of the Association by any two officers of the Association.

Section 5. Fiscal Year: The fiscal year of the Association shall be determined by the Board of Directors and shall be

subject to change by the Board of Directors should Association practice subsequently necessitate such change.

Section 6. Conflict in Documents: In the case of any conflict between the Articles of Incorporation and these By-Laws the Articles of Incorporation shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

ARTICLE XI

AMENDMENT OF THE BY-LAWS

These By-Laws may be amended by the affirmative vote of sixty-seven percent (67%) of the members and fifty-one percent (51%) of the holders of first mortgages on the property. Amendments may be proposed by the Board of Directors or petition signed by at least fifty-one (51%) per cent of the members. A statement of the proposed amendment shall accompany the notice of any regular or special meeting at which such proposed amendment shall be voted upon. These By-Laws may not be amended insofar as such amendment would be inconsistent with the recorded restrictions of the property.

ARTICLE XII

ATTESTATION

The attest by the Secretary or any Assistant Secretary other than on stock certificates shall not be required to validate any contract or other corporate document.

THE STATE OF TEXAS)
)
COUNTY OF EL PASO)

We, STANLEY O. KINGERY, President, and CAROL KERCHEVILLE, Secretary, of LOS COMPADRES CANYON HOMEOWNERS ASSOCIATION, INC., do hereby certify that the foregoing constitutes the By-Laws of the Association formally adopted by the Board of Directors thereof at the first meeting held in the City of El Paso, Texas, on the 20 day of May, 1982.

To certify which, witness our official signatures this
20th day of May, 1982.

Stanley O. King, Jr.
President

Carol Kucharske
Secretary

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