

BY-LAWS

**CORONADO COUNTRY CLUB ESTATES COMMUNITY ASSOCIATION
BYLAWS**

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BYLAWS
OF
CORONADO COUNTRY CLUB ESTATES COMMUNITY ASSOCIATION, INC.

ARTICLE I
NAME AND LOCATION

The name of the corporation is Coronado Country Club Estates Community Association, Inc., hereinafter referred to as the "Association." The principal office of the corporation shall be located at 310 Thunderbird, El Paso, Texas, but meetings of Members and Directors may be held at such places as may be designated by the Board of Directors.

ARTICLE II

SEAL

A corporation seal shall not be required.

ARTICLE III

DEFINITIONS

Section 1. "Assessable Unit" shall mean and refer to any real property within The Properties which is subject to assessments as provided in Article V of the Declaration.

Section 2. "Association" shall mean the Coronado Country Club Estates Community Association, Inc., its successors and assigns.

Section 3. "Board" shall mean and refer to the Board of Directors of the Association.

Section 4. "Book of Resolutions" shall mean and refer to the document containing rules and regulations and policies of the Association as same may be from time to time amended.

Section 5. "Cluster" shall mean and refer to all platted subdivisions of one or more Lots which are subject to the same Supplementary Declaration.

Section 6. "Cluster Common Area" shall mean and refer to portions of the Common Area which are designated as Cluster Common Area in the Governing Documents and which are intended primarily for the use and enjoyment of Members residing in such Cluster.

Section 7. "Common Areas" shall mean and refer to all real property requiring maintenance (except for lots or living units thereon) and improvements thereon owned or leased by the Association or over which the Association has an easement for the common use and enjoyment of the Members.

Section 8. "Declaration" shall mean the Declaration of Covenants and Restrictions of Coronado Country Club Estates Community Association and the covenants, conditions, and restrictions and all other provisions therein set forth, as same may from time to time be amended and filed for record in the County Clerk's Records of El Paso County, Texas.

Section 9. "Developer" shall mean and refer to Sierra Vista Joint Venture and A. V. C. Development Corporation, their successors and assigns; provided, however, that no successor or assignee of the Developer shall have any rights or obligations of the Developer hereunder unless such rights and obligations are specifically set forth in the instrument of succession or assignment or which pass by operation of law. The rights and obligations set forth herein of the Developer, as Developer, shall cease when new Living Unit construction contemplated by the Development Plan is substantially completed or after seven (7) years have lapsed since the filing of the last Supplementary Declaration establishing a Cluster with Living Units or Lots.

Section 10. "Development Plan" shall mean and refer to the total general scheme of intended uses of land in The Properties approved by the City of El Paso, as may be amended from time to time, and as further defined in Section 3 of Article II of the Declaration.

Section 11. "Federal Mortgage Agencies" shall mean and refer to those Federal Agencies who have or may come to have an interest in the Properties, such as the Federal Housing Administration, the Veteran's Administration, the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation, or successors to their interests.

Section 12. "First Mortgagee" shall mean and refer to an Institutional Lender who holds the first deed of trust on a Lot or Living Unit and who has notified the Association of its holdings.

Section 13. "Founding Documents" shall mean and refer to the Articles of Incorporation of the Association, the Declaration, Supplementary Declarations and the Association Bylaws, all

as initially drawn by the Developer and filed and recorded as the case may be, and all as may be duly amended from time to time.

Section 14. "Governing Documents" shall mean and refer collectively and severally to the Founding Documents and the Book of Resolutions, as such may be amended from time to time.

Section 15. "Institutional Lender" shall mean and refer to one or more commercial or savings banks, savings and loan associations, trust companies, credit unions, industrial loan associations, insurance companies, pension funds, business trusts, or other similar lenders, including but not limited to real estate investment trusts, any other lender regularly engaged in financing the purchase, construction or improvement of real estate, or any assignee of loans made by such a lender, or any private governmental institution which has insured a loan of such a lender, or any combination of any of the foregoing entities.

Section 16. "Lead Lender" shall mean and refer to the First Mortgagee holding the greatest number of first deeds of trust on Living Units within the Properties, except that with regard to matters affecting only one Cluster, "Lead Lender" shall mean and refer to the First Mortgagee holding the greatest number of first deeds of trust on Living Units within that Cluster.

Section 17. "Limited Common Area" shall mean and refer to those portions of the Common Areas, as described in the Governing Documents or any amendments thereto, which are limited to use by Members in one or more, but less than all, clusters.

Section 18. "Living Unit" shall mean and refer to any portion of a structure situated upon The Properties designed and intended for use and occupancy as a resident by a Single Family.

Section 19. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of The Properties, with the exception of Common Area as heretofore defined, and to any condominium unit which may be created under the Texas Condominium Act, as such may be amended from time to time, and to each living unit which may be created within a Cooperative.

Section 20. "Member" shall mean and refer to members of the Association which shall consist of all Owners and all Occupants.

Section 21. "Multi-Family Rental Structure" shall mean and refer to a structure owned by a single entity with two or more Living Units in that structure, except where such structure is a Cooperative.

Section 22. "Notice" shall mean and refer to: (a) written notice delivered personally or mailed to the last known address of the intended recipient or (b) notice through a community publication which is delivered to all Living Units.

Section 23. "Occupant" shall mean and refer to the occupant of a Living Unit who shall be the Lot Owner, a contract purchaser, or a lessee who holds a written lease having an initial term of at least twelve (12) months.

Section 24. "Owner" shall mean and refer to (1) the record holder of the fee simple title to any Lot, whether one or more persons or entities, (2) contract sellers, and (3) shareholders/members of a Cooperative; the terms shall exclude those having an interest merely as security for the performance of an obligation.

Section 25. "Participating Builder" shall mean and refer to a person or entity which acquires a portion of the Properties for the purpose of improving such portion in accordance with the Development Plan for resale to Owners.

Section 26. "The Properties" shall mean and refer to all real property which is subject to the Declaration, together with such other real property as may from time to time be annexed thereto under the provisions of Article II of the Declaration.

Section 27. "Quorum of Members" shall mean the representation by presence or proxy of Members who hold fifty percent (50%) of the outstanding votes of each voting class.

Section 28. "Quorum of Owners" shall mean the representation by presence or proxy of Members who hold two-thirds (2/3) of the outstanding Class A votes and the representation by presence or proxy of the Class C Member, so long as it shall exist. If the required Quorum of Owners is not forthcoming at the meeting, the meeting may be adjourned to another time no sooner than one week nor later than one month from that date. Should a Quorum of Owners not be present at any meeting, the quorum requirement shall be reduced by half for the subsequent adjourned meeting.

Section 29. "Registered Notice" shall mean and refer to any notice which has been signed for by a recipient or has been certified by the U.S. Postal Service or other entity as having been delivered to the address of the intended recipient. In case of refusal, ordinary mail then constitutes due notice.

Section 30. "Single Family" shall mean and refer to a single housekeeping unit which consists of not more than three adults who are legally unrelated.

Section 31. "Supplementary Declaration" shall mean any declaration of covenants, conditions and restrictions which may be recorded by the Developer, which extends the provisions of the Declaration to a Cluster and contains such supplementary provisions for such Cluster as are deemed appropriate by the Developer and as are herein required.

Section 32. "Zoning Ordinance" shall mean the provisions of the Code of the City of El Paso, as amended from time to time and as such shall be applicable to The Properties.

ARTICLE IV

MEETING OF MEMBERS

Section 1. Annual Meetings.

The first annual meeting of the Members shall be held within two years from the date of incorporation of the Association, and each subsequent regular Annual Meeting of the Members shall be held during the same month of each year thereafter on a date selected by the Board of Directors, which meeting must be on a weekday that is not a public holiday and must begin after 5:00 p.m. and before 9:00 p.m. If the day for the annual meeting of the Members 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 Meetings.

Special meetings of the Members may be called at any time by the president or by the Board of Directors, or upon written request of one-tenth of the members.

Section 3. Quorum.

A Quorum of Owners shall be required for meetings where action by Class A Members and the Class C Member is required by the Declaration. A Quorum of Members shall be required for all other meetings of the Association.

Section 4. Proxies.

Each Member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary in advance of the balloting. Every proxy shall be revocable and shall automatically cease after one year.

Section 5. Method of Voting.

Elections or questions to be submitted to the Members may be decided at a meeting or by ballot vote, by mail, or at polling places designated by the Board. The Board shall determine the method of voting by resolution and give notice thereof as provided herein.

ARTICLE V

NOTICE

Notice of meetings or ballot poll where action by Class A and Class C members is required or for meetings to amend the Articles of Incorporation shall be provided to members at least thirty (30) days and no more than fifty (50) days prior to such meeting or ballot poll. Notice of all other meetings of Members shall be provided to Members at least fifteen (15) days before such meeting.

Notice of meetings or ballot polls shall specify the place, day and hour. In the case of a special meeting, the Notice shall state the purpose of the meeting. In the case of the ballot poll, the Notice shall include the matter(s) to be voted upon. Notice shall be mailed, first-class postage prepaid, at the address last appearing on the books of the Association or supplied in writing by the member for purpose of notice.

At any meeting of the Board, Covenants Committee, Cluster Committee, or Members of the Association, all attendants are deemed to have waived Notice.

ARTICLE VI

BOARD OF DIRECTORS

Section 1. Number.

The affairs of the Association shall be managed by a Board of up to seven Directors. Until the first annual meeting, the Board shall consist of three (3) Directors appointed by the Developer. Thereafter, as long as the Developer has right as Developer, the Board of Directors shall consist of Appointed Directors and Elected Directors. Thereafter, all Directors shall be elected.

Section 2. Composition and Term.

Appointed Directors. Appointed Directors shall be appointed by the Developer and shall serve at the pleasure of the Developer. They need not be Members of the Association. Three Directors shall be appointed to serve until the first annual meeting. At the First Annual Meeting and at each annual meeting thereafter, the Developer may appoint up to four (4) Directors.

Elected Directors. Elected Directors shall be Members elected by the Class A and Class B Members at annual meetings and shall serve for two year terms except as provided herein. At the first annual meeting two directors shall be elected; the Director receiving the highest number of votes shall be elected for a two year term, the other Director shall serve a one year term. Once there are two (2) Clusters with Class B memberships amounting to not less than fifty percent (50%) of the total potential Class B memberships available in each Cluster, a third elected seat shall be established by the Board of Directors and at the next annual meeting a Director shall be elected by the Class A and Class B Members to that seat for a two year term. Thereafter, in advance of each annual meeting, the Board of Directors shall set the number of Directors to be elected and appointed at that annual meeting until the rights of the Developer as Developer cease. After the rights of the Developer as Developer cease, the appointed seats shall become elected seats with initial terms established by the Board so that at least three Directors are elected to two year terms at each annual meeting.

Section 3. Method of Nomination.

Candidates for election shall file with the Elections Committee at least forty-five (45) days before the annual meeting a petition of candidacy, signed by not less than ten Members. The Elections Committee shall provide all Members with a ballot containing the names of all bona fide candidates with the notice of the annual meeting.

Section 4. Method of Election.

Election shall be by secret ballot at the annual meeting or delivered to the Chairman of the Elections Committee or his designees prior to the start of the annual meeting. The Members may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Articles of Incorporation. Cumulative voting is not permitted. Those persons receiving the largest number of votes shall be elected.

Section 5. Resignation and Removal.

The unexcused absence of an Elected Director from three consecutive regular meetings of the Board shall be deemed a resignation. Any Elected Director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association.

Section 6. Vacancies.

In the event of death, resignation, or removal of an Elected Director, his successor shall be selected by the remaining Elected Directors and shall serve for the unexpired term of his predecessor.

Section 7. Powers.

The Board of Directors shall have all powers for the conduct of the affairs of the Association which are enabled by law, the Declaration and the Articles of Incorporation which are not specifically reserved to Members, the Developer, the Covenants Committee, or the Cluster Committee by said Documents.

Section 8. Duties.

Without limiting the generality thereof, the Board shall have the power and obligation to perform the following duties:

- (a) Exercise its powers in accordance with the Governing Documents and, specifically, with the Management Standards Agreement (Exhibit C of the Declaration), and
- (b) Cause to be kept a complete record of all its corporate affairs including the Book of Resolutions, make such records available for inspection at the offices of the Association or the Professional Community Management Firm by any Member or his agent, or by an institutional Lender who has an interest in The Properties and present an annual statement thereof to the Members and First Mortgagees, and
- (c) Adopt and follow procedures for adoption and publication of Board Resolutions to be included in the Book of Resolutions, including the provision for hearing and notice of Members for resolutions on rules and other matters affecting the rights of Members, and
- (d) Adopt and publish rules and regulations including fees, if any, governing the use of the Common Area and improvements thereon, and the personal conduct of the Members and their guests thereon, and to include these in the Book of Resolutions, and
- (e) Establish design standards for The Properties in accordance with the Book of Resolutions procedures, and
- (f) Supervise all officers, agents and employees of the Association and see that their duties are properly performed, and
- (g) Designate depositories for Association funds, designate those officers, agents and/or employees who shall have authority to withdraw from such accounts on behalf of the Association, and cause such persons to be bonded, as it may deem appropriate, and
- (h) Send written notice of each assessment or change thereof to every Owner subject thereto at least thirty (30) days in advance of the due date of the annual assessment or first installment thereof, and

(i) Appoint such committees as prescribed in Article VIII, and

(j) Exercise its powers and duties in good faith, with a view to the interests of the Association and to this end adopt appropriate guidelines for action on matters where a potential conflict of interest may exist, and

(k) Prepare an annual operating budget which at a minimum reflects the obligations imposed by the Founding Documents, and

(l) Provide for the operation, care, upkeep, replacement, maintenance and surveillance of all of the Common Areas and improvements thereon and all of the services of the Association, and

(m) Invest the funds of the Association in federally insured instruments of deposit (such as certificates of deposit), money market instruments (such as money market certificates of deposit and U.S. Treasury Bills), high grade tax free municipal bonds, or other instruments of equivalent or greater security, but specifically excluding common or preferred stocks, in such amounts and for such terms as the Board of Directors deems appropriate and properly account for any and all such funds so invested.

(n) To fill, by appointment, those positions which are vacant by virtue of Article V, Paragraph 5.3(b) of the Articles of Incorporation.

ARTICLE VII

OFFICERS

Section 1. Enumeration of Offices.

The Officers of this Association shall be a president, vice-president, a secretary and a treasurer, who shall at all times be members of the Board of Directors, and such other officers as the Board of Directors 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 of Directors and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. 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 a resignation shall not be necessary to make it effective.

Section 5. 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 6. Multiple Offices.

The offices of president and treasurer may not be held by the same person.

Section 7. Duties.

The duties of the officers are as follows:

(a) President. The president shall preside at all meetings of the Board of Directors and of the Association; see that orders and resolutions of the Board are carried out; sign all mortgages, leases, deeds, and other written instruments and co-sign all promissory notes and contracts as the Board may approve from time to time; and perform such other duties as the Board may authorize or direct.

(b) Vice President. 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 exercise and discharge such duties as may be required of him by the Board.

(c) Secretary. The secretary shall cause to be kept the minutes of all meetings and proceedings of the Board and of the Members; cause the Book of Resolutions to be maintained; serve as custodian of Association files and records; cause Notice to be served to Members, Federal Mortgage Agencies, Institutional Lenders, and Lead Carrier as required in the Governing Documents; cause a roster to be maintained of the names of all members of the Association together with their addresses, as registered by such members; cause a roster to be maintained of all First Mortgagees, together with the properties in which each has an interest and annually send a copy of such roster to the Lead Lender upon its request; and perform such other duties as required by the Board. The Secretary may avail himself of the services of the Professional Community Management Firm in carrying out his duties.

(d) Treasurer. The treasurer shall cause all monies of the Association to be deposited in appropriate accounts as authorized by the Board and disbursed therefrom within the limits of the annual budget or as directed by resolution of the Board of Directors; co-sign any promissory notes and contracts; be responsible for assuring that proper books of account are kept; cause an annual audit of the Association books to be made by an independent certified public accountant at the completion of each full fiscal year; be the chief officer responsible for the annual preparation of the budget, the income statement and the balance sheet statement to be presented to the Board and to the membership at its regular annual meeting; annually submit the audited financial statements and association budget to all Owners, and to First Mortgagees if requested. The treasurer may avail himself of the services of the Professional Community Management Firm in carrying out his duties.

ARTICLE VIII

COMMITTEES

Section 1. Elections Committee.

The Board of Directors shall appoint an Ad Hoc Elections Committee no later than two months prior to the annual meeting date. The Committee shall consist of a chairman who may not be a Director, and at least four Members, none of whom shall be candidates for office. It shall be the duty of the Committee to provide supervision of the nomination and election of Directors and of the Cluster Committees in accordance with procedures adopted by the Members of the Board and placed in the Book of Resolutions. The Ad Hoc Elections Committee shall be dissolved when election activities have been concluded.

Section 2. Other Committees.

The Board may appoint such other committees as it deems necessary or desirable for the operations of the Association.

ARTICLE IX

COVENANTS COMMITTEE

Section 1. Composition.

The Covenants Committee shall be comprised of not less than three or more than five members, who shall not be Directors and need not be Members of the Association. Members shall serve staggered three-year terms, as determined by the Board of Directors.

Section 2. Method of Selection.

Until the first annual meeting the Developer shall appoint three persons and one alternate to serve as the Covenants Committee. Thereafter, until the rights of the Developer as Developer cease, a majority of the Covenants Committee shall be designated by the Developer and the balance appointed by the Board. When the Developer's rights as Developer cease all members of the Covenants Committee shall be appointed by the Board.

Section 3. Vacancies.

Appointments to fill vacancies in unexpired terms shall be made in the same manner as the original appointment.

Section 4. Officers.

At the first meeting of the Committee following each Annual Meeting of Members, the Committee shall select from among themselves a chairman, a vice chairman, and a secretary who shall perform the usual duties of their respective offices.

Section 5. Duties.

The Covenants Committee shall function in two broad areas: to regulate the external design, appearance, and location of The Properties and improvements thereon in such a manner so as to preserve and enhance values and to maintain a harmonious relationship among structures and the natural vegetation and topography and to monitor and enforce compliance with the provisions of the Governing Documents, subject to appeal to the Board. However, the Covenants Committee shall not be responsible for the adequacy as to use or structural strength of any design submitted. In furtherance thereof, the Covenants Committee shall:

(1) Review and approve, modify or disapprove, within forty-five (45) days, all written applications of Owners or the Association for improvements or additions (as described in Article VI of the Declaration) to Lots, Living Units or Common Areas; and

(2) Periodically inspect the Properties for compliance with design standards and approved plans for alteration; and

(3) Propose design standards for adoption by the Board; and

(4) Decide cases of alleged infraction of the Governing Documents; and

(5) Propose procedures for the exercise of its duties for adoption by the Board; and

(6) Maintain complete and accurate records of its proceedings and approved plans of improvements or additions; such records to be available for inspection by Members during business hours, except that records relating to hearings on a Member's alleged infraction of the Governing Documents may be inspected only by the principals in such proceedings.

The Covenants Committee may avail itself of the services of the Professional Community Management Firm in carrying out its duties.

ARTICLE X

CLUSTER COMMITTEE

Section 1. Composition and Term.

The Cluster Committee shall be comprised of not less than three (3) nor more than five (5) members of that Cluster who shall not be Directors, provided, however, those members appointed by the Developer may also be members of the Board of Directors and need not be members of the Cluster. Elected Cluster Committee members shall serve staggered two (2) year terms with not less than two (2) members elected at each annual meeting, except that if there be three (3) members, one (1) member shall be elected in alternating years.

Section 2. Method of Selection.

Until the first annual meeting, the Developer shall appoint three (3) persons to serve as the Cluster Committee. Thereafter, until the rights of the Developer cease, or until the number of Class B memberships equal seventy-five percent (75%) of the potential Class B memberships available in the Cluster, a majority of the Cluster Committee may be designated by the Developer and the rest elected by the Class A and Class B Members of the Cluster in a meeting to be held immediately following the adjournment of the annual meeting of the Association.

Section 3. Method of Nomination.

(a) Candidates for election shall file with the Elections Committee at least forty-five (45) days before the annual meeting a petition of candidacy, signed by not less than ten Members of that Cluster.

(b) In the event there is not a petition of candidacy filed for each committee member whose term is expiring, the Board of Directors shall submit nominations to the Elections Committee sufficient to fill the position of each expiring term.

The Elections Committee shall provide all Members of the Cluster with a separate ballot containing the names of all bona fide candidates with the notice of the annual meeting of the Association.

Section 4. Method of Election.

Election shall be by secret ballot at the annual meeting or delivered to the Chairman of the Elections Committee or his designees prior to the start of the annual meeting. Only Members of the Cluster may vote. Cumulative voting is not permitted. Those persons receiving the largest number of votes shall be elected.

Section 5. Resignation and Removal.

The unexcused absence of an elected Cluster Committee Member from three consecutive regular meetings of the Committee shall be deemed a resignation. Any elected Committee Member may be removed from the Committee, with or without cause, by a majority vote of the Members of the Cluster.

Section 6. Vacancies.

Appointments to fill vacancies in unexpired terms shall be made in the same manner as the original appointment, except that in the case of a vacancy of an elected Committee Member, his successor shall be selected by the remaining elected Committee Members and shall serve for the unexpired term of his predecessor.

Section 7. Officers.

At the first meeting of the Committee following each Annual Meeting of Members, the Committee shall select from among themselves a chairman, a vice chairman, and a secretary who shall perform the usual duties of their respective offices.

Section 8. Duties.

The Cluster Committee shall have those functions and duties specified in Section 5(b) of Article III of the Declaration of Covenants and Restrictions of CORONADO COUNTRY CLUB ESTATES COMMUNITY ASSOCIATION, of record in Book 1125, Page 0414 of the Deed Records of El Paso County, Texas, and the Cluster Committee shall maintain complete and accurate records of its proceedings and furnish copies of the same to the Board of Directors; such records to be available for inspection by Members during business hours.

The Cluster Committee may avail itself of the services of the Professional Community Management Firm in carrying out its duties.

ARTICLE XI

MEETINGS OF THE BOARD OF DIRECTORS AND THE COVENANTS AND CLUSTER COMMITTEES

Section 1. Regular Meetings.

Regular meetings of the Board, Covenants and Cluster Committees shall be held without notice at such place and hour as may be fixed from time to time by the members of the respective body.

Section 2. Special Meetings.

Special meetings of each body shall be held when called by the president of the Association, by its chairman or by any two members of that body, after not less than three (3) days' notice to each member of the appropriate body.

Section 3. Quorum of the Board of Directors.

A majority of the Members of the Board shall constitute a quorum for the transaction of its business, except that in no event shall a quorum be less than three members.

Section 4. Quorum of the Covenants and Cluster Committees.

(a) A majority of the Covenants Committee shall constitute a quorum for deciding on architectural applications within its purview, except that those members present may elect to defer a decision until more members can be present.

(b) At least three members of the Covenants Committee must be present to decide on a case of alleged infraction of the Governing Documents.

(c) A majority of the Cluster Committee shall constitute a quorum.

Section 5. Executive Sessions.

All regular meetings of each body shall be open to observers, except the president or chairman may call that body into executive session on matters of personnel or for hearings on infractions of published rules and regulations, or for any other purpose so long as policy is not adopted during Executive Session. Any action taken by a body in executive session shall be recorded in the minutes of that body. This does not preclude each body from holding working sessions during which proposed policy or actions may be formulated.

Section 6. Action Taken Without a Meeting.

The Board, the Covenants Committee and the Cluster Committee shall have the right to take any action in absence of a meeting which it could take at a meeting by obtaining the written approval of all the members of each of these bodies. Any action so approved shall have the same effect as though taken at a meeting of each of these bodies.

ARTICLE XII

INDEMNIFICATION

Each Officer and Director of the Association, and each member of the Covenants Committee and of the several Cluster Committees, in consideration of his services as such, shall be indemnified by the Association to the extent permitted by law against expenses and liabilities reasonably incurred by him in connection with the defense of any action, suit, or proceeding, civil or criminal, to which he may be a party by reason of his past or present role in the Association. The foregoing right of indemnification shall not be exclusive of any other rights to which the person may be entitled by law, or agreement, or vote of the Members or otherwise.

The Board of Directors has authority to provide and maintain insurance against liability of Directors, officers of the Association and members of the Covenants and Cluster Committees arising out of their official duties.

ARTICLE XII

FISCAL YEAR

Unless otherwise determined by the Board of Directors, the fiscal year of the Association shall begin on the first day of April and end on the last day of March of every year, except that the first fiscal year shall begin on the date of incorporation.

ARTICLE XIV

AMENDMENT

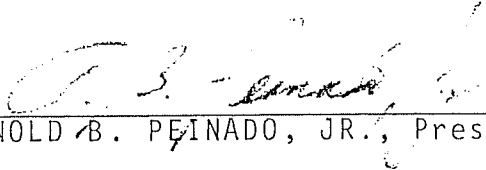
These Bylaws may be amended:

(1) By a vote of two-thirds (2/3) of the Directors of the Board of Directors at any meeting duly called for that purpose, provided Notice of the meeting and the proposed amendments has been given to all the Members at least fifteen (15) days prior to the meeting, or


(2) At the annual meeting of the Members, by a two-thirds (2/3) vote of a Quorum of Members, provided the proposed amendments have been included in the notice of the meeting.

(3) Amendments shall become effective upon adoption.


IN WITNESS WHEREOF, we being all the Directors of the _____ have hereunto set our hands
this _____ day of _____, 19 _____.



ARNOLD B. PEINADO, JR., President



RICHARD L. THOMAS, Vice-President



GEORGE A. PEINADO, Secretary-Treasurer

FIRST AMENDMENT TO BYLAWS OF

CORONADO COUNTRY CLUB ESTATES COMMUNITY ASSOCIATION, INC.

The following is the first Amendment to the Bylaws of the Coronado Country Club Estates Community Association, Inc., originally adopted on October 28, 1980, in El Paso, El Paso County, Texas.

This First Amendment, made this _____ day of _____ 1989, by the Board of Directors of the Coronado Country Club Estates Community Association, Inc., is made in accordance with Paragraph (1), Article XIV of the above referenced Bylaws;

W I T N E S S E T H:

Article VI, Section 2, of the Bylaws of Coronado Country Club Estates Community Association, Inc., shall hereafter be modified to read as follows, to wit:

1) Omit the sub-paragraph titled Appointed Directors.

2) Insert a new substitute sub-paragraph to read as follows:

"Cluster Committee Chairman. The Chairman of each Cluster Committee on election as Chairman of the Cluster Committee shall also become a member of the Board of Directors of the Association."

DULY APPROVED BY THE BOARD OF DIRECTORS AS REQUIRED BY THE BYLAWS ON THE _____ day of _____, 1989.

Certified to be a true action of the Board of Directors:

CORONADO COUNTRY CLUB ESTATE COMMUNITY ASSOCIATION, INC.

Secretary

SECOND AMENDMENT TO BYLAWS OF
CORONADO COUNTRY CLUB ESTATES COMMUNITY ASSOCIATION, INC.

The following is the Second Amendment to the Bylaws of the Coronado Country Club Estates Community Association, Inc., originally adopted on October 28, 1980, in El Paso, El Paso County, Texas.

This Second Amendment, made this _____ day of _____ 1989, by the Board of Directors of the Coronado Country Club Estates Community Association, Inc., is made in accordance with Paragraph (1), Article XIV of the above referenced Bylaws;

W I T N E S S E T H:

(A) To Section 9., Article III, of the Bylaws the following is added:

"The definition of Developer shall be extended to include Coronado Engineers and Constructors International, Inc., as successor."

(B) Article IX, of the Bylaws is hereby deleted in its entirety. In addition, wherever in the Bylaws the term "Covenants Committee" appears the term "Cluster Committee" shall be deemed to replace it and all requirements for the Covenants Committee found elsewhere in the Bylaws shall be superceded by the corresponding requirement for the Cluster Committee.

(C) Add Section 9., Article X, of the Bylaws as follows:

Section 9. Covenants Enforcement.

The Cluster Committee shall exercise the Covenants enforcement function in two broad areas: to review the external design, appearance, and location of the Properties and improvements thereon in such a manner so as to preserve and enhance values and to maintain a harmonious relationship among structures and the Common Areas, and to monitor and, subject to appeal to the Board, enforce compliance with the provisions of the Governing Documents. In furtherance thereof, the Cluster Committee shall:

(a) Review and approve, modify or disapprove written applications of Owners (other than Developer and Participating Builders) within thirty (30) days for the exteriors of new construction and for exterior alterations or additions to Lots, Living Units or Common Areas.

- (b) In accordance with these Bylaws and the Book of Resolutions, monitor Lots and Living Units for compliance with design standards and approved plans for new construction or alterations.
- (c) Establish reasonable design standards.
- (d) In accordance with procedures adopted by the Board of Directors and entered in the Book of Resolutions decide cases of alleged infraction of the Governing Documents.
- (e) Propose procedures for the exercise of these duties which shall be approved by the Board of Directors for the benefit of the particular Cluster.
- (f) Maintain complete and accurate records of its proceedings and approved plans of improvements or additions; such records to be available for inspection by Members during business hours, except that records relating to hearings on a Member's alleged infraction of the Governing Documents may be inspected only by the principals in such proceedings.
- (g) Avail itself of the services of the Professional Community Management Firm in carrying out its duties.
- (h) In the event the Cluster Committee fails to approve, modify, or disapprove in writing a correctly filed application within thirty (30) days, approval will be deemed granted, except that where an application is for a change clearly prohibited by the Governing Documents a failure to act shall not constitute a waiver of the restriction or an approval.
- (i) In accordance with procedures adopted by the Board of Directors and entered in the Book of Resolutions, an applicant may appeal an adverse Cluster Committee decision to the Board of Directors which may uphold, reverse or modify such decision by a two-thirds (2/3) vote of the Directors.
- (j) Review and approval of any design submitted shall not be deemed in any manner to constitute assumption of any responsibility for the adequacy of the intended use or the structural design of the submitted design."

DULY APPROVED BY THE BOARD OF DIRECTORS AS REQUIRED BY THE BYLAWS
ON THE _____ day of _____, 1989.

Certified to be a true action
of the Board of Directors:

CORONADO COUNTRY CLUB ESTATE
COMMUNITY ASSOCIATION, INC.

Secretary