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BYLAWS
OF
SUTTON PLACE I TOWNHOUSES ASSOCIATION, INC.

1. DEFINITIONS.

Unless otherwise provided or unless the context provides otherwise, all terms used herein are as defined in the Condominium Declaration of SUTTON PLACE I TOWNHOUSES (the "Declaration") filed or to be filed of record pursuant to the provisions of the Act in the Condominium Records of El Paso County, Texas.

2. OFFICES.

2.1. Registered Office.

The registered office of the Association shall be at 500 Thunderbird Drive, El Paso, Texas.

2.2. Other Offices.

The Association may also have offices at such other places, both within and without the State of Texas, as the Board of Directors may from time to time determine or the purposes of the Association may require.

3. MEMBERSHIP.

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

4. MEETINGS OF MEMBERS.

4.1. Place of Meetings.

Meetings of the Members shall be held at 500 Thunderbird Drive, El Paso, Texas, or at such other place in El Paso, Texas, as the Board of Directors may determine.

4.2. Annual Meeting.

The first annual meeting of the Association shall be held within one (1) year after the date of incorporation of the Association. Thereafter, the annual meetings of the Association shall be held within fifteen (15) days of the anniversary date of the first annual meeting, as the Board of Directors shall determine. At each annual meeting there shall be elected by ballot of the Members a Board of Directors in accordance with the requirements of Article 5 of these Bylaws, and such other business shall be transacted thereat as may properly come before the meeting.

4.3. Special Meetings.

Special meetings of the Members may be called by the President or the Board of Directors and shall be called by the President or the Board of Directors upon presentation to the Secretary of a petition signed by Members having one-tenth (1/10) of the total votes entitled to be cast at such meetings. The business transacted at any special meeting shall be confined to the purposes stated in the notice thereof.

4.4. Notice of Meetings.

Written notice stating the place, day and hour of the meeting, and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) nor more than fifty (50) days before the date of the meeting, either personally or by mail, by or at the direction of the President, or the Secretary, or the persons calling the meeting (in case the President or the Board of Directors has failed or refused to call a special meeting after presentation of a valid petition for such meeting), to each Member entitled to vote at such meeting. If mailed, such notice shall be deemed

to be delivered when deposited in the United States mail addressed to the Member at his address as it appears on the books of the Association, with postage thereon prepaid.

4.5. Classes of Membership.

The Association shall have two classes of voting membership with the voting rights hereinafter indicated:

Class A Members. Class A Members shall be all Owners with the exception of Declarant and shall be entitled to one (1) vote for each Condominium in which they hold the interest required for membership. When more than one person holds such interest or interest in any Condominium, all such persons shall constitute one member, and the one (1) vote for such Condominium shall be exercised as they among themselves shall determine, but in no event shall more than one vote be cast with respect to any such Condominium.

Class B Members. Declarant, and its successors and assigns, shall be a Class B Member and shall be entitled to three (3) votes for each Condominium owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

(1) When the total votes outstanding in the Class A membership equals the total votes outstanding in the Class B membership, or

(2) On July 31, 1975.

Transfer of title to a Condominium by Declarant to another entity which does not constitute a sale or sales to individual Owner residents shall not convert Declarant's Class B Membership into a Class A Membership.

4.6. Voting.

The affirmative vote of a majority of votes entitled

to be cast by both Class A Members and Class B Members present, either in person or by proxy, at a meeting at which a quorum is present, shall be necessary for the transaction of business, unless the vote of a greater number is required by law or the Declaration.

4.7. Quorum.

Except as otherwise provided by law, the presence in person or by proxy of one-fourth (1/4) of the votes entitled to be cast by both Class A Members and Class B Members at such meeting shall constitute a quorum. If any meeting of the Association cannot be organized because a quorum has not attended, the Members who are present in person or by proxy shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented any business may be transacted which might have been transacted at the meeting as originally notified.

4.8. Suspension of Voting Rights.

The voting rights of any Member shall be automatically suspended during any period in which he shall be delinquent in the payment of assessments due the Association and for any period during which his right to use the recreational facilities upon the Common Areas shall have been suspended by the Board of Directors pursuant to the provisions of the Declaration.

4.9. Proxies.

At all meetings of Members, a Member may vote in person or by proxy executed in writing by such Member or by his duly authorized attorney-in-fact. Such proxy shall be filed with the Secretary before or at the time of the meeting.

5. BOARD OF DIRECTORS.

5.1. Number and Qualification.

The affairs of the Association shall be governed by a Board of Directors composed of five (5) persons, who may be

non-residents of the State of Texas and non-members of the Association.

5.2. Election and Term of Office.

Except as provided in these Bylaws, the Directors shall be elected by a plurality of the votes cast at each annual meeting of the Members, and each Director elected shall hold office until his successor is elected and qualified. At each election for Directors every Member entitled to vote at such election shall have the right to vote for as many persons as there are Directors to be elected and for whose election he has a right to vote. Cumulative voting shall not be permitted. At the first annual meeting of the Members three (3) Directors shall be elected for a term of one (1) year and two (2) Directors shall be elected for a term of two (2) years, and at each annual meeting thereafter the Members shall elect for a term of two (2) years the number of Directors required to replace the outgoing Directors.

5.3. Removal.

At any annual or special meeting of the Association duly called, any one or more of the Directors may be removed with or without cause and a successor may then and there 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.

5.4. Vacancies.

Vacancies in the Board of Directors caused by any reason other than the removal of a Director by vote of the Members or by increase in the number of Directors shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum. A Director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office or until his successor is elected and qualified.

5.5. Place and Notice of Meetings.

Meetings of the Board of Directors, regular or special, may be held either within or without the State of Texas, and upon such notice as the Board may prescribe. Attendance by a

Director at any meeting shall constitute a waiver of notice by him of the time and place thereof except when a Director attends for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice of such meeting.

5.6. Quorum and Voting.

A majority of the number of Directors shall constitute a quorum for the transaction of business and the act of a majority of the Directors present at any meeting at which there is a quorum shall be the act of the Board of Directors, except as may otherwise specifically be provided by law or these Bylaws. If a quorum shall not be present at any meeting of Directors, the Directors present thereat may adjourn the meeting from time to time without notice other than announcement at the meeting until a quorum be present.

5.7. Powers and Duties.

The Board of Directors shall have all powers and duties necessary for the administration of the Project and affairs of the Association required or permitted to be performed by law, the Act, the Declaration, the Articles of Incorporation of the Association and these Bylaws.

5.8. Committees.

The Board of Directors, by Resolution adopted by a majority of the Directors in office, may designate one or more committees of Directors, each of which committees shall consist of two or more Directors, which committees, to the extent provided in such Resolution, shall have and exercise the authority of the Board of Directors in the management of the corporation. Provided, however, the appointment of such committees and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any individual Director, of any responsibility imposed upon it or him by law.

5.9. Architectural Control Committee.

The Board of Directors shall appoint an Architectural

Control Committee composed of at least three (3) Members (who need not be Directors) to approve, control and supervise all construction activities of Members with respect to their Units or the Common Areas required by the Declaration to be controlled, supervised or approved by the Association. The Committee shall meet within fifteen (15) days after a Member has made written application to it for approval of plans for alterations or modifications of his Unit or the Common Areas (including his Patio Area), submitting at that time two (2) sets of plans and specifications showing the nature of the proposed alteration or modification in reasonable detail. The Committee shall render its written decision thereon within thirty (30) days after such meeting, either approving the plans or disapproving same, in the latter case making specific reference to those features which caused the disapproval. Approval may be conditioned upon completion within a specified period of time. All decisions shall be made by a majority vote of the Committee. A failure of the Committee to notify the Member of its action within forty-five (45) days after written application has been filed with the Committee shall result in the automatic approval of such alterations or modifications. The Committee shall also have the duty to investigate any violations of Members falling within its jurisdiction which have been called to its attention, or any Member thereof, and immediately to report such violations to the President and make recommendations for curative action for adoption by the Board of Directors.

6. OFFICERS.

6.1. Designation.

The officers of the Association shall be a President, a Vice President, a Secretary, and a Treasurer, who shall be Members of, and chosen by, the Board of Directors at its annual meetings, and shall serve for and during the period until the next annual meeting of the Board, or until their successors shall have been chosen and qualified. Such other officers and assistant officers and agents (who need not be Directors) as may be deemed

necessary may be elected or appointed by the Board of Directors. Any two or more offices may be held by the same person, except the offices of President and Secretary.

6.2. Removal of Officers.

Any officer may be removed by the Board of Directors whenever in its judgment the best interests of the Association will be served thereby. The removal of an officer shall be without prejudice to the contract rights, if any, of the officer so removed. Election or appointment of an officer or agent shall not of itself create contract rights.

6.3. Vacancies.

Any vacancies occurring in any office shall be filled by the remaining Board of Directors, even though they may constitute less than a quorum.

6.4. President.

The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association. He shall have all the general powers and duties which are usually vested in the office of President of a corporation, including, but not limited to, the power to appoint committees from among the Members from time to time as he may, in his discretion, decide is appropriate to assist in the conduct of the affairs of the Association, or as may be established by the Board of Directors or by the Members of the Association at any regular or special meeting.

6.5. Vice President.

The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable 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 of Directors 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.

6.6. Secretary.

The Secretary shall keep the minutes of all meetings

of the Board of Directors and of the Association and shall have charge of all books and papers of the Association as the Board of Directors may direct; and shall, in general, have all the powers and duties which are usually vested in the office of Secretary of a corporation. The Secretary shall compile and keep up to date at the office of the Association a complete list of Members and their last-known addresses and such other records as shall be required by these Bylaws and the Declaration. Such records shall be open to inspection by Members or their duly authorized representatives at reasonable times during regular business hours.

6.7. Treasurer.

The Treasurer shall have 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. The Treasurer shall also prepare an annual financial report prior to each annual meeting in such form and containing such information as may be from time to time directed by the Board of Directors, and such other financial records and reports as may be requested by the Board of Directors.

7. GENERAL PROVISIONS.

7.1. Checks.

All checks or demands for money and notes of the Association shall be signed by such officer or officers or such other person or persons as the Board of Directors may from time to time designate.

7.2. Audit.

An audit of the accounts of the Association shall be made annually by a Certified Public Accountant chosen by the Board of Directors, and a copy of said report shall be furnished

to each Member within thirty (30) days of the completion of the audit, but not later than ninety (90) days after the end of the fiscal year.

7.3. Fidelity Bonds.

Fidelity Bonds shall be required by the Board of Directors of all officers and employees of the Association and from any contractor handling or responsible for monies of the Association. The amount of such bonds shall be determined by the Board of Directors, but shall be at least the amount of the annual Common Assessments. The premiums upon such bonds shall be paid by the Association as Common Expenses.

7.4. Donations.

The Association may accept gifts, legacies, donations and/or contributions in any amount and any form, from time to time, upon such terms and conditions as may be decided from time to time by the Board of Directors.

7.5. Corporate Seal.

The Board of Directors may, but shall not be required to, provide for a corporate seal, which shall be in such form and contain such inscription as the Board of Directors may deem proper and which may be altered from time to time or dispensed with at any time at the pleasure of the Board of Directors.

7.6. Waiver of Notice.

Unless otherwise provided by law, whenever any notice is required to be given to any Member or Director of the Association under the provisions of these Bylaws or under the provisions of the Articles of Incorporation or under the provisions of the Texas Non-Profit Corporation Act, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

7.7. Action Without Meeting.

Any action required by the Texas Non-Profit Corporation Act to be taken at a meeting of the Members or Directors of

the Association, or any action which may be taken at a meeting of the Members or Directors or of any committee, may be taken without a meeting if a consent in writing, setting forth the action to be taken, shall be signed by all the Members entitled to vote with respect to the subject matter thereof, or all of the Directors, or all of the members of the committee, as the case may be.

7.8. Fiscal Year.

The fiscal year of the Association shall be the calendar year unless the Board of Directors shall designate a fiscal period ending other than on December 31.

7.9. Liability and Indemnification.

The Members of the Board of Directors and officers of the Association shall not be liable to any Owner or any person claiming by or through any Owner for any act or omission of such Director or officer in the performance of his duties, except if such act or omission shall involve gross negligence, bad faith or reckless disregard of his duties. The Association shall indemnify every Director and officer, their respective successors, personal representatives and heirs, against all loss, costs and expenses, including counsel fees, reasonably incurred by him in connection with any action, suit or proceeding to which he may be made a part by reason of his being or having been a Director or officer of the Association, except as to matters as to which he may be finally adjudged in such action, suit or proceeding, to be liable for gross negligence, bad faith or reckless disregard of his duties. In the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Association is advised by counsel that the person to be indemnified has not been guilty of gross negligence, bad faith or reckless disregard of his duties as such manager or officer. All liability, loss, damage, cost and expense incurred or suffered by the Association by reason of or arising out of or in connection with the foregoing indemnification

provisions shall be treated and handled by the Association as Common Expenses.

7.10. Amendments.

These Bylaws may be amended only by the Members at an annual or special meeting duly called.

7.11. Conflict.

In the case of any conflict between the Articles of Incorporation of the Association and these Bylaws, the Articles of Incorporation shall control; and in case of any conflict between the Declaration and these Bylaws or the Articles of Incorporation, the Declaration shall control.

7.12. Paragraph Titles.

Paragraph Titles used in these Bylaws are for convenience of reference only and are not intended to limit, enlarge or change the meaning of the contents of the various paragraphs.

I, _____, Secretary of SUTTON PLACE
I TOWNHOUSES ASSOCIATION, INC., do hereby certify that the foregoing
Bylaws were duly adopted at a meeting of the Board of Directors
of the Association, held on the _____ day of _____,
1973.

Secretary