

BY-LAWS
OF
THE SEVILLE OFFICE PARK
OWNERS ASSOCIATION

The name of the organization shall be THE SEVILLE OFFICE PARK OWNERS ASSOCIATION.

ARTICLE I

OBJECT

1. The purpose for which this nonprofit corporation is formed is to govern the condominium property situated in the County of Bexar, State of Texas, which property is described on the attached Exhibit "A," which by this reference is made a part hereof, and which property has been submitted to the provisions of the Condominium Act of the State of Texas.

2. All present or future owners, tenants, future tenants, or any other person that might use the facilities of the project in any manner, are subject to the regulations set forth in these By-Laws. The mere acquisition or rental of any of the condominium units [hereinafter referred to as "Condominium unit(s)" or "unit(s)"] of the project or the mere act of occupancy of any of said units will signify that these By-Laws are accepted, ratified and will be complied with.

ARTICLE II

MEMBERSHIP, VOTING, MAJORITY OF OWNERS, QUORUM, PROXIES

1. Membership. Any person on becoming an owner of a condominium unit shall automatically become a member of this Association and shall be subject to these By-Laws. Such membership shall terminate without any formal Association action whenever such person ceases to own a condominium unit, but such termination shall not relieve or release any such former owner from any liability or obligation incurred under or in any way connected with THE SEVILLE OFFICE PARK OWNERS ASSOCIATION during the period of such ownership and membership in this Association, or impair any rights or remedies which the Board of Managers of the Association or

others may have against such former owner and member arising out of or in any way connected with such ownership and membership, and the covenants and obligations incident thereto. No certificates of stock shall be issued by the Association, but the Board of Managers, may, if it so elects, issue one membership card to the owner(s) of a condominium unit. Such membership card shall be surrendered to the Secretary whenever ownership of the condominium unit designated thereon shall terminate.

2. Voting. Unit ownership shall entitle the Owner(s) to cast one vote per Unit in the affairs of the Association, which vote shall be weighted to equal the Percentage Interest ownership of each Unit Owner in the common elements. The combined weighted votes shall equal one hundred per cent (100%). If there are one or more owners of a unit, then such owners shall designate one of their number as the member of the Association, which designation shall be made in writing to the Board of Managers. After an owner is so designated, the Board of Managers shall have the right to rely on such designation until a written notice revoking such appointment is received by such Board of Managers. Any such owners may designate the member from among themselves in any manner they deem fit, and in the event that such owners are unable to agree upon one of their number to be designated as the member to the Association, none of such owners shall have any vote, fractional or otherwise, in the Association.

3. Majority of Unit Owners. As used in these By-Laws, the term "majority of unit owners" shall mean those owners of fifty-one per cent (51%) or more of the aggregate interest of the undivided ownership of the general common elements.

4. Quorum. Except as otherwise provided in these By-Laws, the presence in person or by proxy of that number of Unit Owners entitled to cast thirty-three per cent (33%) of the votes of the Association shall constitute a quorum. Except as otherwise provided in the Declaration or these By-Laws, when a quorum of owners is present at any meeting, a majority vote of the owners present, either in person or by proxy, shall be sufficient to either defeat or approve any proposed action.

5. Proxies. Votes may be cast in person or by proxy. Proxies may be filed with the Secretary before the appointed time of each meeting, provided each proxy must be a unit owner.

ARTICLE III ADMINISTRATION

1. Association Responsibilities. The owners of the units will constitute the Association of Unit Owners, hereinafter referred to as "Association," who will have the responsibility of administering the project through a Board of Managers.

2. Place of Meetings. Meetings of the Association shall be held at such place as the Board of Managers may determine.

3. Annual Meetings. The first annual meeting of the Association shall be held within ninety (90) days after the expiration of the Declarant Control Period as that term is defined in the Declaration. Thereafter, the annual meeting of the Association shall be held on the second Monday of December of each succeeding year or another date thereafter established by the Board of Managers. At such meetings there shall be elected by ballot of the owners a Board of Managers in accordance with the requirements of Paragraph 5 of Article IV of these By-Laws. The owners may also transact such other business of the Association as may properly come before them.

4. Special Meetings. It shall be the duty of the President to call a special meeting of the owners as directed by resolution of the Board of Managers or upon a petition signed by a majority of the owners and having been presented to the Secretary. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice unless by consent of two thirds (2/3) of the owners present, either in person or by proxy.

5. Notice of Meetings. It shall be the duty of the Secretary to mail a notice of each annual or special meetings stating the purpose thereof as well as the time and place where it is to be held to each owner of record,

at least five (5) but not more than twenty (20) days prior to such meetings. The mailing of a notice in the manner provided in this paragraph shall be considered notice served.

6. Adjourned Meeting. If any meeting of owners cannot be organized because a quorum has not attended, the owners who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is obtained.

7. Order of Business. The order of business at all meetings of the owners of units shall be as follows:

- (a) Roll call and certifying proxies.
- (b) Proof of notice of meeting or waiver of notice.
- (c) Reading of minutes of preceding meeting.
- (d) Reports of officers.
- (e) Reports of committees.
- (f) Election of managers.
- (g) Unfinished business.
- (h) New business.

ARTICLE IV

BOARD OF MANAGERS

1. Number and Qualification. The affairs of this Association shall be governed by a Board of Managers composed of five (5) persons. The following persons shall act in such capacity and shall manage the affairs of the Association until their successors are elected, in accordance with the provisions of the Declaration and these Bylaws, to-wit:

<u>Name</u>	<u>Address</u>
Melbourne O'Banion, II	6359 Whitby Road San Antonio, Texas 78240
Bill Etter	c/o Bexar Savings 1777 N.E. Loop 410 San Antonio, Texas 78217
Walter F. Hanssen	803 John Adams San Antonio, Texas 78228
Boyd Cook	c/o Bexar Savings 1777 N.E. Loop 410 San Antonio, Texas 78217
Grady Hoermann	c/o Bexar Savings 1777 N.E. Loop 410 San Antonio, Texas 78217

2. Powers and Duties. The Board of Managers shall have the

powers and duties necessary for the administration of the affairs of the Association and for the operation and maintenance of a first class office condominium project. The Board of Managers may do all such acts and things as are not by these By-Laws, the Articles of Incorporation or by the Condominium Declaration for THE SEVILLE OFFICE PARK, directed to be exercised and done by the owners.

3. . Other Powers and Duties. The Board of Managers shall be empowered and shall have the duties as follows:

(a) To administer and enforce the covenants, conditions, restrictions, uses, limitations, obligations, and all other provisions as set forth in the Condominium Declaration submitting the property to the provisions of the Condominium Ownership Act of The State of Texas.

(b) To establish, make and enforce compliance with such reasonable rules and regulations as may be necessary for the operation, use and occupancy of this condominium project with the right to amend same from time to time. A copy of such rules and regulations shall be delivered, mailed or made available to each member promptly upon the adoption thereof.

(c) To keep in good order, condition and repair all of the general and limited common elements and all items of personal property used in the enjoyment of the entire premises; and to establish working capital reserves.

(d) To insure and keep insured all of the insurable general common elements of the property in an amount equal to their maximum replacement value as provided in the Declaration, and to act as the Trustee for the Owners in all insurance and condemnation matters. Further, to obtain and maintain comprehensive liability insurance covering the entire premises in accordance with the Declaration, and to insure and keep insured all of the fixtures, equipment and personal property acquired by the Association for the benefit of the Association and the owners

of the condominium units and their mortgagees. The limits and coverage shall be reviewed annually and adjusted, if necessary, to provide such coverage and protection as the Association may deem prudent. Workmen's compensation insurance shall at all times be carried to the extent required to comply with any applicable law with respect to the employees, if any, of the Association.

(e) To fix, determine, levy and collect the monthly prorated assessments to be paid by each of the owners toward the gross expenses of the entire premises and by majority vote of the Board to adjust, decrease or increase the amount of the monthly assessments. To levy and collect special assessments whenever, in the opinion of the Board, it is necessary to so do in order to meet increased operating or maintenance expenses or costs, or additional capital expenses, or because of emergencies. All monthly or other assessments shall be in itemized statement form and shall set forth the detail of the various expenses for which the assessments are being made.

(f) To collect delinquent assessments by suit or otherwise and to enjoin or seek damages from an owner as is provided in the Declaration and these By-Laws.

(g) To protect and defend the entire premises from loss and damage by suit or otherwise.

(h) To borrow funds in order to pay for any expenditure or outlay required pursuant to the authority granted by the provisions of the recorded Declaration, the Articles of Incorporation and these By-Laws, and to execute all such instruments evidencing such indebtedness as this Board of Managers may deem necessary. Such indebtedness shall be the several obligation of all of the owners in the same proportion as their interest in the general common elements.

(i) To enter into contracts within the scope of their duties and powers.

(j) To establish a bank account for the common treasury and for all separate funds which are required or may be deemed advisable by the Board of Managers.

(k) To keep and maintain full and accurate books and records showing all of the receipts, expenses or disbursements (and vouchers therefor) and to permit examination thereof at any reasonable time by each of the owners and their Mortgagees.

(l) To prepare and deliver annually to each owner a statement showing all receipts, expenses or disbursements since the last such statement.

X (m) To meet at least once each quarter.

(n) To designate the personnel necessary for the maintenance and operation of the general and limited common elements.

(o) To prepare annual budgets from which assessments for future periods are determined.

(p) To grant permits, licenses, and easements over the Common Elements for utilities, ingress/egress or other purposes reasonably necessary or useful for the proper maintenance or operation of the Project.

(q) To make reasonably available to Owners and their First Mortgagees during normal business hours and upon request, current copies of the Declaration, the By-laws, Rules and Regulations of the Project and books, records and financial statements of the Association.

(r) In general, to carry on the administration of this Association and to do all of those things, necessary and reasonable, in order to carry out the communal aspect of condominium ownership.

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4. Delegation of Powers - Managing Agent. Notwithstanding anything contained herein to the contrary, the Board of Managers may delegate any of its powers, duties or functions to a Managing Agent provided that any such delegation shall be revocable upon at least ninety (90) days' notice by the Board of Managers. The members of the Board of Managers shall not be liable for any omission or improper exercise by the Managing Agent of any such duty, power or function so delegated by written instrument executed by a majority of the Board of Managers. The Managing Agent, if any, shall be employed by the Association at a compensation to be established by the Board based upon the services, duties, and functions to be performed by the Managing Agent, and shall be in accordance with all applicable provisions of the Declaration.

5. Election and Term of Office. At the first annual meeting of the Association, the owners shall elect two (2) members of the Board of Managers for a term of one (1) year; two (2) members of the Board of Managers for a term of two (2) years; and one (1) member of the Board of Managers for a term of three (3) years. At each annual meeting thereafter, the Association shall elect such members of the Board of Managers for an appropriate term as vacancies occur by resignation or expiration of any Manager's term of office.

The five (5) persons acting as the initial Managers shall hold office until their successors have been duly elected and hold their first meeting.

6. Vacancies. Vacancies on the Board of Managers caused by any reason other than the removal of a Manager by a vote of the Association shall be filled by the President, and each person so elected shall be a Manager until a successor is elected at the next annual meeting of the Association.

7. Removal of Managers. At any regular or special meeting duly called, any one or more of the Managers may be removed with or without cause by a majority of the owners, and a successor may then and there be elected to fill the vacancies thus created. Any Manager whose

removal has been proposed by the owners shall be given an opportunity to be heard at the meeting.

8. Organizational Meeting. The first meeting of a newly elected Board of Managers shall be held within ten (10) days of election at such place as shall be fixed by the Managers.

9. Nomination. Nomination for election to the Board of Managers shall be made by a nominating committee which shall consist of a chairman who shall be a member of the Board and two or more owners who shall have been appointed by the Board of Managers prior to each annual meeting to serve from the close of each annual meeting until the close of the next annual meeting, and such appointment shall be announced at each annual meeting. The nominating committee shall make as many nominations for election to the Board as it shall in its discretion determine, but not less than the number of vacancies to be filled. Nominations may also be made from the floor at the annual meeting.

10. Regular Meetings. Regular meetings of the Board of Managers may be held at such time and place as shall be determined from time to time by a majority of the Managers, but at least four (4) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Managers shall be given to each Manager, personally or by mail, telephone or telegraph, at least three (3) days prior to the day named for such meeting.

11. Special Meetings. Special meetings of the Board of Managers may be called by the President on three (3) days' notice to each Manager, 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 Managers shall be called by the President or Secretary in like manner and on like notice on the written request of at least two (2) Managers.

12. Waiver of Notice. Before or at any meeting of the Board of Managers, any Manager may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice.

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Attendance by a Manager at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Managers are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

13. Board of Managers' Quorum. At all meetings of the Board of Managers, a majority of the Managers shall constitute a quorum for the transaction of business and the acts of the majority of the Managers present at a meeting at which a quorum is present shall be the acts of the Board of Managers. If at any meeting of the Board of Managers there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

14. Fidelity Bonds. The Board of Managers 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.

15. Compensation. No member of the Board of Managers shall receive any compensation for acting as such.

16. Actions Without a Meeting. Notwithstanding any other provision of these By-Laws, any action required or permitted to be taken at a meeting of the Board of Managers may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all of the members of the Board of Managers, as the case may be. Such consent shall have the same force and effect as a unanimous vote at a meeting.

17. Declarant Control Period. Notwithstanding any provision herein to the contrary, and in accordance with the Condominium Declaration for THE SEVILLE OFFICE PARK OWNERS ASSOCIATION, the Declarant shall retain control over management of the affairs of the Association during the "Declarant Control Period," as therein defined. This retention of control shall be for the benefit of the Unit Owners and any First Mortgagees of record and for the purpose of ensuring both a

complete and orderly buildout and a timely sellout of the Project Units. This control shall last no longer than (1) that date five (5) years from the date the Declaration is recorded; (2) that date that Declarant has conveyed ninety per cent (90%) of the Units; or (3) when, in the sole opinion of the Declarant, the Project is viable, self-supporting and operational; whichever event first occurs.

ARTICLE V

OFFICERS

1. Designation. The officers of the Association shall be a president, a vice president, a secretary and a treasurer, all of whom shall be elected by the Board of Managers. Any person may hold two or more offices except the President; and any Vice President shall not also be a Secretary or Assistant Secretary.

2. Election of Officers. The officers of the Association shall be elected annually by the Board of Managers at the organizational meeting of each new Board and shall hold office at the pleasure of the Board.

3. Removal of Officers. Upon any affirmative vote of a majority of the Board of Managers, any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Board of Managers or at any special meeting of the Board called for such purpose.

4. President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board of Managers. He shall have all of the general powers and duties which are usually vested in the office of the president of an association, including but not limited to the power to appoint committees from among the owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Association. The President shall sign, with the Secretary or an Assistant Secretary, certificates of membership, any deeds, mortgages, bonds, contracts, or other instruments which the Board of Managers has authorized him to execute, except in cases where the signing and execution

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thereof has been expressly delegated by the Board of Managers to some other officer or agent of the Association, or shall be required by law to be otherwise signed or executed. The President shall not have the power to bind the Association to any employment agreement on behalf of the Association unless such employment agreement has been expressly approved and authorized in advance by Resolution of the Board of Managers. In the event that any such employment agreement provides for the Association employing any person who at the time of such employment or at any time during such employment is an officer of the Association, then no provision of such contract purporting to amplify the authority of such officer beyond the authority set forth in these By-Laws shall be valid or effective unless these By-Laws are amended in a manner consistent with such employment agreement; and the mere signing of such an employment agreement on behalf of the Association and its approval at a meeting of the Board of Managers or the Association shall not constitute an amendment of these By-Laws. In the event any such employment agreement (whether or not these By-Laws be amended incident thereto) limits or qualifies the authority of any such officer in a manner inconsistent with these By-Laws or imposes on such officer duties not provided for under these By-Laws, then the provisions of such employment agreement limiting or qualifying such authority and imposing such duties shall be valid and effective, notwithstanding any inconsistency between the provisions of the employment agreement and the provisions of these By-Laws.

5. Vice President. The Vice President shall have all the powers and authority to perform all the functions and duties of the President, in the absence of the President, or his inability for any reason to exercise such powers and functions or perform such duties, and also perform any duties he is directed to perform by the President or the Board of Managers.

6. Secretary. The Secretary shall: (i) keep all the minutes of all meetings of the Board of Managers and the minutes of all meetings of the Association in books provided for that purpose; (ii) see that all notices

are duly given in accordance with the provisions of these By-Laws or as required by law; (iii) be custodian of the Board's and Association's records and books and of the seal of the Association, and see to it that the seal of the Association is affixed to all certificates of membership prior to the issuance thereof, and to all documents (the execution on behalf of the Association under its seal is duly authorized in accordance with these By-Laws); (iv) keep a register of the post office address of each owner; (v) sign with the President all certificates of membership, the issuance of which shall be approved by the Board of Managers; and (vi) in general, perform all the duties incident to the office of Secretary as may be assigned to him by the President or by the Board of Managers.

The Secretary shall compile and keep up to date at the principal office of the Association a complete list of members and their last known addresses as shown on the records of the Association. Such list shall also show opposite each member's name the number or other appropriate designation of the office unit owned by such members. Such list shall be open to inspection by members and other persons lawfully entitled to inspect the same at reasonable times during regular business hours. The address of each member shown in such list shall be the address to which all notices shall be sent.

7. Treasurer. The Treasurer shall have responsibility for Association funds 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 moneys 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 Managers, and shall perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the President or Board of Directors.

8. Additional Officers. Officers in addition to the Vice President, Secretary and Treasurer may be appointed by the Board of Managers and shall hold the offices for such terms and shall have such

authority to exercise such powers and perform such duties as shall be determined from time to time by the Board by Resolution not inconsistent with these By-Laws. The Assistant Secretaries, as thereunto authorized by the Board of Managers, may sign, with the President, certificates of membership, the issue of which shall have been authorized by a Resolution of the Board of Managers. The Assistant Treasurers shall, respectively, if required by the President or Board of Managers, give bonds for the faithful discharge of their duties in such sums and with such sureties as the President or Board of Managers shall determine. The Assistant Treasurers and Assistant Secretaries, in general, shall perform such duties as shall be assigned to them by the Treasurer or the Secretary, respectively, or by the President or by the Board of Managers.

9. Vacancies. A vacancy in any office because of the death, resignation, removal, disqualification, or otherwise, of the officer previously filling such office, may be filled by the Board of Managers for the unexpired portion of the term.

ARTICLE VI

INDEMNIFICATION OF OFFICERS AND MANAGERS

The Association shall indemnify every manager or officer, his heirs, executors and administrators, against all loss, costs and expense, including counsel fees, reasonably incurred by him in connection with any action, suit or proceeding to which he may be made a party by reason of his being or having been a manager or officer of the Association, except as to matters as to which he shall be finally adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct, bad faith or reckless disregard of the duties involved in the conduct of his office. 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 willful misconduct in the performance of his duty as such manager or officer in relation to the matter involved.

All liability, loss, damage, costs and expense incurred or suffered by the Association by reason or arising out of or in connection with the foregoing indemnification provisions shall be treated and handled by the Association as common expenses.

The rights of indemnification herein provided may be insured against by policies maintained by the Association; shall be severable; shall not affect any other rights to which any Manager or officer may now or hereafter be entitled; shall continue as to a person who has ceased to be such Manager or officer; and shall inure to the benefit of the heirs, executors and administrators of such a person. Nothing contained herein shall affect any rights to indemnification to which Association personnel other than members of the Board of Managers and officers may be entitled by contract, or otherwise, under law.

Expenses in connection with the preparation and presentation of a defense to any claim, action, suit or proceeding of the character described in this Article VI may be advanced by the Association prior to final disposition thereof upon receipt of an undertaking by or on behalf of the member of the Board of Managers, or officer, secured by a surety bond or other suitable insurance issued by a company authorized to conduct such business in the State of Texas, to repay such amount if it is ultimately determined that he is not entitled to indemnification under this Article.

ARTICLE VII

OBLIGATIONS OF THE OWNERS

1. Assessments. All owners shall be obligated to pay the monthly assessments imposed by the Association to meet the common expenses. The assessments shall be made pro rata according to undivided interest in and to the general common elements and shall be due monthly in advance. A member shall be deemed to be in good standing and entitled to vote at any annual or special meeting of members, within the meaning of these By-Laws, if, and only if, it shall have fully paid all assessments made or levied against it and the condominium unit owned by it. A late fee

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shall be imposed in each instance that a monthly assessment is not paid by the tenth (10th) day of the month for which it is attributable, such fee being equal to five per cent (5%) of the then applicable late assessment. In addition, a fee shall be imposed for any insufficient check received by the Association, such fee being equal to five per cent (5%) of the sum in question. Such fees are intended as administrative and processing fees and not as penalties.

2. Maintenance and Repair.

(a) Every owner must perform promptly, at its own expense, all maintenance and repair work within its own unit, which if omitted would affect the project in its entirety or in part belonging to other owners.

(b) All the repairs of internal installations of the unit such as water, light, gas, power, sewage, telephone, air conditioners, sanitary installations, doors, windows, glass, screens, electrical fixtures, floor and wall coverings and all other accessories, amenities, equipment and fixtures belonging to the unit area shall be at the owner's expense.

(c) An owner shall be obligated to reimburse the Association promptly upon receipt of its statement for any expenditures incurred by it in repairing or replacing any general or limited common element damaged by its negligence or by the negligence of his tenants or agents.

3. Mechanic's Lien. Each owner agrees to indemnify and to hold each of the other owners harmless from any and all claims of mechanic's lien filed against other condominium units and the appurtenant general common elements for labor, materials, services or other products incorporated in the owner's apartment unit. In the event suit for foreclosure is commenced, then within ten (10) days thereafter, such owner shall be required to deposit with the Association cash or negotiable securities equal to double the amount of such claim, plus interest at the rate of ten per cent (10%) for one year, together with a sum equal to ten

per cent (10%) of the amount of such claim, but not less than One Hundred Fifty and No/100 Dollars (\$150.00), which latter sum may be used by the Association for any costs and expenses incurred, including attorney's fees. Except as is otherwise provided, such sum or securities shall be held by the Association pending final adjudication or settlement of the litigation. Disbursement of such funds or proceeds shall be made to insure payment of or on account of such final judgment or settlement. Any deficiency, including attorney's fees, shall be paid forthwith by the subject owner, and its failure to so pay shall entitle the Association to make such payment; and the amount thereof shall be a debt of the owner and a lien against its condominium unit which may be foreclosed as is provided in the Declaration. Such owner shall be liable to the Association for payment of interest at the rate of ten per cent (10%) on all such sums paid by the Association until the date of repayment by such owner.

4. General.

(a) Each owner shall comply strictly with the provisions of the Condominium Declaration for THE SEVILLE OFFICE PARK, the Articles of Incorporation and these By-Laws, and amendments and supplements thereto.

(b) Each owner shall always endeavor to observe and promote the cooperative purposes for which THE SEVILLE OFFICE PARK were established.

5. Use of Units - Internal Changes.

(a) All units shall be utilized for those purposes permitted in Paragraph 11 of the Declaration only.

(b) An owner shall not make structural modifications or alterations to its unit or installations located therein or to the limited common elements without previously notifying the Association in writing through the Managing Agent; or, if no Managing Agent is employed, then through the President of the Association. The Association shall have the obligation to answer within thirty (30) days after such

notice, and failure to do so within the stipulated time shall mean that there is no objection to the proposed modification or alteration. Notwithstanding the foregoing, in the event the Association has then established an Architectural Committee (it being stipulated that a majority of the Board of Managers shall have the right to appoint the members of such Committee), such aforesaid written notice, together with proposed plans and specifications detailing the modification or alteration so requested must be also be sent to such Committee, and such Committee shall be required to review such plans and specifications and to respond to same within such thirty (30) day period. Failure to so respond shall be deemed as approval by such Committee.

6. Use of General Common Elements and Limited Common Elements. Each owner may use the general common elements and the limited common elements in accordance with the purpose for which they were intended without hindering or encroaching upon the lawful rights of the other owners.

7. Right of Entry.

(a) An owner shall grant the right of entry to the Board of Managers or to any other person authorized by the Board of Managers in case of any emergency originating in or threatening its unit, whether the owner is present at the time or not.

(b) An owner shall permit other owners, or their representatives, when so required, to enter its unit for the purpose of performing installations, alterations or repairs to the mechanical or electrical services, provided that requests for entry are made in advance and that such entry is at a time convenient to the owner. In case of an emergency, such right of entry shall be immediate.

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8. Rules and Regulations.

(a) All owners shall promptly and completely comply with each of the rules and regulations herein contained or hereafter properly adopted for the utilization of any common elements afforded, in order that all owners and their guests, invitees and tenants shall achieve maximum utilization of such facilities consistent with the rights of each of the other owners thereto.

(b) Nothing shall be done in a unit, nor shall same be occupied or used for any purpose, nor shall any commodity, product or personal property be kept therein or thereon, which shall cause such improvements to be uninsurable against loss by fire or the perils included in an extended coverage endorsement under the rules of the State of Texas Insurance Commission or which might cause or warrant any policy or policies covering said premises to be cancelled or suspended by the issuing company. In the event the use of a particular Unit directly results in a substantial increase in the cost of insurance for the Association, it shall have the right to impose a special assessment against such Unit in an amount equal to the amount of the increase in premiums for which the Unit was the sole contributing factor. Such special assessment shall be payable upon demand.

(c) Owners and occupants of units shall at all times exercise extreme care to avoid making or permitting to be made loud or objectionable noises, and in using or playing or permitting to be used or played musical instruments, radios, phonographs, television sets, amplifiers and any other instruments or devices in such manner as may disturb or tend to disturb owners, tenants, or other users of condominium units of THE SEVILLE OFFICE PARK. No unit

shall be used or occupied in such manner as to obstruct or interfere with the enjoyment of occupants of adjoining units, nor shall any nuisance, or immoral or illegal activity be committed or permitted to occur in or on any unit or upon any part of the common elements of THE SEVILLE OFFICE PARK.

(d) The general common elements are intended for use for the purpose of affording vehicular and pedestrian movement within the condominium; providing access to the units; and all thereof for the beautification of the condominiums and for providing privacy for the occupants thereof through landscaping and such other means as shall be deemed appropriate. No part of the general common elements shall be obstructed so as to interfere with its use for the purposes hereinabove recited, nor shall any part of the general common elements be used for general storage purposes after the completion of the construction of the units by developer, except maintenance and storage rooms, nor anything done thereon in any manner which shall increase the rate for hazard and liability insurance covering said area and improvements situated thereon. No animal, livestock, birds or poultry shall be brought within the Project or kept in or around any unit thereof.

(e) No occupant of the Project shall post any advertisements, signs, or poster, of any kind in or on the project except as authorized in writing by the Association.

(f) Parking of automobiles for owners and their employees shall be governed by the Association. No unattended vehicle shall at any time be left in the alleyways or streets in such manner as to impede the passage of traffic or to impair property access to parking areas. No storage of any objects shall be permitted in the parking

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area and the same shall at all times be kept free of unreasonable accumulation of debris or rubbish of any kind. Assigned parking spaces (if any) and unassigned parking areas may not be used by owners for parking or storing boats, mobile homes, trailers, recreational vehicles or camping units; and the Board may ensure the proper use of said areas in such manner as it deems necessary.

(g) Each owner shall keep clean and in good condition and repair the doors, windows, inside and outside (inclusive of any glass and screens) and interior of its condominium unit and shall not permit garments, rugs, laundry or other unsightly items to extend from or be placed outside of its condominium unit.

(h) It is prohibited to throw garbage or trash outside the disposal areas provided for such purposes.

(i) No owner or other occupant of any condominium unit shall make any alteration, modification or improvement, nor add any awnings, patio covers or other devices to the common elements of the condominium or remove or add to any planting, landscaping, structure, furnishings or other equipment or object therefrom except with the written consent of the Association and the Architectural Committee (in the event the Association has then established or appointed such Committee).

(j) Reasonable and customary regulations for the use of the common elements will be promulgated hereafter and publicly posted at such places. Owners and all occupants of units shall at all times comply with such regulations.

(k) No drilling, digging, quarrying or mining operation of any sort shall be permitted on the Property.

(l) Motorcycles, motorbikes, trail bikes, motor scooters or other similar vehicles shall not be operated

within the Property except for the purpose of transportation directly from a parking area to a point outside the Property, or from a point outside the Property directly to a parking space, and the usage of such vehicles must otherwise comply with the provisions of the Condominium Declaration.

9. Destruction or Obsolescence. Each owner shall, upon request therefor, execute a power of attorney in favor of the Association, irrevocably appointing the Association its attorney-in-fact to deal with such owners' condominium unit upon its destruction, obsolescence or condemnation, as is provided in the Condominium Declaration for THE SEVILLE OFFICE PARK.

ARTICLE VIII

AMENDMENTS TO PLAN OF APARTMENT OWNERSHIP

1. By-Laws. These By-Laws may be amended by the Association at a duly constituted meeting for such purpose, and no amendment shall take effect unless approved by owners representing at least sixty-six and two-thirds per cent (66-2/3%) of the aggregate interest of the undivided ownership of the general common elements.

ARTICLE IX

MORTGAGES

1. Notice to Association. An owner who mortgages its unit shall notify the Association through the Managing Agent, if any, or the President of the Board of Managers, giving the name and address of its mortgagee. The Association shall maintain such information in a book entitled "Mortgagees of Condominium Units."

2. Notice of Unpaid Assessments. The Association shall, at the request of a mortgagee of a unit, promptly report any unpaid assessments due from the owner of such unit.

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ARTICLE X

COMPLIANCE

These By-Laws and the Condominium Declaration for THE SEVILLE OFFICE PARK are set forth to comply with requirements of the Texas Condominium Act. If any of these By-Laws or the Condominium Declaration conflict with the provisions of said statute, it is hereby agreed and accepted that the provisions of the statute will apply and govern.

ARTICLE XI

NONPROFIT ASSOCIATION

This Association is not organized for profit. No member, member of the Board of Managers or person from whom the Association may receive any property or funds shall receive or shall be lawfully entitled to receive any pecuniary profit from the operation thereof, and in no event shall part of the funds or assets of the Association be paid as salary or compensation to, or distributed to, or inure to the benefit of any member of the Board of Managers; provided, however, always (1) that reasonable compensation may be paid to any member while acting as an agent or employee of the Association for services rendered in effecting one or more of the purposes of the Association, and (2) that any member of the Board of Managers may, from time to time, be reimbursed for his actual and reasonable expenses incurred in connection with the administration of the affairs of the Association.

ARTICLE XII

REGISTERED OFFICE

The Registered office, and the principal office for the transaction of business of this Association shall be 6359 Whitby Road, San Antonio, Texas 78240, and the Registered Agent shall be Melbourne O'Banion, II at the same address. The Board of Managers shall change its registered agent and office to another individual upon the expiration of the Declarant Control Period.

ARTICLE XIII

TRANSACTIONS WITH MEMBERS, MANAGERS AND OFFICERS

The Association may enter into contracts or transact business with one or more of its Managers, officers, or members, or with any firm of which one or more of its managers, officers or members are members, or with any corporation, association, company, organization or entity in which one or more of its Managers, officers or members are directors, officers, trustees, shareholders, beneficiaries or are otherwise interested, and in the absence of fraud, such contract or transaction shall not be invalidated or anyway affected by the fact that such Managers, officers or members having such adverse interest may have been necessary to obligate the Association upon such contract or transaction.

ARTICLE XIV

EXECUTION OF DOCUMENTS

The persons who shall be authorized to execute any and all contracts, documents, instruments of conveyance or encumbrances, including promissory notes, shall be the President or any Vice President and the Secretary or any Assistant Secretary of the Association.

ARTICLE XV

ABATEMENT AND ENJOINMENT OF VIOLATIONS BY OWNERS

The violation of any rule or regulation promulgated by the Board of Managers, or the breach of any By-Law, or the breach of any provision of the Declaration, shall give the Board of Managers or the Managing Agent, the right, in addition to any other rights set forth therein to enjoin, abate, or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any breach; but no summary proceedings may be utilized through nonjudicial means to alter or demolish any improvements situated in any Unit of the Project.

ARTICLE XVI

NOTICES

All notices to members of the Association shall be given by delivering the same to each owner in person or by depositing the notices in the U.S. mail, postage prepaid, addressed to each owner at the address last given by each owner to the Secretary of the Association or as provided in the Declaration. If an owner shall fail to give an address to the Secretary for mailing of such notices, all such notices shall be sent to the condominium unit of such owner and all owners shall be deemed to have been given notice of the meetings upon the proper mailing of the notices to such addresses irrespective of the actual receipt of the notices by the owners.

ARTICLE XVII

SEVERALTY

The invalidity of any provision or provisions of these By-Laws shall not be deemed to impair or affect in any manner the validity, enforceability or effect of the remainder of these By-Laws, and in such event, all of the other provisions of these By-Laws shall continue in full force and effect as if such invalid provision had never been included herein.

IN WITNESS WHEREOF, the undersigned have hereunto set their hands and seals at SAN ANTONIO, Texas on this the 27th day of September, 1983.

THE SEVILLE OFFICE PARK
OWNERS ASSOCIATION

BY: [Signature]
BY: [Signature]
BY: [Signature]
BY: [Signature]
BY: [Signature]

Initial Board of Managers