

**BYLAWS
OF
CHICHESTER HILL TOWNHOUSE ASSOCIATION**

The name of the organization shall be the CHICHESTER HILL TOWNHOUSE ASSOCIATION (hereafter called "the Association").

ARTICLE 1

OBJECT

1. The purpose for which this non-profit 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 "B", 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. (Article 1301a., et seq., Vernon's Revised Texas Statutes)

2. All present or future owners, ^Uteants, 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 Bylaws. The mere acquisition or rental of any of the condominium units (hereinafter referred to as "Units") of the project or the mere act of occupancy of any of said units will signify that these Bylaws are accepted, ratified, and will be complied with.

ARTICLE II

MEMBERSHIP, VOTING, QUORUM, PROXIES

1. Membership. Any person on becoming an owner of a condominium unit shall automatically become a member of this Association

and be subject to these Bylaws. 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 Chichester Hill Townhouses, during the period of such ownership and membership in the 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. Voting shall be based upon the percentage of the undivided interest of each unit owner in the general common elements. An owner of an undivided fractional interest in and to a condominium unit shall be entitled to ^A vote equal to his fractional ownership interest in such unit. Cumulative voting is prohibited.

3. Quorum. Except as otherwise provided in these Bylaws, the ~~presence~~ attendance in person or by proxy of owners representing thirty percent (30%) ownership of the general common elements shall constitute a quorum.

4. Proxies. Votes may be cast in person or by proxy. Proxies ~~may be filed with the Secretary before the appointed time of each meeting.~~ *must be in writing, and signed by the person giving the proxy, and*
of the Association

ARTICLE III
ADMINISTRATION

1. Association Responsibilities. The owners of the units will constitute the members of the Association and ~~will be~~ ^{shall be} herein referred to as "owners" ^{Directors} who will elect a Board of ~~Managers~~ for the management of the project.

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

3. Annual Meeting. There shall be a meeting of the Association on the first Monday of December of each year at 8:00 P.M. upon the common area or at such other reasonable time and place (not more than sixty (60) days before or after such date). At such meetings there shall be elected by ballot of the owners a Board of Managers in accordance with the requirements of paragraph 3 of Article IV of these Bylaws. 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 thirty percent (30%) 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 four fifths 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 meeting, stating the purpose

thereof as well as the time and place where it is to be held, to each owner of record, at least ten (10) but not more than thirty (30) days prior to such meeting. 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 at a time not less than forty eight (48) hours from the time the original meeting was called.

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

- (a) Roll Call
- (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 Qualifications. Subject to the provisions of Section 4 of this Article. The affairs of this Association shall be governed by a Board of Managers composed of three (3) persons.

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 residential condominium project. The Board of Managers may do all such acts and things as are not by these Bylaws or by the Condominium

Declaration for Chichester Hill Townhouses, 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 set forth in the Condominium Act of the State of Texas.

(b) To establish, make and enforce compliance with such reasonable house rules 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 to, or mailed 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.

(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. Maximum replacement value shall be determined annually by one or more written appraisals. Further, to obtain and maintain comprehensive liability insurance covering the entire premises in amounts of not less than \$100,000.00 per person and \$300,000.00 per accident and \$50,000.00 property damages. 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 first mortgagees.

(e) To fix, determine, levy and collect the monthly prorated assessments to be paid by each of the owners towards 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 do so in order to meet increased operating or maintenance expenses or costs, or additional capital expenses, or because of emergencies. All special assessments shall be in an 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 Bylaws.

(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 to execute all such instruments evidencing 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 to permit

examination thereof at any reasonable time by each of the owners, and to cause a complete audit of the books and accounts by a competent certified public accountant, once each year.

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

(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) 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.

4. Managing Agent. The initial Managing Agent shall be THE RICHARD GILL COMPANY, whose address is 615 Soledad Street, San Antonio, Texas 78205. Until a date three years from the date of completion of construction of the project or until all units have been sold, whichever is sooner, the rights, duties, and functions of the Board of Managers shall at Declarant's option be exercised by the Declarant.

5. Election and Term of Office. At the first annual meeting of the Association, the term of office of one Manager shall be fixed at two years, and the term of office of one Manager shall be fixed at one year. At the expiration of the initial term of office of each respective Manager, his successor shall be elected to serve a term of three years. The three persons acting as Managers shall hold office until their successors have been 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 vote of the majority of the remaining Managers, even though they may constitute less than a quorum; and each person so elected shall be 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 vacancy thus created. Any Manager whose removal has been proposed by the owners shall be given an opportunity to be heard at the meeting.

8. Organization Meeting. The first meeting of a newly elected Board of Managers shall be held within ten (10) days of the election at such place as shall be fixed by the Managers at the meeting at which such Managers were elected; and no notice shall be necessary to the newly elected Managers in order legally to constitute such meeting, provided a majority of the whole Board shall be present.

9. 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.

10. 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 time, place (as hereinabove provided) and purpose of the meeting.

11. 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. 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.

12. 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.

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

ARTICLE V

OFFICERS

1. Designation. The officers of the Association shall be

a President, a Secretary and a Treasurer, all of whom shall be elected by and from the Board of Managers.

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

3. Removal of Officers. Upon an affirmative vote of a majority of the members 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 of the Board of Managers. He shall have all the general powers and duties which are usually vested in the office of 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.

5. Secretary. The Secretary shall keep all the minutes of all meetings of the Board of Managers and the minutes of all meetings of the Association; he shall have charge of such books and papers as the Board of Managers may direct; and he shall, in general, perform all the duties incident to the office of Secretary.

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 townhouse unit owned by such member and the garage or parking space and storage space assigned for use in connection with such townhouse unit. 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.

6. 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 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 Managers.

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 expenses 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. 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 or willful misconduct in the performance of his duty as such manager or officer in relation to the matter involved. The foregoing rights shall not be exclusive of other rights to which such manager or officer may be entitled. 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; provided, however, that nothing in this Article VI contained shall be deemed to obligate the Association to indemnify any member or owner of a condominium unit, who is or has been a manager or officer of the Association, with respect to any duties or obligations assumed or liabilities incurred by him under and by virtue of Chichester Hill Townhouse Declaration as a member or owner of a condominium unit covered thereby.

ARTICLE VII

OBLIGATIONS OF OWNER

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 percentage 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 at a special meeting of members, within the meaning of these Bylaws, if and only if he shall have fully paid all assessments made or levied against him and the condominium unit owned by him.

2. Maintenance and Repair.

By Laws

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

(b) An owner shall maintain and keep in repair, the interior of his own townhouse, including the fixtures thereof. All fixtures and equipment, including the heating and air conditioning system, installed within the townhouse unit, commencing at a point where the utility lines, pipes, wires, conduits or systems, (which for brevity are hereafter referred to as "utilities") enter the townhouse unit shall be maintained and kept in repair by the owner thereof. Without limitation on the generality of the foregoing, an owner shall maintain and keep in good repair (and replace, is so required) the air conditioning compressor, hot water heater unit, fans, ductwork, heating unit and cooling coils, utilized in and for his unit; as well as all other fixtures situated within or installed into the limited common elements appurtenant to such unit; and an owner shall be obligated to promptly repair and replace any broken or cracked glass in windows and doors.

(c) Each owner shall keep clean the interior of the limited common elements assigned to his Townhouse unit, but the actual maintenance including painting and the replacement of doors and windows shall be the responsibility of the Association.

(d) 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 his 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 townhouse units and the appurtenant general common elements for labor, materials, services or other products incorporated in the owner's townhouse unit. In the event suit for foreclosure is commenced, then within ninety (90) days thereafter such owner shall be required to deposit with the Association cash or negotiable securities equal to the amount of such claim plus interest for one year together with the sum of One Hundred Dollars (\$100.00). 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 shall be paid forthwith by the subject owner, and his 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 his condominium unit which may be foreclosed as is provided in Paragraph 24 of the Declaration.

4. General.

(a) Each owner shall comply strictly with the provisions of the Condominium Declaration for the Chichester Hill Townhouses.

(b) Each owner shall always endeavor to observe and promote the cooperative purposes for the accomplishment of which the Chichester Hill Townhouse project was built.

5. Use of Units -- Internal Changes.

(a) All units shall be utilized for single-family residential purposes only.

(b) An owner shall not make structural modifications or alterations to his unit or installations located therein without previously notifying the Association in writing through the Managing Agent, or if no Managing Agent is employed, then through the President of the Board of Managers. The Association shall have the obligation to answer within five (5) 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.

6. 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 Managing Agent or to any other person authorized by the Board of Managers in case of any emergency originating in or threatening his 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 his 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.

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.

(b) Nothing shall be done in any residential suit, 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.

(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 owners, tenants, or other occupants of condominium units of Chichester Hill Townhouses. No units shall be used or occupied in such manner as to obstruct or interfere with the enjoyment of occupants or other residents 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 Chichester Hill Townhouses.

(d) The common area is intended for use for the purpose of affording vehicular and pedestrian movement within the condominium, and of providing access to the units; those portions thereof adapted therefor for recreational use by the owners and occupants of units; and

all thereof, for the beautification of the condominium and for providing privacy for the residents thereof through landscaping and such other means as shall be deemed appropriate. No part of the common area shall be obstructed so as to interfere with its use for the purposes hereinabove recited, nor shall any part of the common area (common elements) be used for general storage purposes after the completion of the construction of the units by developer, except maintenance storage room, nor anything done thereon in any manner which shall increase the rate of hazard and liability insurance covering said area and improvements situated thereon.

(e) Not more than two (2) small dogs, cats, or other usual small household pets may be kept in any unit, provided always that such household pets shall be allowed on the common areas only as may be specified under reasonable rules therefor promulgated by the Board of Managers. Except as hereinabove stated, no animal, livestock, birds, or poultry shall be brought within the condominium or kept in or around any unit thereof.

(f) No resident of the condominium shall post any advertisement, signs, or posters, of any kind in or on the project except as authorized by the Association.

(g) Parking of automobiles shall be only in the space designated as parking for each unit; no unattended vehicle shall at any time be left in the alley ways or streets in such manner as to impede the passage of traffic or to impair proper access to parking areas. No boats, trailers or campers will be left in parking areas. No storage of any objects shall be permitted in the driveway area and the same

shall at all times be kept free of unreasonable accumulation of debris or rubbish of any kind.

(h) It is prohibited to hang bedding, garment, rugs, and/or any other materials from the windows or from any of the facades of the project.

(i) It is prohibited to dust rugs or other material from the windows, or to clean rugs by beating on the exterior part of the condominium units, or to throw any dust, trash, or garbage out of any of the windows of any of the units.

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

(k) No owner, resident, or lessee shall install wiring for electrical or telephone installation, television antennae, machine or air conditioning units or any other devices whatsoever on the exterior of the project or that protrude through the walls or out of the windows, or on the roof of the project save as are expressly in writing previously approved by the Association.

(l) 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, structure, furnishings or other equipment or object therefrom except with the written consent of the Association.

9. Destruction or Obsolescence. Each Owner shall, upon request therefor, execute a power of attorney in favor of the Association, irrevocably appointing the Association as his attorney-in-fact to deal

with the owner's condominium unit upon its destruction or obsolescence as is provided in Paragraph 30 of the Condominium Declaration for Chichester Hill Townhouses.

ARTICLE VIII

AMENDMENTS TO BYLAWS

1. Bylaws. These Bylaws 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 seventy-five (75%) percent of the aggregate interest of the undivided ownership of the general common elements.

ARTICLE IX

MORTGAGES

1. Notice to Association. An owner who mortgages his 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 his mortgagee. The Association shall maintain such information in a book entitled "Mortgagees of Units".

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

ARTICLE X

COMPLIANCE

These Bylaws are set forth to comply with the requirements of the State of Texas Condominium Act. If any of these Bylaws conflict with provisions of said statute, it is hereby agreed and accepted that the provision of the statute will apply.

ARTICLE XI

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 any 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

The registered office and the principal office of the transaction of business of this Association shall be 615 Soledad Street, San Antonio, Texas 78205, and the registered agent shall be Christopher Gill at the same address.

ARTICLE XIII

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

IN WITNESS WHEREOF, the undersigned hereunto by and through its duly authorized officers has executed this instrument at San Antonio,

Texas, this 30th day of August 1972.

ATTEST:

CHICHESTER HILL TOWNHOUSE ASSOCIATION

Richardson B. Gill
Secretary

By:

Christopher Gill
President

THE STATE OF TEXAS

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COUNTY OF BEXAR

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BEFORE ME, the undersigned authority, on this day personally appeared CHRISTOPHER GILL, President of CHICHESTER HILL TOWNHOUSE ASSOCIATION, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed and in the capacity therein stated and as the act of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 30th day of August 1972.

Anna H. Kincaid

Notary Public, Bexar County, Texas

Anna H. Kincaid