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BYLAWS

OF

SILVERBROOK ASSOCIATION, INC.

Filed for Record in:
BEXAR COUNTY, TX
GERRY RICKHOFF, COUNTY CLERK
On Sep 02 1998
At 4:34pm
Receipt #: 45956
Recording: 21.00
Doc/Type :
Doc/Num : 98- 0157910
Deputy -Betty Sepulveda

ARTICLE I.

Section 1. The Registered Office of the corporation shall be at 4800 Fredericksburg Road, San Antonio, Texas 78229, County of Bexar and the name of the Registered Agent of the corporation at such address is Jesse Murphy.

Section 2. The corporation may also have offices at such other place both within and without the State of Texas, as the Board of Directors may from time to time determine or the business of the corporation may require.

ARTICLE II.

DEFINITIONS

Section 1. "Association" shall mean and refer to SILVERBROOK ASSOCIATION, INC., its successors and assigns.

Section 2. "Properties" shall mean and refer to the real property described as Silverbrook Subdivision, Unit 1, according to the plat or map thereof recorded in Volume 9539 at Page 46, in the Official Public Records of Real Property in Bexar County, Texas and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 3. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the Owners, and described in the Declaration.

Section 4. "Lot" shall mean and refer to each of the individual tracts of land or resubdivision of same into which the Properties, excepting the Common Area, shall be divided for individual ownership as described in the Declaration.

Section 5. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Properties, including contract seller, but excluding those having such interest merely as security for the performance of an obligation.

Section 6. "Declarant" shall mean and refer to KAUFMAN AND BROAD OF TEXAS, LTD., its successors and assigns, if such successors and assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

Section 7. "Declaration" shall mean and refer to the Declaration executed by Declarant applicable to the Properties recorded in the Official Public Records of Real Property of Bexar County, Texas.

Section 8. "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration.

ARTICLE III.

MEETINGS

Section 1. Annual meetings. The first annual meeting of the Members shall be held within one (1) year from the date of incorporation of the Association, and each subsequent regular annual meeting of the Members shall be held in the same month of each year thereafter, at the hour of 7:00 o'clock P.M.

Section 2. Special Meetings. Except as otherwise provided by Article 19 of the Declaration, special meetings of the Members may be called at any time by the President of the Board of Directors, or upon written request of the Members who are entitled to vote one-eighth (1/8) of all the votes of the membership.

Section 3. List of Members. At least ten (10) days before each meeting of Members, a complete list of the Members entitled to vote at said meeting, arranged in alphabetical order with the residence of each and the number of voting shares held by each, shall be prepared by the officer or agent having charge of the membership books. Such list, for a period of ten (10) days prior to such meeting, shall be kept on file at the registered office of the corporation and shall be subject to inspection by any Member at any time during usual business hours.

Section 4. Notice of Meetings. Except as otherwise provided by Article 19 of the Declaration, written notice of each meeting of the Members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least fifteen (15) days before such meeting to each member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member of the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting. Written notice of such meetings shall also be given to each institutional holder of a first mortgage lien on any of the Lots constituting the Properties which is designated in the Association's list of mortgagees and such mortgagee shall be permitted to attend, or to designate a representative to attend, such meetings.

Section 5. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-tenth (1/10th) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 6. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his lot or eleven months from the date said proxy is executed.

ARTICLE IV.

BOARD OF DIRECTORS

Section 1. Management. The business and affairs of the corporation shall be managed by its Board of Directors who may exercise all such powers of the corporation and do all such lawful acts and things as are not by statute or by the Articles of Incorporation or by these By-Laws directed or required to be exercised or done by the Members.

Section 2. Directors. The Board of Directors shall consist of three (3) directors, none of whom need be Members.

Section 3. Term of Office. Directors shall serve for the terms specified in Article 19 of the Declaration.

Section 4. Removal. Any director, other than the initial directors who shall serve the full terms provided by the Declaration, may be removed from the Board, with or without cause, by a majority vote of the Members of the Association. In the event of death, resignation, or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 5. Compensation. No director shall receive compensation for any service he may render to the Association. A director may, however, be reimbursed for his actual expenses incurred in the performance of his duties.

Section 6. Action Taken Without A Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

Section 7. Indemnity. Each director, officer and agent, acting for and on behalf of the corporation shall be indemnified by the Corporation to the fullest extent allowed by Article 1396-2.22A, V.A.C.S. and the Corporation shall provide reasonable insurance consistent with said statute.

ARTICLE V.

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more Members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the Members to serve from the close of such annual meeting until the close of the next annual meeting, and such Nominating Committee shall make as many nominations for election to the Board of Directors as it shall, in its discretion, determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among Members or Non-Members.

Section 2. Election. Election to the Board of Directors shall be by secret, written ballot. At such election, the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VI.

MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held quarterly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two (2) directors, after not less than three (3) days notice to each director.

Section 3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly-held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VII.

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have power to:

(a) adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the Members and their guests while using these facilities, and to establish penalties for the infraction thereof;

(b) suspend the voting rights and right to use the recreational facilities of a Member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations.

(c) exercise for the Association all powers, duties, and authority vested in, or delegated to, the Association and not reserved to the membership by other provision of these Bylaws, the Articles of Incorporation, or the Declaration;

(d) declare the office of a member of the Board of Directors, other than an initial Director, to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and

(e) employ a manager, an independent contractor, or such other employees as it deems necessary, and to prescribe their duties; provided, any management agreement shall be terminable, with or without cause, upon 30 days written notice and the term thereof shall not exceed one year. In the event the Board of Directors employs professional management of the Properties and thereafter elects to terminate professional management and assume self-management of the Properties, the vote of at least 2/3 of the Members shall concur in such decision and the holders of at least 51% of the first mortgage liens against the Lots constituting the Properties shall first have given their written consent thereto.

Section 2. Duties. It shall be the duty of the Board of Directors to do the following or cause the following to be done:

(a) keep a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is required in writing by one-fourth (1/4) of the Class A and Class B Members who are entitled to vote;

(b) supervise all officers, agents, and employees of the Association and to see that their duties are properly performed;

(c) as more fully provided in the Declaration, to:

(1) fix the amount of the annual assessment against each Lot;

(2) send written notice of any change in assessment to every Owner subject thereto at least thirty (30) days prior to the effective date of change;

(3) to take such action as is necessary to collect assessment not paid within thirty (30) days after due date;

(d) issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(e) procure and maintain liability and hazard insurance on the Properties as provided in the Declaration;

(f) cause all officers or employees having fiscal responsibilities to be bonded; and

(g) cause the Common Area to be maintained as required by the Declaration.

ARTICLE VIII.

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of this Association shall be a President and Vice President, who shall at all times be members of the Board of Directors, a Secretary, and a Treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 3. Term. Each of the officers of the Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or be otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time, giving written notice to the Board, the President, or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one (1) of any of the other offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

President

(a) The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, easements, deeds and other written instruments.

Vice President

(b) The Vice President shall act in the place and stead of the President in the event of his absence, inability, or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

Secretary

(c) The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members, serve notice of meetings of the Board and of the Members; keep appropriate, current records showing the Members of the Association together with their addresses; and shall perform such other duties as required by the Board.

Treasurer

(d) The Treasurer shall do or cause to be done by a person or persons designated by the Board of Directors the following: receive and deposit in appropriate bank accounts, all moneys of the Association, and disburse funds; sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by an independent public accountant at the completion of each fiscal year; and prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the Members; and prepare and file such other reports as may be required by law. A copy of each annual audited financial statement shall be furnished to each member and each holder of a first mortgage lien against any of the Lots constituting the Properties within ninety (90) days after the close of each fiscal year of the Association.

ARTICLE IX.

COMMITTEES

The Board of Directors of the Association shall appoint an Architectural Control Committee, as provided in the Declaration, and a Nominating Committee, as provided in these Bylaws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE X.

BOOKS AND RECORDS

The books, records, and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member and the holders of first mortgage liens on any of the Lots. The Declaration, the Articles of Incorporation, and the Bylaws of the Association shall be available for inspection by any Member at the principal office of the Association where copies may be purchased for the actual cost thereof.

ARTICLE XI.

ASSESSMENTS

As more fully provided in the Declaration, each member is obligated to pay to the Association the annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the Association may bring an action at law against the Owner personally obligated to pay the same or foreclosure of the lien against the property and interest of the responsible Owner, such action to also include costs and reasonable attorney's fees of any such action. No Owner shall otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

ARTICLE XII.

AMENDMENTS

Section 1. These Bylaws may be amended at a regular or special meeting of the members by the affirmative vote of at least three-fourths (3/4) of the Class A and Class B members.

Section 2. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

ARTICLE XIII.

OWNERSHIP OF ASSOCIATION

Each owner of a fee simple interest in a Lot within the Properties (as the Properties may hereafter be expanded) shall be entitled to an ownership in this Association equivalent to what would normally be in a corporation, one share of stock for each Lot so owned. There shall be no issuance of any certificate of any nature, but this ownership shall vest automatically on the purchase of any such Lot.

ARTICLE XIV.

FISCAL YEAR

The fiscal year of the corporation shall be fixed by resolution of the Board of Directors.

IN WITNESS WHEREOF, we, being all of the directors of SILVERBROOK ASSOCIATION, INC., have hereunto set our hands this 26th day of August, 1998.

EFFECTIVE this 26th day of August, 1998.

LAWRENCE HAMMER

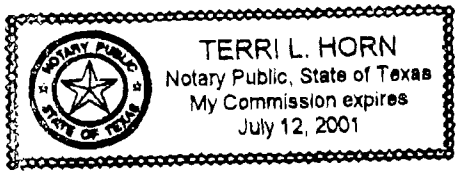
JESSE T. MURPHY

HERB QUIROGA

STATE OF TEXAS §

COUNTY OF BEXAR §

This instrument was acknowledged before me this 26th day of August, 1998, by Lawrence Hammer.

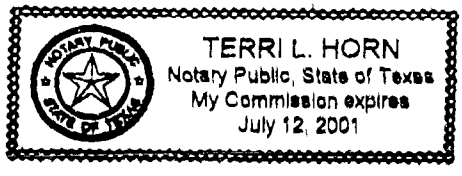


Terri L Horn
Notary Public, State of Texas

STATE OF TEXAS §

COUNTY OF BEXAR §

This instrument was acknowledged before me this 26th day of August, 1998, by Jesse T. Murphy.

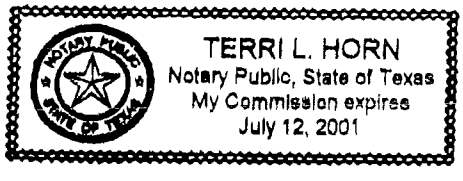


Terri L Horn
Notary Public, State of Texas

STATE OF TEXAS §

COUNTY OF BEXAR §

This instrument was acknowledged before me this 26th day of August, 1998, by Herb Quiroga.



Terri L Horn
Notary Public, State of Texas

After recording return to:
Kaufman and Broad
P. O. Box 5250
San Antonio, Texas 78201
ATTN: LEGAL DEPARTMENT

RECORDER'S RECEIPT

GF NO.: COURTESY
DATE: SEPTEMBER 2, 1998
REQUESTED BY: MEL LUNA
OFFICE LOCATION: SAN ANTONIO TITLE COMPANY
4715 FREDERICKSBURG ROAD, SUITE 520
SAN ANTONIO, TEXAS 78229
(210)344-8188 FAX(210)344-7511

RECEIVED FROM ***SAN ANTONIO TTILE COMPANY*** THE FOLLOWING INSTRUMENTS FOR FILING OF RECORD IN THE RECORDS OF ***BEXAR*** COUNTY, TEXAS;

BYLAWS OF SILVERBROOK ASSOCIATION, INC.
DATED: AUGUST 26, 1998
FROM: KAUFMAN AND BROAD OF TEXAS, LTD.
TO: PUBLIC

Filed for Record in:
BEXAR COUNTY, TX
GERRY RICKHOFF, COUNTY CLERK
On Sep 02 1998
At 4:34pm

Receipt #: 158956
Recording: 21.00
Doc/Mgmt : 6.00

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Deputy -Betty Sepulveda