

ARTICLES OF INCORPORATION

OF

SALADO BLUFFS ASSOCIATION, INC.

FILED
In the Office of the
Secretary of State of Texas

NOV 16 1995

Corporations Section

We, the undersigned, natural persons, of the age of twenty-one (21) years or more, at least two of whom are citizens of the State of Texas, acting as incorporators of a corporation under the Texas Non-Profit Corporation Act, do hereby adopt the following Articles of Incorporation for such corporation:

ARTICLE I.

The name of the corporation is SALADO BLUFFS ASSOCIATION, INC.

ARTICLE II.

The corporation is a non-profit corporation and shall have all of the powers specified hereafter in the Texas Non-Profit Corporation Act.

ARTICLE III.

The period of duration of the corporation is perpetual.

ARTICLE IV.

The purposes for which this corporation is organized are to generally manage the business and affairs of the owners of lots subject to the Declaration of Protective Covenants for Churchill Estates Subdivision, Unit 14 as filed, or to be filed, in the Real Property Records of Bexar County, Texas (the "Declaration") as provided in said Declaration, as it may be amended.

Without limiting the foregoing general purpose of this corporation, this corporation does not contemplate pecuniary gain or profit to the members thereof, and the specific purposes for which it is formed are to provide for maintenance, preservation and architectural control of the residence Lots and Common Area within that certain tract of property described as Churchill Estates Subdivision, Unit 14, a subdivision in Bexar County, Texas, according to the plats thereof recorded in Volume 9531, Pages 174-175, respectively, of the Deed and Plat Records of Bexar County, Texas and to promote the health, safety and welfare of the residents within the above-described property and any additions thereto as may hereafter be brought within the jurisdiction of this Association for this purpose to: (a) exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in that certain Declaration of Protective Covenants,

applicable to the property and recorded or to be recorded in the Office of the County Clerk of Bexar County, Texas and as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as if set forth at length; (b) fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the property of the Association; (c) acquire (by gift, purchase or otherwise) own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association; (d) borrow money, and with the assent of two-thirds (2/3) of each class of members mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred; (e) dedicate, sell or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument has been signed by two-thirds (2/3) of each class of members, agreeing to such dedication, sale or transfer; (f) participate in mergers and consolidations with other nonprofit corporations organized for the same purposes or annex additional residential property and Common Area, provided that any such merger, consolidation or annexation shall have the assent of two-thirds (2/3) of each class of members; and (g) have and to exercise any and all powers, rights and privileges which a corporation organized under the Non-Profit Corporation Law of the State of Texas by law may now or hereafter have or exercise.

ARTICLE V.

The name of the initial registered agent of the corporation is Jesse Murphy and the street address of its initial registered office is 4800 Fredericksburg Road, San Antonio, Texas 78229.

ARTICLE VI.

The number of Directors constituting the initial Board of Directors of the corporation is three (3), and the names and addresses of the persons who are to serve as the initial Directors are:

Michael Moore	4800 Fredericksburg Road San Antonio, Texas 78229
Jesse Murphy	4800 Fredericksburg Road San Antonio, Texas 78229
Sam Schaefer	4800 Fredericksburg Road San Antonio, Texas 78229

ARTICLE VII.

The name and address of each incorporator is:

Michael Moore	4800 Fredericksburg Road San Antonio, Texas 78229
Jesse Murphy	4800 Fredericksburg Road San Antonio, Texas 78229
Herb Quiroga	4800 Fredericksburg Road San Antonio, Texas 78229

ARTICLE VIII.

The initial Board of Directors shall hold office until such time as at least 25% of the lots within the properties covered by the Declaration are owned by persons or entities other than the "Declarant" named in the Declaration at which time the initial Board of Directors shall call a special meeting of only the Class A members for the purpose of holding an election to elect a director to replace one of the said initial directors (the retiring director to be determined by the members of the initial Board of Directors), said director so elected to serve until the next regular annual meeting of the members of the corporation. The two remaining members of the initial Board of Directors shall continue to hold office until such time as the voting rights of the Class B membership of the corporation shall be automatically converted to the same voting rights as the Class A membership (as specified below), at which time the Board of Directors shall call a special meeting of all members of the corporation for the purpose of holding an election to select another director to replace one of the two remaining members of the initial Board of Directors, said director so elected to serve until the next regular annual meeting of the members of the corporation. The then remaining members of the initial Board of Directors shall continue to hold office until such time as the Class B members have sold to other persons or entities all residential lots in Churchill Estates Subdivision and in any other areas duly annexed thereto in accordance with the provisions of the Declaration.

The judgment of the Directors, whether the directors are the initial directors or substitute or successor directors, in the expenditure of funds of the corporation shall be final and conclusive so long as such judgment is exercised in good faith.

The Bylaws of the corporation shall be adopted by the initial Board of Directors and shall thereafter be amended or altered as provided therein.

The following shall apply to the corporation and its members:

(a) The members of the corporation shall be the owners of lots within the properties described by the Declaration.

(b) Each lot, whether owned by one or more parties, shall be entitled to the votes as follows:

The Corporation shall have two classes of voting membership:

Class A. Class A members shall be all owners, with the exception of the Declarant, and shall be entitled to one vote for each lot owned. When more than one person holds an interest in any lot, all such persons shall be members, but in no event shall more than one vote be cast with respect to any such lot. The vote for such lot shall be exercised as such multiple owners determine, but if such multiple owners cannot agree as to how the vote will be cast, the vote as to that particular voting matter shall be forfeited.

Class B. The Class B member(s) shall be the Declarant (as defined in the Declaration), and shall be entitled to three (3) votes for each lot owned. The Class B membership shall cease and be converted to Class A memberships on the happening of the first to occur of the following events:

(a) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; or

(b) December 31, 2005.

Notwithstanding the foregoing, it is specifically provided, however, that, if at any time other areas are duly annexed to Churchill Estates Subdivision in the manner provided by the Declaration, the voting rights as to lots owned by the Class B membership shall (if previously converted to one vote per lot) automatically revert to three (3) votes for each lot owned until such time as the total votes outstanding in the Class B membership throughout the aforementioned subdivision and any duly annexed area, collectively, shall equal or exceed the total votes outstanding in the Class B membership throughout such total area, or until December 31, 2005, whichever date occurs first, at which time Class B voting rights shall be automatically converted to one (1) vote for each lot owned.

(c) The affairs of the corporation shall be managed by its Board of Directors. Such Directors need to be members of the Association.

ARTICLE IX.

DISSOLUTION

The corporation may be dissolved with the assent given in writing and signed by not less than two-thirds (2/3) of each class of members. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the corporation shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this corporation was created or shall be

distributed to the members of the Association as of the time of dissolution on a per lot basis, as the Class A membership of the Association so chooses. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization to be devoted to such similar purposes.

ARTICLE X.

AMENDMENTS

Amendment of these Articles shall require the assent of seventy-five percent (75%) of the entire membership.

IN WITNESS WHEREOF, we have hereunto set our hands this the 15th day of November, 1995.

Michael D. Moore
MICHAEL D. MOORE

Jesse Murphy
JESSE MURPHY

Herb Quiroga
HERB QUIROGA

STATE OF TEXAS §

COUNTY OF BEXAR §

I, the undersigned Notary Public in and for Bexar County, Texas, do hereby certify that on this 15th day of November, 1995, before me personally appeared Michael D. Moore, who being by me first duly sworn, declared that he is the person who signed the foregoing document as Incorporator, and that the statements therein contained are true.

IN WITNESS WHEREOF, I have hereunto set my hand and seal of office the day and year above written.



Terri L. Horn
Notary Public, State of Texas

STATE OF TEXAS §
COUNTY OF BEXAR §

I, the undersigned Notary Public in and for Bexar County, Texas, do hereby certify that on this 15th day of November, 1995, before me personally appeared Jesse Murphy, who being by me first duly sworn, declared that he is the person who signed the foregoing document as Incorporator, and that the statements therein contained are true.

IN WITNESS WHEREOF, I have hereunto set my hand and seal of office the day and year above written.



Terri L. Horn
Notary Public, State of Texas

STATE OF TEXAS §
COUNTY OF BEXAR §

I, the undersigned Notary Public in and for Bexar County, Texas, do hereby certify that on this 15th day of November, 1995, before me personally appeared Herb Quiroga, who being by me first duly sworn, declared that he is the person who signed the foregoing document as Incorporator, and that the statements therein contained are true.

IN WITNESS WHEREOF, I have hereunto set my hand and seal of office the day and year above written.



Terri L. Horn
Notary Public, State of Texas

After recording, return to:
Rayco, Ltd.
ATTN: LEGAL DEPARTMENT
P. O. Box 5250
San Antonio, Texas 78201

Corporations Section
P.O.Box 13697
Austin, Texas 78711-3697



Roger Williams
Secretary of State

Office of the Secretary of State
Packing Slip

July 7, 2006
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Attn: Rosie Saenz
SALADO BLUFFS ASSOCIATION, INC.
7613 Tezel Rd.
San Antonio, TX 78250

Reimb. MP

Batch Number: 13562515
Client ID: 160489967

Batch Date: 07-06-2006
Return Method: Mail

Phone No: 210-523-1320 -

Document Number	Document Detail	Filing Number / Name	Page Count	Fee
135625150002	Plain copies of a record or document	SALADO BLUFFS ASSOCIATION, INC.	6	\$0.60
			Total Document Fees	\$0.60

Payment Type	Payment Status	Payment Reference	Amount	
Credit Card	Received	*****4005	\$0.60	
			Total Payments Received	\$0.60
			Total Amount Charged to Client Account	\$0.00
			Total Amount Credited to Client Account	\$0.00

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BYLAWS

OF

SALADO BLUFFS ASSOCIATION, INC.

96- 0039912

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 SALADO BLUFFS ASSOCIATION, INC., its successors and assigns.

Section 2. "Properties" shall mean and refer to the real property described as Churchill Estates Subdivision, Unit 14 according to the plat or map thereof recorded in Volume 9531 at Pages 174-175, 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 RAYCO, 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.

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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;

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(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.

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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.

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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 SALADO BLUFFS ASSOCIATION, INC., have hereunto set our hands this 15th day of March, 1996.


MICHAEL D. MOORE


JESSE T. MURPHY

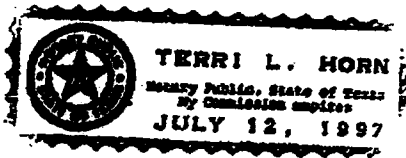

SAM SCHAEFER

VOL 6700 PGS 584

STATE OF TEXAS §

COUNTY OF BEXAR §

This instrument was acknowledged before me this 15th day of March, 1996 by Michael D. Moore.



Terri L. Horn
Notary Public, State of Texas

STATE OF TEXAS §

COUNTY OF BEXAR §

This instrument was acknowledged before me this 15th day of March, 1996, by Jesse T. Murphy.

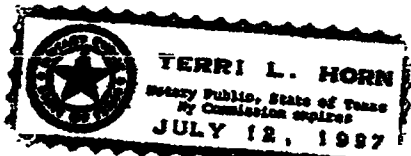


Terri L. Horn
Notary Public, State of Texas

STATE OF TEXAS §

COUNTY OF BEXAR §

This instrument was acknowledged before me this 15th day of March, 1996, by Sam Schaefer.



Terri L. Horn
Notary Public, State of Texas

After recording return to:
Rayco, Ltd.
P. O. Box 5250
San Antonio, Texas 78201
ATTN: LEGAL DEPARTMENT

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And if the same person should receive two sets of title of the described
and primary documents of title is created and is enforceable under Federal Law
STATE OF TEXAS, COUNTY OF BEXAR.
I hereby certify that this instrument was FILED in the Public Sequence on
the 21st day of March 1996 at 4:13 pm by me and was duly RECORDED in
the Official Public Record of Real Property of Bexar County, Texas on:

MAR 21 1996



Gerry Rickhoff
COUNTY CLERK BEXAR COUNTY, TEXAS

Filed for Record in:
BEXAR COUNTY, TX
GERRY RICKHOFF, COUNTY CLERK

On Mar 19 1996

At 4:13pm

Receipt #: 200024
Recording: 21.00
Doc/Hqt: 6.00

Doc/Num: 96- 0039912

Deputy -Deborah Greiner

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