

**BYLAWS
OF
SCR HOMEOWNERS ASSOCIATION, INC.**

**ARTICLE I.
NAME AND LOCATION**

The name of the corporation is SCR Homeowners Association, Inc. The principal office of the corporation shall be located at 1600 N.E. Loop 410, Suite 202, San Antonio, Texas 78209, but meetings of members and directors may be held at such places within the State of Texas, County of Bexar, as may be designated by the Board of Directors.

**ARTICLE II.
DEFINITIONS**

“Articles of Incorporation” shall mean and refer to the Articles of Incorporation of the Association.

“Association” shall mean and refer to SCR Homeowners Association, Inc., its successors and assigns as provided herein.

“Board of Directors” or “Board” shall mean and refer to the board of directors of the Association as provided herein.

“Common Area” shall mean and refer to any real property acquired by or leased to the Association if such property is designated as “Common Area” in the instrument transferring such property.

“Declarant” shall mean and refer to Medallion, Ltd., a Texas limited partnership, and its successors and assigns.

“Declaration” shall mean and refer to the Declaration of Covenants, Conditions and Restrictions of Saddle Creek Ranch Subdivision, Unit-1 and include the same as it may, from time to time, be amended, supplemented and additional properties added, subject to and in accordance with the terms thereof.

“Lot” shall mean and refer to a designated parcel, tract, or area of land established by plat, subdivision, or as otherwise permitted by law, to be used, developed, or built upon.

"Member" or "Members" shall mean and refer to all those Owners who are members of the Association.

"Owner" or "Owners" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot or portion of a Lot but excluding those having an interest merely as security for the performance of an obligation.

ARTICLE III. MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. Each Owner shall be a Member of SCR Homeowners Association, Inc.

Section 2. Allocation of Voting Rights. The Association shall have two classes of voting membership:

a. The Class A Member shall be all those Owners as defined in Section 1 above, with the exception of the Declarant. Class A Members shall be entitled to one vote for each Lot he owns.

b. The Class B Member shall be the Declarant. The Class B Member shall be entitled to four votes for each Lot it owns, provided that the Class B membership shall cease and become converted to Class A membership on the happening of the following events, whichever occurs earlier:

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

(2) on July 1, 2014.

From and after the happening of these events, whichever occurs earlier, the Class B Member shall be deemed to be a Class A Member entitled to one vote for each Lot it owns, subject to the following rights of Declarant.

Pursuant to Section 1.2.2 of the Declaration, additional land may be annexed into the subdivision and upon every annexation of such additional land, the Association shall, even if Class B membership has theretofore ceased pursuant to this Section, automatically have two classes of voting membership:

A. Class A Members shall be all the Owners as defined in Section 1 above, with the exception of Declarant. Class A Members shall be entitled to one vote for each Lot the Member owns.

B. Class B Members shall be the Declarant. The Class B Member shall be entitled to six votes for each Lot it owns (including each Lot owned prior to the annexation of additional land), provided that the Class B membership shall cease and become converted to Class A membership on the happening of the following events, whichever occurs earlier:

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

(2) on July 1, 2014.

From and after the happening of these events, whichever occurs earlier, the Class B Member shall be deemed to be a Class A Member entitled to one vote for each Lot it owns.

Section 3. Member Rights in Association. No Member shall have any direct interest in the funds and assets of the Association, but shall have only a membership interest therein which shall not be assigned, hypothecated or transferred in any manner except as an appurtenance to the Owner's interest in his Lot. Membership in the Association shall be mandatory.

ARTICLE IV. MEETING OF MEMBERS

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 on a date and time determined by the Board of Directors.

Section 2. Special Meetings. Special meetings of the Members may be called at any time by the president or by the Board of Directors, or upon written request of the Members who are entitled to vote one-fourth (1/4th) of all of the votes of the Class A membership.

Section 3. Notice of Meetings. 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 and not more than fifty (50) days in advance of 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 to 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.

Section 4. 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 Bylaws. 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 5. 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.

Section 6. Actions. When a quorum is present at a meeting, the vote of a majority, present in person or represented by proxy, shall decide any question brought before the meeting except as otherwise provided in the Articles of Incorporation, the Declaration or these Bylaws.

ARTICLE V. BOARD OF DIRECTORS

Section 1. Number. The affairs of the Association shall be managed by a board of directors consisting of three (3) directors, who need not be Members of the Association. The number of directors may be increased to five (5) directors as provided in Article XII, Section 1.

Section 2. Term of Office. At the first annual meeting the Members shall elect one (1) director for a term of one (1) year, one (1) director for a term of two (2) years and one (1) director for a term of three (3) years; and at each annual meeting thereafter the Members shall elect one (1) director for a term of three (3) years.

Section 3. Removal. Any director 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 4. Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

ARTICLE VI. NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by the Board of Directors and from the floor at the annual meeting. 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 VII. MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held not less than 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 or by any two 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.

Section 4. Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting that 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 5. Actions. When a quorum is present at a meeting, the vote of a majority, present in person or represented by proxy, shall decide any question brought before the meeting except as otherwise provided in the Articles of Incorporation, the Declaration or these Bylaws.

ARTICLE VIII. POWERS AND DUTIES OF THE BOARD OF DIRECTORS

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

- a. adopt and publish rules and regulations governing the use of the Common Area and the personal conduct of the Members and their guests thereon, 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 this Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration;
- d. declare the office of a member of the Board of Directors 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 employee as the Board deems necessary, and to prescribe their duties including check writing duties.

Section 2. Duties. It shall be the duty of the Board of Directors to:

- a. cause to be kept 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 requested in writing by one-fourth (1/4th) of the Class A Members who are entitled to vote;

- b. supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;
- c. as more fully provided in the Declaration, fix the amount of the annual assessments to every Owner, send written notice of each assessment to every Owner, and foreclose the lien against any Lot for which assessments are not paid or take other appropriate action;
- d. issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;
- e. procure and maintain adequate liability and hazard insurance on the Common Area and other property owned by the Association;
- f. cause all officers or employees having fiscal responsibilities to be bonded, as the Board may deem appropriate; and
- g. cause the Common Area and any other property owned by the Association to be maintained.

ARTICLE IX. OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. 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. The officers of this 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 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 of any of the other offices except in the case of special 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, 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 receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall keep proper books of account.

ARTICLE X.
COMMITTEES

Section 1. Committees. The Association shall appoint an Architectural Control Committee as provided in the Declaration. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE XI.
ASSESSMENTS

Section 1. Assessments. As more fully provided in the Declaration, each Member is obligated to pay the Association annual, special and individual assessments that are more particularly set out in the Declaration and secured by a continuing lien upon the Lot against which the assessment is made. No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Area or abandonment of his Lot.

ARTICLE XII.
AMENDMENTS

Section 1. Amendment. These Bylaws may be amended, at a regular or special meeting of the Members, by a vote of a majority of a quorum of Members present in person or by proxy.

Section 2. Conflict. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles of Incorporation shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control. All of the provisions of the Declaration are hereby incorporated by reference for all purposes into these Bylaws. The provisions in the Declaration that have been incorporated by reference shall not be amended except as provided in the Declaration.

ARTICLE XIII.
MISCELLANEOUS

Section 1. Inspection. The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. 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 at reasonable cost.

Section 2. Corporate Seal. The Association shall not have a seal.

Section 3. Fiscal Year. The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

IN WITNESS WHEREOF, we, being all of the directors of SCR Homeowners Association, Inc. have executed these Bylaws effective the 14 day of September, 2004.

[Handwritten Signature]

J. Darryl Byrd

[Handwritten Signature]

Susan K. Kopplin

[Handwritten Signature]

Krista Daries

FILED FOR RECORD

2005 MAY 31 AM 9: 00

Sue/hoa/bylaws.scr

BYLAWS

TERESA KIEL
COUNTY CLERK GUADALUPE COUNTY

BY *[Handwritten Signature]*

STATE OF TEXAS
COUNTY OF GUADALUPE
I certify this instrument was FILED on the
date and at the time stamped thereon and
was duly recorded in the Official Public
Records of Guadalupe County, Texas.



[Handwritten Signature]
TERESA KIEL
Guadalupe County Clerk