

**BY-LAWS OF
SCENIC OAKS PROPERTY OWNERS ASSOCIATION, INC.
A NON-PROFIT CORPORATION**

(As Amended by the Membership on January 12, 2009)

**ARTICLE I
NAME AND LOCATION**

The name of the corporation is Scenic Oaks Property Owners Association, Inc. The principal office of the corporation shall be located at 26385 IH-10 West, San Antonio, Texas 78255 (mailing address 27000 Hazy Hollow, San Antonio, Texas 78255) but meetings of the Members and directors may be held at such place within the State of Texas as may be designated by the Board of Directors.

**ARTICLE II
DEFINITIONS**

- (1) "Association" shall mean and refer to Scenic Oaks Property Owners Association, Inc., its successors and assigns.
- (2) "Association Property" shall mean all "Common Area" easements and personal property and attachments thereto owned by the Association, or granted to it, for the common use and enjoyment of the Members.
- (3) "Common Area" shall mean all real property (including the improvements thereto) owned and acquired, by fee title or by easement, by the Association for the common use and enjoyment of the Owners.
- (4) "Declaration" shall mean the Declaration of Covenants, Conditions, Restrictions, Reservations, and Easements of the Owners of Lots in The Scenic Oaks Subdivision, as amended and restated January 14, 2008, and thereafter.
- (5) "Lot" shall mean and refer to any plot of land (with the exception of the "Common Area") shown on the recorded subdivision plats of Scenic Oaks and on plats of any additional subdivision which may hereafter be brought into the Association.
- (6) "Member" shall mean and refer to those persons entitled to membership in the Association (a Member is also an "Owner") as provided in Article VI of the Articles of Incorporation.
- (7) "Member in good standing" shall mean any Association Member whose rights to vote and other rights of membership have not been suspended under Article VII, (1), (b), of the By-Laws and who is thus "entitled to vote" by casting or participating in casting the one vote allowed for each Lot such Member owns.
- (8) "Owner" shall mean and refer to the record Owner, whether one or more persons or entities, of the title to any Lot which is a part of the Subdivision, including contract for deed purchasers, but excluding contract for deed sellers and those holding title merely as security for performance of an obligation. An "Owner" is also a "Member".

- (9) “Subdivision” shall mean the Scenic Oaks Subdivision, according to plats of record, and such additions thereto as may be shown on future plats of record.

ARTICLE III MEETING OF MEMBERS

- (1) Annual Meetings. Annual Meetings of Members shall be held on the second Monday in January of each year at 7:30 p.m. If the day for the Annual Meeting of Members is a legal holiday, the meeting will be held at the same hour on the next following day which is not a holiday.
- (2) Special Meetings. Special meetings of Members may be called at any time by the President or by the Board of Directors, or on written request of Members who are entitled to vote 20% of all votes of Members.
- (3) Notice of Meetings. Written notice of each meeting of Members shall be given by or at the direction of the Secretary or other person authorized to call the meeting by mailing a copy of such notice, postage prepaid, at least ten (10) but not more than fifty (50) 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. Such notice shall specify the day, hour and place of the meeting and in case of a special meeting, the purpose of the meeting.
- (4) Quorum. The presence at the meeting of Members entitled to cast in person or by proxy one-tenth (1/10) of the votes of the 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 i) adjourn the meeting from time to time until a quorum as aforesaid shall be present or be represented, or ii) to hold a second meeting in accordance with the Declaration.
- (5) Proxies. At all meetings of Members, votes may be cast in person or by proxy. All proxies shall be in writing and filed with the secretary. Proxies shall be revocable and the proxy of any Owner shall automatically terminate on conveyance by him of his Lot.

ARTICLE IV BOARD OF DIRECTORS – TERM OF OFFICE ELECTION – REMOVAL

- (1) Management. The affairs of the Association shall be managed by a Board of Directors, who shall be resident members of the Association.
- (2) Terms of Office. Each Director has been, and shall be a part of a three (3) member Class of Directors, and shall have a term of three (3) years. Directors whose three year term expires at the Annual Meeting of Members in 2009 shall serve in Class I. Directors whose three year term expires at the Annual Meeting of Members in 2010 shall serve in Class 2. Directors whose three year term expires at the Annual Meeting of Members in 2011 shall serve in Class 3. The Board of Directors shall hold office until their respective successors are elected, or until their death, resignation or removal.

- (3) Vacancies. Vacancies in the Board of Directors may be filled by a majority of the remaining Directors, though less than a quorum, or by a sole remaining Director. The resident Members shall elect a Director at an Annual Meeting to fill any vacancy not filled by the Board of Directors, or if death, resignation or removal created a vacated directorship within ninety (90) days prior to the date of the Annual Meeting.
- (4) Removal. The entire Board of Directors or any individual member of the Board of Directors may be removed from office with or without cause by a vote of two thirds (2/3rds) of the Members in good standing that are in attendance, whether in person or by proxy, at any regular or special called meeting of such Members.
- (5) Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for any actual expenses incurred in the performance of his duties.

ARTICLE V BOARD OF DIRECTORS – NOMINATION AND ELECTION

- (1) Nomination. Nomination for election to the Board of Directors shall be by a nominating committee. However, nominations may also be made from the floor at any Annual Meeting of Members. 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 committee shall be appointed by the Board of Directors prior to each annual meeting to serve until the close of such annual meeting. The nominating committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but in no event shall it nominate less than the number of vacancies to be filled.
- (2) Election. Election to the Board of Directors shall be by secret written ballot, or if appropriate, by acclamation. 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 Articles of Incorporation. Persons receiving the largest number of votes shall be elected. Cumulative voting is permitted, provided that any Member who intends to cumulate his votes must give written notice of such intention to the Secretary of the Association on or before the day preceding the election at which such Member intends to cumulate his votes.

ARTICLE VI BOARD OF DIRECTORS – MEETINGS

- (1) Regular Meetings. Regular Meetings of the Board of Directors may be held monthly without notice, at such place and hour as may be fixed from time to time by resolution of the Board of Directors. In the event the regular date for a meeting falls on a legal holiday, such meeting shall be held at the same time on the next following day, which is not a legal holiday.
- (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.

- (3) Quorum. A Majority of the Directors shall constitute a quorum for the transaction of business. Every act preformed by the decision made by a majority of Directors present at a duly held meeting in which a quorum is present shall constitute the act or decision of the Board of Directors.

**ARTICLE VII
BOARD OF DIRECTORS – POWERS AND DUTIES**

- (1) Powers. The Board of Directors shall have power to:
- (a) Adopt and publish rules and regulations governing the use of the Association property and facilities including the personal conduct of the Members and their guests thereon; and to establish penalties for infractions of such rules and regulations;
 - (b) Suspend the voting rights, rights to services provided by the Association and rights to use of the facilities of any Members during any period in which such Member is in default in the payment of any assessments, fees, penalties or charges levied by the Association. Such rights may be suspended by any means available to the Association after having given written notice and an opportunity for a hearing to the defaulting Association Member;
 - (c) Exercise on behalf of the Association all powers, duties, and authority vested in or delegated to the Association and not specifically reserved to the membership by the Articles of Incorporation, the Declaration, or by other provisions of these By-Laws;
 - (d) Declare the office of a member of the Board of Directors to be vacant in the event that such member is absent from three consecutive regular meetings of the Board of Directors; and
 - (e) Engage a manager, independent contractors, and such employees as they may deem necessary, and to prescribe their duties.
 - (f) Add new units of the Subdivision to the membership of the Association, to be effective at such times as the plats for said new units are approved by the Commissioners Courts of the respective counties in which said units are located.
- (2) Duties. It shall be the duty of the Board of Directors to:
- (a) Cause to be kept a record of all its acts and corporate affairs and to present a summary thereof to the Members at each annual meeting, or at any special meeting at which such a summary is requested in writing by one-third of the Resident Members entitled to vote thereat;
 - (b) Supervise all officers, agents, and employees of the Association and see to it that their duties are properly performed.

- (3) Assessments. It shall be the duty of the Board of Directors to administer assessments, fees, penalties and charges in accordance with the provisions of the Declaration and Article XI of the By-Laws.
- (4) Other Duties. It shall further be the duty of the Board of Directors to:
 - (a) Procure and maintain adequate liability and hazard insurance on all appropriate property owned by the Association;
 - (b) Cause all officers or employees having fiscal responsibilities to be bonded, as it may be deemed appropriate; and
 - (c) Cause the Association Property to be maintained.

ARTICLE VIII OFFICERS AND THEIR DUTIES

- (1) Enumeration of Offices. The officers of the Association shall be a President and Vice-President, who shall at all times be members of the Board of Directors, and a Secretary, Treasurer, and such other officers as the Board of Directors may from time to time by resolution create.
- (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 Members.
- (3) Term. The officers of the Association shall be elected annually by the Board of Directors. Each officer shall hold office for a term of one year or until his successor is elected, unless he shall sooner resign, or shall be removed or otherwise be disqualified to serve.
- (4) Special Appointments. The Board of Directors 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.
- (5) Resignation and Removal. Any officer may be removed from office by the Board of Directors at any time with or without cause. Any officer may resign at any time by giving written notice to the Board of Directors, 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.
- (6) Vacancies. A vacancy in any office may be filled by an appointment made by the Board of Directors at a regular or special meeting of the Board of Directors. The officer appointed to such vacancy shall serve for the unexpired term of the officer replaced.
- (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 the other offices, except in the case of special offices created pursuant to Section 4 of this Article.

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

- (a) President. The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board of Directors are carried out; shall sign all leases, mortgages, deeds, and other instruments, and shall co-sign all checks in excess of \$300.00 and promissory notes.
- (b) Vice-President. The Vice President shall act in the place 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 of Directors.
- (c) Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board of Directors and of the Members; serve notice of meetings of the Board of Directors and of Members; keep appropriate current records showing the Members of the Association together with their addresses; and perform such other duties as may be required by the Board of Directors or by law.
- (d) Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all funds of the Association, and shall disburse such funds in excess of \$300.00 as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; shall keep proper books of account; shall cause an annual audit (or review) of the Association books to be made by a certified public accountant within ninety (90) days after the end of the fiscal year; shall prepare an annual budget and statement of income and expenditures, a copy of which documents shall be available to each Member, and report of which shall be given at the Annual Meeting of Members.

ARTICLE IX COMMITTEES

The Association shall appoint a nominating committee as provided in Article V of these By-Laws. In addition, the Board of Directors may appoint such other committees as it may deem appropriate in the performance of its duties.

ARTICLE X MEMBERSHIP IN ASSOCIATION: VOTING RIGHTS

- (1) Membership. Every Owner of a Lot shall be a Member of the Association; membership shall be appurtenant to and may not be separated from ownership of a Lot.
- (2) Voting Rights. The Association shall have one class of voting membership. Members shall be comprised of both Resident and Non-resident Members. Resident Members shall be all Owners of any Lot in the Subdivision who shall have completed the construction of the foundation for a residence on such Lot. Non-resident Members shall be those Owners in the Subdivision who have not completed construction of a foundation for a residence on the respective Lot or Lots. All Members 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. The vote for such Lot shall be exercised as they may determine, but in no event shall more than one vote be cast with respect to any Lot.

ARTICLE XI ASSESSMENTS

As more fully provided in the Declarations, each Member is obligated to pay to the Association annual and special assessments, along with properly imposed fees, penalties and charges, which are secured by a counting lien upon the property against which such are made. Any such which are not paid when due shall be delinquent and subject to the remedies provided for in the Declaration. No owner may waive or otherwise escape liability for assessments, fees, penalties and charges provided for herein by non-use of the common area or abandonment of his Lot.

ARTICLE XII PROPERTY RIGHTS

- (1) Owner's Easements of Enjoyment. Every Owner of a Lot shall have a right and easement of enjoyment in and to the Association Property, which shall be appurtenant to and shall pass with the title to such Lot, subject to the rights of the Association set out in the Declaration.
- (2) Delegation of Use. Subject to such limitations as may be imposed by the Board of Directors, each owner may delegate his right of enjoyment in and to the Association Property and facilities to the members of his family and to guests accompanied by the respective owners.

ARTICLE XIII BOOKS AND RECORDS: INSPECTION

The books, records and papers of the Association shall be subject to reasonable inspection by any Member during ordinary business hours. The Articles of Incorporation, Declaration and By-Laws of the Association shall be available for inspection by Members at the principal office of the Association where copies shall be made available for sale at a reasonable price.

ARTICLE XIV CORPORATE SEAL

The Association shall not have a corporate seal.

ARTICLE XV FISCAL YEAR


The fiscal year of the Association shall be the calendar year, except that the first fiscal period shall begin on the date of incorporation and shall end on December 31st of the year of incorporation.

**ARTICLE XVI
AMENDMENTS**

- (1) Amendments. These By-Laws may be amended at an Annual or Special meeting of the Members by vote of a majority of Members present in person or by proxy.

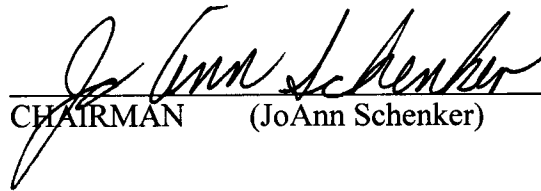
- (2) Rules of Construction. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

ADOPTED by the Membership at an annual Meeting the 12th day of January 2009.



SECRETARY (Sharon Pluchinsky)

APPROVED:



CHAIRMAN (JoAnn Schenker)