

# *Padre Isles*

PROPERTY OWNERS ASSOCIATION, INC.



## *Bylaws*

AMENDED TO  
September 24, 2013

# **PADRE ISLES PROPERTY OWNERS ASSOCIATION, INC.**

## **BYLAWS**

### **SECTION 1 MEMBERS**

1.01 **MEMBERSHIP.** Each person (which term shall be construed to include partnerships, corporations and any other type of entity or organization) who shall have acquired or shall hereafter acquire the record legal title to all or any portion of the property situated on Padre Island, Nueces County, Texas (hereinafter sometimes referred to as the "Subdivisions") as shown by the following listed recorded plats thereof, to-wit:

Barataria Bay Units 1-5	Commodore's Cove Units 1 & 2
Cape Summer Units 1 & 2	Mariner's Cay
Coquina Bay	Island Fairway Estates Blocks: 3 & 21-36
Island Fairway Estates	Point Tesoro Units 1-5
Mariners Cay Unit 2A	Ports O'Call
Padre Island Number 1 & 2	Section 2 (Galleon Bay)
Sea Pines Unit 1	Section 3A (Galleon Bay)
Section 3 (Galleon Bay)	Sections A-E
Section 4 (Tradewinds)	

Such membership shall continue for the duration of the ownership of property within the Subdivisions. This Association is a membership corporation organized under the provisions of the Texas Non-Profit Corporation Act. A member of this Association is not, as such, personally liable for the debts, liabilities, or obligations of the Association.

1.02 **EXTENSION OF TERRITORIAL ELIGIBILITY FOR MEMBERSHIP.** If, at any date subsequent to the adoption of these bylaws, additional land situated on Padre Island, Nueces County, Texas, may be developed with protective covenants similar to the protective covenants applicable to the Subdivisions and upon the approval of the Board of Directors become part of the Subdivisions covered by these Bylaws.

#### **1.03 VOTING RIGHTS.**

A. Only Voting Members shall have voting rights and be counted in determining a quorum at any meeting. Only one (1) vote may be cast with respect to or by reason of the ownership of each Lot, and in the case of ownership of less than an entire Lot, or in the case of undivided fractional interest ownership Lots, the vote attributable to a Lot only shall be a representative of the owners of a majority in interest or a majority of the front footage of such Lot (determined by measurement of the linear foot dimension of the Lot facing the street upon which such Lot fronts according to the plat or map designating and identifying such Lot).

B. A Voting Member may vote in person or by proxy; however, no proxy shall be valid after eleven (11) months from the date of execution unless otherwise provided in the proxy.

Each proxy shall be revocable unless expressly provided therein to be irrevocable, and in no event shall it remain irrevocable for more than eleven (11) months. A proxy delivered by email or by fax may be counted if the identity of the member submitting the ballot can be confirmed. [See Texas Property Code § 209.00592].

C. Voting may be conducted by mail or electronic means in such a manner as the Board of Directors shall determine.

#### 1.04 MEETINGS.

A. Annual Meeting. The Annual Meeting of the Members of the Association shall be held at ten o'clock a.m. on the second Saturday in March each year at such place in Nueces County, Texas as shall be designated for such purposes in a notice of the meeting. With respect to proxy voting, the Association shall provide the members with the following minimum information: When voting for Directors, a resume provided by each candidate within the space requirements as determined by the Directors and information on issues and amendments as required in Section 6, Paragraph 6.02.

B. Special Meetings. Special meetings of the members may be called at any time by the President, the Vice President, the Secretary or Treasurer, or by two (2) or more members of the Board, or upon written request of the members who have a right to vote ten percent (10%) of the votes entitled to be cast at the time of such call. Any business, which may properly be conducted at an annual or regular meeting of the members, may also be conducted at any special meeting.

C. Informational Meetings. In addition to the Annual Meeting, the Board may schedule informational meetings to pass on and receive information on news/plans/projects/status on programs for the benefit of the members

#### 1.05 NOTICE.

A. Not later than the 10<sup>th</sup> day or earlier than the 60th day before the date of an election or vote of the membership on a matter, the Association shall give written notice of the election or vote to each member. [See Texas Property Code § 209.0056].

B. If mailed, the notice shall be deemed to be delivered when deposited in the United State mail addressed to the member at the address as it appears on the records of the corporation, with postage prepaid. If notice is given by electronic mail, such notice shall be deemed to be delivered when sent to the electronic mail address provided by the member.

1.06 QUORUM. The owners of at least ten percent (10 %) of the Lots located in the Subdivisions, present in person or by proxy, shall be requisite for and shall constitute a quorum for the transaction of business at all meetings of the members of the Association. Any meeting of members may be adjourned from time to time without notice other than announcement at the meeting, until a quorum shall be present or represented. When a quorum is present in person or by proxy, a majority vote of the members present shall decide any question brought before such meeting, except as noted in Section 2, Paragraph 2.03.

1.07 PROCEDURES. All membership meetings and Board of Directors meetings shall be conducted according to Robert's Rules of Order, Newly Revised, as long as such rules are not inconsistent or in conflict with these Bylaws, the Articles of Incorporation, or Texas or Federal Law.

## SECTION 2 DIRECTORS

2.01 NUMBER. The number of directors of the Association shall be seven, and those whose terms shall have expired shall be elected at the annual membership meeting. Directors shall serve for three-year terms until his/her successor has been duly elected and qualified. Notwithstanding the foregoing, the directors may determine that in lieu of electing the new directors whose terms shall have expired at an annual membership meeting, such election shall be conducted by mail.

2.02 QUALIFICATIONS. Directors and Officers shall be natural persons of the age of eighteen (18) or over, and must be members of the Association.

2.03 VACANCIES AND REMOVAL. Any director may be removed with or without cause by the unanimous vote of the remaining members of the Board (excluding the director to be removed). Officers and Directors may also be removed, with cause, by a 55% vote of the members voting in an Annual or Special Meeting. Upon the death, removal, resignation, or incapacity of any member of the Board, a majority of the then remaining directors shall elect his/her successor.

### 2.04 MEETINGS.

A. An annual meeting of the Board of the Association shall be held each year immediately following the adjournment of the annual meeting of the members, and at the same place as the annual meeting of the members. Special meetings of the Board may be called by any three (3) directors or by the President, and shall be held at such time and place as shall be specified in the notice of such meeting.

B. A director may vote in person or by proxy. No such proxy shall be valid after three (3) months from the date of its execution; and each shall be revocable unless expressly provided therein to be irrevocable.

C. The Association must give all members notice of the date, hour, place, and general subject of all Board meetings. The notice shall be provided to each member as provided by the Texas Property Code. The notice shall be: (1) mailed to each member not later than the 10th day or earlier than the 60th day before the date of the meeting; or (2) provided at least 72 hours before the start of the meeting by: (a) posting the notice in a conspicuous manner reasonably designed to provide notice to the members: (i) in a place located on the Association's common property or, with the member's consent, on other conspicuously located privately-owned property within the subdivision; or (ii) on any Internet website maintained by the Association or other Internet media; and (b) sending the notice by e-mail to each owner who has registered an e-mail address with the Association. [See Texas Property Code § 209.0051].

2.05 MANAGEMENT. The affairs and property of the Association shall be managed and controlled by the Board. The Board shall have authority to cause the Association to own, acquire, develop, construct, maintain, operate, repair and replace, on a non-profit basis, common areas for the protection, security, pleasure, recreation, or benefit of the Subdivisions and the owners thereof, including but not limited to, greenways, recreation areas, canals, bulkheads, seawalls, sea gates, lighting, , drainage facilities, water access areas, including boat ramps, and such other facilities in the Subdivisions for the use, enjoyment, protection and benefit if the members of the Association, and other parties designated by the Board, as the Board may deem appropriate, and they are expressly given full powers not inconsistent with these bylaws, the Articles of Incorporation of this Association, applicable provisions of law and the Protective Covenants and Landowners' Agreements covering the Subdivisions to accomplish such purposes, including the power to acquire, purchase or lease any such facilities or transfer the management responsibilities for any such facilities to others in order to provide for the maximum enjoyment of such facilities by the members and such other designated persons.

#### 2.06 COMMITTEES.

A. The Board shall have power to make rules for their own government and for the government of the Association as it may deem necessary and to alter and amend the same; to prescribe and enforce penalties for violations of the rules and bylaws of the Association; to assess and fix charges to be levied against the members of the Association subject to limitations and conditions contained in the Protective Covenants and Landowner's Agreements filed of record for the Subdivisions; and to exercise such other powers as may be necessary or proper to attain the objectives of the Association. The Board shall have the authority to create committees by appropriate resolutions, and may delegate to any such committee so much of its authority as it shall deem advisable, and shall specify the duties of any committee so created. Not less than the majority of the members of any such committee having and exercising any of the authority of the Board of Directors in the management of the Association shall be directors of the Association. No required percentage of the membership of any committee not exercising such authority need be directors of the Association.

B. The Board may establish committees including an Architectural Control Committee and such others as it deems necessary.

2.07 EMPLOYEES. The Board shall have responsibility and authority to employ such employees as the affairs of the Association shall require and may delegate to any such employee so much of its authority as it shall deem advisable. The Board shall likewise have power for any cause they deem sufficient to discharge any or all employees of the Association and may delegate their authority to do so to any officer of the Association.

2.08 AUDIT. The financial records of the Association shall be audited annually by an accountant, who is licensed by the Texas State Board of Public Accounting as a Certified Public Accountant, as designated by the Board of Directors.

2.09 INDEMNIFICATION. Each director and officer or former director or officer of the Association shall be indemnified by the Association against expenses reasonably incurred by him

in connection with any action, suit or proceeding to which he may be made a party by reason of his being or having been a director or officer of this Association, except in relation to matters as to which he shall be finally judged in such action, suit or proceeding to be liable for negligence or misconduct in the performance of his duty as such director or officer. Such right of indemnification shall not be deemed exclusive of any other rights to which he may be entitled as a matter of law or under any provision of the Articles of Incorporation, Bylaws, Agreement, Vote of Members or otherwise; and the Association shall exercise the power to indemnify any such officer or director to the fullest extent to which such power of indemnification is permitted to be exercised under the laws of the State of Texas.

2.10 CONFLICT OF INTEREST. Officers, Directors, Committee Chairs, Committee Members, Employees and Consultants, before serving the Association shall be personally sensitive to conflicts of interest, and in serving shall not participate in discussions nor decision that are in conflict of interest.

### SECTION 3 OFFICERS

3.01 COMPOSITION. The officers of the Association shall consist of a President, a Vice President, a Secretary, a Treasurer, and an Executive Coordinator, plus such assistant officers as the Board may deem appropriate, each of whom shall be elected by the Board at its annual meeting. The Board shall have full authority to remove any officer from office by the vote of a majority of the members of the entire Board at any time; and the election of each officer shall be subject to such power of the Board. If any office shall become vacant, the Board shall select an individual to fill such office for the non-expired term thereof. Any two offices may be held by the same person except the office of President and Secretary.

3.02 DUTIES. The duties of the officers of the Association shall be as follows:

A. President. The President shall be the chief executive officer of the Association and preside at all meetings of the members and directors. The President shall supervise the Executive Coordinator in carrying out the Board's decisions and in the administration of the affairs of the Association. The President shall also execute contracts, conveyances and other documents on behalf of the Association. The President or the Executive Coordinator shall be the only persons to speak on behalf of the Association.

B. Vice-President. In the absence of the President, or when it is inconvenient for the President to act, the Vice President shall perform the duties and exercise the powers of the President. At any time when the Vice President is performing a duty or exercising a power of the President, any third party dealing with the Association may presume conclusively that the President was absent and that the Vice President was authorized to act in his place.

C. Secretary. The Secretary shall oversee the issuance of notices of directors' and members' meetings if so directed by the party calling the meeting, and the corporate minutes and records. The Secretary shall determine the membership of the Association as of the record date of any meeting. In doing so, the Secretary may use any method in which is deemed to be reasonably calculated to determine the ownership of Lots in the Subdivisions. Notwithstanding

the foregoing, the Secretary shall follow any instructions given by the Board of Directors to use a specific method in determining the membership of the Association. The Board may, if it deems it advisable, from time to time, designate one or more persons as Assistant Secretaries, who may perform the duties and exercise the powers of the Secretary when the Secretary is absent or it is inconvenient for the Secretary to act. Any third person dealing with the Association may presume conclusively that any Assistant Secretary acting in the capacity of the Secretary was duly authorized so to act.

D. Treasurer. The Treasurer shall be responsible for overseeing the custody of corporate funds and securities and the keeping of adequate books of account. The Board may, from time to time, if it deems it advisable, designate one or more persons as Assistant Treasurer who may perform the duties and exercise the powers of the Treasurer if the Treasurer is absent or if it is inconvenient for the Treasurer to act. Any third person dealing with the Association shall be entitled to presume conclusively that any Assistant Treasurer, acting in the capacity of the Treasurer, was duly authorized to do so. The Treasurer shall oversee the preparation of a roster of the members and the assessments applicable thereto, and a record of the payment of such assessments, and such records shall be kept at the principal offices of the Association and shall be open to inspection by any member at any reasonable time during business hours.

E. Executive Coordinator. The Executive Coordinator shall be the chief operating officer of the Association and be responsible for the implementation of the policies and programs established by the Board. The Executive Coordinator shall not be a member of the Board of Directors, but shall serve as the general manager of the Association, employing the staff, contractors, and consultants necessary to accomplish the work of the Association, subject to the policies and rules established by the Board. The Executive Coordinator shall present an annual budget to the Board for approval each year, and upon approval of the budget, the Executive Coordinator shall be authorized to expend funds for the budgeted purposes, subject to such rules and limitations concerning the signing of checks as may be adopted by the Board.

#### SECTION 4 ASSESSMENTS

4.01 MAINTENANCE ASSESSMENTS. Pursuant and subject to the conditions and limitations of the Protective Covenants Landowners' Agreements which have been or shall be filed of record for the various portions of the Subdivisions, which provide for maintenance fees to be paid by all members hereof to a Maintenance Fund administered by this Association or its designated agent, the Board is hereby authorized and given full power and authority to assess and collect from the members of the Association such maintenance fees at any regular or special meeting in order to obtain funds required by the Association for the performance of its objectives and purposes and to meet its obligations, subject to the provisions of these Bylaws, and the Protective Covenants and Landowners' Agreements shall have been filed of record for any portion of the Subdivisions authorizing or limiting the amount of such maintenance fees. Each assessment shall be due and payable by each member at the time and in the manner set forth in the respective Protective Covenants and Landowner's Agreements. Each assessment shall be payable to the Padre Isles Property Owners Association office located at 14015 Fortuna Bay Drive, Corpus Christi, TX. This Association shall not be liable for the failure of any member to pay any assessed maintenance charge.

4.02 EXEMPTION. No assessment shall be levied against any Lot owned by PIIC held by it for sale to others.

4.03 LIENS. The Association and its successors in interest shall have an express lien against each Lot into which the Subdivisions may be subdivided as shown by the maps or plats thereof at any time recorded, to secure all obligations of the owner or owners of each such Lot to the Association. The terms of such lien shall be as stated and provided in the deed restrictions and/or the Protective Covenants and Landowners' Agreements covering the specific subdivision units within the Subdivisions.

4.04 RELEASE AND SUBORDINATION. The Association may, by instrument executed by any person authorized by its Board, release or subordinate such lien of the Association, or any other right of the Association created under such deed restrictions and Protective Covenants and Landowners' Agreement in whole or in part with respect to any Lot in the Subdivisions for any reason whatsoever and upon such terms as it shall deem advisable, but any such release or subordination shall not affect such lien or rights insofar as they may apply to any other Lot in the Subdivisions.

4.05 SEAWALL. Any sums paid to the Association for the maintenance and repair of a seawall pursuant to the terms of applicable Protective Covenants and Landowners' Agreements shall be used exclusively for such purpose and for the purpose of reimbursing this purpose. Amounts owing to the Association for maintenance and repair of seawalls in subdivision units under the terms of applicable Protective Covenants and Landowners' Agreements shall bear interest at the rate of ten percent (10%) per annum as provided in such Protective Covenants and Landowners' Agreements.

4.06 DELINQUENCIES. Any assessment not paid when due shall be deemed delinquent and shall bear interest from said due date at the rate of six percent (6%) per annum. In addition to liens as described in paragraph 4.03 above, the Association shall also have the right to foreclose on such liens and all other rights and remedies necessary to collect delinquent amounts; with all costs being added to the delinquent member's account.

## SECTION 5 BOOKS AND RECORDS

5.01 REQUIRED BOOKS AND RECORDS. The Association will keep correct and complete books and records of account. The books and records include:

- A. A file-endorsed copy of all documents filed with the Texas Secretary of State relating to the Association;
- B. A copy of all Bylaws, and any amended version or amendments to them;
- C. A copy of the Protective Covenants and Landowners' Agreements.
- D. Minutes of the proceedings of the Board, and committees having any of the authority of



the Board for the previous seven years;

E. A financial statement showing the Association's income and expenses for the seven most recent fiscal years;

F. The Association's federal, state, and local tax information or income tax returns for each of the Association's seven most recent tax years.  
[See Texas Property Code § 209.005(m)]

5.02 INSPECTION. Books and records of the Association will be made available for inspection and copying pursuant to applicable law, such as Section 22.351 of the Texas Business Organizations Code and Section 209.005 Texas Property Code. The Board may require a member to submit a written demand for inspection by certified mail to the Association, stating the purpose for which the member will inspect the books and records. The Board has the following rights: (1) to determine whether the member's purpose for inspection is proper; (2) to deny the request if the Board determines that the member's purpose is not proper; (3) if granting the request, to identify which books and records are relevant to the member's stated purpose for inspection. [See Texas Property Code § 209.005]

5.03 COPYING. A member, at member's expense, may obtain photocopies of books and records for which the Board grants the right of inspection. The Board has the right to retain possession of the original books and records, to make copies requested by the member, and to charge the member a reasonable fee for copying. The charge for standard paper copies reproduced by means of an office machine copier or a computer printer is \$.10 per page or part of a page. Each side that has recorded information is considered a page. [See Texas Property Code § 209.005]

## SECTION 6 DISPOSITION OF ASSETS UPON DISSOLUTION

6.01. DISSOLUTION. Upon dissolution of the Association, the assets, both real and personal of the Association, shall be dedicated to an appropriate public agency or utility to be devoted to purposes as nearly as practicable the same as those to which they were required to be devoted by the Association. 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 described in Section 501(c)(4) of the Internal Revenue Code of 1986, as amended, to be devoted to purposes as nearly as practicable the same as those to which they were required to be devoted by the Association. No such disposition of properties shall be effective to divest or diminish any right or title or any member vested in him under the covenants and deeds applicable to the Subdivisions unless made in accordance with the provisions of such covenants and deeds.

## SECTION 7 AMENDMENTS

7.01 AMENDMENTS. These Bylaws may be amended at any regular or special meeting of the members by a vote of a majority of the votes entitled to be cast by the Voting Members present at such meeting, in person or by proxy, provided that no amendment is

inconsistent with the provisions of the Articles of Incorporation, applicable law, the applicable deed restrictions and Protective Covenants and Landowners' Agreements, or any covenant or restriction applicable to the Subdivisions, shall be valid. These bylaws additionally may be amended at any regular or special meeting of the Board of Directors, after notice of such meeting has been provided to the membership in the manner provided in these Bylaws.