

# Investigation Results

## **Report to the Community and the Board to be presented at the October 24, 2017 Board Meeting**

The following is a report regarding an allegation I received and the findings. As a member of the financial community and a Board Member, I take allegations of illegal activity VERY SERIOUSLY. I have spent many hours and many days reviewing documents in my fact finding mission and the following is a summary (albeit still several pages) of the inquiry. You will be hearing the results of the inquiry along with the board members for the first time.

October 3, 2017 – received a letter from Mr. Jim McFadden alleging fraud of a board member (Brent Moore), the board's attorney (John Bell) and the executive coordinator (MayBeth Christensen). It was requested that I use my business experience to "publicly investigate and discuss these allegations". However, my business experience does not support that approach. When an individual, or group of individuals, are accused of something, it is appropriate to inquire about all the circumstances regarding the situation to determine if the accusation has merits before it is brought before the public or the leadership of the organization. Since the accuser alleged illegal activities, the remaining leadership also needed to be aware of the situation.

October 4, 2017 – I notified the accused parties that an allegation had been made, that I was starting an inquiry, and they should be expecting more information the next day.

October 5, 2017 -The board was put on notice regarding the allegations, and information was requested from current and prior board members, legal counsel and the current and prior Executive Coordinator. Additionally, I asked a fellow board member – Nancy Tressa to assist me in the inquiry. The goal would be to independently verify the validity of the information submitted of each document, create a timeline, and determine what had occurred. This information would then be brought back to the remaining board members not involved in the allegations for any action or follow up needed.

October 5, 2017 – John Bell responded. The basis of his response was to notify us that that when he pulled the word document of the bylaws from his files, he had inadvertently pulled an older red lined version from 2013 and used it to insert the bylaw change authorized in April 2017 regarding plurality, and that was what was inappropriately submitted to Mr. Moore for signature and to be filed. He had already prepared a corrected version that would be ready the next day for signature and filing.

October 5, 2017 – Brent Moore responded. He vehemently disagreed that he had not mislead or hidden information, had not intentionally filed false documents, and that he believed this was intent to smear his good reputation.

October 5, 2017 – MayBeth Christensen responded. She indicated that there is a group of individuals whose intent was to get rid of her, then Brent Moore, then John Bell and the added stress led to her resignation. She confirmed she did not recall any secret or private discussions regarding the bylaws. She had attended a briefing on state law changes in 2013 and had asked if the Board needed to make changes to the POA bylaws based on what she had learned. She also indicated that she had stopped signing the tax returns because Mr. Bell had informed her that she was not an officer of the corporation and so she never signed as one again.

October 6, 2017 - I followed up with Mr. Bell and requested the corrected version of the bylaws with explanations, and requested that nothing be filed until the inquiry was completed. Mr. Bell sent us a corrected version ready for signature.

October 7, 2017 - We began review of the documents and on multiple occasions have requested additional documents from current and prior board members, as well as the POA office.

October 16, 2017 – Mr. McFadden posted a Facebook message to the community titled “Shocking PIPOA Board Behavior Uncovered”. He reiterated his claims of secretive amendments not approved by the board and indicated that he had opened a case with the Texas Attorney General. He did not mention that in my acknowledgement to him, I had requested the case # and contact information for his representative from the Attorney General’s office so that I could send the findings of the inquiry directly to the Texas Attorney General, nor did he mention that he had declined to send me the information I had requested of him.

There are a series of documents that were reviewed, with the primary ones listed below. The intent was to independently identify and review documents that the board members actually reviewed, regardless of whether they were final documents. This process assisted in determining what the board was aware of over a period of time.

- 10/2/17 Letter submitted by Mr. McFadden including copies of the 1994 Bylaws and the 1997 Bylaws.
- 3/26/13 Board Minutes – John Bell and MayBeth Christensen directed to make revision to bylaws in compliance with changes to state law for the board to review.
- 1994 Bylaws copy from the 4/23/13 Board Packet obtained from Darrell Scanlan.
- Redlined version of the 1994 Bylaws from the 4/23/13 board packet obtained from Darrell Scanlan with suggested changes for the board and legal counsel to consider. Based on the comments, it appears this document was most likely prepared by MayBeth Christensen and / or her staff. The changes appear to be the result of changes in law as well as changes in operation (for example, change in location where the annual meeting would be held)
- 6/25/13 Board Minutes – under old business, MayBeth had not yet met with John on bylaw amendments.
- August 2013 redlined version of the bylaws from the 8/27/13 board packet obtained from Darrell Scanlan and a clean version for the board to consider approving. These changes appear to have been submitted by legal counsel, John Bell. The minutes from this board meeting indicate they had come in the day of the board meeting. There were some numbering issues and questions regarding the Executive Coordinator position. Board President Jeff Carlson directed board members to review the changes for a possible vote at the September 2013 meeting.
- September 2013 red lined version of the bylaws from the 9/24/13 board packet obtained from POA Director (Mr. Scanlan could not find his packet from this month) and September 2013 final version of the bylaws from the same packet. The redlined version contained more changes from the August version. No indication as to how these changes came to be, but assumed they were the result of comments from Board members as they had reviewed the documents during the previous month.
- 9/24/13 Board Minutes – These indicate the board had approved the amendments to the bylaws. These bylaws SHOULD HAVE been signed by then board president Jeff Carlson and then filed with Nueces County. A copy of the filed document SHOULD HAVE been retained in the POA office as a matter of record.
- 4/1/17 Special Board Meeting Minutes (held at the annual meeting) – The board voted to amend the by-laws so that the election of the board of directors would be by a plurality vote to take effect 4/2/17.
- 4/25/17 Minutes – the 4/1/17 minutes from the special board meeting were accepted.
- 4/2/17 Bylaws signed by President Brent Moore on 4/25/17 and filed at Nueces County on 4/26/17. This is the set of bylaws in question which allegedly contain “extensive material modifications” and “secretive changes that Mr. Moore authorized to be filed under his signature” which allowed him to expand his authority to manage. Further it was alleged that “these changes were artful, and demonstrate evidence of skillful legal drafting (this could not be a clerical mistake in Mr. Bell’s Office) this change was material and has been kept hidden from the members and I assume from yourself and the board” – quotes taken from Mr. McFadden’s letter.

Here are the findings regarding the original version of the 2017 Bylaws filed:

- The wording used in section 3.1 under section A. President: This wording is the EXACT wording as used in the August 2013 version submitted to the board under President Carlson. It is also almost the same wording as was in the 1994 bylaws except “association” replaced “corporation” and the 1<sup>st</sup> and 2<sup>nd</sup> sentences from the 1994 bylaws were condensed into one sentence with no material changes.
- The wording used in section 3.1 under section C Secretary: This wording is the EXACT wording as used in the August 2013 version submitted to the board under President Carlson. It is also almost the same wording as was in the 1994 bylaws except “association” replaced “corporation” and the 2013 version took out the gender specific items such as “he may” and replaced with “the secretary may”.
- Section 3.1 – Executive Coordinator did not exist in the 1994 or the August 2013 versions and it was not included in the 2017 version.
- Based on these observations, it stands to reason that Mr. Bell’s explanation in his October 5, 2017 email that he had inadvertently pulled the wrong version of bylaws to update for the board, appears accurate. From the study of the documents, it appears he pulled the August 2013 version rather than the version the board approved in September 2013.
- Based on my study of the documents, it appears that any changes to the President and Secretary roles, and the addition of the Executive Coordinator to the bylaws occurred in the August and September 2013 updates under the direction of then president Jeff Carlson and were approved by the board at that time. I cannot say which changes to the bylaws were results of changes in the law, but it is apparent that some of the changes were updated with respect to the operations of the organization to reflect changes over time.
  - Changing “corporation” to “Association”
  - Removing gender specific references to make them gender neutral
  - Updates to allow for fax and email (allows for advancement in technology)
  - Allowing for Changing the location of the annual meeting from the country club which is no longer in existence
- Whether the changes were a result of change in operations over time or the result of changes in law, there were no findings that current President Brent Moore participated in drafting of new language to expand his authority, since all the language came from the previous versions of the bylaws that multiple board members had reviewed over time.

As a member of the Board of Directors, my role in this inquiry was not to judge guilt or innocence, but as a fact finder of the truth. When a member of the community notifies us that something was possibly done illegally, it is our job to review the facts and I take those seriously. I went in with no pre-conceived ideas of what happened. I am simply stating what I observed while spending many hours reviewing as many documents as I needed to feel confident in reporting back to the community and to the board. I have been criticized by both the original accuser and by board members for not acting quickly enough in my reporting. I will accept that criticism but also, those that know me well, know that I WILL NOT rush to judgment or be forced into something I am not comfortable doing. I regret that some in the community have voiced or posted false claims rather than waiting for the findings, and that reputations were tarnished based on those false claims. Mr. McFadden, in his initial letter to me, referenced my email tag line that I have had for many years “If I take care of my character, my reputation will take care of itself”. He indicated he was appealing to my business experience and my sense of ethics and fair mindedness. I hope that I have stood up to this as I submit this report.

Mr. McFadden requested to hear from the board, understand what happened, and learn about a solution. He also requested the following:

- 1) Secure another attorney to represent the board in this matter. (this is a board decision to be discussed in executive session)



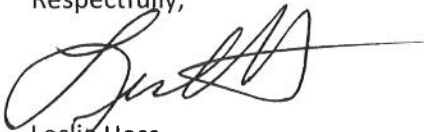
- 2) Remove Mr. Moore for cause (this is a board decision, but there were no findings of "cause" in the inquiry other than not properly reviewing a document submitted for signature)
- 3) Provide a document to the community that discusses this allegation, the findings, and the cure for defects. ( that is this document as well as some recommended future policies and procedures to ensure this does not re-occur)

Based on the criteria for Executive session to include items such as attorney consultation, personnel issues, enforcement actions, and other confidential matters, I will request an executive session at the end of the board meeting to exclude Mr. Moore and Mr. Bell to discuss the findings of my report. It is not my sole decision as to any further actions that may or may not be taken; rather those are matters for the board to consider, given the facts.

- 1) The board to advise if they concur on the findings that Mr. Moore was not involved in intentionally expanding his role or altering documents.
- 2) Does the board wish to issue any reprimands or take any additional actions regarding the findings. The individuals involved deserve the respect of this discussion in private, just as would be done if they were employees. This is a normal business practice.
- 3) Finally, after inviting Mr. Moore to re-join executive session, a discussion of whether the board should request a 2<sup>nd</sup> opinion of outside legal counsel, regarding the bylaws, given the fact the 2013 bylaws were not filed with Nueces County, inaccurate 2017 bylaws were filed, and confirm that we are in a position to file the proper 2017 bylaws that were approved by the board. In addition, does outside counsel concur on the legal interpretations regarding the board's ability to change / update bylaws given that fact that members of the community have questioned this specific item.

Unless the board requests further inquiry from me, my report is complete and respectfully submitted to the community and to the board. With the board's permission, I would like to place a copy of this report in the POA office and in PDF format for review by the community.

Respectfully,



Leslie Hess

Vice President of the Padre Isles Property Owners Association.

Original  
Letter  
&  
Documents  
Received



To the attention of:

Mrs. Leslie Hess

Vice President

Padre Isles Homeowners Association

Personal & Confidential information enclosed for only Mrs. Hess

A handwritten signature in black ink, appearing to read 'James J. McFadden', with a long horizontal flourish extending to the right.

James J. McFadden

October 3, 2017



Hand Delivered to PIPOA Offices

October 3, 2017

Mrs. Leslie Hess  
Vice President  
Padre Isles Property Owners Association

Dear Mrs. Hess,

Several months ago I visited the Nueces County Clerk's office to request publicly filed copies of our Bylaws. As you may know, TPC 202.006 requires our bylaws to be filed with the Nueces County Clerk for them to be considered our dedicatory instruments. I secured a certified copy of the April 26, 2017 filing of our Bylaws. These were the Bylaw amendments where the Board approved a very limited change to our voting rules, implementing a plurality method for determining outcome.

The specific issue I am raising with this letter does not take a position on the Board's authority to amend our Bylaws. I consider that question to be beyond the scope of this writing. The specific purpose of this letter today is to inform you, the Vice President of the PIPOA, of evidence of what appears to be a felony violation of Texas Penal Code 32.47 with the construction and filing of our 2017 Bylaw amendments. Texas Penal Code 32.47 is a law that deals with the fraudulent construction of a document that must be publicly filed ("Fraudulent Destruction, Removal, Or Concealment Of Writing").

I understand that what I am about to reveal to you will be a stunning allegation, which is why I have chosen to address it to you in a private letter. Prior to arriving at my conclusions:

- I secured a certified copy of our 2017 Bylaws from Nueces County.
- I secured certification from the Nueces County Clerk's Office that no official copy of our 2013 Bylaws were ever filed with Nueces County. I subsequently secured a copy of our official 2013 Bylaws from the PIPOA.
- I compared 2017 Bylaws to the 2013 Bylaws and generated a comparison redline, uncovering additional unauthorized secretive amendments. Herein lies the root of what appears to be a felony violation of Texas Penal Code 32.47.
- I have reviewed the Texas Penal Code.
- I have consulted with the Board Policy Manual, looking for guidance on how I should proceed with my findings.

Here are the facts as I have researched them:

1. On March 29, 2017 the PIPOA published the agenda for the April 1, 2017 Special Board meeting, stating their intentions to modify the Bylaws. This was in conformance with the requirements of TPC 209.0051.
2. On April 1, 2017 President Moore led the board in a discussion to modify the bylaws, limiting the changes to plurality vote. While the video was rolling he gave a speech describing the changes. Mr. Bell then gave a speech describing the same limited changes. Both Mr. Moore and Mr. Bell were clear as to the exact and limited amendment being approved. A board discussion and vote was taken, approving the limited bylaw change.
3. On April 25, 2017, the Board reconvened to complete the annual vote and seat the new board. At that meeting, on video, Mr. Bell handed a draft of the amended bylaws to President Moore. Texas BOC requires our governing documents to be executed by an Officer of our corporation. President Moore reviewed and signed the amended 2017 bylaws, which subsequently authorized Mr. Bell to file it with Nueces County.



4. State Law (TPC 202.006), enacted in 2012, requires bylaws to be filed with Nueces County for them to be dedicatory instruments.
5. Prior to filing with Nueces County Mr. Bell used his notary stamp to witness a legal document that he had personally prepared.
6. On April 26, 2017 Mr. Bell filed the bylaws with Nueces County, establishing these amendments as our dedicatory instrument, in accordance with state law.

Everything I have stated to this point are facts, gathered from public records. I now bring your attention to the more serious discussion of Texas Penal Code 32.47. An examination of the 2017 Bylaws that the Board approved and that President Moore instructed Mr. Bell to file, raises the issue of the possibility of a felony violation. The amendments that you and the Board approved were not the amendments that President Moore executed and that Mr. Bell filed with Nueces County. The actual bylaw document that Mr. Moore authorized and Mr. Bell caused to be filed contain extensive material modifications beyond what the Board authorized in their vote on April 1, 2017.

The redline comparison of 2013 vs 2017 uncovered additional secretive changes that Mr. Moore authorized to be filed under his signature, specifically:

- a) Striking the position of Executive Coordinator. These additional changes removed the requirement that the new Executive Coordinator (Christensen's replacement) be an Officer, subsequently a Member, subsequently own property and live in our community.
- b) Assigning President Moore as sole spokesman for corporate policy and direction, expanding his authority.

The result of Mr. Moore's actions was that the position of Executive Coordinator has been eliminated. A new Manager has been hired that, although may be eminently qualified, is no longer an Officer, or a Member, or a Property Owner. Mr. Moore has also expanded his authority to manage our corporation.

These changes were artful, and demonstrate evidence of skillful legal drafting (this could not be a clerical mistake in Mr. Bell's office). This change was material and has been kept hidden from the Members, and I assume from yourself and the Board.

Upon review of the 2016 tax records it appears that Mrs. Christensen was aware of the change in her status as an Officer. Beginning in 2013, the position of Executive Coordinator was an Officer in our corporation as described in our 2013 Bylaws, and as noted on our Tax filings. As of the 2017 Bylaw amendments that position was struck, and subsequently this position is no longer an Officer. Mrs. Christensen appeared to have advance knowledge of her change in status when she filed the 2016 taxes (April 2017) and removed herself from the list of officers.

I find it disturbing that Mr. Bell's firm would prepare additional Bylaw modifications, beyond the limited modifications that the Board approved.





I find it disturbing that Mr. Bell would use his own notary stamp to witness the execution of these amendments. If the notary public is named as a party to the transaction or has a direct or indirect financial and/or beneficial interest in the document, no matter how small, the notary must not notarize the document. Although somewhat inconvenient, Mr. Bell should have arranged for Mr. Moore to execute this document with an impartial Notary.

I find it disturbing that the evidence appears to show that a member of our Board (President Moore), an employee (Mrs. Christensen), and an outside advisor (Mr. Bell) appear to have been involved with these secretive amendments, yet the full Board and the Members were not informed.

I have struggled with the gravity of this issue for the last two months. I am stunned as to why this happened. While it would have been a simple matter of a quick board meeting and a quick vote to further approve Bylaw amendments, that legal and ethical path was not chosen. I have reviewed the Board Policy Manual and understand that I should bring this issue to the attention of the President, but I do not feel that would be appropriate in this case. I understand the seriousness of this discovery and it simply can't be ignored. The 2017 Bylaw changes are a part of the public record. This document impacts my properties. I have begun to hear rumblings of this issue in the community. I anticipate that, in due course, this will be exposed and subsequently damage our community.

In reading your email correspondence I note your signature line "If I take care of my character, my reputation will take care of itself ". I appeal to your business experience, and your sense of ethics and fair mindedness.

Please note that I write this letter as a member, under my own signature. I am not represented by an attorney in the construction of this letter. I have not threatened any legal action. As such, and due to the nature of these allegations and their impact on our Bylaws, any discussion by the Board in Executive Session would be a further violation of state law. I ask you to convene a Special Session of the Board to publicly investigate and discuss these allegations. Please review the actual filed copy of our Bylaws. Please compare 2017 to 2013 to see what I found. Please look back thru published Board minutes, way back to 2013, to see if there is any hint of why something like this would happen. I have already had the PIPOA do this research and they tell me no such "pre- authorization" ever happened. Finally, please review the Board Policy Manual for a solution.



At its worst, a crime has been committed and must be prosecuted. At its best, the Board and the Members have been damaged by these actions. Our Members will want to hear from the Board, understand what happened, and learn about a solution.

Should you determine that these facts are as I have presented, then I ask several things of you:

1. Secure another attorney to represent the Board in this matter. Mr. Bell's advice on this matter would be improper. I would hope he would recuse himself.
2. Remove Mr. Moore from the Board for cause.
3. Provide a document to the community that discusses this allegation, your findings, and your cure for any defects that you may find.

The steps you must take to cure our Bylaws will be difficult. The 2017 bylaw amendments have damaged our corporation and must be cured. Withdrawing the amendments and reverting to the 2013 Bylaws has its own perils. I believe that our true unadulterated bylaws can be found with the September 8, 1994 Bylaws.

But what I believe does not matter, except that I believe in the Rule of Law. I await the Board's public investigation and written findings on this matter.

Respectfully,



James J. McFadden

PIPOA Voting Member

As certified by the Resale Certificate issued by PIPOA

For the property located at: 15606 Three Fathoms Bank Drive  
Corpus Christi, Texas 78418

**Attachments:**

Texas Penal Code 32.47  
PIPOA 2017 Fraudulent Amendment  
PIPOA 2017 Board Approved Amendment  
PIPOA 2013 Bylaws  
PIPOA 2017 Bylaws



## The Fraudulent Bylaw Changes that were inserted by Moore, under his signature as an Officer, on April 25, 2016

3.1 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 and be responsible for President shall supervise the Executive Coordinator in carrying out the Board's of their 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~~ a designee shall be the only persons to speak on behalf spokesman for the policy 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~~ issue notices of directors' and members' meetings if so directed by the party calling the meeting, and shall be responsible for 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 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.

~~A. 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.~~





## The Specific Bylaw Changes that were Authorized by the Board vote on April 1, 2017

2.1 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. In the election of directors, the candidates receiving the highest number of votes (plurality) shall be declared the winners.<sup>1</sup> 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.

<sup>1</sup> The amendment made by this statement was adopted to be effective as of April 2, 2017.



## Texas Criminal Code 32.47

### Sec. 32.47. FRAUDULENT DESTRUCTION, REMOVAL, OR CONCEALMENT OF WRITING.

- a) A person commits an offense if, with intent to defraud or harm another, he destroys, removes, conceals, alters, substitutes, or otherwise impairs the verity, legibility, or availability of a writing, other than a governmental record.
- b) For purposes of this section, "writing" includes:
  - printing or any other method of recording information;
  - money, coins, tokens, stamps, seals, credit cards, badges, trademarks;
  - symbols of value, right, privilege, or identification; and
  - universal product codes, labels, price tags, or markings on goods.
- c) Except as provided in Subsection (d), an offense under this section is a Class A misdemeanor.
- c) An offense under this section is a state jail felony if the writing:
  - (1) is a will or codicil of another, whether or not the maker is alive or dead and whether or not it has been admitted to probate; or
  - (2) is a deed, mortgage, deed of trust, security instrument, security agreement, or other writing for which the law provides public recording or filing, whether or not the writing has been acknowledged.



Doc# 2017016587

# *Padre Isles*

PROPERTY OWNERS ASSOCIATION, INC.



## *Bylaws*

As Amended Through  
April 2, 2017

# **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  
Cape Summer Units 1 & 2  
Coquina Bay  
Island Fairway Estates  
Mariners Cay Unit 2A  
Padre Island Number 1 & 2  
Sea Pines Unit 1  
Section 3 (Galleon Bay)  
Section 4 (Tradewinds)

Commodore's Cove Units 1 & 2  
Mariner's Cay  
Island Fairway Estates Blocks: 3 & 21-36  
Point Tesoro Units 1-5  
Ports O'Call  
Section 2 (Galleon Bay)  
Section 3A (Galleon Bay)  
Sections A-E

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. In the election of directors, the candidates receiving the highest number of votes (plurality) shall be declared the winners.<sup>1</sup> 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

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<sup>1</sup> The amendment made by this statement was adopted to be effective as of April 2, 2017.

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 and a Treasurer, 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 and be responsible for the carrying out of their decisions 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 a designee shall be the only spokesman for the policy 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 issue notices of directors' and members' meetings if so directed by the party calling the meeting, and shall be responsible for 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.

#### 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.



**CERTIFICATE**

The attached and foregoing Bylaws are the current Bylaws of the Padre Isles Property Owners Association, Inc., a Texas nonprofit corporation, whose address is 14015 Fortuna Bay Drive, Corpus Christi, Texas 78418.

These Bylaws are being filed as a dedicatory instrument pursuant to Texas Property Code § 209.005 (i) and pertains to the Protective Covenants and real properties of Padre Isles more particularly described on Exhibit A attached.

The records production and copying policy of the Association required under Texas Property Code § 209.005 is set forth in Section 5 of the Bylaws.

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

By: \_\_\_\_\_

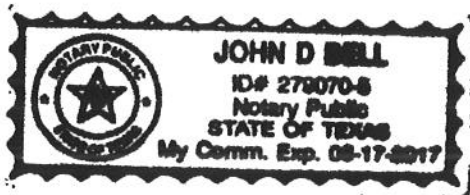
Brent Moore  
President

STATE OF TEXAS

§  
§  
§

COUNTY OF NUECES

This instrument was acknowledged before me on April 25, 2017, by Brent Moore, the President of Padre Isles Property Owners Association, Inc., a Texas nonprofit corporation, on behalf of said corporation.



\_\_\_\_\_  
Notary Public, State of Texas

Return to:

✓  
**WOOD, BOYKIN & WOLTER**  
615 N. UPPER BROADWAY, SUITE 1100  
CORPUS CHRISTI, TEXAS 78401-0748

## EXHIBIT A

<u>Subdivision Name</u>	<u>Covenants Filed of Record (Deed Records)</u>	<u>Map Filed of Record (Map Records)</u>
Section A	Volume 1258, Pages 215 et seq.	Volume 33, Pages 97 et seq.
Section B	Volume 1265, Pages 227 et seq.	Volume 34, Pages 15 et seq.
Section C	Volume 1323, Pages 487-94	Volume 34, Pages 133 et seq.
Section D	Volume 1335, Pages 285-92	Volume 35, Pages 24-25
Section E	Volume 1424, Pages 351-59	Volume 38, Pages 25-26
Barataria Bay Units 1 & 2	Volume 1292, Pages 114-21	Volume 34, Pages 60-63
Barataria Bay Unit 3	Volume 1300, Pages 426-33,	Volume 34, Pages 86-87
Barataria Bay Unit 4	Volume 1300, Pages 418-25	Volume 34, Pages 84-85
Barataria Bay Unit 5	Volume 1319, Pages 507-14	Volume 34, Pages 117-118
Cape Summer Unit 1	Volume 1386, Pages 1002 et seq.	Volume 36, Pages 25 et seq.
Cape Summer Unit 2	Volume 1386, Pages 1012 et seq.	Volume 36, Pages 34 et seq.
Commodore's Cove Unit One	Volume 1424, Pages 378-87	Volume 38, Pages 34-35
Commodore's Cove Unit Two	Volume 1424, Pages 388 et seq.	Volume 38, Pages 36-44
Coquina Bay	Volume 1424, Pages 407-16	Volume 38, Pages 47-54
Island Fairway Estates	Volume 1424, Pages 417 et seq.	Volume 38, Pages 55 et seq.
Island Fairway Estates	Volume 1517, Pages 100-110	Volume 40, Pages 154-59
Island Fairway Estates	Volume 1517, Pages 111 et seq.	Volume 40, Pages 181-82 Volume 40, Pages 183-84
Mariner's Cay	Volume 1292, Pages 106 et seq.	Volume 34, Pages 54-55
Mariner's Cay Unit 2 Mariner's Cay Unit 2-A	Volume 1424, Pages 398-406 Volume 1424, Pages 398-406	Volume 38, Pages 45-46 Volume 39, Pages 193-94
Point Tesoro Unit 1	Volume 1368, Pages 494-502	Volume 34, Pages 145-46



Point Tesoro Unit 2	Volume 1335, Pages 265-273	Volume 35, Pages 20-21
Point Tesoro Unit 3	Volume 1335, Pages 275-283	Volume 35, Pages 22-23
Point Tesoro Unit 4	Volume 1345, Pages 493-501	Volume 35, Pages 46-49
Point Tesoro Unit 5	Volume 1424, Pages 369-77	Volume 38, Pages 32-33
Ports O'Call	Volume 1424, Pages 427-36	Volume 38, Pages 62-68
Sea Pines Unit 1	Volume 1329, Pages 63 et seq.	Volume 34, Pages 149 et seq.
Section No. 1	Volume 1265, Pages 491-97 Volume 1280, Pages 354-59 Volume 1280, Pages 360 et seq. Volume 1384, Pages 528 et seq.	Volume 13, Pages 1-8 Volume 33, Pages 83-84 Volume 32, Pages 34 et seq. Volume 36, Pages 12 et seq.
Section No. 2 (Galleon Bay Unit 2)	Volume 1274, Pages 173-80 Volume 1491, Pages 803-10	Volume 33, Pages 80-82
Section No. 3 (Galleon Bay Unit 3)	Volume 1261, Pages 97-104	Volume 33, Pages 83-84
Section No. 3A (Galleon Bay Unit 3)	Volume 1424, Pages 349-50	Volume 38, Pages 22-23
Section No. 4 (Tradewinds)	Volume 1241, Pages 25-33	Volume 33, Pages 44-47
Tract B, Section No. 4 (Tradewinds)	Volume 1588, Pages 725-34	Volume 33, Pages 44-47
Lots 8 through 18, inclusive, Block 191, Section No. 4 (Tradewinds)	Volume 1580, Pages 512-21	Volume 42, Pages 4-5
Tract A, Section No. 4 (Tradewinds)	Volume 1856, Pages 357-365	Volume 33, Pages 44-47

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# Pages 13  
04/26/2017 3:02PM  
Official Records of  
NUECES COUNTY  
KARA SANDS  
COUNTY CLERK  
Fees \$63.00

Any provision herein which restricts the Sale,  
Rental or use of the described  
REAL PROPERTY because of Race, Color,  
Religion, Sex, Handicap, Familial Status, or  
National Origin is invalid and unenforceable  
under FEDERAL LAW, 3/12/89.

STATE OF TEXAS  
COUNTY OF NUECES

I hereby certify that this instrument was FILED  
in file number sequence on the date and at the  
time stamped herein by me, and was duly RECORDED  
in the Official Public Records of  
Nueces County, Texas  
KARA SANDS



*Kara Sands*



# *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.

# Emails



## Hess, Leslie

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**From:** Hess, Leslie  
**Sent:** Thursday, October 05, 2017 3:48 PM  
**To:** John Bell; Becky ; bmoore1@stx.rr.com; Carter Tate; darrellandterriscanlan@gmail.com; Hess, Leslie; Jack Sharlow; Marvin Jones; paultressa@att.net; Sharlow  
**Cc:** MayBeth Christensen ; Coastline Properties (Cheri Sperling); Stan Hulse  
**Subject:** Inquiry regarding formal notice received 10/3/17  
**Attachments:** Notice from McFaddon v20171003.pdf

On Tuesday, October 3<sup>rd</sup>, the attached notice was delivered to the POA office to my attention. I have not verified the validity of the information, nor have I formed any opinions. It appears that this letter was clearly drafted by an attorney. Due to the allegations made, I am opening an inquiry. I have asked Nancy to work with me on the inquiry, but will need information from many of you.

**John and Brent** - Can you please provide us with the details of what items were changed in the bylaws due to changes in the law, and which were related to items the board voted on? Please attach the law references for the items you indicated were made to bring our bylaws up to date according to current law. If they were the result of a board decision, please reference those accordingly also. Additionally, please provide any information you have concerning the details Mr. McFadden provided in his letter, particularly if you disagree with any items and what you feel we should know from your perspective.

**Other board members / past and present** – please provide details of what you remember being discussed at the board meetings and / or voted on relating to the bylaw changes or items listed in this letter.

**Maybeth** - please provide details of what you remember being discussed at the board meetings and / or voted on relating to the bylaw changes or items listed in this letter. If you had any private conversations with any board members or legal regarding these bylaw changes, please advise us on those also.

**Becky** – please independently verify the documents that Mr. McFadden provided including the bylaws filed with the state and the changes he has indicated were made. Please pull any board minutes where these items were discussed or voted upon related to bylaw changes or Officer duties. Please pull the Board policies and Procedures relating to instances of this nature.

**I would ask that you NOT “reply all” with your responses**, but rather send them directly to Nancy and I. This will help everyone to respond independently. I know we all have busy schedules. If at all possible, please respond by Friday, October 20, 2017.

Mr. McFadden asked that I use “my business experience” in this matter and requested a public investigation. My business experience does not support that approach. When an individual or group of individuals, are accused of something, it is appropriate to inquire about all the circumstances regarding the situation to determine if the accusation has merits. It is appropriate to notify the leaders of the organization that the inquiry is under way, and to notify those individuals involved to gain information from their perspective. That is the approach taken. We will provide an update to the board after we have had time to



review all the responses. It would not be appropriate to take it to the community until the inquiry is completed.

I welcome your comments.

*Leslie Hess*

*POA Board Member*

*My goal is to represent my neighbors on all of Padre Island to the best of my ability.*

Cell: 720-291-2398

*If I take care of my character, my reputation will take care of itself*

## Hess, Leslie

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**From:** John Bell <jdbell@wbwpc.com>  
**Sent:** Thursday, October 05, 2017 5:13 PM  
**To:** Hess, Leslie; paultressa@att.net  
**Cc:** MayBeth Christensen ; Becky ; bmoore1@stx.rr.com  
**Subject:** RE: Inquiry regarding formal notice received 10/3/17

Leslie and Nancy,

Thanks for the letter. Brent called me about it last night, and from the excerpts provided I could not make out what the complaint actually was about. Now with the entire letter, I was able to pull the file and determine what happened.

First, this letter was not drafted by an attorney. Mr. McFadden has prepared three or four similar letters like this previously.

Second, there were no amendments to the Bylaws made in April 2017 other than the plurality vote change. In one location, Mr. McFadden claims it was April 25, 2016 but in other locations he says 2017. That plurality vote change was approved on April 2, 2017, and the Bylaws with the update were signed on April 25, 2017.

Most importantly, the other "changes" referenced actually pertain to the last edits made to the Bylaws in the amendments approved in September 2013. Those changes did three things:

1. Added the position and duties of the Executive Coordinator to Bylaws since that position had always existed as an officer of the corporation but had never been part of the Bylaws.
2. Clarified the President's role to replace "carrying out" the decisions of the Board to supervising the Executive Coordinator who would carry out the Board's decisions and administer the affairs of the POA.
3. Clarified the role of the Secretary to be overseeing the preparation of the minutes and maintaining corporate records rather than personally doing such since the records all are maintained at the office.

On page 6, Mr. McFadden shows other alleged changes for the Secretary but when you actually read it you will note that the same language allegedly stricken out was put back in place.

The key problem, though, is it is now readily apparent that last April when my legal assistant and I pulled up the last copy of the Bylaws from 2013 on our system, we got the penultimate draft without these last edits and added the language concerning the plurality vote change. In reviewing the file log, I can see that for some reason the earlier draft without the Executive Coordinator position was opened later in 2013 giving it a more recent "Date Modified" on the computer system, but the versions presented to the Board and approved on September 24, 2013, clearly had the Executive Coordinator changes noted above.

This is not a matter I can blame on my legal assistant as I was the one who told her which file to pull and reviewed and presented the revised Bylaws. It is, however, an obvious clerical error that can be readily corrected by re-filing the corrected Bylaws including the provisions approved on September 24, 2013, and April 2, 2017. There have been no other amendments to the Bylaws during that time period.

The "artful" and "skillful legal drafting" by me that Mr. McFadden references was done in September 2013, not in March or April of this year. If he simply had asked the question or would have looked at the old 1994 Bylaws, he would have noticed that the alleged changes are precisely the additions made in 2013 for those sections.

During this entire period, MayBeth Christensen's role and duties with the POA never changed an iota. His arguments that this was some sort of a power grab simply bear no semblance to reality.

His contention that this in any way comes within the Texas Penal Code Section 32.47 on "Fraudulent Destruction, Removal or Concealment of Writing" simply is wrong. No one has intended to defraud or harm anyone by destroying, removing, concealing, altering, substituting or impairing a record. During the time period in question, nothing changed about the operation of the POA. In fact, when the provisions were amended in 2013, nothing really changed in the operation of the POA since these revisions were simply making the Bylaws conform to actual practice for many years.

I deeply regret that this error has consumed so much time on your part, for the Board and for Mr. McFadden. I can't help but think that in a normal setting upon discovering something like this the normal response would be to ask "why is this different?" and get an explanation. It's not like any operations at the POA changed at all and since the records all were either publicly filed or posted on the POA website, it's not as if anything could be hidden.

Tomorrow, I will provide a corrected set of Bylaws for signature and recordation. In accordance with filing any corrected instrument (there actually is a procedure for this in the Code since it happens from time to time), the corrected Bylaws will include a note explaining the correction being made.

Let me know if you have any other questions. I would appreciate your circulation of this to the rest of the Board and Mr. McFadden to eliminate any other concern about this issue.

John

John D. Bell  
Wood, Boykin & Wolter, P.C.  
615 N. Upper Broadway, Suite 1100  
Corpus Christi, Texas 78401-0748

361-888-9201  
FAX 361-888-8353



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**From:** Hess, Leslie [mailto:LeslieHess@ernesthealth.com]

**Sent:** Thursday, October 05, 2017 3:48 PM

**To:** John Bell; Becky ; bmoore1@stx.rr.com; Carter Tate; darrellandterriscanlan@gmail.com; Hess, Leslie; Jack Sharlow; Marvin Jones; paultressa@att.net; Sharlow

**Cc:** MayBeth Christensen ; Coastline Properties (Cheri Sperling); Stan Hulse

**Subject:** Inquiry regarding formal notice received 10/3/17

On Tuesday, October 3<sup>rd</sup>, the attached notice was delivered to the POA office to my attention. I have not verified the validity of the information, nor have I formed any opinions. It appears that this letter was clearly drafted by an attorney. Due to the allegations made, I am opening an inquiry. I have asked Nancy to work with me on the inquiry, but will need information from many of you.

**John and Brent** - Can you please provide us with the details of what items were changed in the bylaws due to changes in the law, and which were related to items the board voted on? Please attach the law references for the items you indicated were made to bring our bylaws up to date according to current law. If they were the result of a board decision, please reference those accordingly also. Additionally, please provide any information you have concerning the details Mr. McFadden provided in his letter, particularly if you disagree with any items and what you feel we should know from your perspective.

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**Maybeth** - please provide details of what you remember being discussed at the board meetings and / or voted on relating to the bylaw changes or items listed in this letter. If you had any private conversations with any board members or legal regarding these bylaw changes, please advise us on those also.

**Becky** – please independently verify the documents that Mr. McFadden provided including the bylaws filed with the state and the changes he has indicated were made. Please pull any board minutes where these items were discussed or voted upon related to bylaw changes or Officer duties. Please pull the Board policies and Procedures relating to instances of this nature.

**I would ask that you NOT “reply all” with your responses,** but rather send them directly to Nancy and I. This will help everyone to respond independently. I know we all have busy schedules. If at all possible, please respond by Friday, October 20, 2017.

Mr. McFadden asked that I use “my business experience” in this matter and requested a public investigation. My business experience does not support that approach. When an individual or group of individuals, are accused of something, it is appropriate to inquire about all the circumstances regarding the situation to determine if the accusation has merits. It is appropriate to notify the leaders of the organization that the inquiry is under way, and to notify those individuals involved to gain information from their perspective. That is the approach taken. We will provide an update to the board after we have had time to review all the responses. It would not be appropriate to take it to the community until the inquiry is completed.

I welcome your comments.

*Leslie Hess*

*POA Board Member*

*My goal is to represent my neighbors on all of Padre Island to the best of my ability.*

Cell: 720-291-2398

*If I take care of my character, my reputation will take care of itself*



## Hess, Leslie

---

**From:** Brent Moore <bmoore1@stx.rr.com>  
**Sent:** Thursday, October 05, 2017 6:24 PM  
**To:** Hess, Leslie; 'John Bell'; 'Becky '; 'Carter Tate'; darrellandterriscanlan@gmail.com; 'Jack Sharlow'; 'Marvin Jones'; paultressa@att.net; 'Sharlow'  
**Cc:** 'MayBeth Christensen '; 'Coastline Properties (Cheri Sperling)'; 'Stan Hulse'  
**Subject:** RE: Inquiry regarding formal notice received 10/3/17  
**Importance:** High

To all, Please see my responses below. DBM – followed by comment.

I am “responding to all” to make my position known. I have been targeted by a group of these people and, as I announced during Executive Session of the last Board meeting, have full intent to file a defamation lawsuit against a number of individuals. Their intentions are well documented. They want me to resign and are willing to go to extreme lengths to see that happen. Then, I suspect, they will systematically go after their next “target”.

I welcome any honest, fair and open dialogue to bring this matter to conclusion.

Thanks,  
Brent

**From:** Hess, Leslie [mailto:LeslieHess@ernesthealth.com]  
**Sent:** Thursday, October 5, 2017 3:48 PM  
**To:** John Bell <jdbell@wbwpc.com>; Becky <Becky@PIPOA.net>; bmoore1@stx.rr.com; Carter Tate <cartertate@sbcglobal.net>; darrellandterriscanlan@gmail.com; Hess, Leslie <LeslieHess@ernesthealth.com>; Jack Sharlow <jacktherancher@gmail.com>; Marvin Jones <mjones.law@att.net>; paultressa@att.net; Sharlow <gototheranch@gmail.com>  
**Cc:** MayBeth Christensen <MAC78418@Yahoo.com>; Coastline Properties (Cheri Sperling) <sperling@coastline-properties.com>; Stan Hulse <stan@toucangraphics.net>  
**Subject:** Inquiry regarding formal notice received 10/3/17

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**DBM** – I vehemently disagree that I have mislead, or attempted to mislead or hide information from anyone. I certainly did not intentionally file false documents nor did I ever hear or speak with anyone who had that plan. I have

served on this Board, and in other capacities in this community since I moved here in 1993, and have been recognized for positive contributions to this community. Never have I been accused of anything like this and I believe it is an attempt to smear my good reputation.

What we did at the 2017 Board meeting was to vote on the change of the PIPOA bylaws to a plurality versus a majority vote. This was to reduce the costs of additional runoff elections. Plain and simple.

As far as changes to the law, that is what we have John Bell and his firm employed for. He is hired to guide us in the proper direction legally. IF, and I stress IF, there was a misfiling of some sort...he needs to explain that. I also recall John routing a revision to the bylaws via email to the Board at that time. I have not gone back to compare that to what was filed...or signed.

**Other board members / past and present** – please provide details of what you remember being discussed at the board meetings and / or voted on relating to the bylaw changes or items listed in this letter.

**Maybeth** - please provide details of what you remember being discussed at the board meetings and / or voted on relating to the bylaw changes or items listed in this letter. If you had any private conversations with any board members or legal regarding these bylaw changes, please advise us on those also.

**Becky** – please independently verify the documents that Mr. McFadden provided including the bylaws filed with the state and the changes he has indicated were made. Please pull any board minutes where these items were discussed or voted upon related to bylaw changes or Officer duties. Please pull the Board policies and Procedures relating to instances of this nature.

**I would ask that you NOT “reply all” with your responses,** but rather send them directly to Nancy and I. This will help everyone to respond independently. I know we all have busy schedules. If at all possible, please respond by Friday, October 20, 2017.

Mr. McFadden asked that I use “my business experience” in this matter and requested a public investigation. My business experience does not support that approach. When an individual or group of individuals, are accused of something, it is appropriate to inquire about all the circumstances regarding the situation to determine if the accusation has merits. It is appropriate to notify the leaders of the organization that the inquiry is under way, and to notify those individuals involved to gain information from their perspective. That is the approach taken. We will provide an update to the board after we have had time to review all the responses. It would not be appropriate to take it to the community until the inquiry is completed.

I welcome your comments.

*Leslie Hess*

*POA Board Member*

*My goal is to represent my neighbors on all of Padre Island to the best of my ability.*

Cell: 720-291-2398

*If I take care of my character, my reputation will take care of itself*

## Hess, Leslie

---

**From:** Maybeth Christensen <mac78418@yahoo.com>  
**Sent:** Thursday, October 05, 2017 6:49 PM  
**To:** Hess, Leslie; John Bell; Becky; bmoore1@stx.rr.com; Carter Tate; darrellandterriscanlan@gmail.com; Jack Sharlow; Marvin Jones; paultressa@att.net; Sharlow  
**Cc:** Coastline Properties (Cheri Sperling); Stan Hulse  
**Subject:** Re: Inquiry regarding formal notice received 10/3/17

I have read John's response as well as Brent's and agree with Brent's assessment. This groups intent was to get rid of me, then Brent and then John.  
I really hated to make them feel like they won, but, frankly, the stress was doing me no good and I decided I was better off leaving.  
I absolutely do not recall any secret/private or any other discussions about the by-law changes other than I had attended a briefing of the state law changes given by the association chapter in Corpus and then asked John if we needed to do an update on the by-laws.  
As far as my signing the tax return. John had pointed out at the Board meeting after the 2016 annual meeting that we needed to ELECT a secretary, which Cheri was elected and that I was not an officer of the corporation. The practice had been since Mo Walker days at least and probably longer than that, that the EC was "automatically" the secretary which was voted on at the organizational meeting each year, but as soon as it was pointed out, I never signed as an officer again.  
It is truly unfortunate that these people continue to harass you for no valid reason and I sincerely question exactly what their end game is?

All the best to all of you!

Maybeth

---

**From:** "Hess, Leslie" <LeslieHess@ernesthealth.com>  
**To:** John Bell <jdbell@wbwpc.com>; Becky <Becky@PIPOA.net>; "bmoore1@stx.rr.com" <bmoore1@stx.rr.com>; Carter Tate <cartertate@sbcglobal.net>; "darrellandterriscanlan@gmail.com" <darrellandterriscanlan@gmail.com>; "Hess, Leslie" <LeslieHess@ernesthealth.com>; Jack Sharlow <jacktherancher@gmail.com>; Marvin Jones <mjones.law@att.net>; "paultressa@att.net" <paultressa@att.net>; Sharlow <gototheranch@gmail.com>  
**Cc:** MayBeth Christensen <MAC78418@Yahoo.com>; Coastline Properties (Cheri Sperling) <sperling@coastline-properties.com>; Stan Hulse <stan@toucangraphics.net>  
**Sent:** Thursday, October 5, 2017 3:48 PM  
**Subject:** Inquiry regarding formal notice received 10/3/17

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I welcome your comments.

**Leslie Hess**  
**POA Board Member**

**My goal is to represent my neighbors on all of Padre Island to the best of my ability.**

**Cell: 720-291-2398**

**If I take care of my character, my reputation will take care of itself**

## Hess, Leslie

---

**From:** Hess, Leslie  
**Sent:** Friday, October 06, 2017 9:33 AM  
**To:** 'John Bell'; paultressa@att.net  
**Cc:** Becky ; bmoore1@stx.rr.com  
**Subject:** RE: Inquiry regarding formal notice received 10/3/17

John & Brent,

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Executive Coordinator position was opened later in 2013 giving it a more recent "Date Modified" on the computer system, but the versions presented to the Board and approved on September 24, 2013, clearly had the Executive Coordinator changes noted above.

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**Attachments:** Bylaws 2017-1006 Corrected.pdf

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## Hess, Leslie

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**From:** John Bell <jdbell@wbwpc.com>  
**Sent:** Tuesday, October 10, 2017 7:27 PM  
**To:** Hess, Leslie  
**Cc:** Becky ; bmoore1@stx.rr.com; paultressa@att.net  
**Subject:** RE: Inquiry regarding formal notice received 10/3/17  
**Attachments:** Bylaws 1994-0908.docx; Bylaws 1994-2013 Black-lined.docx; Bylaws 2013-0903-ADOPTED.doc; 17 Agenda 0401.docx; Bylaws 2013-2017 Black-lined.docx; Bylaws 2017-0403.docx

Leslie,

Attached are the following MS Word documents:

1994 Bylaws (the version in existence prior to the 2013 Bylaws)  
1994-2013 Black-lined Bylaws (the proposed changes presented to the Board at the September 2013 meeting)  
2013 Bylaws (the Bylaws with the 2013 changes - all of the ones presented in the black-lined version)  
Agenda for Board Meeting on April 1, 2017 stating proposed amendment to Section 2.01  
2013-2017 Black-lined Bylaws showing change to Section 2.01 according to the motion actually approved.  
2017 Bylaws (the Bylaws with the 2017 amendment to Section 2.01)

As I noted earlier, if you look at the provisions on the President, Secretary and Executive Coordinator in Section 3 of the Black-lined copy of the 1994-2013 Bylaws presented in 2013, the changes are identical to the reversed changes showed by Mr. McFadden with the exception of some global changes of "corporation" to "Association" and the like that had been made in the earlier drafts in 2013.

The changes approved in 2013 were a fairly comprehensive update doing the following:

1. Adding provisions from Chapter 209 of the Property Code and the Business Organizations Code to make it easier for compliance.
2. Eliminating obsolete provisions applicable to Padre Island Investment Corporation, an option to add Cane Harbor Bay that was not accepted, non-existent committees, and the like.
3. Making several consistency provisions such as changing "corporation" to "Association"
4. Adding a provision on the Executive Coordinator since for years the Executive Coordinator had been serving as the chief operating officer of the POA but never mentioned in the Bylaws.

The last group of changes to the draft were adding the Executive Coordinator. That adjustment was the result of a conversation with the then Board President and Executive Coordinator on the final draft to present to the Board. The Board approved all of the changes as indicated in the black-lined copy at the September 24, 2013 Board meeting.

Just to be clear, I prepared several drafts of the proposed changes to the Bylaws internally that were never sent to the POA. The final draft submitted to the Board for review and discussion at the September meeting was after a discussion with the Executive Coordinator and President about adding provisions on the Executive Coordinator. Those final provisions were added in Section 3, and the proposed changes were sent to the Board. The Board was provided both the Black-lined copy and a clean copy of the updated Bylaws for review, and we discussed it all at that meeting.

So the earlier version pulled in error when we were adding the April 2, 2017 addition to Section 2.01 was the next to the last internal draft of the Bylaws being prepared for the September 2013 board meeting. The Bylaws changes were presented to the Board in one final version in September 2013 – the earlier drafts on our system were from development of that final version.

Let me know if you have any other questions.

John

**From:** Hess, Leslie [mailto:LeslieHess@ernesthealth.com]  
**Sent:** Tuesday, October 10, 2017 4:59 PM  
**To:** John Bell  
**Cc:** Becky ; bmoore1@stx.rr.com; paultressa@att.net  
**Subject:** RE: Inquiry regarding formal notice received 10/3/17

John,

Can I get the "word documents" for the bylaws

- Pre-2013
- 2013 changes
- 2017 changes

We need to use the compare documents features to identify all the changes made between each version.

Then we need to see for each change..

- 1) was it a result of the change in law
- 2) or 2) a result of a board decision which should be reflected in the minutes.

I believe this is what the community is asking for and I think it is a fair question that we as board members should be prepared to answer.

Next, on the version that you indicated was pulled in error.. if those changes weren't as a result of law changes or board decisions, how did they make it to a draft format?

*Leslie Hess*

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2. Clarified the President's role to replace "carrying out" the decisions of the Board to supervising the Executive Coordinator who would carry out the Board's decisions and administer the affairs of the POA.
3. Clarified the role of the Secretary to be overseeing the preparation of the minutes and maintaining corporate records rather than personally doing such since the records all are maintained at the office.

On page 6, Mr. McFadden shows other alleged changes for the Secretary but when you actually read it you will note that the same language allegedly stricken out was put back in place.

The key problem, though, is it is now readily apparent that last April when my legal assistant and I pulled up the last copy of the Bylaws from 2013 on our system, we got the penultimate draft without these last edits and added the language concerning the plurality vote change. In reviewing the file log, I can see that for some reason the earlier draft without the Executive Coordinator position was opened later in 2013 giving it a more recent "Date Modified" on the computer system, but the versions presented to the Board and approved on September 24, 2013, clearly had the Executive Coordinator changes noted above.

This is not a matter I can blame on my legal assistant as I was the one who told her which file to pull and reviewed and presented the revised Bylaws. It is, however, an obvious clerical error that can be readily corrected by re-filing the corrected Bylaws including the provisions approved on September 24, 2013, and April 2, 2017. There have been no other amendments to the Bylaws during that time period.

The "artful" and "skillful legal drafting" by me that Mr. McFadden references was done in September 2013, not in March or April of this year. If he simply had asked the question or would have looked at the old 1994 Bylaws, he would have noticed that the alleged changes are precisely the additions made in 2013 for those sections.



During this entire period, MayBeth Christensen's role and duties with the POA never changed an iota. His arguments that this was some sort of a power grab simply bear no semblance to reality.

His contention that this in any way comes within the Texas Penal Code Section 32.47 on "Fraudulent Destruction, Removal or Concealment of Writing" simply is wrong. No one has intended to defraud or harm anyone by destroying, removing, concealing, altering, substituting or impairing a record. During the time period in question, nothing changed about the operation of the POA. In fact, when the provisions were amended in 2013, nothing really changed in the operation of the POA since these revisions were simply making the Bylaws conform to actual practice for many years.

I deeply regret that this error has consumed so much time on your part, for the Board and for Mr. McFadden. I can't help but think that in a normal setting upon discovering something like this the normal response would be to ask "why is this different?" and get an explanation. It's not like any operations at the POA changed at all and since the records all were either publicly filed or posted on the POA website, it's not as if anything could be hidden.

Tomorrow, I will provide a corrected set of Bylaws for signature and recordation. In accordance with filing any corrected instrument (there actually is a procedure for this in the Code since it happens from time to time), the corrected Bylaws will include a note explaining the correction being made.

Let me know if you have any other questions. I would appreciate your circulation of this to the rest of the Board and Mr. McFadden to eliminate any other concern about this issue.

John

John D. Bell  
Wood, Boykin & Wolter, P.C.  
615 N. Upper Broadway, Suite 1100  
Corpus Christi, Texas 78401-0748

361-888-9201  
FAX 361-888-8353



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**From:** Hess, Leslie [<mailto:LeslieHess@ernesthealth.com>]

**Sent:** Thursday, October 05, 2017 3:48 PM

**To:** John Bell; Becky ; [bmoore1@stx.rr.com](mailto:bmoore1@stx.rr.com); Carter Tate; [darrellandterriscanlan@gmail.com](mailto:darrellandterriscanlan@gmail.com); Hess, Leslie; Jack Sharlow; Marvin Jones; [paultressa@att.net](mailto:paultressa@att.net); Sharlow

**Cc:** MayBeth Christensen ; Coastline Properties (Cheri Sperling); Stan Hulse

**Subject:** Inquiry regarding formal notice received 10/3/17

On Tuesday, October 3<sup>rd</sup>, the attached notice was delivered to the POA office to my attention. I have not verified the validity of the information, nor have I formed any opinions. It appears that this letter was clearly drafted by an attorney. Due to the allegations made, I am opening an inquiry. I have asked Nancy to work with me on the inquiry, but will need information from many of you.

**John and Brent** - Can you please provide us with the details of what items were changed in the bylaws due to changes in the law, and which were related to items the board voted on? Please attach the law references for the items you indicated were made to bring our bylaws up to date according to current law. If they were the result of a board decision, please reference those accordingly also. Additionally, please provide any information you have concerning the details Mr. McFadden provided in his letter, particularly if you disagree with any items and what you feel we should know from your perspective.

**Other board members / past and present** – please provide details of what you remember being discussed at the board meetings and / or voted on relating to the bylaw changes or items listed in this letter.

**Maybeth** - please provide details of what you remember being discussed at the board meetings and / or voted on relating to the bylaw changes or items listed in this letter. If you had any private conversations with any board members or legal regarding these bylaw changes, please advise us on those also.

**Becky** – please independently verify the documents that Mr. McFadden provided including the bylaws filed with the state and the changes he has indicated were made. Please pull any board minutes where these items were discussed or voted upon related to bylaw changes or Officer duties. Please pull the Board policies and Procedures relating to instances of this nature.

I would ask that you NOT “reply all” with your responses, but rather send them directly to Nancy and I. This will help everyone to respond independently. I know we all have busy schedules. If at all possible, please respond by Friday, October 20, 2017.

Mr. McFadden asked that I use “my business experience” in this matter and requested a public investigation. My business experience does not support that approach. When an individual or group of individuals, are accused of something, it is appropriate to inquire about all the circumstances regarding the situation to determine if the accusation has merits. It is appropriate to notify the leaders of the organization that the inquiry is under way, and to notify those individuals involved to gain information from their perspective. That is the approach taken. We will provide an update to the board after we have had time to review all the responses. It would not be appropriate to take it to the community until the inquiry is completed.

I welcome your comments.

*Leslie Hess*

*PCA Board Member*

*My goal is to represent my neighbors on all of Padre Island to the best of my ability.*

Cell: 720-291-2398

*If I take care of my character, my reputation will take care of itself*



**Hess, Leslie**

---

**From:** Hess, Leslie  
**Sent:** Monday, October 16, 2017 5:52 PM  
**To:** Jim McFadden (Jim.McFadden@WhiteCapApplications.com)  
**Subject:** re: Letter rec'd 10/13/17 from Jim McFadden

October 16, 2017

Mr. McFadden,

This is to acknowledge receipt of your emailed letter on 10/13/17 titled Supplemental Notice to PIPOA Board Concerning Bylaw Violations 101317.

As I had indicated to you previously, I have opened an inquiry regarding the letter you sent me on October 3, 2017.

I have spent and will continue to spend time on this inquiry. My original intention was to ultimately sit down with you upon completion of the inquiry (after discussion with the board and independent counsel) to review the findings. However, since you have indicated that you have opened a case with the Texas Attorney General's office, I would respectfully request that you provide your case # and contact so that I can visit directly with them.

*Leslie Hess*

*POA Board Member*

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## Hess, Leslie

---

**From:** Jim McFadden <jim.mcfadden@whitecapapplications.com>  
**Sent:** Monday, October 16, 2017 8:27 PM  
**To:** Hess, Leslie  
**Cc:** jim.McFadden@WhiteCapApplications.com  
**Subject:** RE: Letter rec'd 10/13/17 from Jim McFadden

Dear Mrs. Hess.

Thank you for your message. Let me take this opportunity to fill you in on some background info.

This past year we have begun reviewing PIPOA records. While we have lived off and on the island since 1996, and could not even spell PIPOA nor care a lick about it, it was only in 2016 when we received several harassing letters from the PIPOA that we woke up and began to ask questions. We began with a meeting with Mr. Moore, and he was very effective at calming us down. We began record requests and oversight and began to run into anomalies (as good a word as any).

Earlier this year I brought a serious oversight issue to the Board's attention. Roberts Rules was a serious question, that offered a simple 10 minute board cure for a defect I saw in how board meetings were being conducted. Not a big deal. A very technical observation and an incredibly simple solution. It was neither given serious attention, nor ever responded to in writing by any Board member. What did happen was I was publicly disparaged. First by a series of inadvertent board email snake correspondence, then at the public meeting. Lesson learned.

Subsequently I was informed by Mr. Moore that he would no longer correspond with me. I find Mr. Moore a pleasant enough person, and I assume he means well for the community, but I have been instructed to not communicate privately with him. Message understood. There was no avenue left to me but to contact you. And I did so on paper to give you an opportunity to carefully control where that message went. There was no need to involve the full board if somehow there was information you had access to that erased my concerns.

I am not the bad guy here. You have never heard me stand up at the board and whine. You have only known me to write well thought out issues, with proposed solutions, and to present them to the Board. I would like to think I am taken seriously. Note that you did not read about it weeks ago on IslandIssues, or hear about it last month at the Member comments portion of the Board meeting, or read about it in the Moon. I purposely kept the discovery private to give the Board maneuverability to solve this on your own.

Within several days of my first letter to you members of the community began approaching me and asking about my private letter to you. I looked at the Board's whistleblower policy and realized it was just words on a piece of paper. I realized at this point that confidential correspondence with any member of this Board was not possible.

At this point I was advised that my knowledge of what appeared to be a crime could not be ignored or withheld without placing myself at risk. I then presented my claim to the AG, and notified the full Board within 24 hours. You now know what I know.

While I can understand your desire to meet with agency officials, those discussions are not relevant to the publicly filed information you have and the determinations you must make. Carry on with the information you have at your disposal. While you are formulating a board solution, I will continue my dogged pursuit of a solution via an outside agency. Perhaps you will come up with a solution, or perhaps law enforcement will. Only time will tell. I prefer the former.

At the end of the day the problem is still the problem. Someone modified our documents without Board or Member authorization. What is found in the Nueces County records is fraudulent. Someone put Mr. Moore in a position of jeopardy. Someone lied to the board. Someone massively broke faith and trust with the community. A solution must be found. Our public records must be corrected. And to continue to ignore the problem places the PIPOA organization at jeopardy. Each day property transactions close on our island, making use of a document that the record appears to show is not a true document. To what degree this imparts jeopardy is for the courts to determine.

While my Friday evening letter likely was received as just another horrible correspondence from McFadden, trust that my message was delivered to serve notice to the full board of another unfolding problem. I once again advise the board to pull the bylaws from the website and to temporary halt PIPOA issuance of all bylaws until you can secure a judicial order as to our true bylaws.

Solving this problem in as public a forum as possible will be a welcome change for the community.  
Cheers

**From:** Hess, Leslie [mailto:LeslieHess@ernesthealth.com]

**Sent:** Monday, October 16, 2017 5:52 PM

**To:** Jim McFadden (Jim.McFadden@WhiteCapApplications.com) <Jim.McFadden@WhiteCapApplications.com>

**Subject:** re: Letter rec'd 10/13/17 from Jim McFadden

October 16, 2017

Mr. McFadden,

This is to acknowledge receipt of your emailed letter on 10/13/17 titled Supplemental Notice to PIPOA Board Concerning Bylaw Violations 101317.

As I had indicated to you previously, I have opened an inquiry regarding the letter you sent me on October 3, 2017.

I have spent and will continue to spend time on this inquiry. My original intention was to ultimately sit down with you upon completion of the inquiry (after discussion with the board and independent counsel) to review the findings. However, since you have indicated that you have opened a case with the Texas Attorney General's office, I would respectfully request that you provide your case # and contact so that I can visit directly with them.

*Leslie Hess*

*PCA Board Member*

*My goal is to represent my neighbors on all of Padre Island to the best of my ability.*

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*If I take care of my character, my reputation will take care of itself*

# Facebook Message





## SHOCKING PIPOA Board Behavior Uncovered

A message from Jim McFadden

On October 3, 2017 I hand delivered a private letter to Leslie Hess, Vice President of the PIPOA. In this letter I disclosed a shocking discovery that I uncovered with the April 26, 2017 public filing of our bylaws.

On April 25, 2017 Brent Moore, President of the PIPOA signed a document amending the bylaws. This document included the amendment changing our voting method to plurality, which was voted and approved by the Board.

Upon further inspection of this document, and after careful comparison against the 2013 bylaws, I discovered that Mr. Moore had filed additional secretive amendments, not approved by the Board, and not disclosed to the Membership. These additional changes struck the position of Executive Coordinator and expanded Mr. Moore's authority to run our corporation.

In my notification to Mrs. Hess I asked her to investigate these publicly filed documents, and if found true to consider the following three things:

1. Secure another attorney to represent the Board in this matter. Mr. Bell's advice on this matter would be improper. I would hope he would recuse himself.
2. Remove Mr. Moore from the Board for cause.
3. Provide a document to the community that discusses this allegation, your findings, and your cure for any defects that you may find.

Eight days went by with ZERO acknowledgement from Mrs. Hess that she had read my letter or that this Board had taken these FACTS seriously. It was only after I sent a follow-up email that she acknowledged receipt of my email but provided little other details as to her investigation. And as of this writing, twelve days after my original letter, there has been no additional correspondence.

The Board may try to pass this off as just a paperwork error, but the facts support a different conclusion. In the 2013 Bylaws, the Executive Coordinator is specifically listed as an officer of the association. A fact that was obviously understood by the Board as MayBeth Christensen was listed as an Officer on the 2010-2015 tax filings. But, on the 2016 taxes that were filed in April of 2017, suddenly Mrs. Christensen is no longer listed as an officer. This shows foreknowledge of the Bylaw change. Additionally, our new manager's title is "Executive Director" – apparently the Board was aware of the potential problems of using the title Executive Coordinator. Again, the Board showing knowledge of the change.

The fraudulent filing and issuance of a public document is described in Texas Penal Code 32.47 and 32.46. As such, we have opened a case with the Texas Attorney General asking them to review our Bylaw filings.

In this public forum today, I am putting the PIPOA Board on further notice that if there is any attempt to refile the 2017 bylaws, or modify the public record in any way, WITHOUT PROPER TEXAS 209 OPEN MEETING LAW NOTIFICATION TO THE MEMBERS, we will pursue all avenues available.

To safeguard our bylaws and our property rights, and as a service to the community, we will begin a daily check of the public records filed with the Nueces County Clerk. Should we find any unexpected filings we will immediately make those changes known on all public communications channels available to us.

This behavior must end. WE HAVE HAD ENOUGH!



Bylaws

From various  
sources

(To verify  
independently)



Redlined  
Version

Scanlan  
4-23-13  
Meeting

# *Padre Isles*

PROPERTY OWNERS ASSOCIATION  
INCORPORATED



*Bylaws*

AMENDED TO SEPTEMBER 8, 1994



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.

#### 1.04 MEETINGS

A. Annual Meeting of the Members of the corporation 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; but if no notice be given, or if no other place be designated, then such meeting shall be held at the Padre Isles Country Club. 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, there will be three (3) informational meetings annually **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

I believe State Law has changed the notification issue – John Bell?

No notice of any annual or regular meeting of the members of the corporation shall be required, but such notice of any such meeting as the Board may deem advisable may be given.

Notice of special meetings shall be given to Voting Members (none being required to Associate Members) not less than ten (10) nor more than fifty (50) days prior to the date of any such meeting

Any notice which shall be given to a member of the corporation with respect to any meeting or for any other purpose shall be deemed to have been properly given if addressed to "owner", in care of the street address of the Lot or tract located in the subject property with respect to the ownership of which the member is entitled to vote; or, when the number of Voting Members exceeds one thousand (1,000), notice may be given by publication in any newspaper of general circulation in Nueces County, Texas.

#### 1.06 QUORUM

The owners of at least ten percent (10 %) of the Lots located in the subject property, 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 corporation. 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 shall decide any question brought before such meeting, except as noted in Section 2, Paragraph 2.03.

#### 1.07 PROCEDURES

All Association 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.





subject property; and to exercise such other powers as may be necessary or proper to attain the objects of the corporation. 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 corporation shall be directors of the corporation. No required percentage of the membership of any committee not exercising such authority need be directors of the corporation.

The following standing committees shall be established: A. Architectural Control, B. Homeowner Advisory, C. Covenants and Compliance, D. Bulkheads and Canals, E. Governmental Affairs and F. Elections.

**The Board may establish committees including an Architectural Control Committee and such others as they deem necessary.**

## 2.07 EMPLOYEES

The Board shall have responsibility and authority to employ such employees as the affairs of the corporation 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 corporation and may delegate their authority to do so to any officer of the corporation.

## 2.08 AUDIT

The financial records of the corporation 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 corporation shall be indemnified by the corporation 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 corporation, 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, Bylaw, Agreement, Vote of Members or otherwise; and the corporation 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 Chairmen, 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 corporation shall consist of a President, a Vice President, a Secretary and a Treasurer, 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 of the corporation from office by the vote of a majority of the members of the entire Board at any time; and the election of each officer of the corporation 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 corporation shall be as follows:

A. The President shall be the chief executive officer of the corporation. He shall preside at



into which the subject property 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 corporation. 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 subject property.

#### 4.04

The corporation may, by instrument executed by its President or Vice President and authorized by its Board, release or subordinate such lien of the corporation, or any other right of the corporation created under such deed restrictions and Protective Covenants and Landowners' Agreement in whole or in part with respect to any Lot in the subject property 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 subject property.

#### 4.05

Any sums paid to the corporation 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 corporation 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

(I believe the State law was changed regarding this)

No Voting Member who is delinquent in the payment of any assessment, charge, fee or other sum due from such member to the corporation shall be entitled to vote upon any matter unless and until all such delinquent sums shall have been paid to the corporation in full.

#### 4.07

Assessments shall be levied with respect to each lot only after PIIC or its successors shall have fulfilled its contractual obligations, if any to:

- A. Grade, excavate, and/or fill the lot to bring it to the elevations approved by the City of Corpus Christi, Texas in accord with the specifications filed with the City;
- B. Install paved streets abutting the lot;
- C. Install bulk heads on canals abutting the lot, if applicable;
- D. Install water main and sewage disposal facilities so that the lot owner is able to, at his expense, tap into such facilities and procure water service and sewer disposal service to his lot.

#### 4.08

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 4.04 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 Owners' account.

## SECTION 5

### DISPOSITION OF ASSETS UPON DISSOLUTION

#### 5.01

Upon dissolution of the corporation, the assets, both real and personal of the corporation, 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 corporation. 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 1954, as amended, to be devoted to



# *Padre Isles*

PROPERTY OWNERS ASSOCIATION

INCORPORATED



*Bylaws*

AMENDED TO SEPTEMBER 8, 1994



#### 1.04 MEETINGS.

a. An Annual Meeting of the members of the corporation 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; but if no notice be given, or if no other place be designated, then such meeting shall be held at the Padre Isles Country Club. 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, there will be three (3) informational meetings annually to pass on and receive information on news/plans/projects/status on programs for the benefit of the members.

1.05 NOTICE. No notice of any annual or regular meeting of the members of the corporation shall be required, but such notice of any such meeting as the Board may deem advisable may be given.

Notice of special meetings shall be given to Voting Members (none being required to Associate Members) not less than ten (10) nor more than fifty (50) days prior to the date of any such meeting.

Any notice which shall be given to a member of the corporation with respect to any meeting or for any other purpose shall be deemed to have been properly given if addressed to "owner", in care of the street address of the Lot or tract located in the subject property with respect to the ownership of which the member is entitled to vote; or, when the number of Voting Members exceeds one thousand (1,000), notice may be given by publication in any newspaper of general circulation in Nueces County, Texas.

1.06 QUORUM. The owners of at least ten percent (10%) of the Lots located in the subject property, 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 corporation. 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 shall decide any question brought before such meeting, except as noted in Section 2, Paragraph 2.03.

1.07 PROCEDURES. All Association 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 corporation shall be seven, and those whose terms shall have expired shall be elected at the annual membership meeting. Directors shall serve for three years 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 successor.

#### 2.04 MEETINGS.

a. An annual meeting of the Board of the corporation shall be held each year immediately following the adjournment of the annual meeting of the members, and at the





Members or otherwise; and the corporation 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 Chairmen, 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 decisions that are in conflict of interest.

### SECTION 3

#### OFFICERS

3.01 COMPOSITION. The officers of the corporation shall consist of a President, a Vice-President, a Secretary and a Treasurer, 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 of the corporation from office by the vote of a majority of the members of the entire Board at any time; and the election of each officer of the corporation 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 unexpired 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 corporation shall be as follows:

a. The President shall be the chief executive officer of the corporation. He shall preside at all meetings of the members and directors and be responsible for the carrying out of their decisions in the administration of the affairs of the corporation. The President shall also execute contracts, conveyances and other documents on behalf of the corporation. The President or his designee shall be the only spokesman for the policy of the Association.

b. 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 corporation may presume conclusively that the President was absent and that the Vice President was authorized to act in his place.

c. The Secretary shall issue notices of directors' and members' meetings if so directed by the party calling the meeting, and shall be responsible for the corporate minutes and records. The Secretary shall determine the membership of the corporation as of the record date of any meeting. In doing so, he may use any method which he deems to be reasonably calculated to determine the ownership of lots in the subject property. Notwithstanding the foregoing, he shall follow any instructions given to him by the Board of Directors to use a specific method in determining the membership of the corporation. 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 him to act. Any third person dealing with the corporation may presume conclusively that any Assistant Secretary acting in the capacity of the Secretary was duly authorized so to act.

d. The Treasurer shall be responsible for 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 Treasurers who may perform the duties and exercise the powers of the Treasurer if the Treasurer is absent or if it is inconvenient for him to act. Any third person dealing with the corporation 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 prepare 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 corporation and shall be open to inspection by any member at any reasonable time during business hours.

### SECTION 4

#### ASSESSMENTS

4.01 Pursuant and subject to the conditions and limitations of the Protective Covenants and Landowners' Agreements which have been or shall be filed of record for the various portions of the subject property, which provide for maintenance fees to be paid by all members hereof to a Maintenance Fund administered by this corporation or its designated agent, the Board is hereby authorized and given full power and authority to assess and collect from the members of the corporation such maintenance fees at any regular or special meeting in order to obtain funds required by the corporation for the performance of its objectives and purposes and to meet its obligations, subject to the



corporation, association, trust or other organization described in Section 501 (c)(4) of the Internal Revenue Code of 1954, 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 corporation. 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 subject property unless made in accordance with the provisions of such covenants and deeds.

## SECTION 6

### AMENDMENTS

6.01 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 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 subject property, shall be valid. The Voting Members may delegate to the Board of Directors the power to amend the bylaws of the corporation.

6.02 AMENDMENTS OF BYLAWS AND ARTICLES OF INCORPORATION: Each shall be treated individually, and accompanied by a statement of why it should be accepted or rejected and its positive and negative effects on the Association and its members.



# *Padre Isles*

PROPERTY OWNERS ASSOCIATION, INC.



## *Bylaws*

AMENDED TO ~~SEPTEMBER 8, 1994~~  
\_\_\_\_\_, 2013



~~shall not by reason of any such interest owned or held or acquired by them be or become a member of this corporation.~~

A member of this ~~corporation~~ Association is not, as such, personally liable for the debts, liabilities, ~~nor obligations of the corporation~~ 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, ~~is platted of record by PHIC for the purpose of being developed as an integral part of the subject property using the name Padre Island Corpus Christi, such additional land shall automatically be included within the definition of the "subject property", and owners thereof shall be eligible to become members of this corporation in accord with the rules established herein~~ 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; ~~provided, however, notwithstanding any other provision in these Bylaws, no Voting Member shall have a right to vote nor be counted in determining a quorum so long as his/her lot is not being assessed or charged a maintenance fee by reason of Section 4.07 of the Bylaws.~~ 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 ~~shall be cast 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 of the Members of the ~~corporation~~ 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; ~~but if no notice be given, or if no~~





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 ~~Association-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 ~~corporation~~-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 ~~corporation~~-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; ~~and no notice of such annual meeting of the Board shall be required.~~ 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. ~~No particular form of notice shall be required for the calling and holding of a special meeting of the Board, provided that actual notice thereof shall have been given to each director in advance of the time of such meeting. Proper notice shall be deemed to have been given of any~~



A. The Board shall have power to make rules for their own government and for the government of the ~~corporation~~ 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 ~~corporation~~ Association; to ~~assess~~<sup>assess</sup> and fix charges to be levied against the members of the ~~corporation~~ Association subject to limitations and conditions contained in the Protective Covenants and Landowner's Agreements filed of record for the ~~subject property~~ Subdivisions; and to exercise such other powers as may be necessary or proper to attain the ~~objects~~ of the ~~corporation~~ 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 ~~corporation~~ Association shall be directors of the ~~corporation~~ Association. No required percentage of the membership of any committee not exercising such authority need be directors of the ~~corporation~~ Association.

B. ~~The following standing committees shall be established: A. Architectural Control, B. Homeowner Advisory, C. Covenants and Compliance, D. Bulkheads and Canals, E. Governmental Affairs and F. Elections. The Board may establish committees including an Architectural Control Committee and such others as it deems necessary.~~

## <sup>7</sup> 2.0~~6~~ EMPLOYEES

The Board shall have responsibility and authority to employ such employees as the affairs of the ~~corporation~~ 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 ~~corporation~~ Association and may delegate their authority to do so to any officer of the ~~corporation~~ Association.

## <sup>8</sup> 2.0~~7~~ AUDIT

The financial records of the ~~corporation~~ 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.

## <sup>9</sup> 2.0~~8~~ INDEMNIFICATION

Each director and officer or former director or officer of the ~~corporation~~ Association shall be indemnified by the ~~corporation~~ 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 ~~corporation~~ 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 ~~corporation~~ Association shall exercise the power to



~~propertySubdivisions~~. Notwithstanding the foregoing, ~~he the Secretary~~ shall follow any instructions given ~~to him~~ by the Board of Directors to use a specific method in determining the membership of the ~~corporation~~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 ~~him~~ the Secretary to act. Any third person dealing with the ~~corporation~~Association may presume conclusively that any Assistant Secretary acting in the capacity of the Secretary was duly authorized so to act.

D. 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 Treasurers who may perform the duties and exercise the powers of the Treasurer if the Treasurer is absent or if it is inconvenient for ~~him the Treasurer~~ to act. Any third person dealing with the ~~corporation~~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~~prepare~~ 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 ~~corporation~~Association and shall be open to inspection by any member at any reasonable time during business hours.

#### SECTION 4 ASSESSMENTS

4.01 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 ~~subject property~~Subdivisions, which provide for maintenance fees to be paid by all members hereof to a Maintenance Fund administered by this ~~corporation~~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 ~~corporation~~Association such maintenance fees at any regular or special meeting in order to obtain funds required by the ~~corporation~~Association for the performance of its objectives and purposes and to meet its obligations, subject to the provisions of these ~~b~~Bylaws, and the Protective Covenants and Landowners' Agreements shall have been filed of record for any portion of the ~~subject property~~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. ~~in cash at a bank selected by the Board of Directors; but in no event shall such bank have an aggregate of certified surplus, capital and undivided profits of less than \$1,000,000. The corporation may designate PHC as its agent to administer the Maintenance Fund including the payment of expenditures from such Maintenance Fund and the collection and enforcement of the maintenance fee assessments herein described and to carry out such other duties as shall have been specifically designated by the corporation~~



~~D. Install water main and sewage disposal facilities so that the lot owner is able to, at his expense, tap into such facilities and procure water service and sewer disposal service to his lot.~~

~~4.08-06~~ 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 ~~4.04-03~~ 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 ~~Owners'~~ 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





~~6.02~~ 7.02 ~~AMENDMENTS OF BYLAWS AND ARTICLES OF INCORPORATION~~

~~Each shall be treated individually, and accompanied by a statement of why it should be accepted or rejected and its positive and negative effects on the Association and its members.~~



8/27/13  
Revisions

From Warren  
Scanlan

# *Padre Isles*

PROPERTY OWNERS ASSOCIATION, INC.



*Bylaws*

AMENDED TO  
\_\_\_\_\_, 2013



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



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 access 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.





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.

#### 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



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.



from Becky Perrin  
Sept 19~~th~~ 2013  
Meeting

*Black-lined Copy with Executive Coordinator as COO*

# *Padre Isles*

PROPERTY OWNERS ASSOCIATION, INC.



*Bylaws*

AMENDED TO

\_\_\_\_\_, 2013



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.





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 ~~aeceess~~ 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 ~~objects~~ 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



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.



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.



From Becky Kerrin  
Sept 2013  
meeting

# *Padre Isles*

PROPERTY OWNERS ASSOCIATION, INC.



## *Bylaws*

AMENDED TO  
September 24, 2013





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.



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



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.



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





# *Padre Isles*

PROPERTY OWNERS ASSOCIATION

INCORPORATED



*Bylaws*

AMENDED TO SEPTEMBER 8, 1994



A member of this corporation is not, as such, personally liable for the debts, liabilities, nor obligations of the corporation.

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, is platted of record by PIIC for the purpose of being developed as an integral part of the subject property using the name Padre Island-Corpus Christi, such additional land shall automatically be included within the definition of the "subject property", and owners thereof shall be eligible to become members of this corporation in accord with the rules established herein.

#### 1.03 VOTING RIGHTS.

A. Only Voting Members shall have voting rights and be counted in determining a quorum at any meeting; provided, however, notwithstanding any other provision in these Bylaws, no Voting Member shall have a right to vote nor be counted in determining a quorum so long as his/her lot is not being assessed or charged a maintenance fee by reason of Section 4.07 of the Bylaws. 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 shall be cast only 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.

#### 1.04 MEETINGS.

A. Annual Meeting of the Members of the corporation 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; but if no notice be given, or if no other place be designated, then such meeting shall be held at the Padre Isles Country Club. 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.



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 corporation 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; and no notice of such annual meeting of the Board shall be required. Special meetings of the Board may be called by any director or by the President, and shall be held at such time and place as shall be specified in the notice of such meeting. No particular form of notice shall be required for the calling and holding of a special meeting of the Board, provided that actual notice thereof shall have been given to each director in advance of the time of such meeting. Proper notice shall be deemed to have been given of any special meeting of the Board if notice is in writing, or by telephone or telegraph message and shall have been sent to either the usual business or residence address of the person entitled to receive notice not less than five (5) days preceding the time of the 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.

2.05 MANAGEMENT. The affairs and property of the corporation shall be managed and controlled by the Board. The Board shall have authority to cause the corporation 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 subject property and the owners thereof, including but not limited to, greenways, recreation areas, canals, bulkheads, seawalls, sea gates, lighting, parks, roads, streets, curbs, gutters, drainage facilities, water access areas, including boat ramps, and such other facilities in the subject property for the use, enjoyment, protection and benefit if the members of the corporation, 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 corporation, applicable provisions of law and the Protective Covenants and Landowners' Agreements covering the subject property 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.

It shall further be the duty of the Board to use their best efforts to attempt in every way to support the enforcement of the provisions of the deed restrictions and of the Protective Covenants and Landowners' Agreements covering any subject property, as well as any similar restrictions and covenants subsequently filed for record with respect to a portion of the subject property.



## SECTION 3

### OFFICERS

3.01 COMPOSITION. The officers of the corporation shall consist of a President, a Vice President, a Secretary and a Treasurer, 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 of the corporation from office by the vote of a majority of the members of the entire Board at any time; and the election of each officer of the corporation 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 corporation shall be as follows:

A. The President shall be the chief executive officer of the corporation. He shall preside at all meeting of the members and directors and be responsible for the carrying out of their decisions in the administration of the affairs of the corporation. The President shall also execute contracts, conveyances and other documents on behalf of the corporation. The President or his designee shall be the only spokesman for the policy of the Association.

B. 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 corporation may presume conclusively that the President was absent and that the Vice President was authorized to act in his place.

C. The Secretary shall issue notices of directors' and members' meetings if so directed by the party calling the meeting, and shall be responsible for the corporate minutes and records. The Secretary shall determine the membership of the corporation as of the record date of any meeting. In doing so, he may use any method in which he deems to be reasonably calculated to determine the ownership of Lots in the subject property. Notwithstanding the foregoing, he shall follow any instructions given to him by the Board of Directors to use a specific method in determining the membership of the corporation. 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 him to act. Any third person dealing with the corporation may presume conclusively that any Assistant Secretary acting in the capacity of the Secretary was duly authorized so to act.

D. The Treasurer shall be responsible for 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 Treasurers who may perform the duties and exercise the powers of the Treasurer if the Treasurer is absent or if it is entitled to presume conclusively that any Assistant Treasurer, acting in the capacity of the Treasurer, was duly authorized to do so.





4.05 Any sums paid to the corporation 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 corporation 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 No Voting Member who is delinquent in the payment of any assessment, charge, fee or other sum due from such member to the corporation shall be entitled to vote upon any matter unless and until all such delinquent sums shall have been paid to the corporation in full.

4.07 Assessments shall be levied with respect to each lot only after PIIC or its successors shall have fulfilled its contractual obligations, if any to:

- A. Grade, excavate, and/or fill the lot to bring it to the elevations approved by the City of Corpus Christi, Texas in accord with the specifications filed with the City;
- B. Install paved streets abutting the lot;
- C. Install bulk heads on canals abutting the lot, if applicable;
- D. Install water main and sewage disposal facilities so that the lot owner is able to, at his expense, tap into such facilities and procure water service and sewer disposal service to his lot.

4.08 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 4.04 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 Owners' account.

## SECTION 5

### DISPOSITION OF ASSETS UPON DISSOLUTION

Upon dissolution of the corporation, the assets, both real and personal of the corporation, 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 corporation. 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 1954, 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 corporation. 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 subject



Rec'd 10/10/17  
From Bell

*Black-lined Copy with Executive Coordinator as COO*

# *Padre Isles*

PROPERTY OWNERS ASSOCIATION, INC.

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INCORPORATED



## *Bylaws*

AMENDED TO  
SEPTEMBER 8, ~~1994~~24, 2013



~~A member of this corporation~~ Association is not, as such, personally liable for the debts, liabilities, ~~nor~~ obligations of the ~~corporation~~ Association.

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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, ~~is platted of record by PHC for the purpose of being developed as an integral part of the subject property using the name Padre Island Corpus Christi, such additional land shall automatically be included within the definition of the "subject property", and owners thereof shall be eligible to become members of this corporation in accord with the rules established herein~~ 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; ~~provided, however, notwithstanding any other provision in these Bylaws, no Voting Member shall have a right to vote nor be counted in determining a quorum so long as his/her lot is not being assessed or charged a maintenance fee by reason of Section 4.07 of the Bylaws.~~ 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 cast only 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).

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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].

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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 ~~corporation~~ 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; ~~but if no notice be given, or if no other place be designated, then such meeting shall be held at the Padre Isles Country Club.~~ 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.

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## SECTION 2 DIRECTORS

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2.01 NUMBER. The number of directors of the ~~corporation~~ Association shall be seven, and those whose terms shall have expired shall be elected at the annual membership meeting. Directors shall serve for three ~~years-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.

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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.

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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.

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2.04 MEETINGS. A. An annual meeting of the Board of the ~~corporation~~ 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; ~~and no notice of such annual meeting of the Board shall be required.~~ Special meetings of the Board may be called by any ~~director~~ 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. ~~No particular form of notice shall be required for the calling and holding of a special meeting of the Board, provided that actual notice thereof shall have been given to each director in advance of the time of such meeting. Proper notice shall be deemed to have been given of any special meeting of the Board if notice is in writing, or by telephone or telegraph message and shall have been sent to either the usual business or residence address of the person entitled to receive notice not less than five (5) days preceding the time of the 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





2.07 EMPLOYEES. The Board shall have responsibility and authority to employ such employees as the affairs of the ~~corporation~~ 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 ~~corporation~~ Association and may delegate their authority to do so to any officer of the ~~corporation~~ Association.

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2.08 AUDIT. The financial records of the ~~corporation~~ 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.

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2.09 INDEMNIFICATION. Each director and officer or former director or officer of the ~~corporation~~ Association shall be indemnified by the ~~corporation~~ 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 ~~corporation~~ 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, ~~Bylaw~~ Bylaws, Agreement, Vote of Members or otherwise; and the ~~corporation~~ 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.

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2.10 CONFLICT OF INTEREST. Officers, Directors, Committee ~~Chairmen~~ 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

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3.01 COMPOSITION. The officers of the ~~corporation~~ Association shall consist of a President, a Vice President, a Secretary ~~and~~ 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 ~~of the corporation~~ from office by the vote of a majority of the members of the entire Board at any time; and the election of each officer ~~of the corporation~~ 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.

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

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A. President. The President shall be the chief executive officer of the ~~corporation~~ Association. He shall ~~Association and~~ preside at all ~~meeting~~ meetings of the members and directors ~~and be~~



## 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 ~~subject property~~ Subdivisions, which provide for maintenance fees to be paid by all members hereof to a Maintenance Fund administered by this ~~corporation~~ 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 ~~corporation~~ Association such maintenance fees at any regular or special meeting in order to obtain funds required by the ~~corporation~~ Association for the performance of its objectives and purposes and to meet its obligations, subject to the provisions of these ~~bylaws~~ Bylaws, and the Protective Covenants and Landowners' Agreements shall have been filed of record for any portion of the ~~subject property~~ 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 ~~in cash at a bank selected by the Board of Directors; but in no event shall such bank have an aggregate of certified surplus, capital and undivided profits of less than \$1,000,000. The corporation may designate PHIC as its agent to administer the Maintenance Fund including the payment of expenditures from such Maintenance Fund and the collection and enforcement of the maintenance fee assessments herein described and to carry out such other duties as shall have been specifically designated by the corporation and accepted by PHIC. This corporation, or PHIC, if so designated, 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 PHIC held by it for sale to others.

4.03 LIENS. The ~~corporation~~ Association and its successors in interest shall have an express lien against each Lot into which the ~~subject property~~ 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 ~~corporation~~ 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 ~~subject property~~ Subdivisions.

4.04 RELEASE AND SUBORDINATION. The ~~corporation~~ Association may, by instrument executed by ~~its President or Vice President and any person~~ authorized by its Board, release or subordinate such lien of the ~~corporation~~ Association, or any other right of the ~~corporation~~ Association created under such deed restrictions and Protective Covenants and Landowners' Agreement in whole or in part with respect to any Lot in the ~~subject property~~ 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 ~~subject property~~ Subdivisions.

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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

5.01 6.01. DISSOLUTION. Upon dissolution of the ~~corporation~~ Association, the assets, both real and personal of the ~~corporation~~ 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 ~~corporation~~ 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 ~~1954~~ 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 ~~corporation~~ 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 ~~subject property~~ Subdivisions unless made in accordance with the provisions of such covenants and deeds.

## SECTION 7

### SECTION 6

### AMENDMENTS

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Rec'd 10/10/17  
From Bell

# *Padre Isles*

PROPERTY OWNERS ASSOCIATION, INC.



## *Bylaws*

AMENDED TO  
September 24, 2013





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.



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



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.



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





# *Padre Isles*

PROPERTY OWNERS ASSOCIATION, INC.



## *Bylaws*

As Amended Through  
April 2, 2017

Red Line  
version



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.



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.

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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.

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#### SECTION 4 ASSESSMENTS

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[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

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# *Padre Isles*

PROPERTY OWNERS ASSOCIATION, INC.



## *Bylaws*

As Amended Through  
April 2, 2017



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.



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.





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



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]

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## SECTION 7 AMENDMENTS



# *Padre Isles*

PROPERTY OWNERS ASSOCIATION, INC.



*Corrected Bylaws*

As Amended Through  
April 2, 2017



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.

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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





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.

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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.

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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)]

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Notary Public, State of Texas





Point Tesoro Unit 2	Volume 1335, Pages 265-273	Volume 35, Pages 20-21
Point Tesoro Unit 3	Volume 1335, Pages 275-283	Volume 35, Pages 22-23
Point Tesoro Unit 4	Volume 1345, Pages 493-501	Volume 35, Pages 46-49
Point Tesoro Unit 5	Volume 1424, Pages 369-77	Volume 38, Pages 32-33
Ports O'Call	Volume 1424, Pages 427-36	Volume 38, Pages 62-68
Sea Pines Unit 1	Volume 1329, Pages 63 et seq.	Volume 34, Pages 149 et seq.
Section No. 1	Volume 1265, Pages 491-97 Volume 1280, Pages 354-59 Volume 1280, Pages 360 et seq. Volume 1384, Pages 528 et seq.	Volume 13, Pages 1-8 Volume 33, Pages 83-84 Volume 32, Pages 34 et seq. Volume 36, Pages 12 et seq.
Section No. 2 (Galleon Bay Unit 2)	Volume 1274, Pages 173-80 Volume 1491, Pages 803-10	Volume 33, Pages 80-82
Section No. 3 (Galleon Bay Unit 3)	Volume 1261, Pages 97-104	Volume 33, Pages 83-84
Section No. 3A (Galleon Bay Unit 3)	Volume 1424, Pages 349-50	Volume 38, Pages 22-23
Section No. 4 (Tradewinds)	Volume 1241, Pages 25-33	Volume 33, Pages 44-47
Tract B, Section No. 4 (Tradewinds)	Volume 1588, Pages 725-34	Volume 33, Pages 44-47
Lots 8 through 18, inclusive, Block 191, Section No. 4 (Tradewinds)	Volume 1580, Pages 512-21	Volume 42, Pages 4-5
Tract A, Section No. 4 (Tradewinds)	Volume 1856, Pages 357-365	Volume 33, Pages 44-47



# Board Minutes



PADRE ISLES PROPERTY OWNERS ASSOCIATION  
BOARD OF DIRECTORS MEETING  
AUGUST 27, 2013  
POA OFFICE

BOARD MEMBERS IN ATTENDANCE: Jeff Carlson, Jack Sharlow, Cheri Sperling, Stan Hulse, and Darrell Scanlan. Nancy Tressa gave her proxy to Cheri Sperling. Brent Moore was out of town on business.

OTHERS ATTENDING: Fred Edler, Nita Smith, Linda Sharlow, John White, Lisa Underbrink, Officer Alton and Maybeth Christensen

The meeting was called to order by President Carlson at 5:33 PM.

Fred Edler introduced himself and said he was just at the meeting to observe. He had been on a HOA previously. Nita Smith said she was there to support the Police patrol boat and brought pictures to show examples of wakes from boats. Maybeth updated her request for a No Wake sign in her area. Nita suggested possible a triangle of signs might work as it would "catch" boaters from various angles.

EXECUTIVE COORDINATOR REPORT: The written report is attached. Maybeth also reported on the issue of the State looking at transferring several streets (State Highways) from Texas Department of Transportation to the City. Maybeth is to do a letter to the Commission objecting to the transfer. She also updated the Board on the Goodrum shade structure violation. Our attorney will be sending another letter and she will forward it to the Board. There was a discussion on whether we should do an RFP for the investment account. It has been about 5 years and although Herndon Plant has been doing a good job, it was felt we should at least put out an RFP. In addition, Maybeth is to do an RFP for median and boat ramp maintenance.

The minutes of the June 25, 2013 meeting were accepted as written.

Jack moved to approve the financial statements, Cheri seconded the motion and the motion passed unanimously.

STANDING COMMITTEES:

ACC: Chair Linda Sharlow reported the full ACC committee will be holding a Contractor Information Mixer on Thursday, September 26 at 5 PM. The Board is encouraged to attend. She said we expect about 40 people. The idea is to review forms and expectations we have of the builders. The ACC is discussing changing the clean-up deposit to a clean-up and compliance deposit so that we can take some of the money when the builders don't have a silt fence, rolloff, etc.

BEAUTIFICATION TRUST: John White reported that the flower garden is beautiful. The Island Gardeners have done a fantastic job with in. He also said that out of 7 quick disconnect we had for the gardens, there are only 2 left. He is working on getting more and making sure out gardeners know they need to lock them up. John also gave some numbers on the increase in

tourist traffic to the Island. We have had a 20% increase over last year and last year was a 20% increase over the previous year.

#### OLD BUSINESS:

Parks - Maybeth reported that the City has still not signed the design consultant contract for Billish.

Encantada Culverts – Maybeth did talk with the Whitecap project contractor. They were too busy at the time, but she will contact them again. Darrell also reported that Brent had talked with another contractor about giving us a bid.

✱ By-laws Amending – Maybeth pointed out the new revisions to the By-Laws that had just come in today. Jeff noted there was a numbering problem in Section 2. Maybeth also talked about John Bell's suggestion that the Executive Coordinator title be changed and possible made the CEO. Maybeth is to get the language for that type of alternative change. President Carlson encouraged Board Members to review them for possible vote at the September Board meeting.

Shade Structure/Goodrum – Previously mentioned in Executive Coordinator's report. President Carlson asked what the next step would be if this is not resolved. Maybeth to get back on that question.

Covenants and Compliance Committee – Board members had not provided other examples and said they would be getting them. President Carlson said that when we do this they need to be accurate and tight. He suggested a roll out of the system at the Annual meeting in March.

#### NEW BUSINESS:

Whitecap Median - President Carlson talked about the email exchange he has had with a resident regarding Whitecap. He said it really could use improvements. Maybeth said she was sure the Gill plan for landscaping was still in a file and she would get it off to see if there were things we might take from that. Nothing will be done; however, until we know the City wastewater line work is completed. Jeff said the goal for improving was lot maintenance and cost effective. There was also a discussion about doing more work on Sea Pines.

Stan reported on the activities at the Schlitterbahn resort and golf club.

Cheri passed out the home sale information.

Jack moved to adjourn the meeting at 7:30, Stan seconded and the meeting was adjourned.

Respectfully submitted, Maybeth Christensen, Secretary

PADRE ISLES PROPERTY OWNERS ASSOCIATION  
BOARD OF DIRECTORS MEETING  
SEPTEMBER 24, 2013  
POA OFFICE

BOARD MEMBERS IN ATTENDANCE: Jeff Carlson, Jack Sharlow, Cheri Sperling, Darrell Scanlan and Nancy Tressa. Brent Moore gave his proxy to Jeff Carlson. Stan Hulse was absent..

OTHERS ATTENDING: Linda Sharlow, Nita Smith, Gerald Guillot, James Stevens, Rhonda Beetle, Doug and Chris Snyder, and Maybeth Christensen.

The meeting was called to order by President Carlson at 5:30 PM.

Gerald Guillot spoke about his opposition to the Dog Park being placed at Aquarius Park. Maybeth passed out the outline of the property that may be available by the water tower and explained the dog park folks were looking at that area as a possible location. Ms. Beetle said she liked that idea and would help raise funds. Mr. and Mrs. Snyder also indicated their willingness to raise money for that area. Ms. Beetle's point she raised was that the dogs in the park may not bark, but all the dogs who back up to the park would bark because they would not be in the dog park with those dogs. Ms. Smith said she saw the barge with the new post for the No Wake signs. Maybeth said she had met with the SeaTow folks and that signs were ordered and locations identified for them.

EXECUTIVE COORDINATOR REPORT: The written report is attached. Maybeth reported on the desalination meeting which Representative Hunter had on Monday. The point of the meeting was to move forward on getting it done. She also told of her meeting with Tom Niskala, Transportation Planning Director with the Metropolitan Planning Organization. The MPO has studied the Commodores/361 intersection for alternatives for eliminating the congestion and will be forwarding that information to Maybeth as well as ISAC.

The minutes of the August 27, 2013 meeting were accepted as written.

There was a discussion about having the investment person from Frost (Ken Herring) come to the next Board meeting to provide information about our investment policy and what Frost does. Nancy moved to approve the financial statements and invite Frost to do an informational presentation, Cheri seconded the motion and the motion passed unanimously.

STANDING COMMITTEES:

ACC: Chair Linda Sharlow reported the full ACC committee will be holding a Contractor Information Mixer on Thursday, September 26 at 5 PM. The Board is encouraged to attend. She and Nancy will be calling builders to see if they will be attending. The idea is to review forms and expectations we have of the builders. Some of the ACC members are noting violations. Maybeth said she had contacted those which were turned in by Brent Hess, but we still have a problem with getting them to keep their job site clean. There was a discussion about the





possibility of hiring another person -. There is more work than Sam can handle. The new person would be a compliance officer with a POA shirt and would not only be in the field, but would follow-up by going to the builder's offices. Maybeth is to work on a job description with expectations and provide a potential dollar figure for the Board to consider.

BEAUTIFICATION TRUST: John White was not able to attend the meeting. Jeff reported that John had contacted all garden "owners" to tell them to clean out their plots and to see if they still wanted one. Gardeners are working on them. Maybeth said John, Jr. is working over there to clean up the pathways between the plots as the weeds have gotten out of hand in those areas, also.

#### OLD BUSINESS:

Parks - Maybeth reported that the City has still not signed the design consultant contract for Billish. She will be meeting with Sandy Billish and Michael Morris in a couple of weeks. Sandy told Maybeth that there were 14 trees which had been given as memorials which died and had not been replaced. Maybeth assured Sandy they would be replaced, but not until we had a new design plan. There was a discussion about a community center and Maybeth is to check on costs for a generic/basic design. One of the guests suggested the POA look at using whatever Port A used to get rid of the stickerburrs in the parks.

Encantada Culverts – Nothing new – Maybeth has hoped Brent had some news on this.

By-laws Amending – There was a discussion about the amendments to the by-laws. Nancy moved to approve the amended by-laws, Jack seconded the motion and they were approved. Nancy asked Maybeth to be sure to thank John Bell for the work on bringing them up to date.

Shade Structure/Goodrum – Our attorney advised that a new set of plans would be forthcoming. They will remove the shingles roof and replace it with a flat one with some type of thatch.

Covenants and Compliance Committee – Board members looked at two different versions of other HOA policies covering fines. Maybeth needs to clean-up the one and send them on to John Bell for recommendations. There needs to be a provision for a hearing which could be done by 3 directors.

Whitecap Median – Maybeth needs to find out when the City will be finished with the sanitary sewer project. The Board felt we needed to start with the area from Park Road 22 to Aquarius For improvements which might include boulders and decomposed granite. It was suggested she check with the City to see what company did Yorktown.

#### NEW BUSINESS:

Police Patrol Boat – Maybeth said the Island Foundation has decided not to accept any new accounts, but since we already have the Beautification Trust account, the Marine Patrol could be a sub. She also suggested a town meeting for the officers to make their presentation would be



helpful. Nancy moved to allow for the sub-account and to schedule a town meeting, Cheri seconded the motion and it passed unanimously.

Cheri passed out the home sale information.

Jack moved to adjourn the meeting at 7:30, Cheri seconded and the meeting was adjourned.

Respectfully submitted, Maybeth Christensen, Secretary

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SPECIAL BOARD OF DIRECTORS MEETING  
PADRE ISLES PROPERTY OWNERS ASSOCIATION  
SATURDAY, APRIL 1, 2017  
SEASHORE LEARNING CENTER GYM

MEMBERS PRESENT: Jack Sharlow, Cheri Sperling, Leslie Hess, Brent Moore, Nancy Tressa gave her proxy to Cheri. Darrell Scanlan gave his proxy to Brent.

President Moore called the Special Board meeting to order at 9:50 AM.

President Moore stated the purpose was for the Board to consider amending the By-Laws in order to change the requirement for electing Board members from a majority of ballots cast to a plurality. This change would mean that the top vote getters would be elected. He explained that he wanted the discussion prior to the resumed annual meeting to allow for discussion for the members of the association to hear. Brent also said there were 3 options: The Board could vote to change the by-laws immediately; the Board could vote to change the by-laws to a date certain, or the Board could make no change.

Cheri moved to recess the Board meeting, Leslie seconded the motion and the meeting was recessed so the reconvened annual meeting could be called to order.

The Special Board Meeting was reconvened at 10:10 AM. There was a great deal of discussion about the change which included not having it be effective for the vote that was currently taking place, to no changing it at all.

Leslie moved to change the by-laws so that the election of board of directors would be by a plurality vote to take effect April 2, 2017, Cheri seconded the motion and it passed with only Jack voting nay.

Jack moved to adjourn the Special Board meeting at 10:55 AM, and the annual meeting was reconvened.

Respectfully submitted, Cheri Sperling, Secretary.



PADRE ISLES PROPERTY  
OWNERS ASSOCIATION, INC.  
REGULAR BOARD OF DIRECTORS MEETING  
APRIL 25, 2017  
SEASHORE LEARNING CENTER GYM  
15801 S. Padre Island Drive  
Corpus Christi, Texas 78418

BOARD MEMBERS IN ATTENDANCE: D. Brent Moore, Darrell Scanlan, Nancy Tressa, Leslie Hess, John Sharlow, Carter Tate, and Marvin L. Jones.

President Moore called the meeting to order at 5:45 PM

Brent congratulated the new members and asked if they had the Board of Directors Agreement so they could sign in. Maybeth handed out forms for all members to sign. Marvin had questions and wanted to study the form before he signed it. The rest of the members signed and dated the forms.

Conflict of Interest Statement – Maybeth has supplied the form in the Board packet. Lisa Underbrink is the sister-in-law of David Underbrink who is a principal in Hanson/Naismith Engineering. Neither Lisa or David have anything to do with the contracts the PIPOA currently have, but the disclosure needed to be made.

Public Comment: Sheila Allen, Jo Alsop, Sue Stockton, Heather Cooley, Dennis Sprout, Bob Algeo, and Ron Kratzer all voiced their objection to the Maintenance Standards requiring palm trees be trimmed once a year.

Doreen Kinkel presented a paper on why the PIPOA should not publish the check register online. Sheila Allen and Ron Jeffers indicated there were programs which offered safeguards so the register should be published.

Presentations: Harrison with Hanson did a presentation on the first 7,000' of bulkhead inspection program and provided the map showing the area which has been completed as well as discussed some of the findings. They will continue the survey. It was suggested they were shirts with the Hanson name and logo on them so residents know they are taking pictures, etc. with a reason. Harrison said the residents have been supportive so far. He will provide a schedule to Maybeth so she will be able to alert resident in an area when they are doing the work.

Scott with Hanson reported on the Primavera canal end repairs. Bids are due May 9 at the PIPOA offices. There is a pre-bid meeting with contractors at 10 AM, April 27 on site. Grande's contractor did cut the tiebacks when they were installing the Grande lines. John Bell is contacting Grande about their liability.

Del Mar scholarship report – Maybeth had provided all of the information regarding the program in the packet. After reviewing, the Board decided Mary McQueen, the Del Mar Foundation Director who administers the program did not need to come to the May Board meeting.

Hurricane Recovery and Debris Cleanup risk – William Goldston explained that removing debris from the canals after a major storm was a concern. He introduced Tom Rodino, retired Coast Guard officer who has worked with the City of Corpus Christi and Nueces County in developing a plan by defining opportunities, calculating quantities of materials to be removed and lining up pre-position contracts.



Billish Park Presentation – Hanson spoke about the project and presented their proposal which included 2 community outreach meetings, the design, bidding and project management. The Board stressed this was to be a design to suit the budget.

Property Maintenance and Compliance Program – Dan Hawkins presented the update on the program. As of April 25, 2017, we have written \$4050 in fines.

The minutes for March 28, 2017 and April 2, 2017 were accepted as presented.

#### Committee Reports:

Compliance Committee – Leslie reviewed her written report. She talked about the committee and the recent tour they did with the compliance inspectors. They are getting organized and will be meeting twice a month initially. She said they all felt they should sign a confidentiality agreement since they are dealing with individual properties.

ACC – Linda Sharlow presented her written report. There are currently 73 water access and 16 waterfront homes under consideration and a total of 229 projects. She said the committee has been short 1 person and that Cheri Sperling has indicated an interest in serving on the committee. The committee also recommended consideration of hiring a full time person who could actually do construction site clean-ups. Carter moved to appoint Cheri Sperling to the ACC, Jack seconded the motion. There was a discussion about advertising committee openings. Maybeth said she would develop an application form and post it to our website and Facebook page. The motion passed with Marvin voting no.

Canals and Waterways – Maybeth said they did not meet this past month, but a meeting was scheduled for Thursday night. Carter moved to appoint Nancy Tressa as the Board liaison, Leslie seconded, and the motion passed with Marvin voting no.

Executive Coordinator Report – Maybeth presented her written report. She indicated she received calls from one of our suppliers, contract person and DelMar asking who Marvin Jones was and why was he asking questions from them. She had provided Mr. Jones the information in a meeting they had in the office so questioned his contacting these people. Mr. Jones said he was checking to see if DelMar received a check even though it was listed in their report and spoke to our contract person more in a personal nature rather than PIPOA business.

Treasurer's Report – Nancy indicated the information was in the packet. Brent asked about the legal fees. Maybeth said in January the total for legal was \$5983.87 with \$3695.00 being a result of various questions raised by residents. The February numbers were \$4298.28 with \$1430 being resident questions and March was \$7832.30 with \$6727.50 being resident questions. Obviously the ballot expense will be greater than the budgeted amount since we are now in the third ballot. This will also increase the amount spent on postage. The reports were accepted as printed.

#### Recurring Business:

Billish – After discussion about the contract with Hanson, Carter moved to move forward to signing the contract, Nancy seconded the motion and it passed with Marvin voting no.

Primavera Canal end – discussed in the presentation

Board Policy Manual – held over until May meeting

PIPOA Hurricane Recovery and Debris Cleanup letter of agreement – Nancy moved to form a sub-committee to review the information, Carter seconded the motion and it passed unanimously. Brent asked who would be interested, Carter and Marvin indicated there were, in addition Brent said he wanted to be on it and asked William Goldston to also be included. After discussion, Carter then moved to approve Phase I of the proposal which is the time and materials section to define the scope, Darrell seconded the motion. Leslie then moved to amend the motion to authorize the committee to review and move this forward, Nancy seconded the amendment. The amended motion was approved unanimously.

IT Assessment – Maybeth said she just received the report about an hour before the meeting started so she would send it out to the Board members for their review.

New Business:

Brent said he would like to create a special committee titled Bylaws, Policies and Procedures, the purpose of which is to review the documents and recommend changes. He asked Marvin to Chair the committee, Carter and Darrell volunteered to be on the committee. Leslie moved to make it official, Nancy seconded the motion and it passed unanimously.

Reappointment of special committee chair for Canals and Waterways – Leslie nominated Nancy to be the Chair/liaison, Darrell seconded the motion and it passed unanimously.

Nancy talked about the issue of having a letter from the Board to send to our residents who respond to the compliance inspectors with vulgar language. She asked that Maybeth draft a professional response to be used.

Consideration of date change for annual meeting – this is one of the items the new committee will take a look at.

Video of Board meetings – Marvin volunteered to do some research on cost and procedure.

Discussion and consideration of change of time for Executive Session. This had been discussed previously and there was no desire to change the time.

Discussion of providing access for members to view the check register – Carter pointed out that the register is available for any member to go to the office and look at it. Marvin volunteered to do a security study on the issue and bring it back in 60 days.

The Board then went into Executive Session.

The Board reconvened with no action being taken on the Member's fine appeal.

Jack Sharlow moved to adjourn the meeting at 11 PM.

Respectfully submitted, Darrell Scanlan, Secretary

