

332659

File No. _____
County Clerk, Aransas County, Texas

BYLAWS OF
THE ISLANDS OF ROCKPORT
HOME OWNERS' ASSOCIATION, INC.,
A TEXAS NONPROFIT CORPORATION

September 17, 2013

**THE ISLANDS OF ROCKPORT
HOME OWNERS' ASSOCIATION, INC.,**

BASIC INFORMATION

Association: ✓ The Islands of Rockport Home Owners' Association, Inc., a Texas non-profit corporation, established by the certificate of formation filed with the Secretary of State of the State of Texas on September 17, 2013 under file number 801850954.

Principal Office: ✓ The Association's principal office is located at 4418 S. Texas Hwy 35, Rockport, Texas 78382. The Association may have other offices.

Declaration: The Declaration of Covenants, Conditions and Restrictions for the Islands of Rockport, a subdivision, recorded in Aransas County, Texas.

Definitions: Capitalized words and phrases used but not defined herein shall have the meaning set forth in the Declaration.

1. Members.

1.1 Members. A "**Member**" means a member of the Association, each Member being an Owner of a Lot. Membership in the Association shall be appurtenant to and may not be separated from ownership of a Lot. The Association will have two (2) classes of Members, as follows:

(a) Class "A" Members. "**Class "A" Members**" shall be all Members, exclusive of Class "B" Members, if any.

(b) Class "B" Members. "**Class "B" Members**" will include Declarant and such Owners as Declarant may, in its sole discretion, confer Class "B" Membership status upon. Class "B" Membership ceases at the expiration or termination of the Development Period and at such time, any remaining Class "B" Members will be automatically converted to Class "A" Members.

1.2 Voting. The Members shall be entitled to vote as follows.

(a) Class "A" Members. Class "A" Members shall be entitled to cast one (1) vote per Lot for each Lot owned by such Class "A" Member.

(b) Class "B" Members. Class "B" Members shall be entitled to cast three (3) votes per Lot for each Lot owned by such Class "B" Member.

(c) Multiple / Fractional Ownership. If any Lot is owned by multiple Owners, then such multiple Owners must jointly cast their vote(s). The multiple Owners may devise any arrangement between or among themselves to determine whether to vote for or against a particular issue. In the event they cannot decide, no vote shall be counted for such Lot. In no

case will such multiple Owners be permitted to cast fractional votes (*i.e.*, less than one (1) vote per Lot for Class "A" Members and less than three (3) votes per Lot for Class "B" Members). Cumulative voting shall not be permitted

1.3 Notice and Quorum for Action by Members. Written notice of any meeting called for the purpose of taking any action of the Members shall be sent to all Members not less than ten (10) days or more than sixty (60) days in advance of such meeting. If applicable, such notice shall state that the purpose (or one of the purposes) of the meeting is to vote upon a special assessment, specifying the purpose of the proposed special assessment. At the first such meeting called, the presence of Members, either in person or by proxy, entitled to cast fifty-one percent (51%) or more of all the votes shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirements, and the required quorum at such second meeting shall be one-half (½) of the required quorum for the first meeting. No such second meeting shall be held more than sixty (60) days after the first called meeting.

1.4 Good Standing. Eligibility to vote or serve as a Director or officer of the Association will be predicated upon a Member being in "good standing" with the Association. To be in "*good standing*," the Member must (i) not be delinquent with regard to any financial obligation to the Association and (ii) not be in violation of this Declaration or any rules or regulations promulgated by the Association.

1.5 Place of Meeting. Members meetings will be held at the Association's Principal Office or at another place designated by the Board.

1.6 Annual Meetings. The first Members meeting will be held within three (3) months after the formation of the Association. Subsequent annual Members meetings will be held on the second Tuesday in September or such other convenient date as designated by the Board.

1.4 Special Meetings. The president may call special meetings of the Members. The president must call a special meeting if directed by the Board or by a petition signed by fifteen percent (15%) of the Class A Members.

1.6 Waiver of Notice. A Member may, in writing, waive notice of a meeting. Attendance at a meeting is a waiver of notice of the meeting, unless the Member objects to lack of notice when the meeting is called to order.

1.8 Majority Vote. Votes representing fifty-one percent (51%) or more of the Members present at a meeting at which a quorum is present are a majority vote.

1.9 Proxies. Members may vote by written proxy.

1.10 Conduct of Meetings. The president will preside over Members meetings. The secretary will keep minutes of the meetings and will record in a minute book the votes of the members.

1.11 Action without Meeting. Any action that may be taken at a Members meeting may be taken without a meeting by written consent setting forth the action taken signed by a sufficient number of Members as would be necessary to take that action at a meeting.

1.12 Electronic Ballot and Absentee Ballot. As used in this policy, "electronic ballot" means a ballot given by email, facsimile, or posting on an internet website for which the identity of the Owner submitting the ballot can be confirmed and for which the Owner may receive a receipt of the electronic transmission and receipt of the Owner's ballot.

Association ballots will be in writing and signed by the Owner in order to be valid. An electronic ballot constitutes a written and signed ballot for purposes of this policy. If an electronic ballot is posted on an internet website, a notice of the posting will be sent to each Owner and such posting will contain instructions on obtaining access to the posting on the website.

The voting rights of an Owner may be given (a) in person or by proxy at a meeting of the Association; (b) by absentee ballot; or (c) by electronic ballot.

Absentee and electronic ballots may be counted as a present Owner and voting for the purpose of establishing a quorum only for items appearing on the ballot. Properly delivered absentee and electronic ballots may not be counted if the Owner actually attends a meeting to vote in person, so that any vote cast at a meeting by such Owner replaces any previously submitted absentee or electronic vote cast for the subject proposal. Absentee and electronic ballots may not be counted on the final vote of a proposal if the motion was amended in any way at the meeting so that it differed from the language on the absentee or electronic ballot.

Any solicitation for votes by absentee ballot must include an absentee ballot that contains each proposed action and provides an opportunity to vote for or against each proposed item and instructions for delivery of the completed absentee ballot, including the delivery location. Additionally, any solicitation for votes by absentee ballot must include the following language:

"By casting your vote via absentee ballot you will forgo the opportunity to consider and vote on any action from the floor on these proposals, if a meeting is held. This means that if there are amendments to these proposals your votes will not be counted on the final vote on these measures. If you desire to retain this ability, please attend any meeting in person. You may submit an absentee ballot and later choose to attend any meeting in person, in which case any in-person vote will prevail."

A person who is a candidate in an Association election or who is the subject of an Association vote or a person related to such person within the third degree of consanguinity or affinity may not tabulate or otherwise be given access to the ballots cast in that election, except as part of any recount process.

Not later than the fifteenth (15th) day after the date of the meeting at which the election was held, a person who was a candidate in an Association election or who was the subject of an

Association vote, can require a recount of the votes. A demand for recount must be submitted in writing by certified mail, return receipt requested; or by delivery by the U.S. Postal Service with signature confirmation service to the Association's mailing address as reflected on the latest management certificate; or in person to the Association's managing agent as reflected on the latest management certificate or to the address to which absentee and proxy ballots are mailed. The Owner requesting the recount will bear the costs associated with the recount and pay such costs in advance, including but not limited to the cost to hire a qualified non-member of the Association; unless the recount changes the result of the election or vote. If the recount changes the result of the election or vote, the requesting Owner will be reimbursed for any amounts paid in association with the recount.

In the instance of a recount, the Association will enter onto a contract for the services of a person who is not a member of the Association or related to a member of the Association within the third degree of consanguinity or affinity and is either a former county judge, county elections administrator, justice of the peace or county voter registrar.

Any action by the Association in the period between the initial election vote tabulation and the completion of any recount is not affected by the outcome of such recount.

The provisions of this Section 1.12 do not apply to meetings of the Association during the Development Period.

1.13 Conduct of Association Board Meetings. All regular and special Board meetings will be open to the Owners of the Association. The Board will have the right to adjourn a meeting and reconvene in a closed executive session to consider matters involving personnel, pending or threatened litigation, contract negotiations, enforcement actions, confidential communications with the Association's attorney, matters involving the invasion of privacy of individual Owners, or matters that have been requested to remain confidential by the request of the affected parties and agreement by the Board.

Following a closed executive Board session, any decisions made by the Board will be summarized orally and placed into the minutes. A closed executive Board session summary should not breach the privacy of individual Owners, violate any privilege, or disclose confidential information. The summary will include a general explanation of any expenditures approved in the closed executive session.

Unless the Board meeting is conducted by electronic or telephonic means, Board meetings will be held in the county in which all or a part of the property in the subdivision is located or in an adjacent county at the discretion of the Board.

The Board will keep written minutes of each regular and special meeting and make such minutes available to all Association members in accordance with the Association's records inspection, copying and retention policy.

Owner's will be given notice of the date, time, place and the general subject(s) of regular and special Board meetings, and closed executive sessions. Notices of Board meetings will be mailed to each Owner not later than the tenth (10th) day or earlier than the sixtieth (60th) day

before the date of the Board meeting; or provided at least seventy-two (72) hours before the start of the Board meeting, by posting the notice of the Board meeting in a conspicuous manner, reasonably designed to provide notice to Association members, in a place located on the Association's common area property or on any website maintained by or on behalf of the Association and sending the notice by email to each Association member who has an email address registered with the Association.

Any Board meeting conducted without prior notice to the Association members is authorized for the purpose of taking action on routine and administrative matters or a reasonably unforeseen emergency or urgent necessity that requires immediate Board action. Any action taken in such instances will require the unanimous written consent of attending Board members pursuant to other policies of the Association. Any action taken without prior notice to the Association members must be summarized orally, including any approved actual or estimated expenditures, and documented in the minutes of the next regular or special Board meeting. The board members, in the instance of a Board meeting conducted without prior notice to the Association members, will not consider or vote on fines; damage assessments; initiation of foreclosure actions; initiation of enforcement actions (excluding temporary restraining orders or violations involving irreparable harm to the Association or Association members, including but not limited to issues of health and safety); increases in assessments; appeals from a denial of architectural control approval; or suspension of a right of an individual Owner before such Owner has an opportunity to attend a Board meeting to present the Owner's position.

The provisions of this policy do not apply to meetings of the Board during the Development Period.

1.13 Association Documents Posting and Recordation. The Association will file all of the Association's governing documents in the real property records of each county in which the property to which the documents relate is located. Any dedicatory instrument comprising one of the Association's governing documents will have no effect until the instrument is filed in accordance with this provision.

The Association will make all of the Association's governing documents relating to the Subdivision and Association that have been filed of record available for viewing on any publicly accessible website maintained by the Association or by the Association's management agent for the benefit of the Association.

2. Board.

2.1 Governing Body; Composition. The affairs of the Association are governed by a board of directors (the "**Board**"). Each director has one (1) vote. The initial Board is composed of the directors appointed in the certificate of formation.

2.2 Number of Directors. The Board consists of not less than three (3) or more than seven (7) directors. Within those limits, the Board may change the number of directors. No decrease may shorten the term of a director.

2.3 Term of Office. The initial directors serve until the first annual meeting of Members. Successor directors will have a term of one (1) year. Directors may serve consecutive terms.

2.4 Election. At the first annual meeting of Members, the Members will elect directors to succeed the initial directors. At subsequent annual Members meetings, successors for each director whose term is expiring will be elected. Cumulative voting is prohibited. The candidate or candidates receiving the most votes will be elected. The directors elected by the Members will hold office until their respective successors have been elected.

2.5 Removal of Directors and Vacancies.

(a) *Removal by Members.* Any director may be removed, with or without cause, by a majority of the Members. Any director whose removal is sought will be given notice of the proposed removal.

(b) *Removal by Board.* Any director may be removed at a Board meeting if the director—

- (1) failed to attend three (3) consecutive Board meetings;
- (2) failed to attend fifty percent (50%) percent of Board meetings within one (1) year;
- (3) is delinquent in the payment of any Assessment for more than sixty (60) days (unless such Assessment is the subject of a bona fide dispute); or
- (4) is the subject of an enforcement action by the Association for violation of the Association Documents.

(c) *Vacancies.* A director's position automatically becomes vacant if the director dies, becomes incapacitated, resigns, or is no longer a Member.

(d) *Successors.* If a director is removed or a vacancy exists, a successor will be elected by the remaining directors for the remainder of the term.

2.6 Compensation. Directors will not receive compensation. A director may be reimbursed for expenses approved by the Board.

2.7 Powers. The Board has all powers necessary to administer the Association's affairs.

2.8 Management. The Board may employ a managing agent. Declarant, or an affiliate of Declarant, may be the managing agent.

2.9 Accounts and Reports. Accounting and financial controls must conform to good accounting practices. Accounts of the Association shall not be commingled with accounts of

other persons. The following financial reports (or similar financial reports prepared by a management company retained by the Association) will be prepared at least annually:

(a) *Income Statement.* An income statement reflecting all income and expense activity for the preceding period.

(b) *Sources and Uses Statement.* A statement reflecting all cash receipts and disbursements for the preceding period.

(c) *Variance Report.* A variance report reflecting the status of all accounts in an "actual" versus "approved" budget format.

(d) *Balance Sheet.* A balance sheet as of the last day of the preceding period.

(e) *Delinquency Report.* A delinquency report listing all Owners who are delinquent by more than thirty (30) days in paying any Assessment and describing the status of any action to collect those delinquent Assessments.

2.10 Borrowing. The Board may borrow money to maintain, repair, or restore the Common Area without the approval of the Members. If approved in advance by the Members in the same manner as approving a Special Assessment, the Board may borrow money for any other purpose.

2.11 Rights of Association. With respect to the Common Area, and in accordance with the Declaration, the Association will have the right to contract with any person for the performance of various duties and functions. Such agreements require the approval of the Board.

2.12 Enforcement Procedures.

(a) *Notice.* Before the Board may (i) suspend an Owner's right to use a Common Area, (ii) file a suit against an Owner other than a suit to collect any Assessment, (iii) foreclose the Association's lien, (iv) charge an Owner for property damage, or (v) levy a fine for a violation of the Governing Documents, the Association or its agent must give written notice to the Owner by certified mail, return receipt requested. The notice must describe the violation or property damage that is the basis for the suspension action, charge, or fine and state any amount due the Association from the Owner. The notice also must inform the Owner that the Owner (x) is entitled to a reasonable period to cure the violation and avoid the fine or suspension unless the Owner was given notice and a reasonable opportunity to cure a similar violation within the preceding six (6) months and (y) may request a hearing on or before the thirtieth (30th) day after the date the Owner receives the notice.

(b) *Hearing.* If the Owner is entitled to an opportunity to cure the violation, the Owner has the right to submit a written request for a hearing to discuss and verify facts and resolve the matter in issue before a committee appointed by the Board or before the Board if the Board does not appoint a committee. If a hearing is to be held before a committee, the notice must state that the Owner has the right to appeal the committee's decision to the Board by written notice to the Board.

The Association must hold a hearing under this section not later than the thirtieth (30th) day after the date the Board receives the Owner's request for a hearing and must notify the Owner of the date, time, and place of the hearing not later than the tenth (10th) day before the date of the hearing. The Board or the Owner may request a postponement, and, if requested, a postponement will be granted for a period of not more than ten (10) days. Additional postponements may be granted by agreement of the parties. The Owner or the Association may make an audio recording of the meeting.

The hearing will be held in executive session affording the alleged violator a reasonable opportunity to be heard. Before any sanction hereunder becomes effective, proof of proper notice will be placed in the minutes of the meeting. Such proof will be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, director, or agent who delivered the notice. The notice requirement will be satisfied if the alleged violator appears at the meeting. The minutes of the meeting will contain a written statement of the results of the hearing and the sanction, if any, imposed. The Board may, but will not be obligated to, suspend any proposed sanction if the violation is cured within a ten (10) day period. Such suspension will not constitute a waiver of the right to sanction violations of the same or other provisions and rules by any person.

(c) *Appeal.* Following a hearing before a committee, if any, the violator will have the right to appeal the decision to the Board. To perfect this right, a written notice of appeal must be received by the managing agent, if any, president, or secretary within ten (10) days after the hearing date.

(d) *Changes in the Law.* The Board may change the enforcement procedures set out in this section to comply with changes in applicable law.

3. Board Meetings

3.1 Regular Meetings. Regular meetings of the Board will be held at such time and place as determined by the Board, but at least two (2) such meetings will be held during each fiscal year. Notice of the time and place of the meetings will be given to directors not less than ten (10) days before the meetings.

3.2 Special Meetings. Special meetings will be held when called by written notice signed by the president or by any two (2) directors. The notice will specify the time and place of the meeting and the matters to be covered at the meeting.

3.3 Waiver of Notice. The actions of the Board at any meeting are valid if (i) a quorum is present and (ii) either proper notice of the meeting was given to each director or a written waiver of notice is given by any director who did not receive proper notice of the meeting. Proper notice of a meeting will be deemed given to any director who attends the meeting without protesting before or at its commencement about the lack of proper notice.

3.4 Quorum of Board. At all meetings, a majority of the Board will constitute a quorum and the votes of a majority of the directors present at a meeting at which a quorum is present constitutes the decision of the Board. If the Board cannot act because a quorum is not

present, a majority of the directors who are present may adjourn the meeting to a date not less than ten (10) nor more than sixty (60) days from the date the original meeting was called. At the reconvened meeting, if a quorum is present, any business that may have been transacted at the meeting originally called may be transacted without further notice.

3.5 Conduct of Meetings. The president will preside at Board meetings. The secretary will keep minutes of the meetings and will record in a minute book the votes of the directors.

3.6 Proxies. Directors may vote by written proxy.

3.7 Action without Meeting. Any action that may be taken at a Board meeting may be taken without a meeting by written consent setting forth the action taken signed by a sufficient number of the Board as would be necessary to take that action at a meeting.

4. Officers.

4.1 Officers. The officers of the Association are a president, vice president, secretary, and treasurer, to be elected by the Board. The Board may appoint other officers having the authority and duties prescribed by the Board. Any two (2) or more offices may be held by the same person, except the offices of president and secretary.

4.2 Election, Term of Office, and Vacancies. Officers will be elected annually by the Board at the first meeting of the Board following each annual meeting of the Members. A vacancy in any office may be filled by the Board for the unexpired portion of the term.

4.3 Removal. The Board by majority vote may remove any officer whenever, in the Board's judgment, the interests of the Association will be served thereby.

4.4 Powers and Duties. Officers have such powers and duties as are generally associated with their respective offices and as may be specifically conferred by the Board. The president is the chief executive officer of the Association. The treasurer has primary responsibility for the preparation of the budget and financial reports and may delegate all or part of the preparation and notification duties to a finance committee, management agent, or both.

4.5 Resignation. Any officer may resign at any time by giving written notice to the Board, the president, or the secretary. Resignation takes effect on the date of the receipt of the notice or at any later time specified in the notice.

5. Committees

5.1 Committees. The Board may establish committees by resolution and authorize the committees to perform the duties described in the resolution.

6. Miscellaneous

6.1 Fiscal Year. The Board may establish the Association's fiscal year by resolution. In the absence of a Board resolution determining otherwise, the Association's fiscal year is a calendar year.

6.2 Rules for Meeting. The Board may adopt rules for the conduct of meetings of Members, Board, and committees.

6.3 Conflict. The Declaration controls over these Bylaws.

6.4 Inspection of Books and Records.

(a) *Inspection by a Member.* After a written request to the Association, a Member may examine and copy, in person or by agent, any Association books and records relevant to that purpose. The Board may establish rules concerning the (i) form of written request, (ii) hours, days of the week, and place for inspection and (iii) payment of costs related to a Member's inspection and copying of books and records.

(b) *Inspection by Director.* A director has the right, at any reasonable time, and at the Association's expense, to (i) examine and copy the Association's books and records at the Association's Principal Office and (ii) inspect the Association's properties.

6.5 Notices. Any notice required or permitted by the Governing Documents must be in writing. Notices regarding enforcement actions must be given by certified mail, return receipt requested. All other notices may be given by regular mail. Notice is deemed delivered (whether actually received or not) when properly deposited with the United States Postal Service, addressed to (i) a Member at the Member's last known address according to the Association's records and (ii) the Association, the Board, or a managing agent at the Association's Principal Office or another address designated in a notice to the Members. Unless otherwise required by law or the Governing Documents, actual notice, however delivered, is sufficient.

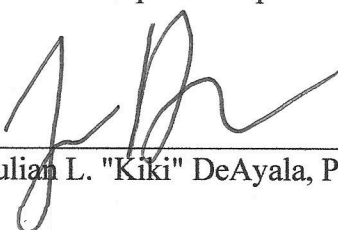
6.6 Amendment. These Bylaws may be amended at any time by the vote of a majority of the Members in the Association. This provision will not be construed as limiting the Board's power to amend the enforcement procedures to comply with changes in law.

Adopted effective September 17, 2013.

ATTEST:

The Islands of Rockport Home Owners' Association, Inc.,
a Texas nonprofit corporation

By:


Julian L. "Kiki" DeAyala, President

332659

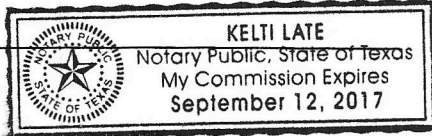
(Acknowledgment)

File No. _____
County Clerk, Aransas County, Texas

STATE OF TEXAS
COUNTY OF Aransas }

This instrument was acknowledged before me on the 20th
day of November, 19~~13~~²⁰ by ~~Kelti Late~~ Julian L. Riki Delyala,
President of
Islands of Rockport

My commission expires:



Kelti Late
Notary Public, State of Texas
Kelti Late
Notary's Printed Name

Homeowners' Association
Inc.

STATE OF TEXAS
COUNTY OF ARANSAS

I hereby certify that this instrument was FILED on the date
and at the time affixed hereon by me and was duly
RECORDED in the OFFICIAL PUBLIC RECORDS of ARANSAS
COUNTY, TX. as stamped hereon by me on 11-20-13



Peggy L. Friebele
PEGGY L. FRIEBELE, COUNTY CLERK
ARANSAS COUNTY, TEXAS

FILED FOR RECORD IN OPR
AT 2:17 P. M.

NOV 20 2013

INDEXED

SCANNED

PEGGY L. FRIEBELE, COUNTY CLERK
ARANSAS COUNTY, TEXAS

✓ The Islands of Rockport Homeowners'
Association, Inc
4418 S. Texas Hwy 35
Rockport, TX 78382

12/160