

**BY-LAWS
OF THE
HOLIDAY BEACH PROPERTY OWNERS ASSOCIATION, INCORPORATED**
(As revised and at general meetings of September, 1968; May, 1969, November, 1970; May, 1973;
May, 1984; November, 1986; November 1993; May 3, 2008; July 18, 2009)

ARTICLE I - NAME

Section 1 **Name**

The name of the Texas non-profit corporation shall be the Holiday Beach Property Owners' Association, Incorporated.

ARTICLE II- PURPOSE

Section 1 **Purpose**

The purpose for which the Corporation is organized is to manage, maintain, repair and replace the common property used by all of the property owners. To collect the Annual Maintenance Assessments (AMA) as set forth in the Subdivision Restrictions from members to finance the expenses of operating the corporation. To ensure the corporation is operated in accordance with all applicable local, state, and federal statutes and regulations. The corporation shall also have the authority to enforce the dedications, assignments and subdivision restrictions which appear of record in:

<u>Section</u>	<u>Vol.#.</u>	<u>Page #</u>	<u>Recorded</u>	<u>Doc#</u>	<u>Plat #</u>	<u>Page#</u>	<u>Recorded</u>	<u>Doc#</u>
St. Charles	W-4	260	2/5/64	45560	2	118	1/28/64	45559
Mesquite Tree & Sherwood Downs	X-4	497	5/21/64	46425	2	121	5/20/64	46411
Newcomb Bend	Z-4	522	9/25/64	47535	2	139	9/25/64	47534
Palmetto Point 1-105	Z-4	525	9/25/64	47536	2	139	9/25/64	47534
Hillcrest	Z-4	528	9/25/64	17537	2	138	9/25/64	47533
Corrections to above	108	58	3/22/65	48877				
Belaire 1-134	108	164	3/28/65	48945	2	143	3/18/65	48944
Northview 1-103	108	178	3/22/65	48955	2	143	3/18/65	48944
Northview 104-704	113	433	11/17/65	51064	3	6	11/12/65	51062
Southview	113	436	11/17/65	51065	3	7	11/12/65	51063
Woodland Hills	114	491	1/7/66	514433	3	8	1/6/66	51442
Oak Shores	120	282	8/22/66	53447	3	16	8/19/66	53446
Palmetto Pt 106-327	122	160	11/1/66	54065	3	19	11/2/66	54088
Bayview 1-70	122	316	11/15/66	54192	3	21	11/18/66	54250
Belaire 135-154	122	421	11/21/66	54247	3	22	11/18/66	54251
Oak Shores Unit 2	124	171	2/3/67	54719	3	28	7/3/67	56192

These public records of Aransas County, Texas may be amended from time to time as required based on the procedure out lined in those records. These covenants and restrictions run with the land therein referred to and are binding on all entities and individuals claiming any of said property.

ARTICLE III - MEMBERSHIP

Section 1 Membership

The membership shall be composed of owners who hold the current title to property in the Holiday Beach Subdivision as recorded in the Deed of Records of Aransas County, Texas. Membership in the Association is mandatory based on the covenants and restrictions as identified above.

Section 2 Termination

Membership in the Corporation is terminated when the property owner or purchaser under contract for Deed, shall sell or dispose of his property in the Holiday Beach Subdivision as reflected in the public records of Aransas County, Texas. Termination of membership for other reasons which includes the denial of use of the facilities and non-payment of the Annual Maintenance Assessment (AMA) shall only occur when such termination is allowed by local, state or federal rules, regulations or statute, and after all proper notifications, hearings and all due process allowed.

Section 3 Suspension

Membership in the Corporation may be suspended. Suspension shall include the denial of the use of the facilities, common areas, notices, voting rights, and participation in other functions of the Corporation. Suspension from the Corporation shall not suspend the member's responsibility to pay the AMA due on all properties. Suspension is automatic when the property owner does not pay his AMA and is in effect until such time as the AMA is paid.

ARTICLE IV - MEMBERS' MEETINGS

Section 1 Annual Meetings

The Corporation shall hold an annual meeting of the membership on the third Saturday of July in Aransas County, Texas at a time and place to be set by the Board of Directors. The time and place of the meeting is to be set no later than June 1 of that year.

Section 2 Notice of Annual Meetings

Written notice of the annual meeting of the membership will be mailed to all members in good standing at least thirty (30) days prior to the meeting date, providing information on the meeting place, time, date and other items considered pertinent by the Board of Directors. Good Standing shall mean those members who are not terminated or suspended as defined in Article III.

Section 3 Record Date for Members

The record date for determination of members in good standing who are entitled to notice of the meeting shall be May 31 of that year. In order to vote on any item at the Annual Meeting a member must be in good standing by July 1 of that year.

Section 4 Special Meetings of the Membership

Special meetings of the membership may be called at any time and for any purpose deemed necessary

by a 2/3 vote of the Board of Directors. A fifteen day notice shall be given by mail or other means of notification to all members. The notice should contain the date, time and place of the meeting as well as an agenda for the meeting. Only items listed in the agenda may be handled.

Section 5 **Quorum**

A quorum shall consist of a quorum of the Board of Directors and twenty-five (25) members in good standing who are present in person, or by proxy at the meeting and vote.

Section 6 **Voting - Annual or Special Meetings**

Property owners (Members of the Corporation) in good standing shall be entitled to one (1) vote for each lot (share) owned representing their proportionate share (s in the corporation) of all lots unless otherwise specified in these By-laws, or by local, state, or federal rules or regulations.

At all meetings of the Corporation (membership) all questions shall be determined by a simple majority of members in good standing who are present and/or voting unless different requirements are required by the by-laws, local, state, federal rules or regulations. Voting on agenda items shall be by signed ballot or proxy to include the number of lots (shares) owned. Multiple owners of the same property lot shall be entitled to only one vote per lot owned. Corporations may vote based on the lots owned and by a designated member of that corporation. A legal guardian of a minor property owner shall be entitled to vote for the minor. Contract for deed property owners may not vote unless the contract for deed has been recorded in Aransas County, Texas. A ballot is revocable, with the most current date being valid and only used for agenda items. Voting on non-agenda items by members not present shall be by proxy. A proxy is revocable and valid only for the day of meeting for which it is issued. The proxy with the most recent date shall be valid over all others.

Non-agenda items shall be determined by simple majority vote unless other requirements are set forth in the by-laws, local, state, federal rules or regulations. A proxy is required for all members not present who wish to vote on non-agenda items. The President may determine the method of voting for those members present on non-agenda items.

Voting on single item issues, other than election of the Board of Directors, may be presented to the membership by mail and voted on by ballot without the calling of a Special Meeting of the membership. The issue shall pass with a simple majority vote unless other requirements are set forth in the by-laws, local, state, federal rules or regulations.

Section 7 **Tabulation of Votes at Annual & Special Meetings of the Membership**

Tabulation of all votes shall be by a committee appointed by the President at a regular or called meeting of the Board of Directors. The President shall determine the number of committee members, and the procedure to be utilized to count the votes. The tabulation may begin at such a time so that the only votes to be tabulated are the votes cast in person. On the day of the meeting vote counting should start as soon as all ballots are turned in and should continue until the results are posted.

Section 8 **Order of Business at Annual & Special Meetings of the Membership**

- a. Call to Order
- b. Establish a Quorum based on member's signature on a document dedicated for that purpose. The Sergeant of Arms / Parliamentarian shall declare that the meeting was properly called.

- c. Reading of the minutes of the preceding meeting
- d. Financial report (copies for the membership in attendance)
- e. Report from the Board Members as required.
- f. Election of Board of Directors when appropriate
- h. Agenda Items
- i. New Business
- j. Good of the Corporation
- k. Adjournment

ARTICLE V BOARD OF DIRECTORS

Section 1 Composition

A Board of Directors shall manage the affairs and business of the Corporation and shall have a fiduciary responsibility in all their activities. The Board of Directors will be composed of the following five (5) Officers:

- a. President
- b. Vice President
- c. Secretary
- d. Treasurer
- e. Sergeant of Arms / Parliamentarian

The Board of Directors will be composed of the following four (4) Directors of the Corporation:

- a. Director - Subdivision Restrictions
- b. Director - Boat Ramps, Pier, Channels
- c. Director - Pool & Parks
- d. Director - Aransas County Liaison

Two Non-Voting Representatives-at-Large will also be seated with the Board of Directors. They will be required to have the same standards and qualifications as a Member of the Board of Directors.

Section 2 Qualifications

All members of the Board of Directors must be property owners in good standing and must be current in payment of their Annual Maintenance Assessments (AMA) on all property owned while on the Board of Directors. A member of the Board of Directors may not be a legal guardian of a minor property owner, a corporate representative, an owner who has less than one complete lot, or a representative of a lot owned by multiple owners.

Section 2a

The membership of the Board of Directors may not have more than one member from the same relation (family) no matter how extended or how many lots are owned or in whose name those lots are listed. Non-related property owners owning the same lots jointly, in partnership, corporation, or in trust shall not be allowed to have more than one member serving on the Board of Directors.

Section 3 **Nominations**

The President at a regular scheduled or called meeting of the Board of Directors shall appoint a Nomination Committee by May 1 of the year in which elections are to be held. The Nominating Committee shall meet as required to provide a slate of Directors to be placed on the ballot for the Board of Directors. The list shall be completed by May 31 and submitted to the existing Board of Directors. They will insure the potential Directors are qualified and will accept the recommendations of the committee.

Should there be more than one individual qualified for a position on the Board of Directors the recommendation of the Nominating Committee will be used. Individuals who do not receive the recommendation, if requested may also be placed on the ballot with the appropriate notation.

Section 4 **Election of the Board of Directors**

All members of the Board of Directors shall be elected by nominated position, at the annual Membership meeting that is to be held on the third Saturday of July in odd years, and shall hold office for two years.

Section 5 **Duties**

The Board of Directors shall have control and general management of the affairs and business of the Corporation. The Board of Directors shall have the authority to handle all financial functions including the negotiation of contracts, loans, purchase equipment, hire employees and handle the day to day activities the Corporation

The Board of Directors shall set policies relating to the enforcement of the subdivision restrictions based on the seriousness of the violation, effect on property owners, interpretation of covenants, restrictions, assignments, legal ramifications and resources available.

The Board of Directors shall set policies relating to the collection of the Annual Maintenance Assessment (AMA) to insure they are collected in an efficient manner. Will set policies with regard to the placement of liens and ensure adequate records are maintained.

The Board of Directors shall set guidelines and rules for use of the common areas and facilities available to the membership.

No Board Member may hold more than one position on the Board of Directors at the same time.

The Board of Directors shall not be limited to the above duties.

Section 6 **Board of Directors' Meetings**

Regular meetings of the Board of Directors shall be held once a month at a time and day to be determined by the Board of Directors based on a simple majority vote of the Board. The President may at any time call a Special Meeting of the Board of Directors when deemed necessary to carry on business pertinent to the Corporation.

Section 7. **Notice of Board of Directors Meetings**

The Board of Directors will be notified of Regular meetings by telephone at least twenty-four (24) hours

before the meeting is scheduled. If the Director is not available when called, a message on an answering machine or by email will constitute notification. The place, date and time of regular meetings will be published on the corporate website.

The Board of Directors will be notified of Special meetings by telephone at least twenty-four (24) hours before the meeting is scheduled. If the Director is not available when called, a message on an answering machine or by email will constitute notification.

All Board of Directors meetings shall be placed on the bulleting boards maintained at the entrance to the subdivision and /or any other means to notify the membership at least twenty-four (24) hours prior to the meeting.

All meetings of the Board of Directors shall be open to all members of the Corporation regardless of standing. Those members who are not in good standing may at the discretion of the Board of Directors be denied participation in the meeting. The Board may recess to an executive session, for Officers and Directors only to discuss pending legal matters, removal of an Officer or Director, or employee matters.

Section 8 **Quorum**

At any meeting of the Board of Directors Six (6) Officers and/or Directors will be required to constitute a Quorum for the transaction of business.

Section 9 **Voting**

At all meetings of the Board of Directors each member except the President and the Representatives at Large will have one vote. The President shall have voting authority in the event of a tie.

Section 10 **Vacancies**

Vacancies on the Board of Directors occurring between annual meetings of the Corporation shall be filled for the unexpired time by a simple majority of the remaining members of the Board of Directors. The Board of Directors must choose a replacement from the two Members at Large. If they decline, unable to serve, or have already been chosen then the Board of Directors may seek a replacement from the property owners at large. If a vacancy is declared within forty-five (45) days of an Annual Membership meeting the replacement should be elected by the general membership in a manner determined by the President.

Section 11 **REMOVAL OF AN OFFICER OR DIRECTOR**

One or more members of the Board of Directors may be removed with Due Process (Due Process shall be defined as the opportunity to present defense to the allegations and receive a fair and equitable hearing) as determined by the members of the Board at any time by a two-thirds (2/3) majority of the other members of the Board. A member absent from three (3) consecutive unexcused absences from the regular monthly Board meetings may be removed by a simple majority of the remaining members. The membership of the Corporation shall have the authority to remove an Officer or Director, or the entire Board of Directors for violations of the By-Laws or Deed Restrictions. In order for the membership to remove an Officer or Director, or the entire Board of Directors a member in good standing shall notify the Board in writing of the intent to recall. This notification should include the identity of the recalled official(s) and reason for recall. The Board of Directors has five (5) days to notify the member of the number of signatures that will be required for a valid petition of the membership for recall. The number of required signatures shall be equal to ten (10) percent of the total number of property owners at the

time of notification. The valid signatures of the membership recall petition shall include only those in good standing and will be returned in 30 days of receipt of the petition members required. The valid signatures of the membership recall petition shall include only those members in good standing. When the petition is received the Board has five (5) days to verify the signatures and if verified they have fifteen (15) days to notify the general membership and call for a Special Meeting of the Membership. Those seeking election along with those in office shall have their names included in the meeting notification. Voting shall be according to Article V, Section 6 and Vote Tabulation according to Article 5 Section 7.

Section 12 **COMPLAINTS, REQUESTS, AND SUGGESTIONS**

Any and all complaints, requests, or suggestions may be presented to any member of the Board of Directors, at the business office during office hours verbally, by mail, email, or any means available. The complaints, requests or suggestions will be reviewed by the President and if warranted will be placed on the agenda or notify the Board by appropriate means.

ARTICLE VI OFFICERS AND DIRECTORS

Section 1 **OFFICERS**

The officers of the Corporation shall be five: The President, Vice President, Secretary, Treasurer and Sergeant at Arms / Parliamentarian.

Section 2 **DUTIES OF OFFICERS**

The duties and authorities of the officers shall be as follows:

a. **President**

The President shall have sole responsibility for the preparation of the agenda and order of business. The President shall preside at all meetings of the Corporation and Board Meetings and call special meetings of the Board of Directors, and meetings of the Membership. The President will appoint all committees as required and shall be an ex-officio member of all committees. The President shall be the Chief Executive Officer of the Corporation and the custodian of records. The President will insure that all records of the corporation are kept current, accurate, and available to the membership. The President will participate in the preparation of the annual budget. The President shall follow these by-laws and perform any other duties that may be required.

b. **Vice President**

The Vice President shall during the absence of or inability of the President, render or perform the duties of the President and or exercise other Powers of the President as set forth in these By-laws, and perform any other duties delegated to him by the President. The Vice President shall also regularly assist when required in the duties of the Directors.

c. **Secretary**

The Secretary shall keep the minutes of the meetings of the membership and the Board of Directors, shall serve all notices of the Corporation and perform the duties incident to the office of Secretary. Shall participate in the preparation of the annual budget.

d. **Treasurer**

The Treasurer shall have the care and custody of, and be responsible for all funds of the Corporation. Shall keep all records of account receivables and the accounts payable. Provide an accounting of the expenditures to the Board of Directors and members of the Corporation at regular meetings. Shall participate in the preparation of the annual budget.

e. **Sergeant at Arms / Parliamentarian**

The Sergeant at Arms shall keep order in all meetings of the Board of Directors and meetings of the Membership. As parliamentarian will determine that a Quorum is present and that the meeting is properly called as well as interpreting these By-laws and Robert's Rules of Order as required.

Section 3 **Directors**

The Directors of the Corporation shall be four: Subdivision Restrictions, Boat Ramps, Pier and Channels, Swimming Pool and Parks, and Aransas County Liaison.

Section 4 **Duties of the Directors**

The duties and authorities of the Directors shall be as follows:

a. **Director - Subdivision Restrictions**

The Director - Subdivision Restrictions shall review violations of the subdivision restrictions. Will verify, conduct an appropriate investigation, attempt resolution and refer to the President and/or the Board of Directors for a confirmation of the action recommended. This Director will also review all applications for building in the subdivision to insure the proposed structure is in compliance with the Subdivision restrictions for the section that the structure is being built. Approve or disapprove the plans and submit to the President for approval or disapproval and notification of the property owner. If the Director is unable to reach a resolution and requires additional assistance, the Director will request the President to appoint a committee to further examine the issue.

b. **Director - Boat Ramps, Pier, and Channels**

The Director - Boat Ramps, Pier, and Channels shall be responsible for the repair, maintenance, and use of the Boat Ramps, Pier/Pier Park. Shall be responsible for notifying the Board of Directors of problems with the operation of these facilities and shall check to verify that only property owners in good standing are utilizing these facilities. Verify that the facilities are being used in accordance with policy and procedures established by the Board of Directors.

c. **Director - Swimming Pool and Parks**

The Director - Swimming Pool and Parks shall be responsible for the repair, maintenance, operation, and use of the swimming pool and parks. Shall be responsible for notifying the Board of Directors of problems with the operation of these facilities and shall check to verify that only property owners in good standing are utilizing these facilities. Verify that the facilities are being used in accordance with policy and procedures established by the Board of Directors.

f. **Director - Aransas County Liaison**

Director - Aransas County Liaison shall be the primary contact of the Corporation with the Holiday Beach Water Supply Company, Lamar VFD and other local government identities. The Director should establish a rapport with all levels of county government to insure that the Holiday Beach Subdivision obtains an equitable amount of county services. This should include but not limited to, roads, drainage, mosquito control, fire control, and the Sheriff's office. The Director shall keep the Board of Directors informed of all pertinent information.

Section 5 **Representatives at Large**

In addition to the above-described Directors the Membership shall elect two Representatives at Large. These positions shall be non-voting members and shall be allowed to participate in all meetings of the board of Directors. Should a member of the Board of Directors leave for any reason, then one of these two Representatives at Large shall be appointed to fulfill the term of the leaving Director or Officer. These members may assist other Board Members, serve on committees or other responsibilities as deemed necessary by the President.

ARTICLE VII - STANDARDS OF OFFICERS AND DIRECTORS

Section 1 **Standards of Officers and Directors**

Officers and Directors shall discharge the duties of their office to the best of their ability. They will have a Fiduciary responsibility that places both legal and moral obligations on their actions.

Section 2 **Conduct of Business**

The Board of Directors will require at least three (3) bids for any work required by the Corporation in excess of \$5,000.00. A written contract not just a proposal is required in all expenditures in excess of \$5,000.00.

Section 3 **Loans to Officers or Directors**

No Officers or Directors nor any member of the Corporation or anyone else shall receive loans from Corporation funds.

Section 4 **Salaries & Dividends**

No Officers or Directors of the Corporation shall receive a salary, honorarium, or dividends from Corporation funds.

Section 5 **Contractors and Nepotism**

No Officer or Director of the Corporation shall transact business for the corporation as a contractor and be paid with Corporation funds. No relative of a member of the Board of Directors may be a paid contractor or an employee of the corporation. No more than one member of a family (husband, wife, son, daughter, in-laws, aunts, uncles, cousins, father, and mother) may be an employee of the corporation at the same time. Nepotism in all forms is to be avoided.

ARTICLE VIII - HOLIDAY BEACH SUBDIVISION - COMMON AREAS

Section 1 The following properties are designated as common areas and are available for use by all property owners in good standing pursuant to policy and/or rules established by the Board of Directors.

- Tract 1 Hillcrest Park, Lots 88-093 on Hillcrest Drive between West Shady Oak Lane and West Castle Oak Lane, Hillcrest Section.
- Tract 2 Swimming Pool and Park, Lots 400-401, 436-437, on St. Charles Loop West, between Charlotte Drive and DeSota Drive, St. Charles Section
- Tract 3 Large Boat Ramp, between Palmetto Point Road and Channelview Road, Palmetto Point Section
- Tract 4 Small Boat Ramp, between Kingfish Drive and Sailfish Drive, Palmetto Point Section
- Tract 5 Newcomb Bend Park, on Newcomb Bend Loop between 67 and 68 Newcomb Bend Loop
- Tract 6 Fishing Pier and Park, northwest corner at the intersection of Belaire Drive and Northview Drive, Belaire Section.
- Tract 7 1 Belaire and north half of 2 Belaire Drive located adjacent to the Fishing Pier and Park at the intersection of Northview Drive, Belaire Section (1 Belaire is designated on the Belaire plat as a commercial lot)
- Tract 8 Lee Miller Center, Recreation Building on Lots 103-104 at 104 St. Charles Loop W, St. Charles Section

The preceding listed properties may not be sold, traded, or altered from their primary function as a common area without the approval of a simple majority of the property owners present or voting at a meeting, special meeting or a single issue ballot as outlined in Article IV, Section 6.

ARTICLE IX - OPEN RECORDS AND MEETINGS

Section 1 **Open Records**

All records of the Corporation shall be available for review during normal business hours to all members of the Corporation. Pending legal matters involving on going investigations, conference, emails and other documents are not available until the adjudication is completed. Excluded items are individual membership telephone numbers, email address, employment or other personal information contained about individual members. Copies are available to members in good standing for a reasonable fee determined by the Board of Directors. There shall not be a fee to any member to review files. Information may be provided to law enforcement agencies on an individual basis as well as for the safety and welfare of a member or their property. The Board of Directors will resolve all questions concerning a privacy policy dispute.

Section 2 **Open Meetings**

All meetings of the Board of Directors, Committees, Workshops and Membership Meetings shall be open to all members of the Corporation unless specially stated elsewhere in the by-laws. The corporation will have a transparency of operation & disclosure at all times.

ARTICLE X - DUES

Section 1 **Dues**

The dues of the Corporation shall be the annual maintenance assessment as provided in Paragraph Number 12 of the Subdivision Restrictions therein enumerated in Article II and/or as amended elsewhere in the restrictions.

Section 2 **Administrative Fees and charges**

The Board of Directors has the authority to establish fees, administrative charges and the like to offset administrative expenses. Such fees as mailing fees, bad check charges, lien filing fees, lien release filing fees, property transfer fees, resale certificate fees, and other fees that maybe required by Local, State, or Federal rules and regulations.

ARTICLE XI - AMMENDMENTS OF THE BY-LAWS

Section 1 **Amendments**

The By-laws may be amended, altered, rescinded, supplemented or rewritten. An affirmative vote of three-fourths (3/4) of the membership voting by single issue ballot, at an annual meeting, or special meeting called for the purpose of altering or amending said by-laws, provided written notice has been sent to the members stating the nature of the desired changes.

ARTICLE XII AMENDMENTS OF SUBDIVISION RESTRICTIONS

Section 1 **Amendments of Subdivision Restrictions**

The initial procedure to amend the Holiday Beach Subdivision Restriction shall be in accordance with Chapter 211 of the Texas Property Code, Texas Non-Profit Corporation Act or any other legal means available. After the initial procedure is approved, the procedure to amend the restrictions will be recorded in each subdivision section and will be followed in all other efforts to amend the subdivision restrictions.

ARTICLE XIII EFFECTIVE DATE OF THESE BY-LAWS

Section 1 **Effective date of these By-laws**

The effective date of these Bylaws will be the date of ratification and will include all sections except Article V and Article VI which deal with the election of Officers which will not become effective until the next election year.

ARTICLE XIV – OMISSIONS, CORRECTIONS AND PROCEDURES

Section 1 **Omissions, Corrections and Procedures**

Any omissions, corrections, and procedures' not defined in these By-laws Local, State, or Federal rules and regulations will be governed by Robert's Rules of Order.