

Bylaws of HOA @ Boardwalk Inc, a Texas non-profit corporation

Basic Information

Association: HOA @ Boardwalk Inc, established by the certificate of formation filed with the secretary of state of Texas on April 12, 2018, under file number 802987165, a Texas nonprofit corporation.

Principal Office: 14610 Archer Dr, Laredo, TX 78045. The Property Owners Association may have other offices.

Declaration: The Declaration of Covenants, Conditions and Restrictions for D&J Alexander Subdivision Unit XXVII recorded at Volume 4403, Page 644, *et seq.* Real Property Records of Webb County, Texas, as the same may be amended from time to time.

Definitions: Capitalized terms used but not defined herein have the meaning set forth in the Declaration.

Voting Members: Members entitled to vote or their proxies.

Dedicatory Instruments: The Declaration and these Bylaws.

A. Members

A.1. Membership. Every Lot Owner is a Member of the Association. Membership is appurtenant to and may not be separated from ownership of a Lot. The Association has two classes of voting Members:

A.1.a. Class A. Class A Members are all Owners, other than Declarant (except as otherwise provided in the Declaration). Class A Members have one vote per Lot. When more than one person is an Owner, each is a Class A Member, but only one vote may be cast for a Lot.

A.1.b. Class B. The Class B Member is Declarant (subject to the terms of the Declaration). The Class B Member has 2000 votes as to Unit XXVII of the Development *less* 3 votes for each Lot owned by another Person; additionally, the Declarant will acquire 3 votes per Lot owned by Declarant (or by an owner under the subdivision plat creating the Phase/Unit who is affiliated with Declarant) for each additional Phase/Unit after Unit XXVII or other Additional Property. The term Phase/Unit means the original Development (Unit XXVII), and each new platted group of lots or other Additional Property annexed to the Development. The Class B membership ceases and converts (with all votes, present and future) to Class A membership in accordance with the Declaration.

A.2. Place of Meeting. Members meetings will be held at the Association's Principal Office or at another place designated by the Board.

A.3. *Annual Meetings.* The first annual Members meeting will be held prior to any deadline established by applicable law, or otherwise, at the direction of the Board of Directors. Subsequent regular annual Members meetings will be held on a date designated by the Board of Directors no later than 395 days after, and no less than 335 days before, the first anniversary of the immediately prior annual Member meeting.

A.4. *Special Meetings.* The president may call special meetings. The president must call a special meeting if directed by the Board or by a petition signed by 50% of the Class A Voting Members.

A.5. *Notice of Meetings, Election, and Vote.* Written notice stating the place, day, and hour of each Members meeting, other than a reconvened meeting, must be given to each Member not less than ten nor more than sixty days before the meeting. For voting not at a meeting, notice must be given not later than the twentieth day before the latest day on which a ballot may be submitted to be counted. The special Members meeting notices must also state the meeting's purpose, and no business may be conducted except as stated in the notice. Notice to a Member must state the purpose of an association-wide election or vote and is deemed given when hand delivered or mailed or e-mailed. If mailed, notice is deemed given (whether actually received or not) when deposited with the United States Postal Service, postage prepaid. E-mail may be sent only to the e-mail address provided to the Association by the Member; e-mail notice to the Association is not permitted.

A.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.

A.7. *Quorum.* A majority of the Voting Members of both Classes is a quorum. If a Members meeting cannot be held because a quorum is not present, a majority of the Voting Members who are present may adjourn the meeting. At the reconvened meeting, thirty percent (30%) of the Voting Members of both Classes is a quorum. If a quorum is not present, a majority of the Voting Members who are present may adjourn the meeting. At the second reconvened meeting, a majority of the Board is a quorum. Written notice of the place, date, and hour of each reconvened meeting must be given to each Member not more than 60 nor less than 10 days before the reconvened meeting. Section 4.6 of the Declaration provides an alternate quorum for certain meetings and shall control as to those meetings.

A.8. *Majority Vote.* Voting by Members may be at a meeting or outside of a meeting. Voting must be as required by law. Votes representing more than 50 percent of the Voting Members of both Classes present at a meeting at which a quorum is present are a majority vote.

A.9. *Proxies.* Voting Members may vote by written proxy.

A.10. *Conduct of Meetings.* The president will preside over Members meetings. The secretary will keep minutes of the meetings and will record in a minutes book the votes of the Members.

B. Board

B.1. Governing Body; Composition. The affairs of the Association are governed by the Board. Each director has one vote. The initial Board is composed of the directors appointed in the certificate of formation. Any director (other than directors appointed by Declarant) must be a Member.

B.2. Number of Directors. The Board consists of three directors until the Member meeting held following the expiration of Declarant's right to appoint the directors, at which time the Board shall increase to five Directors, in accordance with Section 3.7 of the Declaration. No decrease may shorten the term of a director. The Declarant may extend the term of the Declarant's right to appoint the Directors with the annexation of Phases/Units or other Additional Property, subject however to applicable law. The "development period" under Chapter 209, Texas Property Code, includes the period during which the Declarant may appoint the Directors. Pursuant to Section 209.00591, Texas Property Code, the Members other than Declarant may be entitled to elect one-third of the Board, however the Board will not increase in size except as provided herein.

B.3. Term of Office. The initial directors serve at the pleasure of the Declarant, and their term continues until they resign or are replaced by the Declarant, or following the expiration of Declarant's right to appoint the directors, until a director's replacement has been elected, qualified and taken office. Directors not appointed by the Declarant will have a term of one year (or the occurrence of the next Members meeting at which directors are elected, if sooner). Directors may serve consecutive terms.

B.4. Election. At the first Member meeting following the expiration of Declarant's right to appoint any directors, the Voting Members will elect directors to succeed the then-current 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 Voting Members will hold office until their respective successors have been elected, qualified and taken office.

B.5. Removal of Directors and Vacancies

B.5.a. Removal by Members. Following the expiration of Declarant's right to appoint the directors, any director may be removed, with or without cause, by a majority of the Voting Members of both Classes. Following the expiration of Declarant's right to appoint the directors, any director whose removal is sought will be given notice of the proposed removal.

B.5.b. Removal by Board. Any director may be removed at a Board meeting if the director—

- i. failed to attend 3 consecutive Board meetings;
- ii. failed to attend 50% percent of Board meetings within one year;
- iii. is delinquent in the payment of any Assessment for more than 60 days; or

- iv. is the subject of an enforcement action by the Association for violation of the Dedicatory Instruments.

B.5.c. Vacancies. A director's position becomes vacant if the director dies, becomes incapacitated, resigns, is removed in accordance with these Bylaws, or (for directors other than those appointed by the Declarant) is no longer a Member.

B.5.d. Successors. If a vacancy exists, a successor will be elected by the remaining directors for the remainder of the term.

B.6. Compensation. Directors will not receive compensation. A director may be reimbursed for reasonable expenses approved by the Board.

B.7. Powers. The Board has all powers necessary to administer the Association's affairs.

B.8. Management. The Board may employ a managing agent. Declarant, or an affiliate of Declarant, may be the managing agent.

B.9. Accounts and Reports. Accounting and controls must conform to good accounting practices. Accounts will not be commingled with accounts of other persons. The following financial reports will be prepared at least annually:

B.9.a. An income statement reflecting all income and expense activity for the preceding period.

B.9.b. A statement reflecting all cash receipts and disbursements for the preceding period.

B.9.c. A variance report reflecting the status of all accounts in an "actual" versus "approved" budget format.

B.9.d. A balance sheet as of the last day of the preceding period.

B.9.e. A delinquency report listing all Owners who are delinquent by more than 30 days in paying any Assessment and describing the status of any action to collect those delinquent Assessments.

B.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.

B.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.

B.12. Enforcement Procedures

B.12.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 Dedicatory Instruments, the Association or its agent must give written notice to the Owner as required or permitted by law. 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 must also (i) inform the Owner that if the violation is curable and does not pose a threat to public health or safety, which means it could not materially affect the health or safety of an ordinary resident, the Owner 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 months; (ii) indicate that the Owner may request a hearing in accordance with Texas Property Code section 209.007 on or before the thirtieth day after the date the notice was mailed to the Owner; (iii) state that the Owner may have special rights if the Owner is serving on active military duty; (iv) state the date by which the Owner must cure a curable violation that does not pose a threat to public health and safety; and (v) otherwise comply with Chapter 209, Texas Property Code and other applicable laws.

B.12.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 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 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 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 fifteen (15) 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.

B.12.c. Appeal. Following 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.

B.12.d. Changes in Law. The Board may change the enforcement procedures set out in this section to comply with changes in law. To the extent that Chapter 209, Texas Property Code, or other applicable law, requires modification of the foregoing hearing, cure and other procedural rights, the foregoing shall be deemed amended to comply with Chapter 209, Texas Property Code, or other applicable law.

C. Board Meetings

C.1. Meetings. Except as permitted by law, all regular and special meetings of the Board must be open to the Owners. Except for a meeting held by electronic or telephonic means, a Board meeting must be held in a county in which all or part of the property in the subdivision is located or in a county adjacent to that county. A Board meeting may be held by electronic or telephonic means, provided all Owners and Board Members have access to the communication at the meeting as required by law.

C.2. Notice. Owners and Board Members must be given notice of the date, hour, place, and general subject of a regular or special Board meeting, including a general description of any matter to be brought up for deliberation in executive session. Notice must be given as required by law.

C.3. Waiver of Notice. The actions of the Board at any meeting are valid if (a) a quorum is present and (b) 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.

C.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 5 nor more than 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.

C.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. The Board meeting will be conducted as required by law.

C.6. Proxies. Directors may vote by written proxy.

D. Officers

D.1. Officers. The officers of the Association are a president, vice president, secretary, and treasurer, to be elected by the Board from the Members or members of the Board.

The Board may appoint other officers having the authority and duties prescribed by the Board. Any two or more offices may be held by the same person, except the offices of president and secretary.

D.2. Election, Term of Office, and Vacancies. Officers will be elected annually by the Board upon the first meeting of the Board, and thereafter at the first meeting of the Board following each annual meeting of the Voting Members. A vacancy in any office may be filled by the Board for the unexpired portion of the term.

D.3. Removal. The Board may remove any officer at any time and with or without cause; all officers serve at the pleasure of the Board.

D.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.

D.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.

E. Committees

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

F. Miscellaneous

F.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.

F.2. Rules for Meeting. The Board may adopt rules for the conduct of meetings of Members, Board, and committees.

F.3. Conflict. Applicable law (to the extent it may not be waived or modified by the Declaration or Bylaws) controls over the Declaration and Bylaws; the Declaration and Bylaws are meant to be read consistently; in the event of an irreconcilable conflict between the Declaration and the Bylaws, the Declaration controls over these Bylaws.

F.4. Inspection of Books and Records

F.4.a. Inspection by Member. After a written request to the Property Owners Association, a Member may examine and copy, in person or by agent, any Property Owners Association books and records relevant to that purpose. The Board may establish rules concerning the (i) written request; (ii) hours, days of the week, and place; and (iii) payment of costs related to a Member's inspection and copying of books and records.

F.4.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.

F.5. Notices. Any notice required or permitted by the Dedicatory Instruments must be in writing. Notices regarding enforcement actions must be given as required or as permitted by law. All other notices may be given by regular mail or e-mail. Notice by mail is deemed delivered (whether actually received or not) when properly deposited with the United States Postal Service, addressed to (a) a Member at the Member's last known address according to the Property Owners Association's records and (b) the Association, the Board, or a managing agent at the Property Owners Association's Principal Office or another address designated in a notice to the Members. E-mail may be sent only to an e-mail address provided to the Association by a Member; e-mail notice to the Association is not permitted. *Section A-5, above, shall control over this Section for the purposes thereof (notices as to Member meetings).*

Unless otherwise required by law or the Dedicatory Instruments, actual notice, however delivered, is sufficient.

F.6. Amendment. These Bylaws may be amended at any time by the vote of 60% of both Classes of the Voting 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.

F.7 Adoption. These Bylaws have been approved and adopted for the Association by the initial Board of Directors.

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By: _____
Name: Edward Beckelhymer
Title: CFO

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