

BY-LAWS

of

EXOTIC ISLE HOMEOWNERS ASSOCIATION

ARTICLE I.

IDENTITY

Section 1.

These are the By-Laws of Exotic Isle Homeowners Association, herein called the "Association", a Corporation not for profit under the Laws of the State of Texas, the Articles of Incorporation of which were filed in the Office of the Secretary of State on the 7th day of May, 1970.

Section 2.

Its principal office shall be at Houston, Texas, but the Association may have such other offices located at such places as the Board of Directors shall determine from time to time.

Section 3.

This Association is the same as the "Association" as defined in Section 1, Article I, of the "DECLARATION OF ACCESS EASEMENT AND RESTRICTIONS" for the Exotic Isle Subdivision recorded in Volume 484, Page 333 of the Deed Records of Matagorda County, Texas, reference to which instrument and the record thereof is here made for all purposes, (hereinafter called the "Declaration").

ARTICLE II.

PURPOSES

Section 1.

The specific purposes for which this Association is formed are to provide architectural and land use and control of the residential lots in Exotic Isle, the Subdivision of an island of 35.376 acres of land bounded by the waters of the Colorado River in Matagorda County, Texas, according to the Map or Plat of said Subdivision recorded in Volume 6, Pages 114 and 115 of the Plat Records of Matagorda County, Texas, and to purchase, receive, lease or otherwise acquire, own, hold, maintain and improve the common grounds and common improvements and facilities, including water and sewer service, located within or serving said Subdivision, for the exclusive benefit of the owners of property in said Subdivision, their guests, tenants and invitees.



ARTICLE III.

MEMBERSHIP AND VOTING RIGHTS

Section 1.

The Association shall have no capital stock.

Section 2.

Every person or entity who is a record owner of a fee or undivided fee interest in any lot in Exotic Isle Subdivision, including contract sellers, shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. No owner shall have more than one membership. Membership shall be appurtenant to and may not be separated from ownership of any lot. Ownership of such lot shall be the sole qualification for membership.

Section 3.

Every owner shall be entitled to one vote for each lot owned. Every member shall have the right at all reasonable times during business hours to inspect the books of the Association.

The owner of fractional portions of any lot in the Subdivision shall have that same fractional portion of a vote, and it is intended that this rule shall be given full force and effect in all of the voting procedures of the membership hereunder. The vote of any lot owned by a corporation may be cast by any one representative as designated by the Board of Directors. Any such designated representative shall be qualified to act as a director or officer of the Association.

Section 4.

The Association shall have two classes of voting membership:

Class A: Class A members shall be all those Owners, as defined in Section 2, above, with the exception of Exotic Isle Company, a Texas Corporation, the Developer of the Subdivision, and shall be entitled to one (1) vote for each lot owned. When more than one person holds an interest in any lot, all such persons shall be members, but the vote for such lot shall be exercised as they among themselves determine, and in no event shall more than one (1) vote be cast with respect to any lot.

Class B: The Class B member shall be the said Exotic Isle Company, the Developer of the Subdivision. The Class B member shall be entitled to three (3) votes for each lot owned by it, PROVIDED that the Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

- (a) When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; or
- (b) On July 1, 1973.

Section 5.

Membership shall include an undertaking by a member to comply with and be bound by the said Declaration, the Articles of Incorporation, these By-Laws and Amendments thereto, and the policies, rules and regulations at any time adopted by the Association in accordance with these By-Laws.



Section 6.

Any Owner may delegate, in accordance with the rules and regulations adopted by the Association in accordance with these By-Laws, his right of use and enjoyment of the Common Area and its facilities to the members of his family and guests as well as his tenants or contract purchasers who may reside on the property. It is also recognized that from time to time it may be necessary for said Owner to engage persons, firms or corporations to enter the Subdivision for the purpose of construction, maintenance, repairing and furnishing of improvements and facilities located or to be located on a residential lot. Therefore, any Owner may delegate in accordance with the rules and regulations adopted or to be adopted by the Association in accordance with these By-Laws to such persons, firms or corporations:

- (a) Use of cable car, boat, barge and ferry docking and landing facilities;
- (b) The right of ingress and egress to and from said Owner's residential lot to the aforesaid cable car, boat, barge and ferry docking and landing facilities in, over and along the private roadways located within the Common Area, as defined in said Declaration; PROVIDED, however, the use of automobiles, trucks or similar vehicles shall not be allowed for this purpose except under the limited conditions as prescribed in Section 6 of Article VIII of said Declaration.

Section 7.

Membership in this Association shall terminate upon such member ceasing to be an Owner of a residential lot or building site in the Subdivision.

ARTICLE IV.

BOARD OF DIRECTORS

Section 1.

The business and affairs of the Association shall be managed by a Board of Directors which shall consist of not less than three (3) nor more than nine (9) members. The first Board of Directors need not be members of the Association. Thereafter, all of the Board shall consist of members of the Association. At the inception of the Association, the Board shall consist of the three (3) members named in the Articles of Incorporation, and thereafter the number of Directors shall be fixed by the Board.

Section 2.

The Board shall meet for the transaction of business at such place as may be designated from time to time.

Section 3.

Special meetings of the Board of Directors may be called by the President and must be called by the Secretary at the written request of one-third (1/3) of the Directors. Notice of the meeting shall be given personally or by mail, telephone or telegraph at least three (3) business days prior to the day named for such meeting, which notice shall state the time and place thereof.

Director  
Qualifications  
VOID except  
no felony or  
criminal  
moral  
turpitude



Section 4.

Any member of the Board of Directors may, at any time, waive notice of any meeting of the Board in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board of Directors at any meeting of the Board shall constitute a waiver of notice by him of the time and place thereof except where a Director attends a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened. If all of the members of the Board of Directors are present at any meeting of the Board (and no such objections are declared), no notice shall be required and any business may be transacted at such meeting.

Section 5.

Each Director shall have one (1) vote, exercisable in person or by proxy, executed in writing by the Director. No proxy shall be valid after three (3) months from the date of its execution. Each proxy shall be revocable unless expressly provided therein to be irrevocable, and unless otherwise made irrevocable by law.

Section 6.

A quorum at Directors' Meetings shall consist of a majority of the entire Board of Directors; provided, however, that Directors present by proxy may not be counted toward a quorum.

Section 7.

The act of a majority of the Directors present in person or by proxy at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 8.

The Board of Directors may from time to time determine the order of business at its meetings.

Section 9.

At all meetings of the Board of Directors the President, or in his absence, the Vice-President, or in the absence of both, a Chairman chosen by the Directors present, shall preside.

Section 10.

The first Board of Directors named in the Articles of Incorporation shall serve a term of three (3) years, commencing May 7, 1970 (the date of filing of the Articles of Incorporation in the Office of the Secretary of State). Thereafter, they shall be elected by the members of the Association. The method of nomination and election shall be determined by the Board.

Section 11.

Any vacancy occurring in the Board of Directors shall be filled by the affirmative vote of a majority of the remaining Directors, though less than a quorum of the Board of Directors. A Director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.



Section 12.

All of the powers and duties of the Association existing under the Articles of Incorporation, the said Declaration and these By-Laws shall be exercised exclusively by the Board of Directors, its agents, contractors or employees, subject only to approval by the owners of lots in the Subdivision when such is specifically required. Compensation of employees of the Association shall be fixed by the Directors.

ARTICLE V.

OFFICERS

*Director qualification  
Add -*

Section 1.

The Executive Officers of the Association shall be a President, a Vice-President, a Secretary and a Treasurer. Any two offices may be held by the same person, except the offices of President and Secretary. The first Executive Officers shall hold office until the expiration of the term of service of the initial Board of Directors after which time they shall be elected annually by the Board of Directors. The aforesaid first Executive Officers of the Association need not be members of said Association. Thereafter, they shall be members of the Board of Directors and members of the Association.

Section 2.

*Director appointment?*  
Upon the affirmative vote of a majority of the members of the Board of Directors, any Officer may be removed, with or without cause, and his successor may be elected at any regular meeting of the Board of Directors, or at any special meeting of the Board of Directors called for such purpose.

Section 3.

The President shall be the Chief Executive Officer of the Association. He shall preside at all meetings of the Board of Directors and of the members.

Section 4.

The Vice-President shall, in the absence or disability of the President, exercise the powers and perform the duties of the President. He shall also generally assist the President and exercise such other powers and perform such other duties as shall be prescribed by the Directors.

Section 5.

The Secretary shall keep the Minutes of all proceedings of the Directors and the members and he shall attend to the giving and serving of all notices to the members and Directors and other notices required by law. He shall have custody of the seal of the Association and affix the same to instruments requiring a seal when duly signed. He shall keep the records of the Association, except those of the Treasurer, and shall perform all other duties incident to the office of Secretary of an association, as may be required by the Directors or the President.

Section 6.

The Treasurer shall have custody of all property of the Association, including funds, securities and evidences of indebtedness. He shall keep the books of the Association in accordance with good accounting practices and shall perform all other duties incident to the office of Treasurer.



Section 7.

The Board of Directors may appoint an Assistant Secretary and Assistant Treasurer and such other officers and agents as the Board may deem necessary, who shall hold office during the pleasure of the Board, and who shall have such authority and perform such duties as from time to time may be prescribed by the Board.

Section 8.

No officer shall receive any compensation from the Association for acting as such.

ARTICLE VI.

MEETINGS OF MEMBERS

Section 1.

The annual Members' Meeting will be held at such place as determined by the Board of Directors at 2:00 o'clock P.M. on the first Saturday in June of each year.

Section 2.

Special Members' Meetings shall be held whenever called by the President or Vice-President or by majority of the Board of Directors, and must be called by such officers upon receipt of a written request from members entitled to cast 1/10th of the votes of the entire membership.

Section 3.

Written or printed notice of all Members' Meetings, stating the place, day or hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) days nor more than fifty (50) days before the date of the meeting, either personally or by mail, by or at the direction of the President, or the Secretary, or the officers or persons calling the meeting, to each member entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States Mail addressed to the member at his address as it appears on the records of the corporation, with postage thereon paid.

Section 4.

Members holding twenty per cent (20%) of the votes of each class of membership, represented in person or by proxy, shall constitute a quorum. The vote of the majority of all of the votes of each class of membership, cast in person or represented by proxy at a meeting at which a quorum is present, shall be the act of the members' meeting.

Section 5.

A member may vote in person or may vote by proxy executed in writing by the member or by his duly authorized attorney in fact. No proxy shall be valid after eleven (11) months from the date of its 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.

*1060K*  
*Sec. 209.0036*  
*HA 2761*  
*Abm Secret ballots -*



Section 6.

Notwithstanding any of the provisions herein contained in this Article VI, it is controllingly provided that until such time as the Class B membership shall cease and be converted to Class A membership, as provided in Section 4 of Article III hereof, there shall be no meetings of members of the Association unless a meeting is called by the Board of Directors.

#### ARTICLE VII.

#### UNANIMOUS CONSENT

Any action required by the Texas Non-Profit Corporation Act to be taken at a meeting of the members or directors of the Association, or any action which may be taken at a meeting of the members or directors or of any committee, may be taken without a meeting if a consent in writing, setting forth the action to be taken, shall be signed by all of the members entitled to vote with respect to the subject matter thereof, or all of the directors or all of the members of the committee as the case may be. Such consent shall have the same force and effect as a unanimous vote, and may be stated as such in any articles or document filed with the Secretary of State under this Act.

#### ARTICLE VIII.

#### AMENDMENTS

Until such time as the Class B membership shall cease and be converted to Class A membership, as provided for in Section 4 of Article III hereof, these By-Laws may be modified, altered or amended by the Board of Directors. After such date, these By-Laws may be modified, altered or amended by a majority vote of those voting in person or by proxy at any Annual Meeting or any Special Meeting called for that purpose, provided, however, that a statement of the proposed modifications, alterations or amendments signed by seven (7) or more members shall be delivered to the Secretary not less than forty-five (45) days prior to such meeting, and in such event it shall be the duty of the Secretary to mail such notice to each member at the address of such member as reflected in the records of the Association.

ADOPTED by unanimous written consent of the Board of Directors of the Association on the 10th day of August, 1970.

*Keith Schis*  
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Director

*Dwight W. C. Brothers*  
\_\_\_\_\_  
Director

*Carolyn W. Lang*  
\_\_\_\_\_  
Director

VII 3.  
amendment -  
owners may demand  
recourse by statutorily  
allowed tabulations