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# Cameron County

Sylvia Garza-Perez  
Cameron County Clerk  
Brownsville, Texas

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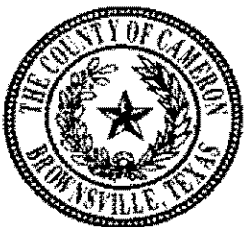
Direct- PARADISE COVE - LAGUNA MADRE INC  
Indirect- PARADISE COVE - LAGUNA MADRE INC

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\*\*\*THIS PAGE IS PART OF THE INSTRUMENT\*\*\*

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I hereby certify that this instrument was filed on the date and time stamped hereon and was duly recorded in the Official Public Records in Cameron County, Texas.

A handwritten signature in cursive script, appearing to read "Sylvia Garza-Perez", is written in black ink.

Stewart Title Company

GF# C/F DBD

**Amended and Restated Bylaws of Paradise Cove – Laguna Madre, Inc.**

**Basic Information**

- Name: Paradise Cove – Laguna Madre, Inc. d/b/a Paradise Cove Property Owners Association (the “Association”), and successor to Paradise Cove Property Owners Association, an unincorporated association.
- Principal Office: 141 Oleander Drive, Laguna Vista, Texas 78578. The Association may have other offices.
- Declaration: The Declaration of Restrictive Covenants of the Paradise Cove Subdivision, recorded as Document 63740, Volume 10751, Page 60 in the Official Records of Cameron County, Texas.
- Definitions: Capitalized terms used but not defined herein have the meaning set forth in the Declaration.

**A. Members**

1. *Membership.* Every Owner is a Member of the Association. Membership is appurtenant to and may not be separated from ownership of a Lot. The Association has one class of Members. Members have 1 vote per Lot owned. When more than 1 person is an Owner, each is a Member, but only 1 vote may be cast for each Lot owned.

2. *Place of Meeting.* Members meetings will be held at the Association’s principal office or at another place designated by the Board.

3. *Annual Meetings.* Regular annual Members meetings will be held on the second Saturday in February, beginning in the calendar year after the Laguna Development Group, Ltd., or its successors or assigns, relinquishes control of the Association to the Members in accordance with Section 8.8 of the Declaration (the “Relinquishment of Control”).

4. *Special Meetings.* The president may call special meetings. Beginning in the calendar year following Relinquishment of Control, the president must call a special meeting if directed by the Board or by a petition signed by 10% of the Members.

5. *Notice of Meetings.* 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 10 nor more than 60 days before the meeting. 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 is deemed given when hand delivered or mailed. If mailed, notice is deemed given (whether actually received or not) when deposited with the United States Postal Service, postage prepaid.

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.

7. *Quorum.* A majority of the Members is a quorum. If a Members meeting cannot be held because a quorum is not present, a majority of the Members who are present may adjourn the meeting. At the reconvened meeting, 25% of the Members is a quorum. If a quorum is not present, a majority of the Members who are present may adjourn the meeting. At the second reconvened meeting, 20% of the Members is a quorum. Written notice of the place, date, and hour of each reconvened meeting must be given to each Member not more than 10 nor less than 30 days before the reconvened meeting.

8. *Majority Vote.* Votes representing more than 50% of the Members present at a meeting at which a quorum is present are a majority vote.

9. *Proxies.* Members may vote by written proxy, which must be signed and dated by the Member or the Member's attorney-in-fact to be valid. In accordance with Section 22.160 of the Texas Business Organizations Code (except as the same or its recodification may be amended from time to time),

- (i) a proxy is revocable and expires 11 months after the date of its execution unless otherwise provided by the proxy; and
- (ii) a proxy may not provide that it is irrevocable for a period of time longer than 11 months.

The Board may adopt such additional rules and regulations from time to time regarding proxy voting as the Board deems necessary.

10. *Voting By Mail, Facsimile or Electronic Message.* If authorized by the Board and pursuant to such rules and regulations as the Board may adopt from time to time, Members may vote on a matter by mail, facsimile transmission, electronic message, or any combination of those methods.

11. *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. The Board**

1. *Governing Body; Composition.* The affairs of the Association are governed by the Board. Each director has 1 vote. The initial Board is composed of the directors appointed in the certificate of formation. After Relinquishment of Control, each director must be a Member or, in the case of an entity Member, a person designated in writing to the secretary.

2. *Number of Directors.* The Board consists of not less than 3 nor more than 5 directors. Within those limits, the Board may change the number of directors. No decrease may shorten the term of a director.

3. *Term of Office.* The initial directors serve until the first annual meeting of Members. The terms of directors will be staggered. After Relinquishment of Control, at least one-third of the Board will be elected each year. The initial Board will determine the initial term, not to exceed 3 years, of each director. At the expiration of the initial term of a director, each successor will have a term of 2 years. Directors may serve consecutive terms.

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.

5. *Removal of Directors and Vacancies*

- a. *Removal by Members.* After Relinquishment of Control, 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 at least 10 days in advance of the meeting at which the removal is considered.
- 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% of Board meetings within 1 year;
  - iii. is delinquent in the payment of any Assessment for more than 45 days; or
  - iv. is the subject of an enforcement action by the Association for violation of the Governing Documents.
- c. *Vacancies.* A director's position 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.

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

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

8. *Management.* The Board may employ a Managing Agent. Declarant, or an affiliate of Declarant, may be the Managing Agent.

9. *Accounts and Reports.* Accounting and controls must conform to good accounting practices. Accounts will not be commingled with accounts of other persons. In

accordance with Section 22.352 of the Texas Business Organizations Code (except as the same or its recodification may be amended from time to time), the following financial reports will be prepared at least annually:

- a. An income statement reflecting all income and expense activity for the preceding period.
- b. A statement of changes in any fund balances.
- c. A balance sheet as of the last day of the preceding period.

In addition, the Board may direct preparation of a delinquency report listing all Owners who are delinquent by more than 60 days in paying any Assessment and describing the status of any action to collect those delinquent Assessments.

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.

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.

12. *Enforcement Procedures*

- a. *Notice.* Before the Board may (1) suspend an Owner's right to use a Common Area, (2) file a suit against an Owner other than a suit to collect any Assessment, (3) foreclose the Association's lien, (4) charge an Owner for property damage, or (5) 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 (1) 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 6 months, (2) may request a hearing on or before the thirtieth day after the date the Owner receives the notice, and (3) may have a special rights or relief related to the enforcement action under federal law, including the Servicemembers Civil Relief Act (50 U.S.C. app. §§501-596) if the Owner is serving on active duty. 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.

In the event that the Board is trying to place a lien upon the Separate Interest of an Owner, the notice must indicate the principal owed, any late

charges and interest owed, and the method of calculation, any attorney's fees, and the collection practices used by the Association, including the right of the Association to the reasonable costs of collection.

After such notice by certified mail, return receipt requested, has been sent, the Board may record, or cause to be recorded, in the Registrar's Office of the County, a Notice of Delinquent Assessment in accordance with Section 7.13(b) of the Declaration.

- 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 30<sup>th</sup> 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 10<sup>th</sup> 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 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 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 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 7 calendar days after the hearing date. If no such notice of written appeal is received within the 7 day period, the violator waives the right to appeal to the full Association Board.

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

### C. Board Meetings

1. *Regular Meetings.* Regular meetings of the Board will be held at such time and place as determined by the Board, but at least 1 such meeting will be held during each fiscal year. Notice of the time and place of the meeting[s] will be given to directors not less than 10 days before the meeting[s].

2. *Special Meetings.* Special meetings will be held when called by written notice signed by the president or by any 3 directors. The notice will specify the time and place of the meeting and the matters to be covered at the meeting.

3. *Waiver of Notice.* The actions of the Board at any meeting are valid if (1) a quorum is present and (2) 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.

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 14 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.

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.

6. *Proxies.* Directors may vote by written proxy, which must be signed and dated by the director to be valid. In accordance with Section 22.216 of the Texas Business Organizations Code (except as the same or its recodification may be amended from time to time),

- (i) a director proxy expires 3 months after its execution; and
- (ii) a proxy is revocable unless otherwise expressly provided by the proxy or made irrevocable by law.

The Board may adopt such additional rules and regulations from time to time regarding director proxies as the Board deems necessary.

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 every Board member. The consent must state the date of each director's signature. If authorized by the Board and pursuant to such rules and regulations as the Board may adopt from time to time, a

director may provide such written consent by mail, facsimile transmission, electronic message, or any combination of those methods. The Board may adopt such additional rules and regulations from time to time regarding these written consents as the Board deems necessary.

#### **D. Officers**

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

2. *Election, Term of Office, and Vacancies.* After Relinquishment of Control, 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.

3. *Removal.* The Board, through a majority of directors present in person at a duly called meeting or special meeting of the Board, may remove any officer whenever, in the Board's judgment, the interests of the Association will be served thereby.

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.

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**

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.

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

3. *Conflict.* The Declaration controls over these Bylaws.



4. *Inspection of Books and Records*

- a. *Inspection by 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 (1) written request; (2) hours, days of the week, and place; and (3) 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 (1) examine and copy the Association's books and records at the Association's Principal Office and (2) inspect the Association's properties.

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 (1) a Member at the Member's last known address according to the Association's records; and (2) 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. *Amendment.* These Bylaws may be amended at any time by the vote of 67% 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.

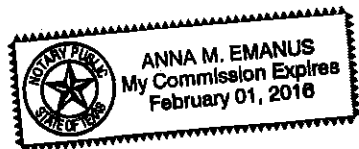
Adopted effective the 6<sup>TH</sup> day of February, 2015, by the Association through its Board of Directors.

Attested to by: Tom Brotzma  
Printed Name: Tom Brotzma  
President of the Board

Acknowledgment

STATE OF TEXAS            )  
  )  
COUNTY OF CAMERON    )

This instrument was acknowledged before me on the 6th day of February, 2015  
by Tom Brotzman, President of Paradise Cove-Laguna  
Madre, Inc. d/b/a Paradise Cove Property Owners Association, on behalf of said Association.



  
NOTARY PUBLIC, STATE OF TEXAS