

BY-LAWS
BERMUDA BEACH IMPROVEMENT COMMITTEE, INC.
(A Non-profit Texas Corporation)

ARTICLE I - NAME

The name of this organization shall be THE BERMUDA BEACH IMPROVEMENT COMMITTEE, INC.

ARTICLE II - OBJECTIVES, POWERS AND FUNCTIONS

The objectives, powers and functions of THE BERMUDA BEACH IMPROVEMENT COMMITTEE, INC. shall be to unify the efforts of the lot owners of Sections 1, 2, 3, 4 and 5 of BERMUDA BEACH, all subdivisions of the southerly portion of Section 2 of the Trimble and Lindsey Survey of Galveston Island, Galveston County, Texas, as per plat of each respective section recorded in Volume 254-A, Page 89; Volume 1616, Page 30; Volume 1616, Page 34; Volume 1616, Page 58; and Volume 1616, Page 60, all in the office of the County Clerk of Galveston County, Texas, for the purposes of:

- A. Collecting of the maintenance fees, garbage-security fees, and any other miscellaneous fees that it may have authority to assess and to apply such funds actually received, so far as sufficient, toward the payment of any and all necessary expenses incurred for any or all of the following purposes:
1. Improving and maintaining the streets and doing any other thing necessary or desirable in the opinion of said committee to keep any property of BERMUDA BEACH SUBDIVISION, Sections 1 through 5, in neat and in good order, or to which the committee considers to be of general benefit to the owners or occupants of BERMUDA BEACH SUBDIVISION, it being understood that the judgement of the BERMUDA BEACH IMPROVEMENT COMMITTEE, INC. and the expenditure of such funds shall be final so long as such judgement is exercised in good faith. In addition, to apply any other sums recovered for GARBAGE-SECURITY or any other assessments in any manner consistent with good business judgement and which is exercised in good faith, but only to the extent of any funds actually collected.
 2. Without liability, entering upon any lot in Sections 1 through 5 of BERMUDA BEACH SUBDIVISION, to cut, or cause to be cut, any weeds and grass, or cause to be removed any garbage, trash, rubbish or any other materials, so as to place any lot in the subdivision in a neat, attractive, healthful and sanitary condition, and to bill either the owner or occupant of any such lot for the cost of such work. The monies actually received by virtue of this activity shall be deposited in the MISCELLANEOUS FUND.
 3. In order to facilitate all of the above, the Bermuda Beach Improvement Committee, Inc. shall be authorized to open at least three separate checking accounts. However, all funds received for MAINTENANCE, GARBAGE-SECURITY, and MISCELLANEOUS shall not be co-mingled in either of the other two accounts, and neither shall the funds of any one account be used or applied to any expenses other than those arising out of the activities for which such sums of money were collected.
- B. Approving or rejecting plans and specifications for improvements to be erected in Bermuda Beach Subdivision. All plans and specifications for improvements must be submitted to the BERMUDA BEACH IMPROVEMENT COMMITTEE, INC. for approval prior to the commencement of construction of any such improvements. The Bermuda Beach Improvement Committee, Inc. must act within thirty (30) days after receipt by it of any such plans and specifications.
- C. Enforcing all of the above covenants and restrictions for the above referred to sections of BERMUDA BEACH by any appropriate proceedings (but this power shall not be exclusive and may also be exercised by any lot owner in the BERMUDA BEACH SUBDIVISION).

- D. Enforcing any lien or liens imposed upon any lot within any part of the Bermuda Beach Subdivision by reason of the violation of any of the covenants and restrictions recorded in the office of the COUNTY CLERK OF GALVESTON COUNTY, TEXAS for the respective Sections of BERMUDA BEACH, and the executing and releasing of any such lien.
- E. Establishing and maintaining such contact with the elective and appointive officials of Galveston County and the City of Galveston as may be in the best interest of the BERMUDA BEACH SUBDIVISION.
- F. Receiving and/or purchasing any of the residual assets from the Receiver in Bankruptcy for Timewealth of Jamaica Corporation.

ARTICLE III - OFFICERS AND BOARD OF DIRECTORS

- A. The officers of the BERMUDA BEACH IMPROVEMENT COMMITTEE, INC. shall consist of a PRESIDENT, SECRETARY, and TREASURER. These officers shall be constituted as the first three of the five members of the Board of Directors as provided for below:
An officer must be a homeowner in any one of the five sections of the BERMUDA BEACH SUBDIVISION in order to be eligible to hold any office within the organization. No officer, excepting the TREASURER, shall be able to hold the same office for more than one (1) year, however, he may hold any new office even though he may have just previously held an office in this organization. There shall be no limitation as to the number of times any member of this association may hold any office within the organization, subject to the one year limitation.
- B. There shall be a Board of Directors comprised of a total of five elected qualified members of the Organization. The three Officers listed above are to be included as three of these five directors.
- C. All officers and directors of the organization shall be elected at the annual meeting of the organization in October of each year. The term of office for each officer and director shall begin immediately upon their election, regardless of the date of any such election and shall continue until any new officers are elected to succeed them. A vacancy arising in any office shall be replaced or filled by the Board of Directors as soon after the vacancy arises as possible.

Article IV - DUTIES OF OFFICERS AND DIRECTORS

- A. President: It shall be the duty of the President to:
 - 1. Preside at all meetings of the BOARD OF DIRECTORS and function as a member of the Board of Directors;
 - 2. Preside over the annual or any special meetings of property owners;
 - 3. Receive copies of all communications directed to the Committee from any source, and notify all members of the Board of Directors of such communications without in any way discussing the merits of the matter and without committing the organization by work, act or deed;
 - 4. Communicate to the lot owners or the officers of the board of directors such matters and make suggestions as may, in his opinion, tend to promote the welfare of the organization;
 - 5. Be authorized to sign any checks or spend any funds properly authorized by the Board of Directors in any emergency where Treasurer cannot be reached;
 - 6. Make a final report of his stewardship to the annual meeting of the membership and at such other times as may be necessary.
- B. Secretary: It shall be the duty of the Secretary to:
 - 1. Be the custodian of all correspondence, records of the meetings of the organization, and records of the meetings of the Board of Directors;

2. Prepare and read aloud the minutes of any previous meetings of the membership or of the Board of Directors and also function as a member of the Board of Directors.
3. At every meeting, possess a current or revised or amended copy of the By-Laws;
4. Maintain a file of any and all incoming correspondence to the organization or outgoing correspondence from the organization, regardless of what nature or to whom directed and he shall send the President a copy of all correspondence received by him which is directed to the Committee;
5. Be responsible for maintaining and authenticating the mailing list of all property owners as well as eligible voting members of the organization.
6. Be authorized to sign any checks or spend any funds properly authorized by the Board of Directors in any emergency where Treasurer cannot be reached;
7. Turn over all records of the organization in his possession to the incoming Secretary after the election of the incoming Secretary at the annual meeting.

C. Treasurer: It shall be the duty of the Treasurer to:

1. Keep account of all monies received or expended by or for the use of the organization and make such disbursements authorized by the membership or the Board of Directors;
2. Deposit all sums received by the BERMUDA BEACH IMPROVEMENT COMMITTEE, INC. in any state bank or national bank or savings and loan associations in either Harris or Galveston Counties, Texas, that is insured by F.D.I.C and for F.S.L.I.C. as may be decided upon by the Board of Directors from time to time, in any checking or savings accounts to be designated by the Board of Directors.
3. Make a report to the Board of Directors at their meetings as well as any property owners' meetings and at any and all such other times as he may be called upon by the President;
4. Maintain the funds, books and vouchers subject to verification and inspection at any reasonable time by any member of the Board of Directors;
5. Function as a member of the Board of Directors and be authorized to sign checks in his individual capacity;
6. At the expiration of his term of office, the Treasurer shall deliver to his or her successor all books, monies, invoices, receipts, and all other property belonging to the organization that he may have in his possession and he shall be receipted for same by the incoming Treasurer.

E. Board of Directors: It shall be the duty of the five members of the Board of Directors to:

1. Keep a complete record of all their Minutes and acts and of the proceedings of the members;
2. Initiate and undertake such projects as it deems appropriate for the maintenance and improvement of the subdivision and the advancement of the common interests of the property owners; but, the Board of Directors shall not borrow money for any purposes and it shall be prohibited from making any contracts for any sums of money which exceed the money collected or authorized to be collected in any one year;
3. Keep property owners of Bermuda Beach advised of developments affecting the subdivision;
4. Have the authority to create Committees, appoint the members thereof (with the exceptions of the Chairman) and do everything necessary and desirable in the conduct of the business of the organization;
5. Audit the books of the preceding Treasurer.

No business can be transacted or considered at a meeting of the Board of Directors unless all members of the Board or their respective wives or husbands have been given prior notice of not less than 24 hours in advance of the date of the meeting. A quorum shall constitute at least three of the five members. The President shall designate the meeting place of each meeting of the Board of Directors.

ARTICLE V - POLICY

This is a non-profit organization which is incorporated under the laws of the State of Texas. Any earnings or surplus funds that may be created shall be available only for the further accomplishment of the organization's stated purposes. All funds necessary for the operation of the association shall be raised by the collection of the MAINTENANCE fees, GARBAGE-SECURITY fees, and MISCELLANEOUS ASSESSMENTS, FEES, or DONATIONS moved upon by the membership at a special or annual meeting. Notice of the fund-raising intention of any such meeting shall accompany the notice when assessments are necessary.

ARTICLE VI - MEETINGS, NOTICES, BALLOTS AND QUORUM

- A. There shall be annual meetings of the membership at a place to be selected by the Board of Directors. The time of the Annual Meeting shall be not less than one week prior to the close of the operating year which shall be November 1. This meeting shall be for the purpose of electing officers and directors to replace those whose terms would expire, for receiving annual reports and for the transaction of any other business.
- B. Written notice of such meetings, given by actual notice or by addressing such notice by mail to the last known address of such addressee at least two weeks prior to such election, shall be given to each of the then lot owners as defined herein, in Section 1 through 5 of Bermuda Beach Subdivision. Certification by the Secretary of the BERMUDA BEACH IMPROVEMENT COMMITTEE, INC. as to the mailing or giving of such actual notices shall be deemed to be sufficient under these rules. Votes shall be evidenced by written ballot and the ballot shall be retained for at least one year after such election. Election shall be by the majority vote of those eligible owners as defined below, then voting in such election. The notice shall contain a complete agenda for the proposed meeting. No issues shall be passed or voted upon which are not mentioned on the Agenda of such meetings.
- C. There may be special meetings. These may be called by the Board of Directors or may be called by the written request of ten eligible voting members and three members of the Board. Notice of special meetings shall be mailed by first class mail to each eligible voting member at least 10 days before the meeting and shall clearly state the reasons for the meeting.
- D. Quorum. Eighteen eligible voting members of the BERMUDA BEACH IMPROVEMENT COMMITTEE, INC. shall constitute a quorum. In case there is less than a quorum, no business may be transacted.
- E. Robert's Rules of Order, Revised, shall be the official rules to govern all meetings.

ARTICLE VII - MEMBERSHIP, VOTING ELIGIBILITY, AND BALLOTS

- A. All property owners of Sections 1 through 5 of Bermuda Beach are eligible to become voting members of the BERMUDA BEACH IMPROVEMENT COMMITTEE, INC. by sending to the Secretary their full name, address, and both office and home telephone numbers. In addition, if the Secretary already has such information, said property owner may also be eligible. After it has been determined that said person, firm, or corporation fulfills the requirement of having paid any and all past due maintenance fees, if any, as well as having paid the Maintenance fees assessed for the year in which any vote is taken, and prior to such vote, then the Secretary will verify such person as an eligible voting member of the organization and enter his or her name on the voting membership roll.
- B. A property owner is defined herein as any person having the contractual responsibility for paying the Maintenance fees required in the restrictions and covenants of each respective section of

Bermuda Beach. The fact that any such person does not have a deed or full legal title to any lot shall not disqualify him from voting. In the event that there is any question which may arise concerning the eligibility of any member voting or attempting to vote, the President of the BERMUDA BEACH IMPROVEMENT COMMITTEE, INC. or any other officer of the organization who is presiding over any such meeting where a vote is being taken for any reason, shall decide at that time the question of the right of any person or persons to vote whose eligibility may be questioned.

- C. Each eligible voting member of the organization shall be entitled to one vote per lot. In the event that the property is jointly held by more than one person, only one vote shall be cast by that person qualified to vote as set out above. If any one person, firm, or organization owns more than five (5) lots in the entire subdivision, their voting rights shall be limited to a total of five (5) votes, regardless of the number of lots which they may own.
- D. There shall be no votes or ballots cast by proxies. Each eligible voter must attend such meeting in person and personally sign his ballot.
- E. All votes shall be cast by written ballot. There shall be no voting conducted through the mail. However, opinions may be solicited through the mail, but they shall have no binding effect upon the organization nor any decisions made by the Board of Directors or any Committee of the organization.

ARTICLE VIII - AMENDMENTS

These Bylaws may be amended only at an annual or special meeting by a majority of the members of the organization present provided all of the requirements of ARTICLES VI and VII herein have been completely fulfilled.

Note: The bylaws were amended in November 1992 to provide for annual maintenance fees, regardless of section, to be assessed annually at a rate of \$45 (lot) or \$90 (lot with house). Further, \$45 of the \$90 fee is dedicated to a security fund.