

BY LAWS FOR SEA ISLE PROPERTY OWNERS, INC.

ARTICLE ONE

The purpose for which this corporation is formed is set forth in its charter.

ARTICLE TWO

This corporation shall have a Board of Directors consisting of eight persons.

ARTICLE THREE

The management and control of this corporation shall be vested in its Board of Directors.

ARTICLE FOUR

The members of this corporation shall be persons who have purchased, and have a deed, or a contract of sale in good standing, of a lot or lots in any of the Sea Isle subdivisions on Galveston Island in Galveston County, Texas, and have paid the annual assessment due and payable as provided in such deed or contract of sale, or applicable restrictions, on or before the 1st day of January of each calendar year, and have paid such other charges as may be imposed by vote of the members at a membership meeting.

ARTICLE FIVE

QUALIFICATIONS, DUTIES AND OBLIGATIONS OF BOARD OF DIRECTORS:

The Board of Directors shall consist of eight persons who shall be elected by vote of the membership at the annual membership meeting and who shall serve for a period of two years; provided that at the first election after adoption of these By Laws, two directors shall be elected for a one year term, three shall be elected for a two year term, and three shall be elected for a three year term. Thereafter all directors shall be elected for two terms.

(a) Members of the Board of Sea Isle Property Owners, Inc. shall serve without special privilege or salary. Nothing herein shall prevent Sea Isle Property Owners, Inc. from paying any of its members reasonable compensation for services rendered to said corporation in any other capacity, such as full time secretary and/or treasurer.

(b) Vacancies on the Board of Directors of the Sea Isle Property Owners, Inc. shall be filled by the affirmative vote of a majority of the remaining members of the Board of Directors.

(c) At the first meeting of the Board of Directors, they shall elect a President, Vice President, Secretary and Treasurer. Such officers shall serve for a period of one year.

ARTICLE FIVE CONT.

Such officers may be re-elected for no more than one consecutive one-year term. Terms of the Board of Directors shall be for two years, with each term beginning on the first day of August following the date of the election of the director.

(d) Members composing the Board of Directors of Sea Isle Property Owners, Inc. shall be the governing body of this corporation and shall have full voting rights. However, a Board member who may reasonably or does in fact submit a bid for any project proposed by the board, will not be entitled to vote on the approval of such project or the awarding of such bids; any votes cast in violation of this by-law shall be null and void.

(e) The Board of Directors shall cause to be kept a full, adequate and complete set of books, to be audited annually by a certified public accountant, who shall be chosen by the Board of Directors.

(f) The said Board shall prepare and have available annually an accounting of all funds received and expended during the past year and showing the number of members in good standing and the number in default.

(g) The Board shall enter into any and all contracts necessary for the development and operation of said corporation.

(h) The Board may borrow money for the purpose of development and improvement of facilities for the use and enjoyment of the members of said Sea Isle Property Owners, Inc., and pledge its assets for the payment thereof.

(i) At no time shall the Board of Directors pledge the assets of this corporation in an amount in excess of twice the amount of the annual billable maintenance charges without prior approval of a majority of the members of Sea Isle Property Owners, Inc.

(j) The Board of Directors shall plan, contract for, build, improve and maintain such recreational facilities as are deemed to be for the best interest and enjoyment of the owners in Sea Isle Subdivision.

(k) The Board shall be empowered to establish and to manage adequate recreational facilities in the Sea Isle Subdivisions. They may employ personnel necessary to reasonably protect both the facilities and members using them.

ARTICLE SIX

Members in good standing, together with their families and guests, shall have the right to use and enjoy the recreational facilities built and maintained by Sea Isle Property Owners, Inc. Members not in good standing shall be denied the right to use such facilities. The assessment provided in the deed, contract of sale or applicable restrictions shall be due and payable whether such facilities are used or not.

ARTICLE SIX CONT.

(a) An annual meeting of the members shall be called by the directors of the Sea Isle Property Owners, Inc. to elect directors for the terms which are expiring; to review the accomplishments of the preceding year; to organize committees for the coming year; and to consider and discuss such matters as are brought before the meeting by the Board or members. Special meetings may be called by the President the Board of Directors, or by members who have obtained in writing the consent of members having not less than one-tenth of the votes entitled to be cast at such meeting.

(b) Under the direction of the President, the Secretary or the person calling the meeting, written notice of the time and place of such meeting shall be mailed to all members in good standing at their last known address according to the records of the corporation, not less than ten nor more than fifty days before such meeting date. Meetings shall be held at such place in Galveston County, Texas, as may be determined by the Board of Directors.

(c) At any membership meeting, each member shall have one vote, regardless of the number of lots owned by him, but ownership of less than the equivalent of a full lot shall not entitle the owner to a vote; provided that owners of part interests in a lot, none of whom is otherwise entitled to any vote, shall be entitled to one vote between them.

(d) Twenty members shall constitute a quorum at a membership meeting.

ARTICLE SEVEN

MEETINGS OF THE BOARD OF DIRECTORS:

(a) The Board of Directors shall hold meetings as often as necessary.

(b) Notice of such meetings must be given to all Board members by mail, by telephone, or in person, not less than three days prior to said meeting. Notice shall be deemed to be given by mail when such notice has been placed postage prepaid in a proper depository of the United States Postal Service.

(c) Special meetings shall be called impromptu by any officer of this corporation, provided notice is given to all Board members as stated above.

ARTICLE EIGHT

DUTIES OF OFFICERS:

It shall be the duty of the President of Sea Isle Property Owners, Inc. to preside at all meetings of the Board of Directors.
PRESIDENT:

To call and to preside over the meetings of the members.

To do and perform all administration and executive functions commonly performed by a corporation president as provided by the laws of the State of Texas.

VICE PRESIDENT:

The vice president shall do and perform all duties of the President of this corporation in the absence of the President.

ARTICLE EIGHT CONT.

SECRETARY:

It shall be the duty of the secretary to keep the minutes of the meetings of this corporation and to do and perform all duties necessary to give notice of the dates of meetings.

MEMBERS AT LARGE:

The members at large shall perform duties as assigned by the President.

TREASURER:

It shall be the duty of the treasurer to collect the assesment assigned, and to be assigned to Sea Isle Property Owners Inc., under authority of the restrictions, contracts of sale and deeds to lots sold in Sea Isle Subdivisions and to keep, or cause to be kept the books and records pertaining to the funds belonging to Sea Isle Property Owners, Inc.

ARTICLE NINE

COMMITTEES:

At the time of the annual meeting of such members, committees to study the facilities available and that may be made available for the use and enjoyment of the members shall be established by volunteers from such membership in accordance with the interests of such members, to-wit:

BOATING:

A committee may be formed of volunteer members to advise and counsel with the Board of Directors as to rules and regulations regarding use of boats in the slips and channels and as to the operation of marinas, launching ramps, boathouses, and to plan and supervise organized activities for members and guests.

FISHING:

A committee may be formed to advise and counsel with Board of Directors as to the establishment and operation of fishing facilities for members, and to plan and supervise fishing contests and other activities for the enjoyment of members.

SWIMMING:

A committee may be formed to advise and counsel with the Board of Directors as to the rules and regulations regarding swimming and swimming facilities, particularly with reference to safety measures, and to plan and sponsor swimming activities for members.

SPECIAL ACTIVITIES:

A committee may be formed to advise and counsel with the Board of Directors as to establishment and operation of any and all other corporate functions not specifically handled by other committees, such as road maintenance, garbage disposal and playground supervision. This committee shall also plan and sponsor picnics, barbecues, fish fries, contests and any other activities calculated to be of pleasure and benefit to the members.

ARTICLE NINE CONT.

In order that the facilities of the Sea Isle Property Owners, Inc. May be kept for the exclusive use of its members and guests, members will furnish their guests a written invitation when they do not accompany them in order that it can known to the persons supervising the facilities that such persons are invited guests and trespassers.

ARTICLE TEN

AMENDMENTS:

These By Laws are subject to amendment by vote of a majority of the members present at any meeting, provided that notice of the proposed amendment is included in the notice of the meeting sent to the members.

ARTICLE ELEVEN

Article one of the Articles of Incorporation is hereby amended to read as follows:

"The name of this corporation is
SEA ISLE PROPERTY OWNERS, INC."

ARTICLE TWELVE

The manager of Sea Isle Property Owners, Inc. is to be a non-voting ex-officio member of the Board of Directors and is required to be at all Board meetings.

ARTICLE THIRTEEN

To amend the current by-laws of this corporation to provide for casting an absentee ballot or a vote by proxy in any official election of the corporation, or on any matter requiring a vote, provided:

- (1) The person casting such ballot or vote is an eligible voter.
- (2) That such ballot or vote be cast in the manner as may be prescribed by the Board of Directors of this Corporation.

AMENDMENT TO BY LAWS FOR SEA ISLE PROPERTY OWNERS, INC.

THE STATE OF TEXAS

COUNTY OF GALVESTON

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KNOWN ALL MEN BY THESE PRESENTS

WHEREAS, the original Articles of Incorporation for Seaway Boat Club, Inc. having been filed with the Texas Secretary of State on July 24, 1959 under Document Number 3553908, and said entity having filed a name change effective February 26, 1973 with the Secretary of State did thereby lawfully assume the name Sea Isle Property Owners, Inc., and

WHEREAS, the original By Laws for Sea Isle Property Owners, Inc. vested with the Board of Directors the authority to impose an annual assessment fee constituting a restriction and reservation which run with and bind each respective lot in the subdivision for the establishment, operation, and maintenance of certain beach and recreational facilities and privileges, and

WHEREAS, the Board of Directors for the Sea Isle Property Owners, Inc., now recognizing the critical need for an increase in annual assessment and maintenance fees, which have not been raised in 36 years, to (1) promote the recreation, health, safety, and welfare of the residents, and (2) address critical budget deficiencies, hereby wish to modify said By Laws by inserting the following paragraph:

Notwithstanding anything to the contrary contained herein or within the Reservations and Restrictions of Sea Isle - Section 12, Section 15, Section 21, Section 22, and Section 23; Beginning January 1, 2004, each lot included in the subdivision shall be assessed a maximum annual maintenance fee of one hundred dollars (\$100.00). Beginning January 1, 2005 each lot shall be assessed a maximum annual maintenance fee of one hundred twenty five dollars (\$125.00). Beginning January 1, 2006 each lot shall be assessed a maximum annual maintenance fee of one hundred fifty dollars (\$150.00). It is thereafter expressly understood the Board of Directors may not increase the annual maintenance fee more than five percent (5%) in any twelve (12) month period. Each Owner of any lot agrees to pay to the Sea Isle Property Owners, Inc., or its nominee, the assessed annual maintenance fee for each lot annually on the first day of each year hereafter for beach and recreational privileges, whether the same are exercised or not.

as the first paragraph under ARTICLE SIX which presently reads:

ARTICLE SIX

Members in good standing, together with their families and guests, shall have the right to use and enjoy the recreational facilities built and maintained by the Sea Isle Property Owners, Inc. Members not

in good standing shall be denied the right to use such facilities. The assessment provided in the deed, contract of sale, or applicable restrictions shall be due and payable whether such facilities are used or not.

- (a) An annual meeting of the members shall be called by the directors of the Sea Isle Property Owners, Inc. to elect directors for the terms which are expiring; to review the accomplishments of the preceding year; to organize committees for the coming year; and to consider and discuss such matters as are brought before the meeting by the Board or members. Special meetings may be called by the President of the Board, or by members who have obtained in writing the consent of members having not less than one-tenth of the votes entitled to be cast at such meeting.
- (b) Under the direction of the President, the Secretary, or the person calling the meeting, written notice of the time and place of such meeting shall be mailed to all members in good standing at their last known address according to the records of the corporation, not less than ten nor more than fifty days before such meeting date. Meeting shall be held at such place in Galveston County, Texas, as may be determined by the Board of Directors.
- (c) At any membership meeting, each member shall have one vote, regardless of the number of lots they own, but ownership of less than the equivalent of a full lot shall not entitle the owner to a vote; provided that owners of part interests in a lot, none of whom is otherwise entitled to any vote, shall be entitled to one vote between them.
- (d) Twenty members shall constitute a quorum at a membership meeting.

NOW THEREFORE, the Board of Directors for the Sea Isle Property Owners, Inc. request a vote by all eligible corporation members to ADOPT, RATIFY, and CONFIRM this modification to the Sea Isle Property Owners, Inc.'s By Laws pursuant to the procedures and requisite vote to modify required therein.

SEA ISLE PROPERTY OWNERS, INC.

Nancy Bond
President

ATTEST:

Jantte DiFlippo
Secretary

APPROVED THIS 1 DAY OF March, 2004

020-39-0522

NUMBER OF VOTES IN FAVOR: 181

NUMBER OF MEMBERS IN ATTENDANCE: 168 (138 Proxy VOTES)

SECRETARY: Janelle D. Filippo

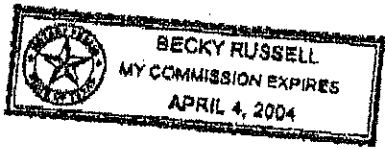
THE STATE OF TEXAS ||
 ||
COUNTY OF GALVESTON ||

BEFORE ME, the undersigned authority, on this day personally appeared Janelle D. Filippo, known to me to be the President of the Sea Isle Property Owners, Inc. and whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same for the purposes and consideration therein expressed, in the capacity therein stated, and as the act and deed of said corporation.

GIVEN under my hand and seal of office this 1st day of March, 2004

Becky Russell
Notary Public in and
for the State of Texas

DANIEL L. SANDERS PAID
ATTORNEY AT LAW
511 STUART, SUITE 102
HOUSTON, TEXAS 77006



FILED AND RECORDED
OFFICIAL PUBLIC RECORDS OF REAL PROPERTY

Mary Ann Daigle
2004 MAY 19 10:57 AM 2004032471
GUYTON, A \$13.00
Mary Ann Daigle, COUNTY CLERK
GALVESTON, TEXAS

FILED
In the Office of the
Secretary of State of Texas

NOV 12 1973

James B. Cate
Deputy Director, Corporation Division

ARTICLES OF AMENDMENT
TO THE
ARTICLES OF INCORPORATION OF
SEAWAY BOAT CLUB, INC.

Pursuant to the provisions of Article 4.03 of the Texas Non-Profit Corporation Act, the undersigned corporation adopts the following ARTICLES OF AMENDMENT to its ARTICLES OF INCORPORATION which amend its purposes:

I.

The name of the corporation is SEAWAY BOAT CLUB, INC.

II.

The following amendment to the ARTICLES OF INCORPORATION was adopted by the corporation on the 4th day of November, 1973. Article II. of the ARTICLES OF INCORPORATION is hereby amended so as to read as follows:

The purpose for which this corporation is formed is to exercise, promote and protect the privileges and interests of members who own property in the Sea Isle Subdivisions, located on Galveston Island, Galveston County, Texas; to administer and enforce covenants for preserving the architecture and appearance of the subdivision; to own and/or maintain common green areas, streets, canals, boat ramps, waterways, beaches, piers, navigational aids and recreational areas; to protect the members' property against theft and vandalism; to arrange for the collection and disposition of garbage within such subdivisions; and in general to maintain the subdivisions and to provide for the safety of the members and their property; subject, however, to the provisions of Part 4 of the Texas Miscellaneous Corporation Laws Act.

III.

The amendment was adopted in the following manner: the amendment was adopted at a meeting of the members held on the