

BYLAWS OF  
MARINER'S COVE HOMEOWNERS ASSOCIATION, INC.

ARTICLE I

GENERAL PROVISIONS:  
REFERENCES AND DEFINITIONS

Section 1.1. References. Reference is made for all purposes to the Declaration of Covenants, Conditions, and Restrictions for Mariner's Cove recorded in the office of the County Clerk of Galveston County, Texas (said Declaration and any amendments or Supplemental Declarations thereto being herein collectively called the "Declaration").

Section 1.2. Association. This corporation is the identical corporation referred to as the "Association" in the Declaration. This corporation (hereinafter, the "Association") shall have all the rights, powers, privileges, and authority vested in it under the Declaration and shall carry out all the functions and responsibilities therein assigned and those which may hereafter be assigned to the Association under the Declaration or otherwise.

Section 1.3. Definitions. Except as otherwise defined in these Bylaws, all terms which are defined in the Declaration shall, when used herein, have the same meaning as set forth in the Declaration.

ARTICLE II

FUNCTIONS OF THE ASSOCIATION

Section 2.1. Purposes. The purposes for which the Association is formed are to promote maintenance, administration and preservation of the Lots and other portions of the Properties; exercise the duties and prerogatives provided for the Association in the Declaration; have and to exercise any and all powers, rights, and privileges which a corporation organized under the Texas Non-Profit Corporation Act ("Act") may now or hereafter have or exercise; and, to the extent permitted by law, do any and all other things necessary to implement or accomplish the purposes set forth in the Declaration and these Bylaws. To carry out said purposes properly, the Association shall, to the extent permitted or required by the Declaration, at the discretion of its Board of Directors, perform the following functions, and the exercise of such functions shall be deemed to be within the scope of activities contemplated by the Articles of Incorporation of the Association (the "Articles") and the Declaration:

- (a) Accept conveyances of, own, sell and encumber Common Area, as such Common Area is defined within the Declaration, subject to the terms of the Declaration and these Bylaws.

- (b) Exercise all of the powers and privileges and perform all of the duties and obligations of the Association as set forth in the Declaration and Articles and pay all expenses incidental thereto.
- (c) Enforce the decisions and rulings of the Association.
- (d) Enforce all restrictions, covenants, easements and liens provided in the Declaration, and pay all of the expenses in connection therewith.
- (e) Lease, provide, control, maintain, and operate the Common Area.
- (f) Create, construct, and maintain private streets, alleys, road, rights-of-way, and easements.
- (g) Do all things necessary for the upkeep, repair, and maintenance of all Common Area and the placement of improvements, fixtures, and equipment thereon, including the replacement of obsolete or damaged improvements, fixtures, and equipment.
- (h) Provide for the landscaping of the Common Area necessary to provide a uniform scheme of landscaping for the Properties as a whole.
- (i) Do all things necessary for the upkeep, repair, and maintenance of the Common Area, including obtaining the agreement of any appropriate governmental entity to assume the maintenance obligation for the streets within the Common Area.
- (j) Pay legal and other expenses incurred in connection with the enforcement of all recorded charges, covenants, restrictions, and conditions affecting property to which the assessments apply.
- (k) To the extent practical, and at the Board's absolute discretion, provide patrol services, including but not limited to, the employment of courtesy officers, supplemental municipal services, and /or to provide and operate a communications system.
- (l) Do all things necessary to enforce the provisions of the Declaration, including but not limited to providing for the enforcement of exterior maintenance of all properties and/or dwellings, to the extent provided for by the Declaration, and send invoices or take other necessary action to collect the cost of such maintenance from the Owner(s) of the Lot.
- (m) Fix, levy, collect, and enforce payment by any lawful means, of all charges and assessments pursuant to the terms of the Declaration, including, but not limited to, the right to foreclose the lien against any Lots, pay all expenses in connection therewith and all administrative and



other expenses incident to conducting the business of the Association, including all licenses, taxes, assessments, and other governmental charges levied or imposed against the Properties of the Association.

- (n) Participate in, and enforce the results of, the Architectural Control Committee to the extent provided in the Declaration.
- (o) Do all other things necessary or desirable in the opinion of the Association to keep the Properties and Common Areas in neat and good order, or which it considers of general benefit to the owners of the Lots, it being understood that the judgment of the Association with respect to the expenditure of said funds shall be final and conclusive so long as such judgment is exercised in good faith.
- (p) Set and establish the amount of the Assessments or charges which may be imposed by the Association pursuant to the Declaration, and hold and administer the funds generated by such Assessments and other charges in the manner and for the purposes contemplated by and in accordance with the terms and provisions of the Declaration and these Bylaws.
- (q) Acquire by gift or purchase, or otherwise own, hold, improve upon, build, enjoy, operate, maintain, convey, sell, lease, transfer, mortgage, dedicate for public use, or otherwise dispose of, real or personal property in connection with the business of the Association, subject to the terms of the Declaration and these Bylaws.
- (r) Borrow money in the name of the Association for the purpose of carrying out the corporate affairs, with the consent (either by written instrument or by voting at a meeting duly called for such purpose) of a majority of the Board of Directors. The Association shall not lend money to any individual or entity.
- (s) Participate in mergers and consolidations with other non-profit associations organized for the same purposes, provided, however, any such merger or consolidation shall require the approval of the United States Department of Housing and Urban Development or the Veterans Administration for so long as there is a Class B Membership.
- (t) Exercise jurisdiction and control over any property made subject to the jurisdiction of the Association in accordance with the terms of the Declaration.

Section 2.2. Area. The Activities of the Association shall be limited to (i) Mariner's Cove, and (ii) such other areas as may hereafter voluntarily or through the operation of conditions, covenants, restrictions, supplemental

declaration, easements, reservations or charges pertaining to the same be placed under or submitted to the jurisdiction of the Association.

### ARTICLE III

#### MEMBERSHIP AND VOTING RIGHTS

Section 3.1. Membership. Every Owner of a Lot within Mariner's Cove shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association.

Section 3.2. Voting Rights. The Association shall have only one class of membership, being all persons or entities who own a Lot within Mariner's Cove, which Members shall be entitled to one (1) vote for each Lot owned within Mariner's Cove.

When two or more persons or entities hold interests in any Lot, all such persons or entities shall be Members, and the vote for the Lot owned by such members shall be exercised as they, among themselves, determine, but in no event shall more than one vote be cast with respect to each Lot in which such Members own interests.

Section 3.3. Termination of Membership. The membership of a person or entity in the Association shall terminate automatically whenever such person or entity ceases to be an Owner, except that such termination shall not release or relieve any such person or entity from any liability or obligation incurred under or in any way connected with the Association or this Declaration during the period of ownership, nor impair any rights or remedies which the Association or any other Owner has with regard to such former Owner.

Section 3.4. Suspension of Membership. A Member must be current in the payment of the annual assessments and any duly adopted special assessment to entitle the Member to all rights and privileges of membership. During any period in which a Member shall be in default in the payment of any annual or special assessment levied by the Association, the right to use of the recreational facilities of such member may be suspended by the Board of Directors until such assessment has been paid. Such other rights of a Member may also be suspended pursuant to the Declaration for a period not to exceed sixty (60) days, for a single violation, or for a longer period in the case of any continuing violation, or the Declaration, these Bylaws, or any rules and regulations of the Association.

Section 3.5. Conflict. To the extent there is any conflict regarding the provisions contained in this Article III and the Declaration, the provisions in Declaration shall control.



## ARTICLE IV

### BOARD OF DIRECTORS: ELECTION AND TERM OF OFFICE

Section 4.1. Number. The affairs of the Association shall be managed by a Board of Directors of at least five (5) but not more than seven (7) directors, all of whom must be Members of the Association.

Section 4.2. Term. The directors shall serve for a term of two year(s), which shall be "staggered" terms, whereby the Members shall elect no more than three (3) directors in any given year, it being the intent herein that there be as much continuity on the Board as is practical.

Section 4.3. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association present and voting at a special meeting called for such purpose, at which a quorum of the Members of the Association is present in person or by proxy.

Section 4.4. Compensation. No director shall receive compensation for any service he/she may render to the Association. However, any director may be reimbursed for his/her actual expenses incurred in the performance of his duties.

Section 4.5. Conflict. To the extent there is any conflict regarding the provisions contained in this Article IV and the Declaration, the provisions in the Declaration shall control.

## ARTICLE V

### MEETINGS OF DIRECTORS

Section 5.1. Regular Meeting. Meetings of the Board of Directors shall be held at such intervals, places, and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, that meeting shall be held at the same time on the next day which is not a legal holiday. Any such meeting, whether regular or special, may be held by conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in the meeting in such manner shall constitute presence in person at such meeting.

Section 5.2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two directors, after not less than three (3) days notice to each director.

Section 5.3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

Section 5.4. Action Taken Without a Meeting. The Board of Directors shall have the right to take any action in the absence of a meeting which it could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the Board of Directors.

Section 5.5. Meeting Organization. At each meeting of the Board, the president, or if he or she is absent therefrom, then the vice president, or if he or she is absent therefrom, then a director chosen by a majority of the directors present, shall act as chair and preside over such meeting. The secretary, or if he or she is absent, the person whom the chair of such meeting shall appoint, shall act as secretary of such meeting and keep the minutes thereof.

## ARTICLE VI

### NOMINATION AND ELECTION OF DIRECTORS; RESIGNATIONS OR VACANCIES

Section 6.1. Nomination. Nominations for election to the Board of Directors shall be made by a Nominating Committee, if such a Committee exists. If no such Committee exists, nominations shall be made from amongst the Members, which nominations must be received by the Association secretary at least 30 days prior to the annual meeting.

Section 6.2. Election. Election to the Board of Directors shall be by written ballot cast at the annual meeting. At such election, the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

Section 6.3. Resignations. Any director may resign at any time by giving written notice of his or her resignation to the Association. Any such resignations shall take effect at the time specified therein, or, if the time when it shall become effective is not specified therein, it shall take effect immediately upon its receipt by the president or the secretary, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6.4. Vacancies on the Board.

(a) Any vacancy occurring on the Board of Directors shall be filled by the affirmative vote of the majority of the remaining directors though less than a quorum or



by a sole remaining director, and any director chosen shall hold office until the next election of directors when his or her successor is elected and qualified. Any newly created directorship shall be deemed a vacancy. If by reason of death, resignation, or otherwise, the Association has no directors in office, an officer or Member may call a special meeting of members for the purposes of electing the Board of Directors.

(b) Should an elected director fail to assume office by reason of death, disability, declination prior to the beginning date of the term to which elected, then the unsuccessful candidate in such election receiving the next highest number of votes shall be deemed elected in his or her stead.

## ARTICLE VII

### POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 7.1. Powers. The Board of Directors shall have the power:

(a) to take the appropriate action in furtherance of those powers of the Association enumerated in Article II of these Bylaws;

(b) adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the Members and their guests thereon, and to establish penalties and fines for the infraction thereof;

(c) to exercise for the Association all power, duties, and authority vested in or delegated to the Association and not reserved to the membership by other provisions of the Articles or these Bylaws, as well as the laws of the State;

(d) to declare the office of a member of the Board of Directors to be vacant in the event such Members shall be absent from three (3) consecutive regular meetings of the Board of Directors without just cause having been furnished to and accepted by the Board;

(e) to establish, disburse, and maintain such petty cash funds as necessary for the efficient carrying on of the business of the Association; and

(f) to engage the services of a manager, independent contractors, or such employees as it deems necessary, and to prescribe the conditions, compensation, and duties of their work. Such power shall include authority to enter into management agreements with other parties to manage, operate, or perform all or any part of the affairs and business of the Association.

Section 7.2. Duties. It shall be the duty of the Board of Directors:

(a) to cause to be kept a complete record of all its acts and corporate affairs; and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing in accordance with the applicable provisions of the Texas Property Code;

(b) to supervise all officers, agents, and employees of the Association, and to see that their duties are properly performed;

(c) to establish annually a budget and membership fees or assessments;

(d) to procure and maintain adequate insurance coverage on property owned by the Association, as well as such other policies of insurance as the Board deems appropriate;

(e) in the event a management agreement is entered into pursuant to Section 7.1(f) herein above, the Board of Directors shall require said management agreement to include a provision that the Board of Directors shall be provided with copies of all bank statements on a monthly basis, and Board members shall have online viewing access to the Association's bank records.

(f) to cause all officers, employees, or agents, having fiscal responsibility to be bonded and/or insured, as it may deem appropriate;

(g) to cause the Common Area to be maintained; and

(h) to perform such other duties as may be established by the membership from time to time or set forth in these Bylaws, the Articles of Incorporation or the Declaration.

## ARTICLE VIII

### COMMITTEES

Section 8.1. In addition to the Architectural Control Committee which is established within the Declaration, the Board of Directors may appoint committees as deemed appropriate in carrying out its purposes.

Section 8.2. It shall be a function of each such committee to receive input from Members on any matter involving Association duties and activities within its field of responsibility. Such committee shall make recommendations and refer all information to the Board of Directors for action and/or disposition.



## ARTICLE IX

### MEETINGS OF MEMBERS

Section 9.1. Annual Meetings. The annual meeting of the Members shall be held during the month of May, or such other month as designated by the Board of Directors, of each year, on a date and at a time and location to be announced by the Board of Directors by giving written notice to the Members in accordance with the Act. The annual membership meeting shall, among other things, be used for the purpose of electing directors and conducting other official business of the Association.

Section 9.2. Special Meetings. Special meetings of the Members may be called at any time by the president or by a majority of the Board of Directors, or upon written request of the Members who are entitled to vote one-fourth (1/4) of all of the votes of the entire membership.

Section 9.3. Notice of Meetings. Except as otherwise provided in the Articles or these Bylaws, written notice of each meeting of the Members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, not less than ten (10) nor more than sixty (60) days before such meeting to each Member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member designating an alternate address to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting and, in the case of a special meeting, the purpose of the meeting.

Section 9.4. Quorum. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, five percent (5%) of the votes shall constitute a quorum. If, however such quorum shall not be present or represented at the first such meeting called, a majority of the Members who are present at such meeting, either in person or by alternate, may adjourn the meeting to a time not less than five (5) minutes nor more than sixty (60) days from the time the original meeting was called. At such reconvened meeting, the quorum requirement shall be one-half (1/2) of the quorum requirement of the originally called meeting. If any reconvened meeting cannot be held because a quorum is not present, a majority of the Members who are present at such reconvened meeting, either in person or by alternate, may adjourn the meeting to a time not less than five (5) minutes nor more than sixty (60) days from the time the reconvened meeting was called, and the quorum requirement shall be one-half (1/2) of the quorum requirement of previous reconvened meeting. If quorum is present at any such reconvened meeting, all business that might have been transacted at the meeting originally called may be transacted. If a time and place for reconvening any meeting is not fixed for reconvening the meeting after adjournment, notice of the time and place for reconvening such meeting shall be given to the Members in the manner prescribed for regular meetings.

Section 9.5. Proxies. At all meetings of Members, each member may vote in person or by proxy. All proxies shall be in writing, signed by the Member, dated, shall

include a description of lot(s) owned, and shall be filed with the association secretary for validation. Every proxy shall be revocable and shall automatically cease upon cessation of membership.

Section 9.6. Majority Vote; Withdrawal of Quorum. When a quorum is present at any meeting of the Members, the vote of the holders of a majority of the votes, present in person or represented by proxy, shall be sufficient to take action and decide any question validly brought before such meeting unless the question is one upon which by express provisions of the Act, the Declaration, the Articles or these Bylaws a different vote is required, in which case such express provision shall govern and control the deciding of such question. The Members present at a duly organized meeting may continue to transact business until adjournment, without regard to withdrawal or exit of any number of Members from such meeting.

Section 9.7. Voting.

(a) Voice Vote. A voice or standing vote or show of hands of Members shall prevail on all matters of business, except the following items which require a ballot vote:

- (i) The election of all directors.
- (ii) When a majority of the Board of Directors requests a ballot vote.
- (i) When a ballot is requested by a majority vote of the eligible Members of the Association attending the meeting.

(b) Ballot Vote. When a ballot vote is required, the following will apply:

- (i) Voting shall proceed under the supervision of the Board of Directors.
- (ii) At least two (2) directors and/or agents for the Association shall be in attendance at all times during voting and they shall determine eligibility of all votes, issue all official ballots, and witness the casting of the ballots.
- (iii) Ballots shall be opened and tabulated in accordance with the Texas Property Code, which requires at least two (2) independent vote tabulators, who may not be members of the Board.

(c) Mail Vote.

- (i) A majority of the Board of Directors may authorize use and implementation of a mail-in ballot on any election or issue it deems appropriate, including the election of directors.



- (ii) When mail-in ballots are authorized by the Board of Directors, said ballots shall be prepared and mailed to the Members not less than ten (10) nor more than sixty (60) days prior to the date of the election, and the date set for the tabulation of the ballots shall be stated on the ballot. Ballots received on or after the date set for tabulation of the ballots shall not be counted.
- (iii) The determination of eligibility and tabulation of votes shall proceed under the supervision of the Board of Directors and/or its agent, manager, and/or attorney.
- (iv) Following tabulation, all ballots will be sealed and stored for a period of thirty (30) days in the custody of the Board of Directors or in the office where the records of the Association are maintained.

(d) Tie Votes. Except for the votes in connection with the election of directors, a tie vote shall be decided by lot. In the event of tie vote in the election of directors, the director candidates receiving the same number of votes (unless such tie vote does not affect the outcome of the election) shall be submitted to a second ballot vote. If a tie vote occurs at the second ballot vote (unless such tie vote does not affect the outcome of the election), the election of such director candidates receiving the same number of votes will be decided by lot.

## ARTICLE X

### OFFICERS AND THEIR DUTIES

Section 10.1. Enumeration of Officers. The officers of the Association shall be a president and vice-president (who shall at all times be members of the Board of Directors), a secretary, a treasurer, and such other officers as the Board may from time to time by resolution create.

Section 10.2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 10.3. Term. Each officer of the Association shall be elected by the Board of Directors and shall hold office as follows, unless such officer shall sooner resign, or shall be removed or otherwise disqualified to serve: the President shall serve for two (2) years; the Vice President shall serve for two (2) years; the Treasurer shall serve for two (2) years; the Secretary shall serve for one (1) year; and, the Director at Large shall serve for one (1) year.

Section 10.4. Special Appointments. The Board of Directors may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time determine.

Section 10.5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving notice to the Board, the president, or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein; the acceptance of such resignation shall not be necessary to make it effective, the Board may declare an office vacant in the event three (3) meetings in a row are missed.

Section 10.6. Vacancies. A vacancy in any office may be filled in the manner prescribed for regular elections of officers. The officer elected to such vacancy shall serve the remainder of the term of office of the officer he or she replaces.

Section 10.7. Duties. The duties of the officers are as follows:

President

The president shall preside at all meeting of the Board of Directors, see that orders and resolutions of the Board of Directors are carried out, sign all easements, contracts, leases, mortgages, deeds, and other written instruments, checks and promissory notes.

Vice President

The vice-president shall act in the place and stead of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him or her by the Board of Directors.

Secretary

The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board of Directors and of the members, keep the corporate seal of the Association and affix it on all papers requiring said seal, serve notice of meetings of the Board of Directors and of the Members, keep appropriate current records showing the Members together with their addresses, and perform such other duties as required by the Board.

Treasurer

The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors, sign all checks and promissory notes of the Association, keep proper books of



account, cause periodic audits of the Association books to be made by a public accountant as deemed necessary by the Board of Directors and/or Members, and prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting and deliver a copy of each to the Members. Some or all duties of the Treasurer may be delegated to a managing agent, subject to oversight by the Treasurer and the Board.

## ARTICLE XI

### ASSESSMENTS

Assessments in Accordance with the Declaration. The Declaration sets forth the obligation of each Owner to pay assessments to the Association. The payment of such assessments is secured by lien upon each Owner's Lot against which the assessment is made, and the Association's rights pertaining to such lien may be enforced in the manner provided for in the Declaration. No Owner may exempt himself from payment of assessments by waiver of the use or enjoyment of all or any portion of the Common Area or abandonment of his or her Lot.

## ARTICLE XII

### BOOKS AND RECORDS

The books, records, and papers of the Association shall, during normal business hours, and at the principal office of the Association, be subject to inspection by any Member upon reasonable notice to the Association in accordance with the pertinent provisions of the Texas Property Code.

## ARTICLE XIII

### FISCAL YEAR

The fiscal year of the Association shall begin on the first day of January and end on the 31<sup>st</sup> day of December of every year, unless otherwise designated by the Board of Directors.

## ARTICLE XIV

### AMENDMENTS

Section 14.1. These Bylaws may be amended, at a regular or special meeting of the Board of Directors, by a vote of a majority of the Board of Directors, or by a vote of the Members at a Special Meeting when such a Special Meeting is properly requested.

Section 14.2. In case of any conflict between the Declaration and these Bylaws, the Declaration shall control, unless otherwise expressly stated herein.

## ARTICLE XV

### GENDER AND GRAMMAR

The singular wherever used herein shall be construed to mean the plural when applicable, and the necessary grammatical changes required to make the provisions hereof apply either to corporation or individuals, men or women, shall in all cases be assumed as though in each case fully expressed.


## ARTICLE XVI

### INDEMNIFICATION OF OFFICERS AND DIRECTORS

The Association shall indemnify its officers and directors to the maximum extent allowable pursuant to Art. 2.22A of the Act as the same now exists or may be hereafter amended.

## CERTIFICATE OF ADOPTION OF BYLAWS

The undersigned, being the Secretary of Mariner's Cove Homeowners Association, Inc., hereby certifies that these Bylaws are the true and correct Bylaws of the Association adopted by written consent of the Board of Directors of the Association effective on \_\_\_\_\_.

  
Signature  
Print Name: Marie K. Yancey  
Secretary of Mariner's Cove Homeowners  
Association, Inc.