

AMENDED AND RESTATED RESTRICTIONS  
FOREST COVE SUBDIVISION, SAN JACINTO COUNTY, TEXAS

THE STATE OF TEXAS.

KNOW ALL MEN BY THESE PRESENTS

COUNTY OF SAN JACINTO.

WHEREAS, Alfred Halla, Jr., and Lewis C. Holder, sole owners of the 58.01593 acre tract of land situated in the Ralph McGee League, Abstract No. 9, in San Jacinto County, Texas, as Developers ("Developers") has subdivided same into a residential and commercial subdivision known as FOREST COVE SECTIONS I and II, as is described by metes and bounds on map and plat thereof under dedication dated April 4, 1966, and filed for record in the office of the County Clerk of San Jacinto County, Texas, under file #512, volume 99, page 477 for recording in the deed records of said County, and in conjunction with did establish, adopt and promulgate certain conditions, covenants, warranties and restrictions as to the ownership and use thereof, which were made applicable to and running with the land, thereby binding Developers, their heirs and assigns, and all purchasers of lots situated within said subdivisions or additions thereto all as is set out in that certain document dated April 4, 1966 and recorded at Volume 99, page 477, deeds and records of San Jacinto County, Texas, which certain Restrictions, Covenants and Conditions are referenced herein as "Original Restrictions"; and

WHEREAS, said the Commissioners Court of San Jacinto Count)', Texas, by document dated September 12, 1966, and recorded at Volume 101, page 339, deeds and records of San Jacinto County, Texas, approved revisions of the restrictive covenants, dedication and map and plat, as set forth therein; and

WHEREAS, said Developers, thereafter deeded and conveyed two tracts or parcels of land out of the 58.01593 acre tract of land situated in the Ralph McGee League, Abstract No.9, in San Jacinto County, Texas, as referenced in that certain "Correction Deed" dated October 27, 1969, and filed of record at Volume 116, page 419, to H & H Properties, Inc., a Texas Corporation (referenced herein as "Successor Developer"), of which Successor Developer Lewis C. Holder was President, also as sole owners of the 5.6 acre tract of land situated in the Isaac Jones League, abstract 23, in San Jacinto County established SECTION III - FOREST COVE, and made the land deeded and conveyed subject to certain conditions, covenants, warranties and restrictions as to the ownership and use thereof, as therein provided; and

WHEREAS, said developers, by that certain instrument dated October 27, 1969, filed of record at Volume 116, page 424, made certain corrections and modifications to the Original Restrictions; and

WHEREAS, H & H Properties, Inc., as successor developer, by that certain instrument dated October 27,1969, and filed of record at Volume 116, page 427, made certain corrections and modifications to the Original Restrictions; and

WHEREAS, the Restrictions for sections I and II, under paragraph VI (1), and the Restrictions for Section ill, under paragraph V (I), provide that the covenants are to run with the land, and shall be binding on all parties and all persons claiming under them for a period of twenty five (25) years from the date these covenants are recorded with the County Clerk of San Jacinto County, Texas. After which time the covenants shall be extended automatically for successive periods of ten years, unless amendment agreements signed by the majority of the then owners of the lots has been recorded, agreeing to change said covenants in whole or in part, or to revoke them; and

WHEREAS, the Original Restrictions for Forest Cove Subdivision, under paragraph IV of the Respective Restrictions, created the "Forest Cove Restrictions Committee" (referenced herein as the "Committee"), provided that the Committee was the representatives of all property owners in Forest Cove Subdivision in assisting in preservation of property values and prescribed certain duties and responsibilities for the Committee, and provided that for the filling of vacancies by vote of the tract owners; and

WHEREAS, Articles of Incorporation for "The Cove Property Owners Association of Point Blank, Inc.", and referenced herein as the " Association", were filed with the Secretary of State for the State of Texas on February 5, 1975, and a certificate of incorporation issued on the same date; and

WHEREAS, said Association was organized and incorporated for the purpose to discharge the duties of the Committee and "to promote and encourage civic pride, and to promote health, sanitation, safety, and convenience of Forest Cove Subdivision and the adjacent community in San Jacinto County,

NOW, THEREFORE, the Associations' Board of Directors hereby file for record these Amended and Restated Restrictions applicable to sections I, II and III of Forest Cove Subdivision, as follows:

(I)

The restrictions, covenants and conditions as hereinafter set out shall apply to sections I, II and III of the Forest Cove Subdivision as reflected by aforesaid maps and plats.

(II)

(1) No lot shall be used except for single family residence purposes.

(2) No building **or structure** shall be erected, placed or altered on any lot until the construction plans, specifications and plan showing the location of the building or structure have been approved by the Association as to compliance with these restrictions on quality of workmanship and materials, harmony of external design with existing structures, and as to location with respect to topography, drainage and finish grade elevation. No fence or wall shall be erected, placed or altered on any lot unless similarly approved. Approval shall be as provided in part IV hereof.

(3) The floor areas of all residences, exclusive of open porches and garages, shall be not less than 1,200 square feet. The design, materials and workmanship in all buildings shall be in conformity with standards in common use by architects and builders of quality homes.

(4) No building or structure shall be located on any residential lot nearer than 20 feet to the front property, or street line. No permanent building or structure shall be located nearer than 5 feet to an interior or cornerside property line. The owner of any building or structure constructed on a lot in violation of these restrictions will be asked to relocate or dismantle said building or structure.

(5) Any residence, once commenced, must be "dried in" within six months. The term "dried in" means that the outside must have the appearance of being a completed house, with all necessary doors, windows, roof, paint and trim. If not "dried" in within six months after such residence is commenced, the owner of same hereby gives the Association the right and authority to enter upon the property and to disassemble said structure and stack same on the premises. The owner or occupant of any such lot agrees, by the purchase or occupation thereof, that the Association shall not be liable in trespass or otherwise, in entering upon the property and disassembling any such

structure.

(6) Lots are purchased subject to easements established by grant or agreement between the Association and the utility companies furnishing the gas, phone, water, cable, sewer and electric utilities, and in addition thereto, waterfront lots are purchased subject to a "wave action easement" as established by the Trinity River Authority.

(7) No noxious or offensive activity shall be carried on upon any lot, nor shall anything be done thereon that may be, or may become an annoyance or nuisance to the neighborhood. No firearms may be discharged I within the Subdivision, and/or according to City, County and State law. No air rifles or pellet guns may be discharged within the Subdivision except by property owners on their own property. The Association shall not be liable for any accidents associated with the discharge of any firearms, air rifles or pellet guns.

(8) No building or structure of a temporary character, mobile home, motor home, trailer, basement, tent, shack, garage, barn or outbuilding shall be used on any lot at any time as a residence, either temporarily or permanently.

(9) No animals, livestock or poultry of any kind shall be raised, bred or kept on any lot, except dogs and cats may be kept as pets provided they are not kept, bred or maintained for any commercial purposes, but only for the use and pleasure of the owners of such lot.

(10) Whenever a residence is established on a lot, it shall be provided with an inside toilet, and shall be connected immediately to a septic tank or sewer line, at the expense of the owner of said lot. Such sewage disposal system shall be in accordance with the requirements of the State Health Department and the Trinity River Authority and shall be subject to inspection and approval by Health officer of San Jacinto County and the Trinity River Authority. The drainage of septic systems into a road, street, alley, public ditch or Lake Livingston, either directly or indirectly, is strictly prohibited.

(11) Drainage structures under private: driveways shall have a net drainage opening of sufficient size to permit free flow of water, without back water, and shall be not less than a 12- inch diameter pipe culvert.

(12) The owners or occupants of lots in this subdivision, shall at all times keep weeds and grass cut in an attractive manner, and shall in no event use any lot for commercial logging, storage of equipment and material (except for normal residential construction requirements), or permit the accumulation of dead trees, fallen trees, garbage, trash or rubbish of any kind thereon. If the owner or occupant of any lot in this subdivision fails to observe the above requirements, the Association may, without liability to the owner or Occupant in trespass or otherwise, enter upon said lot, cut or cause to be cut weeds and grasses, and remove or cause to be removed any accumulation of garbage, trash, rubbish, etc. so as to place the lot in a neat, attractive, sanitary and healthful condition, and may bill the owner or occupant of each lot for the cost of such work. The owner or occupant agrees by the purchase or occupation of any lot in this subdivision, to pay each statement immediately upon receipt.

(13) No sign, advertisement, billboard or advertising structure, except standard real estate "for sale" signs, of any kind may be erected or maintained on any lot without the consent, in writing, by the Association. The Association shall have the right to remove any sign, billboard, advertisement or advertising structure which is placed on any lot without such consent, and is expressly relieved from any liability for trespass or other tort in connection with or arising from such removal. Standard real estate "for sale" signs shall be no larger than 26 x 20 inches, and the sign and its support shall be no taller than 70 inches or wider than 45 inches.

(14) No boats, boat trailers, boat rigging or utility trailers shall ever be parked or stored (except

temporarily) nearer to the street than twenty (20) feet. The parking of automotive vehicles on road shoulders must not restrict, or inhibit the free passage of traffic or emergency vehicles (such as ambulances and fire trucks) on any subdivision road or road shoulder. If vehicles are not moved upon request of the Association, or local law enforcement officers, they may be towed at the owner's expense.

(15) All residences and other buildings; must be kept in good repair, and must be painted when necessary to preserve the attractiveness thereof.

(16) No lot in Forest Cove Subdivision as platted shall be subdivided in any manner, except as follows: Any person or persons owning two or more adjoining lots in said subdivision, may divide or consolidate such lots into building sites, with the privilege of placing or constructing improvements on each resulting building site, provided that such division or consolidation does not result in more building sites than the number of platted lots in each division or consolidation.

(17) The operation of automotive motor vehicles shall be limited to the paved roads within the subdivision, and the owner's property. The operation of unlicensed off-road vehicles, except on the owner's property, is prohibited. The 20 MPH speed limit (approved by the city of Point Blank), set to ensure the safety of children, pedestrians and pets, must be adhered to. The Association assumes no responsibility for accidents on Subdivision roads.

### (III)

(1) Reserved areas, Private Park B, shall be used by the owners of lots in the Forest Cove Subdivision. These reserved areas shall be used as a community and recreational area for the benefit of all lot owners and the benefit of the subdivision -including, but not limited to, community and civic enterprise, swimming, boating, outdoor sports and other recreational activities. Only the owners and/or occupants of lots in the Forest Cove Subdivision, together with their guests when accompanied by the owners or occupant, shall be permitted to use reserved areas B. The general public is specifically excluded therefrom, and the maintenance and use shall be under the exclusive control and supervision of the Association.

(2) Buildings and structures approved by the Association shall be permitted for the purposes set out in Paragraph 1, above, on Reserved areas B, and any other purpose deemed by the Association to be for the common good and benefit of all lot owners in the Subdivision.

### (IV)

(1) The Association (represented by the Board of Directors) shall have all authority of the Forest Cove Restrictions Committee to implement the Restrictions imposed by these Covenants.

(2) The Board of Directors shall be the representatives of the Association in assisting in the preservation of property values; and the Board of Directors shall have the powers and functions (but not by the way of limitation) herein listed, but shall not have the sole obligation with respect to enforcement of restrictions, - such powers being to:

(a) Collect and expend, in the interest of the Forest Cove Maintenance Fund created in this

instrument.

(b) Enforce these covenants and restrictions by appropriate proceedings.

(c) Enforce any lien imposed on any lot, or lots, in this subdivision by these restrictions.

(d) Approve or reject plans and specifications for improvements to be erected in the Forest Cove Subdivision. In the event the Association fails to approve or disapprove within fifteen (15) days after submission to it of plans and specifications, the owner shall send notification by registered mail in care of Forest Cove Property Owners Association, Inc. P.O. Box 82, Point Blank, Texas 77364 that his or her plans and specifications have not been approved within the fifteen (15) day period. If another fifteen (15) day period elapses without notification to the owner of approval or disapproval, approval will not be required, and the related covenant shall be deemed to have been satisfied

(e) Collect, enforce and administer the maintenance fees and any assessments, as approved by a written majority vote of the Property Owners, and levy penalties on delinquent accounts.

(3) The following provisions, whether incorporated in each deed or not, shall be applicable to all lots in the Forest Cove Subdivision;

The property herein conveyed is hereby subject to an annual maintenance charge, in effect at the time of filing (as of September 12, 2009 the POA voted to establish the charge at \$100.00), for each lot per year to be included in a fund known as the Forest Cove General Fund to be paid in advance annually in January of each year by the owners of each lot or a portion of a lot. Payment of this annual Maintenance charge grants Property owner(s) membership in the Forest Cove Property Owners Association, of Point Blank, Inc., to all rights, restrictions, benefits, privileges, obligations and duties that Membership in said non-profit Corporation entails. Such annual charges may only be increased or decreased by a majority vote, on a written ballot, by the owners of said lots, provided notice of the proposed increase or decrease is given per the Bylaws of the Association. Funds arising from said charge shall be applied, in so far as sufficient, toward the payment of maintenance expenses or construction costs for any or all of the following purposes; lighting, maintaining and improving streets, parks and parkways, improving clubhouse facilities; and in doing any other necessary or desirable things in the opinion of the Association to keep the subdivision neat and in good order, or which is considered to be of general benefit to the property owners or occupants of the subdivision, it being understood that the judgment of the Association in the expenditure of said fund will be final as long as such judgment is exercised in good faith. Provided however, each property owner, agrees, consents to and joins in such maintenance charge with the acceptance of his or her contract, with the understanding that the Association has no obligations to install lighting, parkways, to furnish maintenance or do any other things described herein, other than from maintenance funds.

(V)

(1) These covenants are to run with the land, and shall be binding on all parties and all persons claiming under them for a period of twenty five (25) years from the date these covenants are recorded with the County Clerk of San Jacinto County, Texas. After which time the covenants shall be extended automatically for successive periods of ten years, unless amendment agreements signed by the majority of the then owners of the lots has been recorded, agreeing to change said covenants in whole or in part, or to revoke them.

(2) The enforcement of these restrictions shall be by proceedings at law or in equity against any person or persons violating or attempting to violate any covenant, either to restrain such violation or proposed violation, or to recover damages. Such enforcement may be by any owner of any lot within said subdivision.

(3) Invalidation of anyone or more of these covenants, by judgment, court order or otherwise, shall in no way affect any other restrictions or conditions, and other such covenants, restrictions or conditions shall continue to remain in full force and effect.

(VI)

(1) In formulating covenants, restrictions, conditions and warranties as herein set out, it is the intention of the Association that this instrument, taken with the original covenants, restrictions, conditions and warranties, where not in conflict herewith, and the maps and plats heretofore referred to, and approved hereof by the Commissioners Court of San Jacinto County, Texas as reflected by a certified copy thereof appearing of record under file # 512, volume 99, page 477, and under file #2302, volume 116, page 419, of the Deeds and Records of San Jacinto County, Texas shall be the complete dedication for the use of the owners within said subdivision, and any additions or extensions thereof shall bind all said parties, their heirs or assigns, for the time and in the manner as herein provided above.

EXECUTED by the Board of Directors of the Forest Cove Property Owners Association of Point Blank, Inc., subject to filing of a written instrument reflecting approval by at least a majority of the property owners and pursuant to the Deed Restrictions referenced above.

The Cove Property Owners Association  
OF POINT BLANK, INC.  
BYLAWS

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The Cove Property Owners Association  
Of Point Blank, Inc.  
BYLAWS  
(Updated - July 1999)

ARTICLE I

Name, Location, Definitions, Purposes, Functions, and Area of Operations of the Association

Section 1. Name and Location:

The name of the corporation is The Cove Property Owner Association of Point Blank, Inc. hereinafter referred to as the " Association." The principle office of the Association shall be located at P. O. Box 82, Point Blank, Texas 77364, but meetings of Members and Directors may be held at such places within the State of Texas as may be designated from time to time by the Board of Directors.

Section 2. Definitions:

(a) "Association" shall mean and refer to The Cove Property Owner Association of Point Blank, Inc., its successors, and assigns. The Cove Property Owner Association of Point Blank, Inc. is and shall be and shall perform the functions of that entity referred to as the Forest Cove Restrictions Committee" in covenants, conditions, warranties, and restrictions filed in the Deeds Records of San Jacinto County, Texas, pertaining to Forest Cove Section I, Section 2, and Section 3.

(b) "Property" and/or "Properties" shall mean and refer to that certain real property described to the "restrictions", and shall include but not be limited to "Common Area" and/or "Lots" as hereinafter defined.

(c) "Common Area" shall mean all property owned by the Association for die common use and enjoyment of the lot owners.

(d) "Lot" shall mean and refer to any lot in Forest Cove Section I, Section 2, and Section 3 except areas which constitute the park areas and to any residential lots in section(s) to be admitted to the jurisdiction of the Association in the future.

(e) "Lot Owner" and/or "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any lot which is a pan of the properties, including contract purchasers, "but excluding those having an interest merely as security for the performance of any obligation.

(f) "Restrictions" shall mean and refer to the Deed Restrictions applicable to the properties, recorded in the office of the County Clerk, San Jacinto County, Texas, and any amendments thereto, if any.

(g) "Members" shall mean any person or entity that is the record owner of one or more lots; said lot or lots must be duly platted in the map records of San Jacinto County, Texas.

(h) "Subdivision" shall mean and refer to Forest Cove Subdivision Section 1, Section 2. and Section 3, a residential subdivision in San Jacinto County, Texas, as recorded in the map records of the Clerk of San Jacinto County, Texas.

(i) "Maintenance Fund Charges" shall mean and refer to the "Maintenance Fund" as more fully delineated in the "Restrictions"

(j) "Board of Directors" is the designation of the officers elected by the members to administer the affairs of the association.

### Section 3. Purposes

The Cove Property Owner Association of Point Blank, Inc. is organized exclusively for the promotion of social welfare within the meaning Section 501 (c) (4) of the Internal Revenue Code of 1954, including within the scope, but not limited to same, of such purpose the following specific activities: To promote and encourage civic pride, and to promote health, sanitation, safety, and convenience of the inhabitants of the area herein after defined, and by the way of illustration and not by the way of limitation, to accomplish such purposes by performing or assisting in the performance, or procuring, or assisting in the procuring or by subsidizing the performance or procurement of the functions hereinafter stated in Section 4 of this Article.

Except as individual members of the general public or groups of individuals who are members of the general public may realize benefits from the carrying on or supporting of activities of the nature above described, no part of the net earnings of the Association shall inure or be payable to or for the benefit of any private individual. No part of the activities of the Association shall consist of direct or indirect participation or intervention in political campaigns on behalf of or in opposition of any candidate for political office.

### Section 4. Functions:

The Association may perform, or assist in the performance , or procuring, or assist in the procuring, or may subsidize the performance or procurement of any of the following, the following being given in illustration but not in limitation of said functions:

(a) Lighting, improving, planting, landscaping, beautifying, and maintaining parks, parkways, esplanades, rights of way, and other public areas.

(b) Provision of policy patrol services and/or watchman service.

(c) Collection and disposition of garbage, ashes, trash, rubbish and refuse.

(d) Provision of, establishment of, operation of, maintenance of, and the supplying of the equipment and/or personnel for community recreational facilities pursuant to common areas. To care for vacant, unimproved or unkempt lots in the area subject to its jurisdiction and the removal and destruction of any unsightly and obnoxious matter there from.

(e) Protection of the community against unlawful use of property and against violation of public or private regulations restricting or affecting use thereof, including, by way of illustration and not by way of limitation, the enforcement of any covenants or conditions restricting use of the property.

(f) Collect and enforce the collection of, and administer the maintenance charge and any and any assessment charge and levy penalties on delinquent accounts. A two percent (2%) penalty shall be charged quarterly on all delinquent accounts receivable balances. Charges shall become due on the first

day of April, July, October, and January. No penalty shall be charged on the maintenance charge or an assessment that is outstanding less than thirty (30) days. This amendment shall become effective April 1, 1990.

(g) Performance of any other services necessary or desirable in the opinion of the Board of Directors for the mutual benefit of the members of the community.

Section 5.        Area:

The activities of the Association shall be limited to the area known as Forest Cove Section I, Section 2, and Section 3 as delineated in the definitions, above, and to such other areas which may here after be subdivided subsequent sections of Forest Cove and subject to a maintenance charge similar to that imposed on Forest Cove Section 1, Section 2 and Section 3 and shall also include such other areas which may here after, through the operation of conditions, covenants, restrictions, easements, reservations, or charges, pertaining to the same, be placed under, or subjected to the jurisdiction of this Association and jurisdiction over which has been accepted by resolution of the Board of Directors of this Association.

ARTICLE II

Members

Section 1.        Scheduled Meetings:

The Association shall hold four (4) general business meetings annually for discussion and action on subjects which members of the Association deem to be of importance to the community. The meetings shall be held the first Saturday in November, February, May, and August, in San Jacinto County, Texas. Failure to hold any of these meetings at the scheduled time shall not work dissolution of the Association.

Section 2.        Special Meetings:

Special Meetings of the Members may be called by the President or Vice -President of the Board of Directors, or by the Board of Directors, or by fifteen (15) members of the Association. In the latter instance, the fifteen (15) members shall give notice of the call to the Secretary of the Board of Directors, who shall within ten (10) days determine the eligibility of such members to vote. The Board of Directors shall call the Special Meeting within thirty (30) days after the Secretary has certified the fifteen (15) members' eligibility to vote.

Section 3.        Notice of Meetings:

Written or printed notice shall be given for each general business meeting, and each special meeting. Such notice shall state the place, day, and hour of the meeting. The notice for the special meeting shall also state the purpose or purposes of the meeting. Notice shall be delivered not less than ten (10) nor more than thirty (30) days before the date of the meeting, either personally or by mail, by or at the direction of the President of the Board of Directors, or the Secretary, or tile officer or person 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 Association, with postage thereon prepaid.

Section 4. Quorum of Members:

Five percent (5%) of the members entitled to cast, and/or of proxies entitled to cast, shall constitute a quorum for all purposes at any meeting. The vote of the majority of the votes and/or of their proxies entitled to be cast by the member present and/or their proxies at a meeting at which a quorum is present, shall be the act of the members meeting, unless the vote of a greater number is required by law, the Articles of Incorporation, or the Bylaws. If the number of members and/or their proxies necessary to constitute a quorum at any annual or special meeting, shall fail to obtain a quorum as above described, the members and/or their proxies present may adjourn the meeting from time to time, without notice, other than by the announcement at the meeting, until the requisite number to constitute a quorum shall be present. At any such adjourned meeting at which a quorum may be present, any business may be transacted which might have been transacted at the meeting at the time and place originally fixed if a quorum had been present.

Section 5. Proxies:

At all meetings, and in all instances wherein voting of members is required or sought by the Board of Directors, each member may vote in person or by proxy. All proxies may be voted only by other members of the Association. All proxies shall be in writing and shall be valid for only one specific meeting and/or one specific proposition or matter for which it is cast. The written proxy must, on its face, indicate the meeting and/or the proposition or matter for which it is to be cast, must be signed by the member so casting by proxy, and must indicate the lot, block, and section numbers of all lots owned by such member. All proxies shall become void at adjournment of the meeting for which drawn or upon being validly cast pursuant to specific proposition or matter for which drawn, or upon closing of the vote, whichever occurs sooner. Proxies drawn for meetings shall contemplate all matters brought before that meeting, and may be lawfully voted pursuant to same unless otherwise limited on their face. Voiding of a proxy as above delineated shall not affect the validity of the lawful vote for which cast.

Section 6. Voting:

Each qualified member shall be entitled to one vote. Whenever a lot is owned by more than one person, the owners of such lot shall, collectively, be entitled to only one vote. Either the husband, wife or bonafide head of the household may vote. At all meetings, all questions shall be decided by a vote of the majority of the members present or their proxies, entitled to vote, a quorum being present, except where a vote of a prescribed percentage of the entire membership is required either by the Articles of Incorporation, by these Bylaws, or by statute. All matters requiring a mandatory vote as listed in Article II, Section 8 shall be by written ballot signed by the member voting and/or his proxy, and if voting is by proxy, then that proxy shall be attached to said written ballot. All voting shall be non cumulative. Eligibility of members to vote shall be determined at the time of meetings, the then records of the Association being presumptive pursuant thereto, and conclusive in the event no challenge is raised with reference to a particular vote. Procedure pursuant to a voting pertaining to any and all propositions and/or matters shall be governed specifically by these Bylaws. For a mandatory voting of the membership, as provided in Article II, Section 8, whenever a member is the owner of more than one lot, the member shall be entitled to one vote per lot or portion of a vote for a portion of a lot.

Section 7. Qualifications:

The membership shall include all owners of lots in Forest Cove, Section I, Section 2, and Section 3, as described herein before, but such lots must be platted and recorded in the map or plat records of San

Jacinto County, Texas; however, no member shall be entitled to vote, either in person or by proxy, nor shall be entitled to hold office in the Association. so long as any sum owing to the Association by way of maintenance fund charges or assessments against any lot owned by said member is more than ten (10) days past due, and no member shall be permitted to vote on any matter pertaining to the business of the Association or hold office in the Association until such delinquent maintenance fund charges or assessments have been paid.

Section 8.       Matters requiring Mandatory Members' Votes:

It shall be mandatory that a vote of the membership is required on the following matters:

- (a) Any and all expenditures proposed by the Board of Directors which exceeds the current maintenance funds available.
- (b) Any changes in maintenance charge, and/or addition of any assessments, levies or other charges.
- (c) The inclusion of areas other than Forest Cove Section I, Section 2, and Section 3, in the said Subdivision.
- (d) To contract a loan.
- (e) Any change in Bylaws or Deed Restrictions.
- (f) Election of the Board of Directors.

Section 9.       Voting by Members Other Than At Meeting:

Except with respect to voting at meetings of members as herein before described, and except with respect to other voting procedures concerning members as specifically states in these Bylaws, a majority vote of the qualified votes and/or their proxies shall be required to carry any proposition and/or matter submitted to the members for their vote.

ARTICLE III  
Board of Directors

Section 1.       Number and Term of Office:

The affairs of the Association shall be managed by a Board of three (3) Directors. The Directors shall consist of a President, President -Elect, and Treasurer. The President-Elect shall serve the first year as Vice-President followed by one year as President. The Treasurer shall be elected for a term of one year. A Directors term shall commence on the first day of October next following the election.

Section 2.       Removal:

Any Director may be removed from office, with cause by a majority vote of a quorum of the members of the Association at a Special Meeting called for that purpose.

Section 3. Action Taken Without a Meeting:

The Directors shall have the right to take any action in the absence of a meeting of the Directors which they could take at a meeting by obtaining written approval and consent of all the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

Section 4. Election of Directors:

Directors shall be elected by the majority of votes cast by qualified voters or by their proxies on an election date set by the Board of Directors in accordance with the provisions of the Articles of Incorporation and/or these Bylaws.

(a) Nominating Committee: The Board of Directors shall appoint a Nominating Committee of three (3) members of the Association at least thirty (30) days prior to the August Quarterly Meeting. The selection of candidates for office by the Nominating Committee shall be announced at the August meeting, at which time additional nominations may be made from the floor. A person appointed to the Committee cannot become a candidate for the Board of Directors. Said Committee shall have the responsibility of selecting at least one (1) person for each of the vacated positions on the Board of Directors, of preparing and mailing ballots and voting instructions to each member entitled to vote, counting the ballots received and notifying each elected Director of his election, and other such related duties as the Board of Directors may direct

(b) Call for Elections: On or before the first day of September the secretary shall examine the list of candidates, certifying them as eligible to vote and hold office, and shall issue a the call for the election to be held on a Saturday in September to be selected by the Board Ballots shall be mailed, no later than ten (10) days or earlier than thirty (30) days next preceding the election.

(c) The Ballot: When ballots are used, the ballot shall be printed, and shall clearly describe the office, position, or vacancies for which the candidates are running, and the names of the candidates to be voted upon; the ballots shall be numbered consecutively and space contained for the signature of the person casting the ballot. No ballot will be considered which is not received at the office of the Association prior to seven o'clock p.m. of the election day in September. Ballots received by said time, either by mail or in person, shall be counted, subject to voter and candidate eligibility; all other ballots shall be declared void. Either the husband, wife, or bonafide head of the household may cast the ballot. One vote per lot may be cast for each position to be filled.

(d) Vacancies: Each Director shall serve until his successor has been duly elected or appointed and qualified; or until his death or resignation. Should a vacancy occur for any reason, the position shall be filled by appointment by the President and confirmed by a majority vote of the Board within thirty (30) days of the vacancy, provided the term of the vacancy is not in excess of six (6) months. Should the term be in excess of six (6) months a Special Meeting of the members shall be called to elect a Director to serve out the term of the Director he replaces. Nomination of such Director may be by the Board, and/or by nomination from the floor.

Section 6. Qualifications:

Each candidate for a position on the Board of Directors must be a lot owner in good standing in The Cove Property Owner Association of Point Blank, Inc. If a Director ceases to be a lot owner in Forest Cove, his position on the Board of Directors shall terminate within thirty (30) days.

Section 7. Quorum:

A majority of the number of Directors or their proxies shall constitute a quorum for the transaction of business. The act of the majority of the Directors present at a meeting or their proxies at which a quorum is present shall be the act of the Board.

Section 8. Meetings:

Regular meetings of the Board shall commence at 10 o'clock a.m., on a Saturday two weeks prior to the Quarterly Meetings held on the first Saturday of November, February, May and August. At any meeting, or pursuant to any action requiring a vote of Directors, the Directors, or any of them, may vote by proxy. Such proxy may be voted only by another Board Member. Such proxy shall be in writing, on a form prepared by the secretary, and shall be valid only for one specific meeting and/or one specific proposition or matter for which it is cast. The written proxy must on its face indicate the meeting and/or proposition or matter for which is to be cast, and must be signed by the Board Member so casting by proxy, and must designate that Board Member authorized, to cast that vote by said proxy. All proxies shall become void at adjournment of the meeting for which drawn or upon being, validly cast, whichever occurs sooner. Proxies drawn for meetings shall contemplate all matters brought before that meeting, and may be lawfully voted pursuant to same unless otherwise limited on their face. Voiding of a proxy as above delineated shall not affect the validity of the lawful vote for which cast. Special meetings of the Board of Directors shall be held whenever called by the President, Vice-President, Treasurer, or a majority of the Directors then in office. Notice of each special meeting shall be given by the person calling it by mail, telegram, or personal delivery to each Director at least two days prior to the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the Director at his address as it appears in the records of the Association with postage thereon paid. Unless otherwise indicated in the notice thereof, any and all business may be transacted at a special meeting. At any meeting at which every Director shall be present, even though without any notice, any business may be transacted.

Section 9. Services of Directors:

No Director or Officer of the Association shall be required to devote time or render services exclusively to the Association, and each shall be free to engage in any and all other business or activity, either similar or dissimilar to the activities of the Association without breach of duty to the Association, and without liability to it. Likewise, each Director and Officer of the Association shall be entirely free to act for and serve any other corporation, firm or association in any capacity or capacities, and to become director officer, agent, or employee of any of same, whether or not the purpose or activities thereof be similar or dissimilar to the purpose or activities of this Association without breach of duty to this Association or its members and without liability of any character or description to the Association or its members. No contracts or other transactions of this Association shall ever be affected by the fact that any Director or Officer of the Association is interested or connected with any party to such contract or transaction, provided that such contract or transaction shall be approved by a majority of the Directors present at a meeting of the Board at which such contract or transaction shall be authorized or confirmed, which majority shall consist of Directors not so interested or connected. The officers and directors may be reimbursed for out-of-pocket expenses incurred in the performance of their duties.

Section 10. Powers of the Board of Directors:

By the way of illustration, but not in limitation, the Board of Directors shall have the power to:

- (a) Adopt and publish rules and regulations governing use of the common area and facilities, and personal conduct of the members and their guests thereon, and establish penalties for infraction;
- (b) Suspend the voting right and the rights to use of the recreational facilities of a member during any period in which such member shall be in default in the payment of the maintenance fund charges or assessments, as herein before stated. Such rights may also be suspended after notice and bearing, for a period not to exceed sixty (60) days for an infraction of published rules and regulations.
- (c) Exercise for the Association the powers and duties delegated to the Board of Directors by these Bylaws and the Articles of Incorporation. All other rights and powers are reserved to the property owners.
- (d) Declare the office of a member of the Board of Directors to be vacant in the event each such member shall be absent from three (3) consecutive regular meetings of the Board of Directors.
- (e) Employ independent contractors or such other employees as needed to perform work for the Association, and to prescribe and oversee their duties.

Section 11. Duties:

It shall be the duty of the Board of Directors to:

- (a) Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at any legal meeting when such statement is requested in writing by fifteen (15) members;
- (b) Supervise all officers, agents, and employees of the Association, and see that their duties are properly performed;
- (c) As more fully provided in the restrictions:
  - 1. The maintenance fund is provided by the property owners in accordance with the Deed Restrictions. Written notice of payment due shall be mailed annually to each property owner, by the 31<sup>st</sup> day of January.
  - 2. Take appropriate steps to enforce or cause enforcement of the Restrictions.
- (d) Issue, or cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board before issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment.
- (e) To procure and maintain adequate liability and hazard insurance on the property and/or employee and/or agents of the Association;



(f) To cause all officers or employees having fiscal responsibility to be bonded, as the Board may deem appropriate;

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

(h) Within the scope of its power granted by law, the Restrictions, the Articles of Incorporation, and these bylaws, to do anything else necessary and proper for the functioning of the Association.

## ARTICLE IV

### Officers

#### Section 1. Enumeration of the Board of Directors:

The Officers of the Association, all of whom shall be directors, shall be a President, President Elect, and Treasurer.

#### Section 2. Election of Officers Other than the Board of Directors:

The property owners may elect, at any legal meeting, other Officers as the affairs of the Association may require. The term of office shall not exceed the end of the fiscal year in which elected. The duties and authority of such officers shall be specified at the time of the election.

#### Section 3. Resignation and Removal:

Any officer, other than an officer on the Board of Directors may be removed from office, with cause, by a majority vote of the members at any legal meeting. Any officer may resign at any time by giving written notice to the Board, the President, or the secretary. Such resignation shall take effect on the date of receipt or any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

#### Section 4. Vacancies:

A vacancy in any office other than on the Board of Directors may be filled by a vote of the members voting in the next legal meeting. The officer elected shall serve the remainder of the term of the officer he replaces.

#### Section 5. Multiple Office:

No person shall simultaneously hold more than one of the other offices, except in the case of special offices created pursuant in Section 4 of this Article.

#### Section 6. Duties:

(a) Powers and Duties of the President: The President, subject to the control of the Board of Directors, shall be in general charge of the affairs of the Association in the ordinary course of its business; he shall preside at all meetings of the members and of the Board of Directors; he may make, sign, and execute any deeds, conveyances, assignments, bonds, contracts, and other obligations and any and all other instruments and papers of any kind or character in the name of the Association, and he shall do and perform such other duties as may from time to time be assigned to him by the Board of Directors.

(b) Powers and Duties of the Vice President: The Vice President shall act in the place of the President in the event of his absence or inability to act, and shall exercise and discharge such other duties as may be required of him by the Board.

(c) Powers and Duties of the Secretary: The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the members in books provided for that purpose: he shall attend to the giving and serving of all notices. He shall have charge of and maintain and keep such books and papers as the Board of Directors may direct, all of which shall at all reasonable times be open to the inspection of any Director upon request at the office of the Association during business hours, and he shall in general perform all the duties incident to the office of secretary subject to the control of the Board of Directors.

(d) Power and Duties of the Treasurer: The Treasurer shall have custody of the films and securities of the Association which come into his hands. Whenever required by the Board of Directors, he shall render a statement of his books and accounts to any Director of the Association during business hours; cause a report of the Associations books to be made by a Public Accountant or an Auditing Committee at the completion of each fiscal year; he shall perform all acts incident to the position of Treasurer subject to the control of the Board of Directors; give such bond for the faithful discharge of his duties in such form as the Board of Directors may require. He may sign with the President or Vice-President in the name of the Association all contracts, conveyances, transfers, assignments, authorizations and other instruments of the Association and affix the seal of the Association thereto.

## ARTICLE V

### Books and Records

#### Section 1.

The books, records, and paper of the Association including annual audit of books, annual budget and statement of income and expenditures shall at all times, during reasonable business hours, be subject to inspection by any member. The Articles of incorporation, Bylaws of the Association, and Restrictive Covenants shall be available for inspection by any member at the principle office of the association.

## ARTICLE VI

### Corporate Seal

The Association shall have a seal in a circular form having within its circumference the words: The Cove Property Owners Association of Point Blank, Inc.

## ARTICLE VII

### Contracts Checks, Drafts, Bank Accounts, Etc.

#### Section 1.

The Board of Directors, except as in these Bylaws otherwise; provided may authorize any officer or officers, agent or agents, in the name of and on behalf of the Association to enter into contract or execute and deliver any instrument, and such authority may be general or confined to specific instances; and, unless so authorized by the Board of Directors or expressly authorized by the Bylaws, no officer or agent or employee shall have any power or authority to bind the Association by any contract or engagement or to pledge its credit or to render it liable pecuniary for any purpose or to any amount.

Section 2.

No loan shall be contracted on behalf of the Association unless authorized by a majority vote of the property owners. No negotiable papers shall be issued in its name unless authorized by the Board of Directors.

Section 3.

All checks, drafts, and other orders for payment of money out of funds of the Association and all notes or other evidence of indebtedness of the Association shall be signed on behalf of the Association and in such manner as shall from time to time be determined by resolution of the Board of Directors.

Section 4.

All funds of the Association not otherwise employed shall be deposited to the credit of the Association in such Federal Insured depositories as the Board may select, and for the purpose of such deposit the president and any other officer or agent or employee of the Association to whom such power may be delegated by the Board of Directors, may endorse, and assign, and deliver checks, drafts, and other records for the payment of money which is payable to the order of the Association.

ARTICLE VIII  
Miscellaneous Provisions

Section 1.      Fiscal Year:

The fiscal year of the Association shall end at midnight September 30<sup>th</sup> of each calendar year.

Section 2.      Notice and Waiver of Notice:

Whenever any notice is required to be given under the provisions of these Bylaws, said notice shall be deemed to be sufficient if given by depositing the same in a post office box in a sealed postpaid wrapper addressed to the person entitled thereto at his post office address, as it appears on the books of the Association; and such notice shall be deemed to have been given on the day of such mailing. A waiver of notice, signed by the person or persons entitled to said notice, whether before or after the time stated thereto, shall be equivalent to notice.

ARTICLE IX  
Amendments

These Bylaws may be supplemented, altered, amended or repealed by the affirmative mandatory vote of a majority of the members of the Association.

ARTICLE X  
Conflict with Restrictions

In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control and in the case of any conflict between the Restrictions and these Bylaws, the Restrictions shall control.

ARTICLE XI  
Indemnification of Directors and Officers

Section 1.      Scope of Indemnity:

The Association shall indemnify each of its present and future Directors and Officers (and his executor, administrator, and heirs) without further act on his Part, against all reasonable expenses actually and necessarily incurred by him (including but not limited to; counsel fees, judgments, and costs) in connection with the defense of any litigation (including any civil, criminal, or administrative action, suit or proceeding) to which he may have been made a party because of his present or past Status as a Director or Officer of the Association. The right to indemnify for expenses shall also apply to expenses of suits which are comprised or settled if the court having jurisdiction of the action shall so approve or a majority of the Board of Directors, excluding these interested, votes to approve such settlement.

Section 2.      Limitation of Indemnity:

Directors and Officers of this Association, whether or not then in Office, shall have no right of reimbursement, as provided above, however, in relation to matters as to which he has been adjudged to be liable to the Association for negligence or misconduct in the performance of his duties.

Section 3.      Indemnity Not Exclusive Right:

The foregoing right of indemnification shall be in addition to, and not exclusive of, all other rights to which the Director or Officer may be entitled.

Section 4.      Reliance on Association Records:

Each officer, director, or member of any committee designated by the Board of Directors, shall in the performance of his duties be fully protected in relying in good faith upon the books of account or reports made to the Corporation by any of its officials or by an Auditing Committee, or by an appraiser selected with reasonable care, or in relying in good faith upon other records of the Corporation. In addition, each Officer, Director, or member of any committee designated by The Board of Directors, shall in the performance of duties be fully protected in relying in good faith upon the advice of counsel retained by said Board of Directors.

ARTICLE XII  
Dissolution

Upon dissolution of the Association, the Board of Directors shall, after paying or making provision for the payment of all liabilities of the Association, dispose of all assets of the Association exclusively for the purposes of the Association in such manner, or such organization or organizations organized and operated exclusively for the promotion of social welfare as shall at the time qualify as an exempt organization or organization under Section 501 (c) (4) of the Internal Revenue Code of 1954 (or the corresponding provisions of any future United States Internal Revenue law) as the Board of Directors shall determine.

ARTICLE XIII  
Unlawful Clause Shall Not Invalidate Remainder

In the event a clause or provision of these Bylaws should at any time be adjudicated unlawful and/or void by a court of competent jurisdiction, said adjudication shall not operate to void or otherwise invalidate the remaining provisos thereof.