

**AMENDED AND RESTATED BYLAWS
OF
PELICAN COVE CANAL OWNERS ASSOCIATION**

Article I

Name, Definitions, Applicability and Membership

Section 1. Name. The name of the Association is Pelican Cove Canal Owners Association (hereinafter referred to as the "Association").

Section 2. Declaration. "Declaration" as used in these Bylaws will mean the Covenants and Restrictions, as amended or supplemented, if any, filed in the Official Public Records of Real Property of San Patricio County, Texas for each subdivision under the jurisdiction of the Association.

Section 3. Definitions/Gender. All capitalized terms used in these Bylaws will have the same meanings as those set forth in the Declaration unless otherwise provided. Pronouns, wherever used in these Bylaws, will include all persons regardless of gender.

Section 4. Applicability. These Bylaws are applicable to the Pelican Cove Canal Owners Association. All present or future members, owners, their employees, guests, tenants, residents or other persons that use Association facilities in the Pelican Cove Canal Subdivision or any property owned by or under the jurisdiction of the Association (the "Common Properties") in any manner are subject to the terms and provisions of these Bylaws.

Section 5. Member. "Member" as used in these Bylaws will mean those persons entitled to membership in the Association as provided in the applicable Declaration.

Section 6. Board of Directors or Board. "Board of Directors" or "Board" as used in these Bylaws will mean the Association's Board of Directors.

Section 7. Director. "Director" as used in these Bylaws will mean a member of the Association's Board of Directors.

Section 8. Certificate of Formation. "Certificate of Formation" as used in these Bylaws will mean the Association's Articles of Incorporation.

Section 9. Common Properties. "Common Properties" as used in these Bylaws will mean any property owned by the Association and held for the benefit of the owners.

Article II

Association: Meetings, Quorum, Voting, Proxies

Section 1. Place of Member Meetings. Meetings of the Association will be held at the principal office of the Association or at such other suitable place as may be designated by the Board either in the community or as convenient to the Members as possible and practical.

Section 2. Annual Meetings of the Members. The annual meeting of the Association will be held each year on a date, at a time, and at a place designated by the Board. No business will be transacted at the annual meeting except as stated in the annual meeting notice.

Section 3. Special Meetings of the Members. Special meetings of the Members may be called at any time by the President of the Board. In addition, it will be the duty of the President to call a special meeting of the Association if so directed by vote of a majority of a quorum of the Board or upon a petition signed by Members representing at least twenty-five percent (25%) of the total votes of the Association. When a special meeting is requested by at least twenty-five percent (25%) of the Members, the request must include the proposed purpose of the special meeting. When a special meeting of the Members is called by the President, the Board or at least twenty-five percent (25%) of the Members, the Board will set the date, time and place of the special meeting. When a special meeting is requested by at least twenty-five percent (25%) of the Members: (a) the Board will cause the notice of the special meeting to be given within thirty (30) business days of receipt of the request; (b) the special meeting must be held within sixty (60) days of the date the Board receives the special meeting request. The notice of any special meeting will state the date, time, and place of such meeting and the purpose thereof. No business will be transacted at a special meeting except as stated in the special meeting notice. If the purpose of a special meeting called for by petition of at least twenty-five percent (25%) of the Members is unlawful or requests a Member vote on a matter that is in the purview of the Board's authority under the Declaration, these Bylaws or state law, the Board is not required to call the special meeting.

Section 4. Notice of Member Meetings. It will be the duty of the Secretary or the Association's management agent if so directed by the Board, to send to the owner of each lot written notice of each annual or special meeting of the Association stating the purpose of the meeting, as well as the time and place where it is to be held. Such written notice will be delivered by: (a) regular mail to Members who have not registered an electronic mail ("e-mail") address with the Association; and (b) by e-mail to Members who have registered an e-mail address with the Association; and/or (c) by facsimile. If agreed upon by both the Board and the Member, the Association may also provide notice in any other method authorized by statute. All meeting notices sent by regular mail will be sent to the Member's address last appearing on the books of the Association. All meeting notices sent by e-mail will be sent to the Member's e-mail address last appearing on the books of the Association. It is the Member's obligation to notify the Association in writing of the Member's current mailing and/or e-mail address. Any change in the Member's mailing address or e-mail address must be provided in writing to the Association's Secretary or to such other party as designated by the Board. For an election or vote to be taken at a meeting of the Members, notice will be served not less than ten (10) nor more than sixty (60) days before the meeting. If mailed, the notice of a meeting will be deemed to be delivered when deposited in the United States mail, first class postage pre-paid, addressed to the Member. If faxed, the notice will be deemed to be delivered as of the date and time shown on a written confirmation that the facsimile was successfully transmitted. If sent by e-mail, the notice will be deemed to be delivered when the electronic message is transmitted [See Texas Business and Organizations Code Section 6.051(b)(2)]. The Board may designate the management agent, if any, as the party responsible for sending meeting notices.

Notwithstanding any other language in these Bylaws, the Board may, at its discretion, choose to send a meeting notice by regular mail only to all Members.

Section 5. Waiver of Notice. Waiver of notice of meeting of the Members will be deemed the equivalent of proper notice. Any Member may, in writing, waive notice of any meeting of the Members, either before or after such meeting. Attendance at a meeting by a Member, whether in person or by proxy (if applicable), will be deemed waiver by such Member of notice of the time, date, and place thereof, unless such Member specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting will also be deemed waiver of notice of all business transacted at such meeting unless objection to the calling or convening of the meeting is raised before the business (of which proper notice was not given) is put to a vote.

Section 6. Quorum. Except as otherwise provided in these Bylaws or in the Declaration, the presence in person or by proxy (if applicable) of at least ten percent (10%) of the total votes of the Members as of the time of the meeting will constitute a quorum at all meetings of the Association. Once quorum is established at a meeting, all properly noticed business may be conducted even if the number of Members present in person or by proxy (if applicable) falls below quorum during the meeting. Notwithstanding any language to the contrary in these Bylaws, the quorum required to approve the previous year's annual meeting minutes will be the number of Members attending the annual meeting in person and approval of the annual meeting minutes requires the approval of a simple majority of those Members present in person at the annual meeting. In the event that the annual meeting is held virtually, a copy of the previous year's annual meeting minutes will be provided to the Members with the annual meeting notice or in such other manner approved by the Board and, unless a Member submits to the Association in writing: (a) an objection to the annual meeting minutes, a basis for the objection, and a proposed amendment to cure the objection (which may be approved by the Board at the virtual annual meeting); or (b) a proposed amendment to the annual meeting minutes which may be approved by the Board at the virtual annual meeting, the previous year's annual meeting minutes as submitted to the Members will be deemed approved by the Board. The Board may also make any corrections it deems necessary to a previous year's annual meeting minutes and approve same at a virtual annual meeting. There is no quorum requirement for approval of annual meeting minutes by the Board at a virtual meeting.

Section 7. Adjournment of Member Meetings. If any meeting of the Association cannot be held because a quorum is not present, either in person or by proxy (if applicable), the presiding officer may adjourn the meeting and reconvene at a time not more than thirty (30) days from the time the original meeting was called. The reconvened meeting may take place on the same date as the originally called meeting. If the date, time and place for reconvening the meeting is fixed by the presiding officer at the time of adjournment, further notice of the time and place for reconvening the meeting is not required to be given to the Members. If the date, time and place for reconvening the meeting is not fixed by the presiding officer at the time of adjournment, notice of the date, time and place for reconvening the meeting will be given to Members in the manner prescribed herein for a first called meeting. At such reconvened meeting, any business which might have been transacted at the meeting originally called may be transacted without further notice provided that: (a) at least five percent (5%) of the total votes of the Members as of the date of the meeting is present in person and/or by proxy (if applicable); and, (ii) with the

exception of the election of Directors (See the section in Article III of these Bylaws titled "Voting Procedure for the Election of Directors"), any action taken must be approved by at least a majority of the votes entitled to be cast by the Members present, in person and/or by proxy (if applicable), at such reconvened meeting, unless otherwise provided in these Bylaws or in the Declaration.

Section 8. Meeting Agenda. The Board will set the agenda for all meetings of the Members.

Section 9. Voting. The voting rights of the Members will be as set forth in the Declaration; provided that, all Members will have the right to vote in the election of Directors. Except as otherwise provided in these Bylaws and/or unless otherwise determined by the Board, Members may vote in person or by proxy (if applicable) or, upon approval by the Board, by any other voting method allowed by statute or these Bylaws. The Board will, in its sole and absolute discretion, determine what voting method(s) will be used in the election of Directors or other Association vote. Per Texas Property Code Section 209.00592 (or its successor statute), the Association is not required to provide an owner with more than one voting method. Each Member is entitled to one vote for each lot owned by the Member. There will be no fractional votes. The vote of one owner of a lot will constitute the vote cast for all owners of the lot. In no event will more than one vote be cast with regard to one lot. Notwithstanding any other language in these Bylaws, the Board is authorized to determine that an election vote or other vote of the Members will be conducted solely by: (a) electronic voting; or (b) absentee ballots; or (c) a combination of both electronic voting and voting by absentee ballot. If a vote is conducted solely by electronic voting, the electronic voting by the owners will be treated as voting by absentee ballot for the purposes of these Bylaws and the Texas Property Code.

Section 10. Required Vote. With the exception of the election of Directors (See Article III) or a Member meeting at which the reduced quorum requirement is in effect per Section 7 above, the approval of a simple majority of the votes entitled to be cast by the Members present, in person or by proxy (if applicable), at a meeting at which a quorum is present will be the act of the meeting of Members, unless otherwise provided by statute or by these Bylaws or by the Declaration.

Section 11. Absentee Ballots. Notwithstanding any other language in these Bylaws, a majority of the Board may, but is not required to, authorize the use and implementation of an absentee ballot in any election or other Association wide vote that it deems appropriate. When absentee ballots are authorized by the Board for an Association wide vote, said ballots will be prepared and mailed to the Members at least twenty (20) days before the latest date on which a ballot may be submitted to be counted. Completed ballots will be returned to the Association in accordance with the instructions contained on the ballot. Per Texas Property Code Section 209.00592 (or its successor statute), an absentee ballot will be counted as a Member present and voting for the purpose of establishing a quorum only for items appearing on the ballot. The Board may authorize voting in the election of Directors by absentee ballot in addition to any other voting method authorized by the Board for the election of Directors.

Section 12. Tabulation of Ballots. All ballots for an Association election or vote will be tabulated in accordance with Section 209.00594 of the Texas Property Code (or its successor statute). The Board may designate the Association's management agent to oversee the

tabulation of ballots. Per Texas Property Code Section 209.00594(c), only a person who tabulates votes or performs a recount under Texas Property Code Section 209.0057 may be given access to ballots cast in an election or vote. **Per Texas Property Code Section 209.00594(b-1) (or its successor statute), a person who tabulates votes may not disclose to any other person how an individual voted.**

Section 13. Proxies. Notwithstanding any other language in these Bylaws, the Board is not required to allow voting by proxy for an Association election or vote. If utilized, all proxies will be in writing and filed with the Secretary at or before the meeting at which proxies will be utilized. Every proxy will be revocable and will automatically cease upon (i) conveyance by the Member of the Member's interest in a lot; (ii) receipt of notice by the Association of the death or judicially declared incompetence of a Member; (iii) receipt of written revocation; or (iv) expiration of eleven (11) months from the date of the proxy. In the event a Member executes more than one (1) proxy, the proxy with the most current date will be valid. If a Member executes more than one (1) proxy and none of the proxies are dated, all proxies submitted by that owner will be invalid. The Board may announce for any vote or any meeting at which proxies are to be utilized a deadline for accepting proxies. Proxies not delivered or submitted prior to the announced deadline, if any, will not be valid. Only the proxy approved by the Board and distributed by the Association will be valid at any meeting of the Members. The Board may also allow proxies to be filed with or delivered to the Association's management agent. A Member may only appoint either another Member or the Member's spouse as the Member's proxy holder and proxies may be voted only by another Member of the Association or a Member's spouse.

Section 14. Conduct of Meetings. The President will preside over all meetings of the Association and the Secretary, or another person designated by the Board, will keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting, as well as a record of all transactions occurring at the meeting. The Board, with the approval of the President, may designate the Association's management agent to preside at meetings and/or keep meeting minutes. If the President is unable or unwilling to preside at a meeting, the Board may designate another member of the Board or the Association's management agent to preside at a meeting.

Section 15. Action Without a Meeting. To the extent allowed by applicable law, any action which may be taken or is required to be taken at a meeting of the Association may be taken without a meeting if written consent is signed by Members holding the number of votes necessary to approve the action at a meeting. The written consent must (a) set forth the action to be taken and (b) be executed by the required number of Members as of the effective date set forth in the written consent. Any written consent adopted in accordance with this section will have the same force and effect as a unanimous vote of the Members.

Section 16. Meeting Rules and Regulations. The Board may, in its sole and absolute discretion, adopt rules and regulations regarding how meetings of the Members will be conducted.

Article III

Board of Directors: Number, Powers, Meetings

Section 1. Governing Body: Composition. The affairs of the Association will be governed by a Board of Directors. Each Director must be a Member of the Association. No more than one (1) representative of a particular corporation or other entity that is a Member may serve on the Board at any given time. Any Director who ceases to be a Member of the Association is immediately ineligible to serve on the Board and is automatically considered removed from the Board. A person is not eligible to serve on the Board if the person has been convicted of a felony or crime involving moral turpitude within the previous twenty (20) years and there is written, documented evidence of such a conviction from a database or other record maintained by a governmental law enforcement authority. Per the Texas Property Code, a person is not eligible to serve on the Board if the person cohabits at the same primary residence with another Board member of the Association. If persons who cohabit are elected to the Board in the same election, the person with the most votes will serve on the Board and the other person(s) is disqualified from serving on the Board.

Section 2. Number and Term of Directors. The Board will be comprised of seven (7) positions, unless the number of positions on the Board is increased or decreased by amendment to these Bylaws. The Association may not have less than three (3) Board positions in accordance with Texas Business and Organizations Code Section 22.204(a) or its successor statute. Directors will serve a term of two (2) years. All Directors shall hold office until their successors have been elected.

Section 3. Candidates for Election to the Board. All Members have the right to run for a position on the Board subject to the disqualifying factors in Article III, Section 1 of these Bylaws. Each year, prior to the date of the annual meeting of the Members or election for the Board and in the time prescribed by law, the Association will solicit candidates for the Board in accordance with Texas Property Code Section 209.00593 (or its successor statute). The notice will specify a date by which a Member must submit his/her name as a candidate for election to the Board. The date for a Member to submit his/her name as a candidate may not be earlier than the tenth (10th) day after the date the Association provides the solicitation notice. The notice may be mailed to each Member or provided by: (a) posting the notice in a conspicuous manner reasonably designed to provide notice to the Members in a place located on the Association's Common Properties or, with the owner's consent, on private property located within the Association; or (b) on an Internet website maintained by the Association and available to all Members, and by sending notice by e-mail to each Member who has registered an e-mail address with the Association. The Association must be notified by the Member who desires to run for a position on the Board, not by another Member, to confirm the Member's desire to run for election and to serve on the Board. All eligible Members who notify the Association by the stipulated deadline will be candidates whose names will appear on any ballot and/or directed proxy (if applicable) that is provided to the Members. A candidate may also submit a one letter size page, one side printed only document with resume and/or biographical information to the Association by the specified date. If provided by the candidate, the candidate's resume/biographical information may, at the discretion of the Board, be provided to the Members at any pre-election candidate forum and/or with the notice of annual meeting sent to

all Members and/or be made available on the Association's website and/or at the election meeting. The Association may also promulgate a candidate information form to be completed by each candidate in a Board election. If candidate resumes/biographical information and/or the candidate information form are distributed to or made available to the owners in any manner, the Association will provide all resume/biographical information and/or candidate information forms provided by all candidates that were submitted in accordance with this section unless, in the sole and absolute discretion of the Board, the submitted documentation includes offensive content.

Section 4. Nominations from the Floor. Nominations from the floor at an election meeting of the Members are not required and will be allowed at the discretion of the Board. If the Board allows nominations from the floor at an election meeting of the Members, the meeting notice will state that nominations from the floor will be accepted.

Section 5. Voting Procedure for the Election of Directors (See also the section titled "Voting" in Article II of these Bylaws). Unless the election is conducted solely by absentee ballot or electronic voting (or a combination of both) as provided in these Bylaws, the election of the Directors will be conducted at the annual meeting of the Association or in such other manner allowed by law and approved by the Board. At such election, each Member, or the Member's proxy holder (if applicable) may cast, with respect to each vacancy, as many votes as the Member is entitled to exercise under the provisions of these Bylaws and the Declaration. Unless otherwise determined by the Board, voting for Directors will be by written and signed ballots. Only the ballot approved by the Board will be used in the election of Directors. In the event of an uncontested race (i.e., the number of candidates is equal to or less than the number of open Board positions), written and signed ballots will not be required, and the candidate(s) will be placed on the Board without the necessity of a vote. Cumulative voting is not permitted. The candidate(s) receiving the most votes will be elected to the open position(s). If the terms of the open Board positions are not the same, the candidate(s) with the most votes will fill the longer term(s). The winning candidate(s) will take office at the later of the conclusion of the Member meeting at which the Director was elected or when the election results are announced. Tie votes between two persons will be decided by coin toss. In the event of a tie vote between three or more persons, the vote will be decided by placing the names of the persons in a container and drawing a name(s). The name(s) drawn first will be declared the winner. The resolution of all tie votes will be overseen by the Association's Secretary or by such other person designated by the Board. The Board may designate the Association's managing agent to oversee the resolution of tie votes. Notwithstanding any other language in these Bylaws, if the election for the Board is conducted solely by electronic voting or by absentee ballots (or a combination of both): (a) no quorum is necessary for the election of Directors; and (b) the candidate(s) receiving the most votes will be elected to the open position(s).

Section 6. Nominating Committee. The Board is not required to establish a Nominating Committee. If appointed by the Board, the Nominating Committee will: (a) consist of a Chairman, who will be a member of the Board, and one or more Members of the Association (which Committee members may also be Board members); (b) be appointed by the Board at any time prior to each annual meeting of the Members and will serve until the close of the annual meeting; and (c) will make as many nominations for election to the Board as it shall in its discretion determine. The Board may, but is not required to, designate candidates approved by

the Nominating Committee on any ballot or directed proxy (if applicable) disseminated by the Association.

Section 7. Resignation from the Board. A member of the Board may resign from the Board at any time by giving written notice (including e-mail notice) to the Board, the President, or the Secretary. Such resignation will take effect on the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation will not be necessary to make it effective. If a Director orally resigns from the Board and then refuses to give written notice of resignation after being requested to do so in writing (including an e-mail request), the Board may note the resignation in the minutes of the next Board meeting at which time the oral resignation will be deemed to be effective.

Section 8. Vacancies on the Board. A vacancy on the Board arising because of death, resignation, removal or otherwise will, unless otherwise determined by the Board, be filled by a majority of the remaining Directors though less than a quorum or, when applicable, by a sole remaining Director. Any Director so appointed will hold office for the unexpired term of the Board position to which s/he was appointed. If by reason of death, resignation, or otherwise, the Association has no Directors in office, any Member of the Association may call a special meeting of Members for the purpose of electing a Board.

Section 9. Removal of Directors. Any Director may be removed from the Board, with or without cause, by at least sixty-seven percent (67%) of the Members voting in person or by proxy (if applicable); or by any other voting method allowed by statute and approved by the Board at a special meeting called for that purpose or at an annual meeting for which the removal of a Director(s) is on the meeting notice or by a vote outside of a meeting. If the vote to remove a Director(s) is held at a meeting of the Members, quorum must be obtained at the meeting for the vote to be valid. If the vote to remove a Director(s) is held at a Member meeting, any Director(s) whose removal is proposed must be given the opportunity to be heard at the meeting. If the vote to remove a Director(s) is held outside of a meeting, at least ten percent (10%) of the total votes of the Association must be cast for the vote to be valid. Notwithstanding any other language in these Bylaws: (a) the removal of a Director by a vote of the Members requires the affirmative vote of at least sixty-seven percent (67%) of the Members voting in person or by proxy (if applicable) or by any other voting method allowed by statute and approved by the Board; and (b) **any provision regarding a reduction in the quorum requirement is not applicable to a meeting and/or a vote to remove a Director.** If the Board is presented with written documented evidence from a database or other record maintained by a governmental law enforcement authority that a Board member was convicted of a felony or crime involving moral turpitude not more than 20 years before the date the Board is presented with the evidence, the Board member is immediately ineligible to serve on the Board and will, therefore, be immediately considered removed from the Board. Any Director may be removed by a vote of a majority of the remaining Directors as the result of the Director's failure, without just cause, to attend three (3) consecutive regularly scheduled meetings of the Board. "Just cause" means any event that, in the reasonable, good faith judgment of the Board, prevents a Director from attending a meeting and includes, without limitation, death or serious injury to a member of the Director's family or other person with whom the Director has a long-term relationship, a mental or physical ailment or impairment that prevents the Director from attending a meeting, and any mandatory business engagement related to the Director's

livelihood and/or employment. In the event of the removal of a Director under this section, a successor for the removed Director will be appointed by a majority of the remaining Directors or, if applicable, by the sole remaining Director.

Section 10. Recount of Votes. Any Member may request a recount of the votes of an election. A request for a recount must be submitted not later than the 15th day after the date of the meeting of the Members at which an election or vote was held or the date of the announcement of the results of the election or vote if no meeting was held. For purposes of this section, the term “submitted” will mean the date on which the recount request is deposited in the mail or delivered in person in accordance with the requirements of this section. A demand for a recount must be submitted in writing either:

- a. by verified mail to the Association’s mailing address as reflected on the last recorded management certificate; or
- b. in person to the Association’s management agent as reflected on the last recorded management certificate or to the address to which absentee ballots and proxy ballots (if applicable) were mailed.

The Association must estimate the costs for performing a recount by a person qualified to tabulate votes as set forth below and must send an invoice for the estimated costs to the Member requesting a recount to the Member’s last known address according to the Association records not later than the 20th day after the date on which the Association received notice of the request for a recount. The Member demanding a recount must pay such invoice in full on or before the 30th day after the date the invoice is sent to the Member. If the Member does not timely pay the invoice, the demand for recount is considered withdrawn and a recount is not required. If the actual costs are different than the estimate, the Association will send a final invoice to the Member on or before the 30th business day after the date the results of the recount are provided. If the final invoice includes additional amounts owed by the Member, any additional amounts not paid to the Association before the 30th business day after the date the invoice is sent to the Member may be added to the Member’s account as an assessment. If the estimated costs exceed the final invoice amount, the Member is entitled to a refund. The Association will issue a refund to the Member not later than the 30th business day after the date the invoice is sent to the Member.

Only after payment is received, the Association shall, at the expense of the Member requesting the recount, retain the services of a qualified person to perform the recount. The Association will enter into a contract for the services of a person who is not a Member of the Association or related to a member of the Board of the Association within the third degree by blood or marriage and is a:

- a. current or former county judge;
- b. current or former county elections administrator;
- c. current or former justice of the peace;
- d. current or former county voter registrar; or
- e. person agreed on by the Association and each Member requesting the recount.

A recount must be performed on or before the 30th day after the date of receipt of the payment for the recount. The Association will provide each Member who requested the recount with notice of the results of the recount. If the recount changes the results of the election, the Association will reimburse the Member for the cost of the recount not later than the 30th day after the date the results of the recount are provided. Any action taken by the Board in the period between the initial election vote tally and the completion of the recount is not affected by the recount.

Section 11. Regular Board Meetings. Regular meetings of the Board may be held at such time, date, and place as will be determined from time to time by a majority of the Directors. The frequency of regular meetings will be as deemed necessary and appropriate by the Board or as otherwise required by the applicable governing documents. Notice of each regular meeting will be given to all Members as required by law. In addition to meeting in person, the Board may also participate in and hold a regular or special meeting by means of:

- a. conference telephone or similar communication equipment by which all persons participating in the meeting can hear each other; or
- b. another suitable electronic communications system, including video conferencing technology or the Internet, only if:
 - i. each Director entitled to participate in the meeting consents to the meeting being held by means of that system; and
 - ii. the system provides access to the meeting in a manner or using a method by which each Director participating in the meeting can communicate concurrently with each other participant;
 - iii. all Directors may hear and be heard by every other Director;
 - iv. except for any portion of the meeting conducted in executive session, all Members in attendance at the meeting may hear all Directors and Members are allowed to listen using any electronic or telephonic communication method used or expected to be used by a Director to participate; and
 - v. the notice of the meeting includes instructions for Members to access any communication method required to be accessible under subsection iv above.

Participation in a meeting by conference telephone or similar communication or video conferencing technology or the Internet will constitute presence in person at such meeting except where a Director participates in the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called or convened. The Board may take action outside of a meeting, including voting by electronic or telephonic means, without prior notice to the Members, if each Director is given a reasonable opportunity to express the Director's opinion to all other Directors and to vote. Any action taken without notice to the Members must be summarized orally, including an explanation of any known actual or estimated expenditures approved at the meeting, and documented in the minutes of the next regular or special Board meeting. Provided further that, the Board may not take action

without prior notice to the Members on any matter prohibited by law to be taken without prior notice to the Members, unless done in an open meeting for which prior notice was given to the Members.

Section 12. Special Meetings of the Board of Directors. Special meetings of the Board will be held when called by the President or by a majority of the Directors then in office. The notice will specify the date, time, and place of the meeting and the nature of any special business to be considered. The notice will be given to each Director by anyone of the following methods: (a) by personal delivery; (b) written notice by first class mail, postage prepaid; (c) by facsimile, or (d) if authorized by statute, by email. All such notices will be given or sent to the Director's address, email, or facsimile number as shown on the records of the Association. Notices sent by first class mail will be deposited into a United States mailbox, at least five (5) days before the time set for the meeting. Notices given by personal delivery, email, or facsimile will be delivered or given at least five (5) days before the time set for the meeting. The provisions in Article III, Section 13, relating to notice to the Members will be applicable to a special meeting of the Board.

Section 13. Notice to the Membership of Board Meetings. The Board will give Members notice of Board meetings (regular and special), including the date, hour, place, and general subject of the Board meeting, including a general description of any matter to be brought up for deliberation in closed executive session. A notice of meeting will be:

- a. mailed to all Members at least ten (10) days before the date of the meeting; or
- b. provided at least 144 hours before the start of a regular Board meeting and at least 72 hours before the start of a special Board meeting by:
 - i. being posted in a conspicuous location, either in or on a Common Properties or, with the owner's consent, on conspicuously located privately owned property within the Association, or on the Association's website; and
 - ii. being emailed to all Members who have registered their email addresses with the Association.

It is a Member's responsibility to register and keep an updated email address with the Association.

Section 14. Waiver of Notice of a Board Meeting. Notice of a Board meeting will be deemed to have been properly given to any Director who attends the meeting without protesting before or at its commencement about the lack of adequate notice thereof.

Section 15. Quorum of Board of Directors. At all meetings of the Board, a majority of the Directors then in office will constitute a quorum for the transaction of business, and the vote of a majority of the Directors present at a meeting at which a quorum is present will constitute the decision of the Board. A meeting at which a quorum is initially present may continue and business may be transacted notwithstanding the withdrawal of Directors during the meeting if any action taken is approved by at least a majority of the required quorum for that meeting. If any meeting of the Board cannot be held because a quorum is not present, either in person or by proxy), the President (or other presiding officer of the meeting) may adjourn the meeting and reconvene at a time not less than five (5) days and not more than thirty (30) days from the time the original meeting was called. If a time and place for reconvening the meeting is fixed by

those in attendance at the original meeting, further notice of the time and place for reconvening the meeting is not required to be given to the Directors. If a time and place for reconvening the meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for reconvening the meeting after adjournment, notice of the time and place for reconvening the meeting will be given to the Directors in the manner prescribed for the original meeting. At such reconvened meeting, whether or not a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice, provided that any action taken will be approved, in writing, by at least a majority of the Directors required to constitute a quorum at the original meeting. Open or vacant Board positions will not be counted when determining quorum for a meeting of the Board.

Section 16. Compensation. No Director will receive any compensation from the Association for acting in such capacity. However, Directors may be reimbursed for out-of-pocket expenses incurred on Association business. Directors may receive compensation from the Association when taking action at the request of the Association other than in the capacity of Director, however, the Association must comply with Texas Property Code Section 209.0052 before entering into a contract with a Director.

Section 17. Conduct of Meetings. The President will preside over all meetings of the Board and the Secretary, or such other Director and/or management agent, if any, or office staff as the Board may designate, will keep a minute book of the Board, recording therein all resolutions adopted by the Board and a record of all transactions and proceedings occurring at such meetings. If the President is unwilling or unable to preside at a Board meeting, then the Secretary or such other Board member as designated by a majority of the Board will preside at the Board meeting. The Board may, with the President's approval, designate the management agent, if any, or office staff to preside over the Board meeting.

Section 18. Open Meetings. All meetings of the Board will be open to all Members, but Members other than Directors may not participate in any discussion or deliberation unless expressly so authorized by a majority of a quorum of the Board. If a Member unreasonably disrupts a meeting of the Board or repeatedly interrupts the discussion between Directors, the Board will have the authority, after an initial warning, to cause that Member to be removed from the meeting.

Section 19. Executive Session. The Board may adjourn a regular or special Board meeting and reconvene in a closed executive session to consider actions involving personnel, pending or threatened litigation, contract negotiations, enforcement actions, confidential communications with the Association's attorney, matters involving the invasion of privacy of individual Members, and matters that are to remain confidential by request of the affected parties and agreement of the Board. Following an executive session, any decision made in executive session will be summarized orally and placed in the minutes, in general terms, without breaching the privacy of individual Members, violating any privilege, or disclosing any information that was to remain confidential at the request of the affected parties. The oral summary must include a general explanation of expenditures approved in executive session. If the executive session is held at the end of a properly noticed Board meeting, the oral summary of the actions taken in the executive session must be presented at the next properly noticed Board meeting.

Section 20. Action Without a Formal Meeting. The Board may take action outside of a meeting, including voting by electronic or telephonic means, without prior notice to Members, if each Board member is given a reasonable opportunity to express the Board member's opinion to all other Board members and to vote. The reasonable opportunity for a Board member to express an opinion and vote will be not less than twenty-four (24) hours or more than seventy-two (72) hours. The President will determine the time period for the Board members to express an opinion and vote in accordance with the time frame described above. If the Board President is unwilling or unable to determine such time period, a majority of the Directors then in office will determine the time period. The vote of a majority of the Directors under this provision will constitute the decision of the Board. Any action taken without notice to Members under this section must be summarized orally, including an explanation of any known actual or estimated expenditures approved at the meeting, and documented in the minutes of the next regular or special Board meeting. The Board may not, unless done in an open meeting for which prior notice was given to all Members in accordance with state law, consider or vote on:

- a. fines;
- b. damage assessments;
- c. initiation of foreclosure actions;
- d. initiation of enforcement actions, excluding temporary restraining orders or violations involving a threat to health or safety;
- e. increases in assessments;
- f. levying of special assessments;
- g. appeals from a denial of architectural control approval;
- h. a suspension of a right of a particular owner before the owner has an opportunity to attend a Board meeting to present the owner's position, including any defense, on the issue;
- i. lending or borrowing money;
- j. the adoption or amendment of a dedicatory instrument;
- k. the approval of an annual budget or the approval of an amendment of an annual budget;
- l. the sale or purchase of real property;
- m. the filling of a vacancy on the Board;
- n. the construction of capital improvements other than the repair, replacement or enhancement of existing capital improvements; or
- o. the election of an officer.

Section 21. Powers. The Board of Directors will be responsible for the affairs of the Association and will have all of the powers and duties necessary for the administration of the Association's affairs and, as provided by law, may do all acts and things that are not otherwise addressed in or prohibited by the Declaration, the Association's Certificate of Formation, or per these Bylaws, as an act or thing directed to be done and exercised exclusively by the Members.

In addition to the duties imposed by these Bylaws or by any resolution of the Association that may hereafter be adopted, the Board will have the power, but not the obligation unless otherwise provided for in the Association's Dedicatory Instruments [as that term is defined in Section 202.001(1) of the Texas Property Code], to do the following (by way of explanation, but not limitation):

- a. Prepare and adopt an annual budget.
- b. Provide for the operation, care, upkeep, and maintenance of all of the Common Properties including establishing rules and regulations governing the use of the Common Properties and establishing fines and/or penalties for the infraction thereof including, but not limited to, suspending a Member's right (or a tenant's right) to use the Common Properties to the extent allowed by law.
- c. Designate, hire, and dismiss the personnel necessary for the operation of the Association, and for the maintenance, repair, and replacement of Association property and, where appropriate, provide for the compensation of such personnel and for the purchase of equipment, supplies, and material to be used by such personnel in the performance of their duties.
- d. Hire and assign an Assistant Secretary and Assistant Treasurer to perform the duties assigned to them by the Board. The Assistant Secretary may sign with the President Certificates of Membership of the Association. The Assistant Secretary and Assistant Treasurer in general, may perform duties assigned to them by the Treasurer and Secretary respectively, or by the President or Board of Directors.
- e. Collect the assessments, depositing the proceeds thereof in a bank depository and using the proceeds to administer the Association.
- f. Make and amend rules, regulations and policies for the Association.
- g. Levy fines for violations of the Declaration, all rules and regulations of the Association, and all other "dedicatory instruments" of the Association as that term is defined by Texas Property Code Section 202.001(1) or its successor statute Code and adopt (and amend as needed) a fining policy. Before a fine is levied, the Association will give the notice required by law, if any.
- h. Adopt and establish a fine schedule for any infraction of the Association's Dedicatory Instruments.
- i. Open bank accounts on behalf of the Association and designating the signatories required.
- j. Make or contract for the making of, repairs, additions, and improvements to, or alterations of the Common Properties in accordance with the other provisions of the Declaration and these Bylaws, after damage or destruction by fire or other casualty.
- k. Enforce, by legal means, the provisions of the Declaration, these Bylaws, and all other rules, regulations and policies adopted by the Association, and bring any proceeding which may be instituted on behalf of or against the Members concerning the Association.

- l. Suspend a Member's right (or a tenant's right) to use Common Properties during any period in which such Member: (i) has failed to pay an assessment (or any portion thereof) or any other charge (or any portion thereof) authorized by the Association's Dedicatory Instruments or state law; or (ii) or such Member's family member(s), guest(s) or tenant(s) has violated the Association's Dedicatory Instruments and the Member has been notified of such violation in writing by the Association.
- m. Obtain and carry insurance against casualties and liabilities, including directors' and officers' liability insurance, and paying the premium cost thereof.
- n. Pay the cost of all services rendered to the Association or its Members and not directly chargeable to Members.
- o. Keep books with detailed accounts of the receipts and expenditures affecting the Association and its administration, specifying the maintenance and repair expenses and any other expenses incurred. All books and records will be kept in accordance with generally accepted accounting practices and will be available as required by Texas law.
- p. Provide, upon request, information to Members, mortgagees and prospective purchasers of lots concerning, by way of example and not limitation, the status of the Association, the status of payment of assessments and related charges on a lot and the status of compliance with the provisions of the Declaration, and charging a reasonable fee sufficient to cover the expense associated with providing such information.
- q. Charge a reasonable administrative fee (a "transfer fee") when changing the records of the Association upon the transfer of title to a lot.
- r. Issue, or caused to be issued, upon demand by an owner or owner's representative at the time of the sale or refinance of a property under the jurisdiction of the Association, a statement setting forth what charges, if any, are due and owing to the Association. The Association may charge a fee for the issuance of such statement.
- s. Adopt policies and procedures deemed necessary and appropriate for the administration of the Association and the conduct of the Directors and officers of the Association, the employees of the Association, if any, and persons serving on behalf of the Association in volunteer capacities.
- t. Enforce the rules, regulations and policies of the Association.
- u. Exercise any other power as authorized or allowed by the Association's Dedicatory Instruments or state law.

- v. Charge to an owner and place on an owner's assessment account the actual cost to repair any damage to Association Common Properties that is caused by the owner or the owner's guest(s), tenant(s), invitee(s), etc.

Section 22. Management Agent. The Board may, but is not required to, employ for the Association a professional management agent or agents, or manager, at a compensation rate established by the Board, to perform such duties and services as the Board shall authorize.

Article IV

Officers

Section 1. Officers. The officers of the Association will be the President, Vice President, Secretary and Treasurer. All officers must also be members of the Board. The Board may select, appoint and/or remove such other officers as it shall deem appropriate, such officers to have the authority to perform the duties prescribed by these Bylaws and/or the duties prescribed from time to time by the Board.

Section 2. Multiple Offices. Any two or more offices may be held by the same person except the offices of President and Secretary in accordance with Texas Business and Organizations Code Section 22.231(a).

Section 3. Election, Term of Office and Vacancies. The officers of the Association will be elected annually from within and by the Board at the first meeting of the Board held after the annual meeting of the Members. A vacancy in any office arising because of death, resignation, removal, or otherwise may be filled by the Board.

Section 4. Removal. Any officer may be removed by a majority vote of the Board, at a duly called meeting of the Board, at which a quorum is present, whenever in its judgment the best interests of the Association will be served thereby. The Board may fill any vacant officer position in the open session of a properly noticed Board meeting.

Section 5. Powers and Duties. The officers of the Association will each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as may from time to time be specifically conferred or imposed by the Board. The chief executive officer of the Association will be the President. The Treasurer will have primary responsibility for the preparation of the budget, and, with the approval of the Board, may delegate all or part of the preparation and notification duties to a finance committee or a management agent.

Section 6. Resignation of an Officer. Any officer may resign his or her office at any time by giving written notice (including e-mail notice) to the Board, the President, the Secretary, or the Association's management agent. Such resignation will take effect on the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation will not be necessary to make it effective. If a Director orally resigns his or her office and then refuses to give written notice of resignation after being requested to do so in writing (including an e-mail request), the Board may, if the Director in

question does not attend the next Board meeting for any reason, note the resignation in the minutes of the next Board meeting at which time such oral resignation will be effective.

Section 7. Agreements, Contracts, Deeds, Leases, Etc. All agreements, contracts, deeds, and leases of the Association will be executed by the President of the Association or, if the President is unwilling or unable to execute such document, by at least one (1) officer designated by the Board or by such other person or persons as may be designated by resolution of the Board. The Board may designate any officer of the Association to execute any other Association document.

Article V

Committees

The Board is authorized to form committees as it deems necessary or as required by the Declaration. Committees are hereby authorized to perform such tasks and to serve for such periods as may be designated by the Board. Such committees will perform such duties and have such powers as directed by the Board. The size of each committee will be in the sole and absolute discretion of the Board. Unless otherwise provided by the Declaration, the Board has the authority to appoint and remove committee members, at any time with or without cause, in its sole discretion. The Board may, but is not required to, adopt committee rules or a committee charter for any committee formed under these Bylaws which rules or charter may describe, among other things, the function of the committee and the rules under which the committee will operate.

Article VI

Miscellaneous

Section 1. Fiscal Year. The fiscal year of the Association will begin on the first day of January and end on the 31st of December of every year.

Section 2. Parliamentary Rules. Simple parliamentary procedure will govern the conduct of Association proceedings when not in conflict with Texas law, the Certificate of Formation, the Declaration, or these Bylaws.

Section 3. Conflicts. If there are conflicts or inconsistencies among the provisions of Texas law, the Declaration, the Certificate of Formation, these Bylaws, and/or any rules, regulations or policies of the Association, the provisions of Texas law, the Declaration, the Certificate of Formation, these Bylaws, and the rules, regulations or policies of the Association (in that order) will prevail.

Section 4. Books and Records. Books and records of the Association will be retained by the Association in accordance with the Association's Records Retention Policy. Each Member or Member's designated representative will have a right to either inspect the requested books and records before obtaining copies or to have the Association forward copies of the requested books and records in accordance with the Association's recorded Open Records Policy. This provision will not require the Association to release or allow inspection of books and records

that are not required by law to be released or inspected, as set forth in the Association's recorded Open Records Policy.

Section 5. Owner's Mailing Address. It is the responsibility of each owner of a lot under the jurisdiction of the Association to provide the owner's mailing address to the Association and to promptly notify the Association in the event the owner's mailing address changes. In order to be effective, notice of the owner's mailing address or a change of the owner's mailing address must be mailed to the Association by any method of mailing for which evidence of receipt of such mailing by the Association is provided by the United States Postal Service or a common carrier. It is the owner's responsibility to maintain evidence of receipt by the Association of owner's notice of address change. The Association may, at its discretion, accept a notification of a change in an owner's mailing address sent by regular mail or e-mail, however, an owner that disputes the mailing address listed in the Association's records must be able to prove that the owner sent an address change notification by providing evidence of receipt by the Association of owner's notice of address change that was sent by any method of mailing for which evidence of receipt of such mailing by the Association is provided by the United States Postal Service or a common carrier. Unless the Association is otherwise notified in writing, the owner's mailing address shall be deemed to be the address of the owner's lot in the Property or the last alternative mailing address provided to the Association by the owner in writing. All notices to an owner pursuant to this Policy shall be mailed to the owner at the owner's last known mailing address. If mail to an owner is returned undelivered, or the Association otherwise reasonably determines that the last known mailing address of the owner may not be valid, the Association has the right, but not the obligation, to conduct a title search or other searches for the purpose of attempting to either verify the owner's current mailing address or obtain the owner's current mailing address. Any costs incurred by the Association to verify an owner's current mailing address or obtain an owner's current mailing address shall be, to the extent permissible under the Association's Dedicatory Instruments and state law, charged to the owner. The failure of an owner to receive a notice(s) or to properly notify the Association of a change in an owner's mailing address shall in no way waive or negate the owner's obligation to pay any Assessment or charge(s) authorized by the Declaration or state law. The submission of a check or other form of payment to the Association which sets forth an alternative address does not constitute notice of a change of the owner's mailing address.

Section 6. Audit. An audit of the accounts of the Association will be performed by a qualified, independent certified public accountant as frequently as deemed necessary by the Board. Each audit will be in accordance with generally accepted auditing standards to obtain reasonable assurance that the Association's financial statements are free of material misstatements, to assess accounting principles used, and to evaluate the overall financial statement presentation.

Section 7. Indemnification. The Association must indemnify a director, officer or committee member who was, is or is threatened to be named as a defendant or respondent in a claim or proceeding to the extent indemnification is consistent with the Texas Business Organizations Code, as it now exists or may hereafter be amended.

Section 8. Invalidation. The invalidation of any term or provision of these Bylaws by a court of competent jurisdiction will not operate to void or otherwise invalidate the remaining terms and provisions hereof.

Section 9. Amendment. These Bylaws may be amended by: (a) a majority vote of the Board pursuant to Section 22.102 of the Texas Business Organizations Code; or (b) a majority vote of the Members present at any properly noticed regular or special meeting of the Members at which a quorum is present, in person or by proxy (if applicable), subject to notice requirements provided by law or in these Bylaws; or (c) a majority vote of the Members by any other method of voting by the Members that is authorized by law and approved by the Board.

CERTIFICATION

The undersigned, being the Secretary of Pelican Cove Canal Owners Association, does hereby certify that at a meeting of the Board of the Association duly called and held on the 26 day of OCTOBER, 2022 (the "Effective Date"), the foregoing "Amended and Restated Bylaws of Pelican Cove Canal Owners Association" were duly approved by a majority of the Board.

IN WITNESS WHEREOF, I have hereunto subscribed my name on the date shown below but made effective as of the Effective Date, as specified above.

PELICAN COVE CANAL OWNERS
ASSOCIATION
a Texas non-profit corporation

By: Bernard P. Beaulieu

Printed: BERNARD P BEAULLIEU
Its: Secretary

THE STATE OF TEXAS §
 §
COUNTY OF SAN PATRICK §

BEFORE ME, the undersigned notary public, on this 2 day of NOVEMBER 2022 personally appeared BERNARD P BEAULLIEU, Secretary of Pelican Cove Canal Owners Association, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that s/he executed the same for the purpose and in the capacity therein expressed.

Sherril L. Tringali
Notary Public in and for the State of Texas

