



**CORPORATE CERTIFICATE**  
**CAPE CONROE PROPERTY OWNERS ASSOCIATION, INC.**

The undersigned certifies that he/she is the President of Cape Conroe Property Owners Association, Inc. (the "Association"). The Association is the property owners' association for Cape Conroe Section I and Cape Conroe Section II, a subdivision in Montgomery County, Texas, according to the map or plat thereof recorded in the Map Records of Montgomery County, Texas (the "Subdivision").

The Association is a Texas non-profit corporation, and a true and correct copy of the **Bylaws of Cape Conroe Property Owners Association, Inc. (Amended February 2012)** is attached to this certificate as Exhibit "A."

Signed this 8 day of Feb., 2012.

**CAPE CONROE PROPERTY OWNERS ASSOCIATION, INC.**

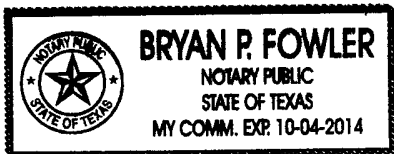
By: Woodrow Wallace  
WOODROW WALLACE, President

STATE OF TEXAS §

COUNTY OF MONTGOMERY §

SWORN TO AND SUBSCRIBED BEFORE ME on the 08 day of February, 2012, by WOODROW WALLACE, President of CAPE CONROE PROPERTY OWNERS ASSOCIATION, INC., a Texas non-profit corporation, on behalf of said corporation.

Bryan P. Fowler  
NOTARY PUBLIC, State of Texas

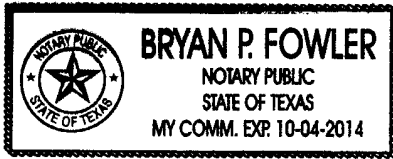


THE STATE OF TEXAS §

COUNTY OF MONTGOMERY §

This instrument was acknowledged before me on the 8<sup>th</sup> day of February, 2012, by WOODROW WALLACE, President of CAPE CONROE PROPERTY OWNERS ASSOCIATION, INC., a Texas non-profit corporation, on behalf of said corporation.

  
\_\_\_\_\_  
NOTARY PUBLIC, State of Texas



**AFTER RECORDING RETURN TO:**

Bryan P. Fowler  
The Fowler Law Firm  
300 West Davis, Suite 510  
Conroe, Texas 77301

**BYLAWS**  
**of**  
**CAPE CONROE PROPERTY OWNERS ASSOCIATION, INC.**  
**(Amended February 2012)**

**ARTICLE I**

**NAME AND LOCATION**

**SECTION 1. NAME.** The name of the corporation is CAPE CONROE PROPERTY OWNERS ASSOCIATION, INC.

**SECTION 2. LOCATION.** The principal office shall be located at the Cape Conroe Subdivision, Montgomery County, Texas.

**ARTICLE II**

**THE ASSOCIATION**

**SECTION 1. PURPOSE.** The purposes for which the corporation is organized are: to provide constructive civic and social welfare for the community; to inculcate civic consciousness by means of active participation in constructive projects; to promote the enhancement of property value of, and the betterment of, the property known as Cape Conroe Subdivision; to encourage or promote residential building and development of the subdivision in accordance with the restrictive covenants set forth in the Amended, Extended and Merged Restrictive Covenants for Cape Conroe, Section I and II; to enforce the restrictive covenants for the protection of the property in the subdivision; to purchase, receive, lease or otherwise acquire, own, hold, improve, use or otherwise deal in and with real or personal property of any interest therein; wherever situated, necessary, proper or incidental to the performance of the purpose of this corporation; to do any and all other things necessary or desirable or of general benefit to the community.

**SECTION 2. NON PROFIT STATUS.** The Association shall at all times meet the qualifications of a Non-Profit Corporation under the laws of the State of Texas. No part of the revenues or earnings of this corporation shall ever inure to the benefit of any member and no member of this corporation shall ever be entitled to or be paid any dividend of any description from this corporation or be entitled to or receive any of the properties or assets of this corporation whether upon liquidation, dissolution or otherwise except as provided in law. No member of this corporation shall ever be personally liable for any debt incurred by or in the name of this corporation, save and except as may otherwise be expressly provided for by law or statute.

## ARTICLE III

### MEMBERSHIP AND MEETINGS

**SECTION 1. MEMBERSHIP CLASS.** The corporation shall have one class of members. All owners or purchasers of property in Cape Conroe Subdivision, Montgomery County, Texas, are eligible for membership in this Corporation, and are entitled to the following rights set forth in this Article; however, as set out herein below, in the event one lot is owned by two or more individuals, such individuals shall be entitled to only one vote between them.

**SECTION 2. ANNUAL MEETING.** An annual meeting of the members shall be held at 2:00 p.m. on the first Sunday of October of each year. Such meeting shall be held at a location in the Cape Conroe Subdivision as designated by the Board. The meeting shall be held for the purpose of electing directors, and for the transaction of such other business as may come before the Board. If the election of Directors shall for any reason not be held on the day designated herein, or any annual meeting, or at any adjournment thereof, the Directors shall cause the election to be held at a special meeting of the members as soon thereafter as convenient.

**SECTION 3. SPECIAL MEETINGS.** Special meetings of the members may be called by the Board of Directors, or by not less than one-tenth (1/10) of the members upon signed petition requesting such meeting.

**SECTION 4. NOTICE.** Written or printed notice stating the place, day and hour of any meeting of members shall be delivered not less than ten (10) days nor more than fifty (50) days prior to the date of such meeting, either personally or by mail, to each member entitled to vote at such meeting. In case of a special meeting, or required by statute, or by these Bylaws, the purpose or purposes for which the meeting is called shall be stated in the notice as well as the time and place of the Special Meeting. If mailed, the notice of meeting shall be deemed to be delivered when deposited in the United States Mail, addressed to the member's address as it appear in the records of the Corporation with postage thereon prepaid.

**SECTION 5. VOTING.** Each member shall have the right to cast one vote for each lot owned, in each matter to be decided by a vote of the membership, or that is submitted to a vote of the members by the Directors. In the event one lot is owned by two or more individuals, such individuals shall be entitled to only one vote between them.

**SECTION 6. QUORUM.** The members holding one-tenth (1/10th) of the total votes which may be cast at any meeting shall constitute a quorum of such meeting. If a quorum is not present at any meeting of members, a majority of the members present may adjourn the meeting from time to time without further notice. An absentee or electronic ballot, as set out herein below, shall be counted as an Owner present and voting for the purpose of establishing a quorum for items appearing on the ballot. In the absence of a quorum at a meeting of members, the meeting may be adjourned and immediately reconvened for the sole purpose of conducting Director elections. The quorum required for election of Directors at the reconvened meeting shall be the number of votes cast in person, by proxy, by absentee ballot, or electronic ballot.

**SECTION 7. PROXIES.** At any meeting of members, a member may vote either in person or by proxy, executed in writing by the member or by his duly authorized attorney-in-fact. No proxy shall be valid after thirty (30) days from the date of its execution, unless otherwise provided in the proxy.

**SECTION 8. METHODS OF VOTING.** The voting rights of a member may be cast or given:

- (1) in person or by proxy at a meeting of the Association;
- (2) by absentee ballot; or
- (3) by electronic ballot by electronic mail or facsimile.

Absentee ballots may not be counted, even if properly delivered, if the member attends any meeting to vote in person so that any vote cast at a meeting by the member supersedes any vote submitted by absentee or electronic ballot previously submitted for that proposal. Absentee or electronic ballots may not be counted on the final vote of a proposal if the motion was amended at a meeting of the members to be different from the exact language on the absentee or electronic ballot. Any solicitation for votes by absentee ballot by the Association must include an absentee ballot that contains each proposed action and provides an opportunity to vote for or against the proposed action, instructions for delivery of the completed absentee ballot, including the delivery location, all of which are required by Section 209.00592 of the TEXAS PROPERTY CODE.

**SECTION 9. ELECTION VOTE TABULATORS.** A person who is a candidate in an Association election or who is otherwise the subject of an Association vote, or a person related to that person within the third degree of consanguinity or affinity, as determined under Chapter 573 of the TEXAS GOVERNMENT CODE, may not tabulate or otherwise be given access to the ballots cast in the election or vote.

**SECTION 10. RECOUNT PROCEDURES.** A member may, not later than the fifteenth (15<sup>th</sup>) day after the date of a meeting at which an election was held, require a recount of votes in accordance with Section 209.0057 of the TEXAS PROPERTY CODE.

## **ARTICLE IV**

### **DIRECTORS**

**SECTION 1. POWERS.** All the general powers of the Corporation shall be vested in and exercised by the Board of Directors. The number of Directors shall be nine (9), unless changed by the vote of two-thirds (2/3) of the members of the Corporation who attend and vote at any regular or special meeting called for such purpose.

**SECTION 2. TERM OF OFFICE.** Each Director shall be elected for a term of three (3) years, and shall serve such term until that Director is re-elected, that Director's successor shall have been elected, or until that Director shall have resigned or shall have been removed in the manner hereinafter provided. Three Directors shall be elected each year for the three-year term so as to provide rotation of office within the membership but perpetuate some continuity of leadership. The terms of the Directors shall be staggered so that each year only three (3) positions on the Board of

Directors shall become vacant. Members with a felony conviction or a conviction for a crime involving moral turpitude are not eligible to serve.

**SECTION 3. ELECTION.** Election of the Board of Directors shall occur at the annual meeting. The election shall be by written ballot, and said ballots shall be signed by the member.

**SECTION 4. ORGANIZATION.** At all meetings of the Board of Directors, the President, or in his absence the Vice-President, shall act as Chairman, and the Secretary of the Corporation, or in his absence, any person appointed by the Chairman, shall act as Secretary.

**SECTION 5. RESIGNATION.** Any Director of the Corporation may resign at any time by giving written notice to the President or Secretary of the Corporation.

**SECTION 6. VACANCY.** In case any vacancy shall exist in the Board of Directors caused by death, resignation, removal, or any other cause, the Directors, at any regular meeting, or special meeting, shall appoint the First Alternate Director to fill such vacancy. The First Alternate Director shall serve for the unexpired portion of the term of the Director whose position he has filled. At such time as the First Alternate Director becomes a Director, then the Second Alternate Director shall become the First Alternate Director. The Board of Directors shall then, at any regular or special meeting appoint a Second Alternate Director.

**SECTION 7. ANNUAL MEETING.** The annual meeting of the Board of Directors shall be held immediately following the annual meeting of the members, and at the same place. Notice of such annual meeting shall be given in the same manner as provided in this Article.

**SECTION 8. SPECIAL MEETINGS.** Special meetings of the Board of Directors shall be held whenever called by the President or Vice-President, or a majority of the Board of Directors. Notice of such meetings shall be mailed to each Director, addressed to him at his last known post office address, or shall be delivered by electronic mail, by telecopier or tele-facsimile, telegram, communicated by telephone, or communicated in person at least five (5) days before the day on which the meeting is to be held. Each such notice shall state the time and place and state the purpose of the meeting. Notice of any meeting need not be given to any Director if waived by him in writing. The presence of any Director at any meeting shall be considered as a waiver of any claim of non-notice of such meeting by such Director.

**SECTION 9. NOTICE OF MEETINGS TO MEMBERS.** Members shall be given notice of the date, hour, place, and general subject of a regular or special meeting of the Board, including a general description of any matter to be brought up for deliberation in executive session. The notice shall be (a) mailed to each member not later than the tenth (10<sup>th</sup>) day or earlier than the sixtieth (60<sup>th</sup>) day before the date of the meeting; or (b) provided at least seventy-two (72) hours before the start of the meeting by (I) posting the notice in a conspicuous manner reasonably designed to provide notice to the members in a place located on the Association's common property, or on conspicuously located private property within the subdivision, or (ii) by posting the notice on an Internet website maintained by the Association; and (iii) by sending the notice by e-mail to each owner who has registered an e-mail address with the Association.

**SECTION 10. MEETINGS WITHOUT NOTICE TO MEMBERS.** The Board, by any method of communication, including electronic and telephonic meetings, may meet without prior notice to members, if each director may hear and be heard by every other director, or the Board may take action by unanimous written consent to consider routine and administrative matters or a reasonably unforeseen emergency or urgent necessity that requires immediate Board attention. The 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 at the next regular or special meeting of the Board. Notwithstanding the authority to meet without notice to the members, the Board may not, without prior notice to the members, consider or vote on fines; damage assessments; initiation of foreclosure actions; initiation of enforcement actions, excluding temporary restraining orders or violations involving a threat to health or safety; increases in assessments; levying of special assessments; appeals from a denial of architectural control approval; or the suspension of a right of a particular member before the member has an opportunity to attend a Board meeting to present the member's position, including any defense on the issue.

**SECTION 11. OPEN BOARD MEETINGS.** Regular and special Board meetings shall be open to members, subject to the right of the Board to adjourn a meeting and reconvene in closed executive session to consider actions involving personnel, pending or threatened litigation, contract negotiations, enforcement actions, confidential communications with the property Association's attorney, matters involving the invasion of privacy of individual owners, or matters that are to remain confidential by request of the affected parties and agreement of the Board. Following any executive session, any decision made in the executive session shall be summarized orally and placed in the minutes, in general terms, without breaching the privacy of individual owners, violating any privilege, or disclosing information that was to remain confidential at the request of the affected parties. The oral summary shall include a general explanation of any expenditures approved in executive session.

**SECTION 12. QUORUM AND MANNER OF VOTING.** Except as otherwise provided by statute and these Bylaws, a majority of the Directors shall be required in order to constitute a quorum for the transaction of business, and that act of a majority of the Directors present at any meeting shall be the act of the Board of Directors.

**SECTION 13. REMOVAL.** At any meeting of the Directors, any member of the Board of Directors may be removed from holding the position of Director and from all committees such member may hold. Such member of the Board of Directors may be removed upon the express vote of two-thirds (2/3rds) of the remaining Directors present and voting at such meeting. A member of the Board of Directors may be removed under these provisions only upon the vote of a majority of the members of the Board of Directors present and voting at such meeting (excluding, if applicable, the Director who is the subject of a motion to remove) and if it is determined that the Director to be removed has engaged in at least one of the following:

- (a) has mishandled or misappropriated funds of the Corporation;
- (b) has violated or has participated in the violation of the restrictive covenants of the Subdivision in any material respect;

©) has interfered, in any material respect, with the enforcement of the restrictive covenants of the subdivision; or

(d) has failed to preserve confidential and privileged matters or information of the Board of Directors or the Corporation; or

(e) fails to attend three (3) consecutive meetings with no justification.

**SECTION 14. ALTERNATE DIRECTORS.** At any annual meeting of the membership of the Corporation, the members may elect two (2) members to serve as Alternate Directors who may serve only in the event of a vacancy on the Board of Directors. If two Alternate Directors are elected at the same meeting, the member receiving the highest number of votes will be designated the "First Alternate Director," and the member receiving the second highest number of votes will be designated the "Second Alternate Director."

## **ARTICLE V**

### **OFFICERS**

**SECTION 1. DESIGNATION.** The officers of the organization shall be a President, one or more Vice Presidents (the number thereof to be determined by the Directors), a Secretary, and a Treasurer. The Directors may elect or appoint such other officers, including one or more assistant secretaries and one or more assistant treasurers, as they shall deem desirable, such officers to have the authority to perform the duties prescribed, from time to time. Two or more offices may not be held by the same person.

**SECTION 2. ELECTION.** The officers of the organization shall be elected annually by the Directors at the regular annual Board of Directors meeting by a majority of the entire Board. If the election of the officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. New offices may be created and filled at any meeting of the Directors. The officers shall be elected for one-year terms, and each Officer shall continue in office until the next annual meeting following his election, or until his successor shall have been elected, or until he shall have resigned or shall have been removed in the manner herein provided.

**SECTION 3. REMOVAL.** Any officer elected or appointed by the Board of Directors may be removed by a majority vote of the Board of Directors whenever in its judgment the best interest of the organization would be served thereby.

**SECTION 4. VACANCY.** A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

**SECTION 5. PRESIDENT.** The President shall be the principal executive officer of the organization and shall in general supervise and control all of the business and affairs of the organization. The President shall preside at all meetings of the members and of the Board of Directors, and may sign, with the Secretary or any other proper officer of the organization authorized



by the members, any deeds, mortgages, bonds, contracts, or other instruments which the members have authorized to be executed, however, any such deeds, mortgages, bonds, contracts, or other instruments shall be accompanied by a certified copy of the minutes, having been duly approved by proper motion, which shall be attached to and made a part of any deeds, mortgages, bonds, contracts, or other instruments to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the members or by these Bylaws, or by statute to some other officer or agent of the organization; and in general, the President shall perform all duties incident to the office of President and such other duties as may be prescribed by the members or the Board of Directors from time to time.

**SECTION 6. VICE PRESIDENT.** In the absence of the President or in the event of his inability or refusal to act, the Vice-President (or if there are more than one Vice President, the vice presidents in the order of their election) shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. Any Vice-President shall perform such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

**SECTION 7. SECRETARY.** The Secretary shall keep or cause to be kept, the minutes of the meetings of the members and of the Board of Directors in one or more books provided for that purpose; see that all notices are duly given in accordance with the provisions of these Bylaws of as required by law; be custodian of the organization records; keep a register of the post office address of each member and in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the President or by the members. The Secretary shall have the right to delegate any of the above actions to a management company or qualified individual which as been approved by a majority of the Board of Directors.

**SECTION 8. TREASURER.** The Treasurer shall have charge, custody, and responsibility for all funds and financial records of the Association. To carry out the duties, the Treasurer shall complete at least the following:

- (a) receive and deposit-all funds into the Association's bank accounts;
- (b) disburse the Association's funds as directed by the Board of Directors;
- ©) sign all checks and promissory notes of the Association;
- (d) keep the Association's books of account;
- (e) when directed by the Board of Directors, and at the expense of the Association, obtain a bond for the faithful discharge of the Treasurer's duties in such sum and with such sureties as the Board of Directors shall require;
- (f) when directed by the Board of Directors, and at the Association's expense, obtain an annual audit of the Association's books by a Certified Public Accountant;

(g) prepare and submit to the Board of Directors an annual budget for the Association and periodic statements of the Association's income and expense;

(h) establish and maintain reasonable financial controls of the Association's funds including arranging for the Association's bank accounts to require multiple signatures of the Treasurer and other officers of the Association, to provide for the safe and secure treatment of the Association's books, records and accounts, including designating persons who may reconcile and balance the Association's bank accounts and other records. Unless otherwise directed by the Board of Directors, the Treasurer shall obtain checking account services for the Association which require: (1) two signatures on all checks in excess of \$1,000.00; (2) the reconciliation of the Association's bank account statement's by persons who are not permitted to sign on the checking account; and (3) all association checks be imprinted to read "For Deposit Only" on all endorsements.

The Treasurer shall have the right to delegate any of the above actions to a management copy or other qualified individual which has been approved by a majority of the Board of Directors.

## **ARTICLE VI**

### **COMMITTEES**

**SECTION 1. DESIGNATION.** The Board of Directors, by resolution adopted at any of its meetings, may appoint any and all committees deemed necessary to carry out the purposes of this corporation. The Board shall also specify the purpose of each committee and each committee shall limit its activities to its purpose as stated by the Directors.

**SECTION 2. COMMITTEE MEMBERS.** The Board of Directors shall appoint the chairman of each committee. The chairman may add or remove members of the committee at the chairman's discretion. All members of the committee shall be members in good standing of the Association. Each member of a committee shall continue as such until he resigns, he is replaced by a successor, he is removed, he ceases to be a member of the association in good standing, or the committee is terminated. Any committee member removed by the chairman may appeal such removal to the Board of Directors which shall then vote to affirm the removal or to reinstate the member to the committee. The vote of a majority of Directors will govern. This paragraph does not apply to the Architectural Control Committee.

The Architectural Control Committee shall consist of at least three members, who shall be annually appointed, and may be removed and replaced by a two-thirds (2/3) vote of the members of the Board of Directors of the Association. All members of the Architectural Control Committee shall be property owners in the subdivision. No member of the Architectural Control Committee may vote on or participate in the consideration of any lot in which such member may have a conflict of interest. For this purpose, a conflict of interest is deemed to exist if a member either owned an interest in a lot or any determination by the Architectural Control Committee would have a direct, material mechanical impact on a lot owned by the member.

**SECTION 3. VACANCIES.** Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided in the case of the original appointments.

**SECTION 4. MAJORITY AND QUORUM.** Unless otherwise provided in the resolution of the Board of Directors designating a committee, a majority of the whole committee shall constitute a quorum and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee.

**SECTION 5. RULES.** No committee may adopt rules which are materially in conflict with these Bylaws or with rules adopted by the members or the recorded restrictions and covenants.

## **ARTICLE VII**

### **CONTRACTS, CHECKS, DEPOSITS AND FUNDS**

**SECTION 1. DESIGNATION BY BOARD OF DIRECTORS.** The Board of Directors, by official action, may authorize any officer or officers to enter into those contracts or execute and deliver those instruments authorized by the Board of Directors in the name of and on behalf of the corporation, and such authority must be confined to specific instances.

**SECTION 2. WARRANTS AND VOUCHERS.** All warrants or vouchers for payment of money, notes or other evidences of indebtedness issued in the name of the corporation shall be approved by the Board of Directors at a regular or special meeting.

**SECTION 3. CHECKS.** All checks, drafts or orders for payment of money, notes or other evidences of indebtedness issued in the name of the corporation shall be signed by such officer or officers in such manner as shall from time to time shall be determined by resolution of the Board of Directors.

**SECTION 4. DEPOSITS.** All funds of the Corporation shall be deposited from time to time to the credit of the corporation in such banks, trust companies or other depositories as the Board of Directors may select.

**SECTION 5. GIFTS TO ASSOCIATION.** The Board of Directors may accept on behalf of the Corporation any contribution, gift, bequest or devise for the general purposes or for any special purpose of the Corporation.

## **ARTICLE VIII**

### **BOOKS AND RECORDS**

The Corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its members, Directors and committees having any of the authority of the members of Directors, and shall keep at the registered or principal office a record giving the names and addresses of the members entitled to vote. All books and records of the organization may be inspected by any member, in accordance with the Association's Records Production Policy.

## **ARTICLE IX**

### **FISCAL YEAR**

The fiscal year of the organization shall begin on the first day of October and end on the last day of September in each year, unless the Board of Directors determines, by resolution, any different dates.

## **ARTICLE X**

### **DUES**

**SECTION 1.DETERMINATION.** Annual membership dues will be due and payable on October 1 of each successive fiscal year. The exact amount of annual dues shall be determined by the Board of Directors.

**SECTION 2.DELINQUENCY AND INTEREST.** A member will be in default if dues are not paid within one (1) month after such dues become due and payable. All past-due and delinquent dues shall bear interest at the rate of eighteen percent (18%) per annum beginning on the date such dues become delinquent.

## **ARTICLE XI**

### **WAIVER OF NOTICE**

Whenever any notice is required to be given under the provisions of the State of Texas or under the provisions of the Bylaws of the Corporation, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

## **ARTICLE XII**

### **CONFLICTS**

In the event of a conflict between the provisions of these Bylaws and the Restrictions, the terms and provisions of the Restrictions shall prevail.

## **ARTICLE XIII**

### **AMENDMENTS**

The Board of Directors is expressly authorized to alter, amend, or repeal the Bylaws or to adopt new Bylaws of this Association, without any action on the part of the members

**ATTESTATION**

Adopted by the Board of Directors on this 8 day of Feb., 2012

**CAPE CONROE PROPERTY OWNERS  
ASSOCIATION, INC.**

By: Woodrow Wallace  
WOODROW WALLACE, President

**FILED FOR RECORD**

03/07/2012 3:12PM

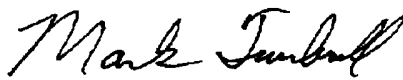


COUNTY CLERK  
MONTGOMERY COUNTY, TEXAS

STATE OF TEXAS  
COUNTY OF MONTGOMERY

I hereby certify this instrument was filed in file number  
sequence on the date and at the time stamped herein  
by me and was duly RECORDED in the Official Public  
Records of Montgomery County, Texas.

**03/07/2012**



County Clerk  
Montgomery County, Texas