

BYLAWS OF CAPE MALIBU PROPERTY OWNERS ASSOCIATION, INC.

MAY 1, 1983

Revised March 8, 2000

ARTICLE I

Name, Location and Definitions

Section 1 Name: The Name of this Association shall be Cape Malibu Property Owners Association, Inc.

Section 2 Location: The principle office shall be located at the Cape Malibu Lands End facility. The mailing address will be 15816 Malibu East, Willis, TX 77318. ✓

Section 3 Definitions: The following definitions are exactly the same as the definitions contained in the Sixth Revision of the Restrictions and Covenants.

DEFINITIONS

1. ARCHITECTURAL CONTROL COMMITTEE is formed to review architectural plans with regard to compliance with the Restrictions and Covenants. This committee is established under the BYLAWS of the ASSOCIATION.
2. ASSOCIATION refers to the Cape Malibu Property Owners Association, Inc., a non-profit Texas Corporation and its successors and/or assigns.
3. BOARD shall mean and refer to the Board of Directors duly elected under the BYLAWS of the ASSOCIATION.
4. BYLAWS shall refer to the rules adopted by the ASSOCIATION to govern its activities and regulate its affairs.
5. COMPOSITE BUILDING SITE consists of one or more adjoining LOTS (or portions thereof) combined into a single building site which is treated as one LOT and is eligible for a single vote.
6. EFFECTIVE DATE is the next day after properly amended Restrictions and Covenants have been recorded in the Deed Records of Montgomery County, Texas.
7. FAMILY UNIT consists of owners of record living together in a single residence on a single LOT or COMPOSITE BUILDING SITE. This unit will be eligible for a single vote.
8. LOT (S) shall mean and refer to any lots shown on the SUBDIVISION plat that is restricted hereby for single family residential dwellings only.

9. MEMBER (S) refers to all parties who are owners of a LOT, portion of a LOT or multiple LOTS in the SUBDIVISION and who enjoy the full rights and privileges, including the right to a single vote, afforded by membership in the ASSOCIATION. Not more than a single vote is allowed for shared ownership of a LOT.

10. OWNER (S) shall mean and refer to the record owner, whether one or more persons or entities, who are entitled to unrestricted powers to dispose of the LOT (fee simple) which is part of the SUBDIVISION, but excluding those parties having such interest merely as security for the performance of an obligation.

11. ELIGIBLE OWNER refers to the OWNER or OWNERS of a single LOT or multiple LOTS in the SUBDIVISION who is a MEMBER, having paid all assessments and fees no later than the time of the vote and enjoying the full rights and privileges of the ASSOCIATION. Only an ELIGIBLE OWNER has the right to a single vote in any election defined by the Restrictions and Covenants.

12. SUBDIVISION refers to the properties (excepting designated reserved areas and Block 10) of the Cape Malibu Subdivision as per map or plat filed for record in Volume 7, Page 285, Map Records of Montgomery County, Texas.

ARTICLE II

Purpose of the ASSOCIATION

Section 1: The purpose of the ASSOCIATION is to do any and all things necessary for the maintenance and upkeep of the roads, parks, and all other properties of the SUBDIVISION; not privately owned, and to collect and manage all monies and funds paid and collected for the purposes of such maintenance; to uphold and carry out the restrictions and covenants passed by the ASSOCIATION; all to the end of the enhancement of property values and for the betterment of the property known as the SUBDIVISION and the benefit and welfare of the OWNERS thereof; and to collect and manage such monies and funds for such purposes in the manner in which the membership shall so direct.

ARTICLE III

Section 1 Membership and Time and Place of Meeting: All parties who are the OWNERS of a LOT, LOTS or a portion of a LOT in said SUBDIVISION are eligible for membership in this ASSOCIATION, subject to the following qualifications.

All parties eligible for membership in the ASSOCIATION shall become MEMBERS by paying dues and assessments in amount set by a vote under the conditions defined in the Restrictions and Covenants, Sixth Revision filed in year 2000.

The BOARD shall have the option of offering a discount for on-time payment of the maintenance fee.

Should all dues and assessments not be paid in full by the last day of the fiscal year

for which the dues are owed, membership in the ASSOCIATION and all rights and privileges of the MEMBERS, including voting rights, are suspended until such dues are paid in full. A MEMBER may become eligible to vote if all fees are paid at the time of the vote.

The key provided for access to Lands End facilities is supplied to MEMBERS who are in good standing. Should this status change or if their LOT is sold the key is to be returned to the ASSOCIATION.

The Annual Meeting of the MEMBERS of the ASSOCIATION shall be held at 2:00 p.m. on the third Sunday in September each year at Lands End, Cape Malibu, Montgomery County, Texas at which time the directors will be elected. Other regular and special meetings of the general membership of the ASSOCIATION shall be called by the President. All such meetings are to be held at Lands End in Cape Malibu unless the MEMBERS are notified otherwise.

Section 2 Notice of Meetings: Notice of each meeting of the MEMBERS of the ASSOCIATION shall be given by the Secretary and approved by the President or Vice President by mailing a copy of such notice to each MEMBER at the post office address which such MEMBER has registered with the ASSOCIATION, at least seven (7) days before the date of the meeting, except for consideration of BYLAWS Changes, which require three (3) weeks notice as specified in Article VIII of these BYLAWS.

Section 3 Quorum: At least one-fourth (1/4) of the MEMBERS of the ASSOCIATION entitled to vote at any membership meeting, represented either in person or proxy, shall be required in order to constitute a quorum for the transaction of business.

If the number of MEMBERS necessary to constitute a quorum at any annual or special meeting of the MEMBERS shall fail to attend in person or by proxy, the MEMBERS present in person or by proxy, may reschedule any such meeting without notice other than by announcement at the meeting until the number requisite to constitute a quorum shall be present, either in person or by proxy. At any such adjourned meeting at which a quorum may be present in person or by proxy, any business may be transacted which might have been transacted at the meeting as originally notified or called.

Section 4 Voting: At all membership meetings, each OWNER who is a MEMBER shall be entitled to one vote, and in the event that a LOT is owned by more than one party in said SUBDIVISION, then, and in that event, such parties shall be entitled to one vote. In the event one individual owns more than one LOT, such individual shall be entitled to only one membership with a single vote.

Section 5 Organization: At all meetings of the MEMBERS, the President, or in his absence the Vice President, shall act as Chairman, and the Secretary of the ASSOCIATION, or in his/her absence, any person appointed by the Chairman shall act as Secretary.

The votes of any MEMBER may be given by such MEMBER in person or by his proxy, appointed by an instrument in writing, subscribed by such MEMBER, and delivered to the Secretary at the meeting. The BOARD may elect to mail ballots on any matter to MEMBERS and, if so, said MEMBERS may vote said ballots by mail.

At all meetings of the MEMBERS, all matters, except those the manner of deciding which is especially regulated by Statute and except as otherwise provided for in these BYLAWS, shall be decided by the vote of a majority of the MEMBERS present or represented and entitled to vote at such a meeting.

ARTICLE IV

Directors

Section 1 General Powers: All of the general powers of the ASSOCIATION shall be vested in and exercised by the BOARD. The number of directors shall be five (5), unless changed in the manner specified for amending the BYLAWS under Article VIII. At least two (2) of the Directors shall be home OWNERS in Cape Malibu.

Section 2 Term of Office: The term of office for each Director shall be until the second annual meeting following his election. A Director replacing another Director during a term shall serve only until the next annual meeting, unless re-elected. In order to obtain staggered terms of office, at the time of election of Directors in 1984, two Directors will be elected for one year and three Directors elected for two years. Thereafter, all Directors will be elected for two-year terms.

Section 3: Election of Directors shall be by majority vote with written or printed ballot at a duly constituted annual meeting with a quorum present.

Section 4 Organization: At all meetings of the BOARD, the President, or in his absence, the Vice President, shall act as Chairman, and the Secretary of the ASSOCIATION, or in his absence, any person appointed by the Chairman shall act as Secretary.

Section 5 Resignation or Removal: Any Director of the ASSOCIATION may resign at any time by giving written notice to the President or Secretary of the ASSOCIATION. Any or all of the Directors may be removed at any time by at least 2/3 of the MEMBERS present at a duly constituted meeting of the ASSOCIATION at which a quorum is present.

Section 6 Vacancy: In case any vacancy shall exist in the BOARD caused by death, resignation, removal, or any other cause, the Directors at any regular or special meeting may elect a Director or Directors to fill such vacancy or vacancies by vote of the remaining Directors.

Section 7 Annual Meeting: The annual meeting of the BOARD 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 for the annual meeting of the ASSOCIATION, and may be included in such notice. Such notice may be waived by written notice signed by all of the Directors.

Section 8 Special Meetings: Special meetings of the BOARD shall be held whenever called by the President or Vice President. Notice of such meeting shall be mailed to each Director, addressed to him at his last known post office address, or shall be delivered personally, or communicated by telephone, at least five (5) days before the day on which the meeting is to be held. Each such notice shall state time and place, but need not state the purpose. Notice of any meeting need not be given to any Director, if waived by him in writing or by telegram and the presence of any Director at any meeting shall be considered as a waiver by him of notice of such meeting.

Section 9 Quorum and Manner of Voting: Except as otherwise provided by Statute and these BYLAWS, a majority of the Directors in office at the time of any special meeting of the BOARD shall be required in order to constitute a quorum for the transaction of business at such meeting; and the act of the majority of the Directors present at any such meeting shall be the act of the BOARD. Directors may be represented at any meeting and may vote by proxy.

Section 10 Meeting and Officers: The BOARD shall hold its meetings at Lands End Park in said SUBDIVISION in Montgomery County, Texas, or it may meet at any such other place or places within the State of Texas as may be designated in the notice of such meetings.

Section 11: All Annual and Special Meetings of the BOARD shall be open to MEMBERS of the ASSOCIATION and notice of such meetings shall be posted in advance of such meeting.

ARTICLE V

Officers

Section 1 The officers of the ASSOCIATION shall be a President, Vice President, Secretary, Treasurer, and Architectural Chairman. One person may hold and perform the duties of more than one of said offices.

Section 2 Election, Term of Office, and Qualifications: The officers of the ASSOCIATION shall be elected by the BOARD by a majority of the entire Board. All officers shall hold office only during the pleasure of the Board. Each officer shall continue in office until his successor shall have been duly elected and qualified in his stead, or until, he/she shall have resigned or shall have been removed by the Board.

Section 3 Vacancies: Vacancies in any office because of death, resignation, removal, or any other cause, shall be filled by the Directors at a regular or special meeting of all the then remaining Directors for that purpose.

Section 4 President: The President shall preside at all the meetings of The BOARD and ASSOCIATION, and shall perform such duties as he/she may from time to time be authorized to perform by the Directors.

Section 5 Vice-President: At the request of the President, or in his/her absence or disability, the Vice-President shall perform the duties of the President.

Section 6 Secretary: The Secretary shall keep the records and books of the ASSOCIATION and complete minutes of all membership and Directors meetings. He/she shall perform all other duties that usually pertain to his/her office, or are delegated to him/her by the BOARD and he/she shall keep a complete list of the names and addresses of the MEMBERS.

Section 7 Treasurer: The Treasurer shall have the custody of all the monies and securities of the ASSOCIATION. He/she shall keep regular books. All monies shall be deposited by him/her in such depository as shall be selected by the Directors. In addition, he/she shall perform all duties usually pertaining to his/her office or delegated to him/her by the BOARD. The Treasurer shall be bonded by a licensed bonding company; the fee for which shall be paid by the ASSOCIATION.

Section 8 Checks on the ASSOCIATION: Checks on the ASSOCIATION are required to be signed as provided by the BOARD.

Section 9 Legal Counsel: The Legal Counsel shall advise the President and other board MEMBERS on legal matters concerning the SUBDIVISION.

Section 10 ARCHITECTURAL CONTROL COMMITTEE Chairman: The Chairman of the ARCHITECTURAL CONTROL COMMITTEE and committee MEMBERS, who are approved

by the BOARD, shall approve architectural plans in compliance with the current Restrictions and Covenants.

ARTICLE VI

Section 1 Audit: The BOARD will select an outside auditor to make an annual audit of funds. The audit is to be completed and presented at the annual meeting.

Section 2 Fiscal Year: The fiscal year will be July 1st through June 30th for taxes and operations reporting.

ARTICLE VII

All resolutions of the BOARD may be repealed in the same manner in which they were passed.

ARTICLE VIII

The BYLAWS or any of them may be repealed, altered, or amended at any regular or special meeting of the MEMBERS of the ASSOCIATION by a majority vote of those represented at the meeting either by their presence or by signed proxies provided that: (1) The quorum requirement of Article III, Section 3 has been satisfied, and (2) any proposed change in the BYLAWS has been published and mailed to the membership by postmark at least three weeks in advance of the scheduled meeting.

ARTICLE IX

Section 1 Indemnification and Insurance of Directors and Officers: Each director and each officer or former director or officer of this corporation shall be indemnified by the corporation for expenses and costs (including attorneys' fees) actually and necessarily incurred by him in connection with any claim asserted against him, or any action, suit, or proceeding to which he may be a party by reason of his being, or having been, such director or officer, and against such sums as independent counsel selected by the BOARD shall deem reasonable payment made in settlement of any such claim, action, suit, or proceeding primarily with a view to avoiding expenses of litigation; provided, however, that no director or officer shall be indemnified with respect to matters as to which he shall be adjudged in such action, suit, or proceeding to be liable for negligence or misconduct in respect of the matter in which indemnity is sought, or with respect to any matters which shall be settled by the payment of sums which counsel selected by the BOARD shall not deem reasonable payment made primarily with a view to avoiding expenses of litigation, or with respect to matters for which such indemnification would be against public policy. Such right of indemnification shall be in addition to any other rights to which directors or officers may be entitled. It is the intention of these bylaws that officers and directors be indemnified to the maximum extent permitted by Texas law.

This corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, or other enterprise against any liability asserted against him and incurred by him in any such capacity or arising out of his status as such, whether or not the corporation would have the power to indemnify him against such liability.

These Bylaws were approved by a majority vote of the MEMBERS at the Annual Meeting of the Association on August 20, 2000.

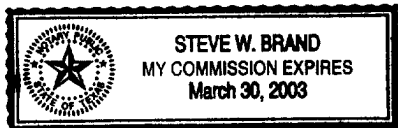
Cape Malibu Property Owners Association, Inc.

By: David Stewart
David Stewart, President

ACKNOWLEDGEMENT

STATE OF TEXAS §
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COUNTY OF MONTGOMERY §

This instrument was acknowledged before me on Nov. 14, 2001, by David Stewart, president of Cape Malibu Property Owners Association, Inc., a Texas non-profit corporation.



Steve W. Brand
Notary Public in and for
The State of Texas

My commission expires: _____

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 Real Property at Montgomery County, Texas.

NOV 15 2001



Mark Turnbull
County Clerk
Montgomery County, Texas

FILED FOR RECORD
2001 NOV 15 AM 11:04
Mark Turnbull
COUNTY CLERK
MONTGOMERY COUNTY, TEXAS