

BYLAWS
Cape Carancahua Property Owners' Association, Inc.
As amended January 23, 2026

Article I
Definitions

Section 1: The words "said property" as used in these Bylaws shall be deemed to mean the following described real property in the county of Jackson, State of Texas, and more particularly described as follows: All of that certain subdivision known as Cape Carancahua Subdivision in Jackson County, Texas, together with any and all other real property which may hereafter, through the operation of conditions, covenants, restrictions, easements, reservations, or charges pertaining to the same, be placed under or submitted to the jurisdiction of this Association and be accepted as within the jurisdiction of this Association by resolution of the Board of Directors of this Association.

Section 2: The word "lot" wherever used in these Bylaws shall be deemed to mean a Lot as defined in any declaration of conditions, covenants, restrictions, easements, reservations or charges affecting the portion of said property in which the lot is located.

Section 3: The word "member" wherever used in these Bylaws shall be deemed to mean a person who owns one or more lots in the Cape Carancahua Subdivision. Such a person and spouse are members of the Association upon payment of an annual maintenance fee and all other assessments or fees levied.

Section 4: "Corporation" and "Association" are used interchangeably in these Bylaws and shall mean Cape Carancahua Property Owners' Association, Inc.

Article II
Purposes and Jurisdiction

Section 1: Purposes: The purposes for which Cape Carancahua Property Owners' Association, Inc. are formed are civic and social for the benefit and betterment of the residents and property owners of Cape Carancahua, a residential development in Jackson County, Texas. The Corporation is formed pursuant to Section 501(C)-7 of the Internal Revenue Code of 1954, said Corporation being organized and to be operated exclusively for pleasure, recreation, and other non-profit purposes. To carry out such purposes properly, the Corporation may, at the discretion of the Board of Directors, perform the following functions, and the exercise of such functions shall be deemed to be within the scope of activities contemplated by the corporate charter:

- (a) The Association may acquire for its members certain parcels of land and items of personality.
- (b) The Association may care for vacant, unimproved and unkempt lots in said development, remove and destroy grass, weeds, rodents, and any unsightly and obnoxious things there from, and do any other things and perform any labor necessary or desirable in the judgment of this Association to keep the property, and the land contiguous and adjacent thereto, neat and in good order, and the owner shall pay all costs and expenses in connection therewith.
(Article II, Section 1 (b) was amended January 23, 2026 as above)
- (c) The Association may enforce changes, restrictions, conditions, and covenants existing, such measures having been adopted for the benefit of said property over which this Association has jurisdiction.
- (d) The Association may perform any and all lawful things and acts which this Association shall at any time, in its discretion, deem to be to the best interests of said property and the owners of the building sites thereon. and the owner shall pay all costs and expenses in connection therewith.
- (e) Any powers and duties exercised by said Association relating to maintenance, operation, construction or reconstruction of any facilities provided for herein may be contracted for with any qualified contractor as agent.
- ~~(f) The Association may provide for garbage and rubbish collection and disposal.~~
(Article II, Section 1 (f) was amended March 13, 1988 as follows)

- (f) The Association may provide for garbage and rubbish collection and disposal, not including personal home garbage at owner's expense.
(Article II, Section 1 (f) was amended January 23, 2026 as above)
- (g) The Association may expend the funds collected by it from assessments, maintenance charges, and all other moneys received by the Association for the payment and discharge of all proper costs, expenses, and obligations incurred by the Association in carrying out any or all of the purposes for which the Association is formed.
- (h) Any and all other acts necessary for the Association to accomplish any of the purposes herein set forth.

Section 2: Area: The activities of the Association shall be limited to the area known as Cape Carancahua Subdivision, a development in Jackson County, Texas, and to such other areas which may hereinafter through the operation of conditions, covenants, restrictions, easements, reservations or charges pertaining to the same be placed under or submitted to the jurisdiction of this Association by resolution of the Board of Directors of this Association.

Section 3: *(Article II, Section 3, was added March 9, 2008)* No Board of Directors, or Board Members, may sell any of the land parcels listed below without the approval of a majority of the property owners voting at a quarterly, annual, or called special meeting.

- (a) Recreational Reserve (1.2989 acres) known as "Boat Ramp"
- (b) Recreational Reserve (.9622 acres) known as "Pool 2"
- (c) Recreational Reserve (220'x 305') known as "Pool 1", "Tennis Courts", "Maintenance Building/Community Center" and "Cape Office"
- (d) Recreational Reserve (2.16-acre waterfront recreational area with fishing pier) known as "Park 1"
- (e) Recreational Reserve (1.53 acres) known as the parking lot adjacent to Park 1
- (f) Recreational Reserve (17.31 acres at the southwest corner of the subdivision) known as "Park C" or "The Point"
- (g) Recreational Reserve (1.2762 acres adjacent to Park C) known as "Park G"

Article III **Offices**

The principal office of the Corporation shall be located at Cape Carancahua Subdivision, Jackson County, State of Texas. The Corporation shall have and continuously maintain in the State of Texas a registered office and a registered agent whose office is identical with such registered office, as required by the Texas Non-Profit Corporation Act. The registered office may be, but need not be, identical with the principal office in the State of Texas, and the address of the registered office may be changed from time to time by the Board of Directors.

Article IV **Membership and Meetings**

Section 1: Membership:

- (a) Prerogatives and responsibilities: All members, except as otherwise herein provided (Article V), shall enjoy the same rights and privileges. Each member shall be eligible for election to the Board of Directors or as an officer or for appointment to the standing or special committees. Each member shall be responsible for his guests.
- (b) ~~Suspension: All financial obligations of a member shall be paid within thirty days from the date of notice thereof to the member. If not paid within ninety days from the date of such notice, the member's right to vote and hold office or committee appointment shall be automatically suspended. When the member pays his financial obligation in full, his rights will be reinstated automatically.~~ *(Article IV, Section 1 (b) was amended January 23, 2026 as above)*
- (c) Removal: Any member may be removed from membership at any time by a vote of a majority of the Board of Directors, provided that the Secretary shall serve upon such member, by registered or certified mail, return receipt requested, written notice of the proposed removal and the reasons therefor at least

thirty days before removal action by the Board. The member may appear in person or may present to the Board of Directors a statement in opposition to the proposed action.

(d) Assessments and Liens:

(Article IV, Section 1 (d) was amended April 18, 2005 as follows)

- (1) Assessments: The Association shall establish a regular assessment to be paid annually, on a calendar year, by the owner of each lot, such amount to be paid in advance for each year. The amount of the assessment shall be determined by a majority vote of the Board of Directors each year, subject to the approval of the majority of lot owners voting in person together with those voting by ballot mailed in the U. S. mail at the next quarterly meeting. The total assessment shall be in accord with the reasonably anticipated maintenance costs for the coming year. The Association may establish the same assessment to be paid by owners of lots in Cape Carancahua as now or later constituted if there are any such owners who are not paying an assessment.

(The following paragraph was added to Article IV, Section 1 (d) (1) March 9, 2008) Since the State of Texas requires all new subdivision lots be at least one half-acre in size, the annual maintenance fee for any newly-developed lots one-half acre or larger purchased after 1-1-08 shall be \$350.00. Annual maintenance fees for these lots shall increase at the same percentage rate as any future increase levied on current lots.

- (2) Liens: The Association shall have a lien on the lot of each owner, whether or not a member, for any unpaid dues or assessments, which lien shall include all court costs and a reasonable attorney's fee. Said lien shall accrue interest at the legal rate from the due date thereof. This lien shall be second only to the liens for taxes and any ~~un~~recorded deed of trust mortgage or other security instrument now existing. *(Article IV, Section 1 (d,2) was amended January 23, 2026 as above)*

Section2: Meetings:

- (a) Annual Meetings: The annual meeting of members shall be held on the second Sunday of March in each year at the appointed time ~~two o'clock p.m.~~ for the purpose of electing directors, to review a proposed budget for the coming year, and to transact any other business which may be brought before or submitted to the meeting. The annual meeting shall be held at Cape Carancahua Subdivision in Jackson County, Texas, or as otherwise determined by the Board of Directors. No notice of the annual meeting shall be necessary. *(Article IV, Section 2 (a) was amended January 23, 2026 as above)*
- (b) Quarterly Meetings: Quarterly meetings shall be held at Cape Carancahua Subdivision during the months of February, May, August, and November to transact such business as shall be either scheduled or presented. Date and time of such meetings will be as the Board of Directors shall designate and publicize.
- (c) Special Meetings: Special meetings may be called by the President or the Vice President or the Board of Directors, or at the request of fifty or more members who have signed a petition for such a meeting. Written notice of each special meeting of the members, stating the time and place thereof and indicating briefly the purpose thereof, shall be sent by mail and/or electronic ballot to the members of the Association at their respective addresses, as shown by the records of the Association, at least five days prior to the date set for the holding of the meeting. *(Article IV, Section 2 (c) was amended January 23, 2026 as above)*
- (d) Organization: The President of the Association, and in his absence, a Vice President of the Association, shall call meetings of the members to order and act as Chairman of such meetings. The Secretary of the Association shall act as Secretary of all meetings of the Association, but in his absence, the presiding officer may appoint any person to act as Secretary of the meeting.
- (e) Agenda and Order of Business: A prepared Agenda and Order of Business will be printed and made available to all attendees at the annual, quarterly, and special meetings.
- (f) Quorum: The number of members present at a meeting shall be judged to constitute a Quorum for the meeting, and for all matters coming to a vote, a simple majority of those members voting, either in person or by proxy, shall determine the issue. When voting by ballot, a quorum consists of the total number of valid ballots received.

Article V
(Amended February 10, 2013)
Voting and Elections

Section 1: Voting:

- (a) All questions and elections, except those that the manner of deciding is otherwise expressly governed by statute or by the Charter of the Corporation or by the Bylaws of the Association, shall be decided by a majority of those members voting in person, by proxy, ~~or by~~ absentee ballot, or electronic ballot, if a ballot is used. *(Article V, Section 1 (a) was amended January 23, 2026 as above)*
- (b) Each property owner of record and his/her spouse have one vote each. If a property owner is single, only one vote is allowed. Multiple owners who are not husband and wife must each sign a document that names the owner designated to vote for all the owners. This document must accompany the signed ballot. Persons voting for owners of record must include Power of Attorney with ballot.
- (c) Votes may be cast in person, by proxy, ~~or by~~ absentee ballot, or electronic ballot, if a ballot is used. Voting on certain matters, including, but not limited to, amendments to the Restrictions or the Bylaws and in the election of directors, will be by ballot sent to members by email unless property owner does not have email or requests ballot be sent by U.S. Postal Service mail no more than thirty nor less than ten days prior to the final call for ballots. *(Article V, Section 1 (c) was amended January 23, 2026 as above)*
- (d) The Board of Directors will appoint five property owners ~~(one each from Sections I, II, III, IV, and V in Cape Carancahua)~~ and one alternate to comprise the Ballot Committee that will oversee all ballot voting. *(Article V, Section 1 (d) was amended January 23, 2026 as above)*
- (e) By casting your vote via absentee ballot, you will forego the opportunity to consider and vote on any action from the floor at the meeting. This means that if there are any amendments to this proposition, your vote(s) will not be counted on the final vote. If you desire to retain this ability, please attend the meeting in person. You may submit this absentee ballot and later choose to attend the meeting in person, in which case your in-person vote will prevail.

Section 2: Election for Members of the Board of Directors:

Elections will be held at the annual meeting for members of the Board of Directors whose terms expire. Members wishing to run for the Board of Directors will present to the Election Committee or Office Staff, in a sealed envelope, a completed "Filing Form, Cape Carancahua Board of Directors" form before the posted deadline.

Section 3: Ballot Procedures:

- (a) Ballots may be submitted by U.S. Mail ~~only~~ in the envelope provided marked "Ballot", via electronic ballot, or in the designated ballot box located in the CCPOA office. Ballots submitted via these processes must be received in the CCPOA office before the deadline designated.
- ~~(b) Ballots may be scanned and submitted via email to the official CCPOA email address before the deadline designated for email ballots.~~
- ~~(c) Ballots may be faxed to 361-972-3024 before the deadline designated for faxed ballots.~~
- (d) Ballots may also be deposited in the ballot box at the meeting until the vote is called and the Ballot Committee convenes to count the ballots.
(Article V, Section 2 (a,b,c,d) was amended January 23, 2026 as above)

Article VI
Board of Directors

Section 1: Powers: The business and property of the Association shall be managed and controlled by the Board of Directors, and subject to the restrictions imposed by law, by the Charter, or by these Bylaws, the Board of Directors may exercise all the powers of the Association.

- (a) Only those persons qualified to vote shall be eligible to run for and hold positions on the Board of Directors. Any Director who becomes ineligible to vote as a member must vacate his position. The

Board shall declare the vacancy exists and the reason for it; the position shall be filled as a vacancy as hereinafter provided.

Section 2: Number and Term of Officers: The number of directors shall be five (5), but the number of directors may be increased or decreased from time to time by the majority vote of the members voting in person or by proxy at any annual or quarterly meeting, providing that the number of directors shall never be less than three. A term consists of two years. Two persons are elected in even numbered years (Positions 3 and 5), three in odd numbered years (Positions, 1, 2, and 4), so long as the number is five. Members who are candidates for the Board will declare for which position they are a candidate; then a person receiving the most votes for a position will be declared elected in that position. Any vacancy occurring on the Board of Directors shall be filled by vote of a majority of the directors then in office. If Board is increased to seven (7), position six (6) will serve same remaining term as one (1), two (2), and four (4). Position seven (7) will serve same remaining term as three (3) and five (5). If Board is increased to more than seven, same logic will be employed. Since no incumbents are involved, those receiving the most votes will take the position with the longest remaining term. In the event an increase in the number of directors is favorably voted on, the additional directors shall be elected at any subsequent special or annual meeting by ballot. A person may be elected to any number of successive terms.

Section 3: Oath of Office: Upon taking office each member of the Board of Directors will take the following oath of office before a general meeting of the membership:

In the presence of the members of the Cape Carancahua Property Owners' Association here assembled, I, (name), do hereby certify that I am familiar with the provisions of the Restrictions and Bylaws of the CCPOA, and I do hereby pledge myself to perform the duties of the office to which I have been elected, during my official term, and in the manner specified by the Restrictions and Bylaws of the CCPOA, and that in the performance of my official duties I will require all members to comply fully with their duties and obligations and will give due consideration to the rights and privileges of all members without prejudice and without exception, and that I will deliver to my successor all books, papers, monies, or other property of this Association which may be in my possession at the close of my official term, all in accordance with this pledge and obligation taken.

Signature Witness Notary

(Article VI, Section 3, was amended March 9, 2008 to include the following paragraph)

Within thirty (30) days after this amendment is approved, each Board Member shall sign a statement that shall be notarized acknowledging that he/she will comply with all duly adopted provisions of these Bylaws. The Oath shall be kept on file at the offices of the Corporation. If a Board Member fails to sign the oath, he/she shall not be qualified for office and shall be immediately removed by a majority vote of the remaining Board Members.

Section 4: Meeting of the Directors: The Directors will hold their meetings and have offices and keep the books of the Association at Cape Carancahua unless circumstances, such as a natural disaster, make a change necessary.

- (a) Regular meetings: Each newly elected Board of Directors at its first meeting will elect its officers for the year. In that and subsequent meetings all business of the Association will be transacted. Meetings will be held at the office of the Association at such time as designated by the Board and shall be open to the members of the Association. Notice of such regular meetings is not mandatory.
- (b) Special Meetings: Special meetings of the Board of Directors shall be held whenever called by the President, Vice President, Secretary, or a majority of the directors then in office. Notice of each special meeting shall be given by any officer of the Association by telegraph, mail, telephone, or personal delivery to each director at his residence or usual place of business at least two days prior to the meeting. Unless otherwise indicated in the notice thereof, any and all business may be transacted at a special meeting. At any meeting at which every director shall be present, even though without any notice, any business may be transacted.

Section 5: Quorum: The majority of the directors then in office shall constitute a quorum for the transaction of business, but if at any meeting of the Board of Directors there be less than a quorum present, the majority of those present may adjourn the meeting to another time without notice, other than by announcement at the meeting, until a

quorum be present or in attendance thereat. The act of a majority of the Directors present at a meeting at which a quorum is in attendance shall constitute the act of the Board of Directors, except as otherwise provided by law, the Charter of the Corporation, or by these Bylaws.

Section 6: Order of Business: At meetings of the Board of Directors, business shall be transacted in such order as the Board of Directors may determine. At all meetings of the Board of Directors, the President shall preside, and in the absence of the President a Chairman shall be chosen from the directors present. The Secretary of the Association shall act as Secretary, but in the absence of the Secretary the presiding officer may appoint any person to act as Secretary of the meeting.

Section 7: Services: No director or officer of the Association shall be required to devote his time or render services exclusively to the Association. Each director and officer of the Association shall be free to engage in any and all other businesses and activities either similar or dissimilar to the business of this Association without liability to this Association. Likewise, each and every director and officer of the Association shall be entirely free to act for and serve any other corporation or corporations, entity or entities, in any capacity or capacities and become a director or officer of any other corporation or corporations, entity or entities, whether or not the purposes, business and activities of this Association, without breach of trusts to the Association or its members and without liability of any character or description to the Association or its members. No contract or other transaction of this Association shall ever be affected by the fact that any director or officer of the Association is interested in, or connected with any party to such contract or transaction, or is a party to such contract or transaction, provided that such contract or transaction shall be approved by a majority of the disinterested directors present at a meeting of the Board of Directors at which such contract or transaction shall be authorized or confirmed.

Article VII

Officers

Section 1: Titles and Term of Office: The officers of the Association shall be a President (who shall be a director), one or more Vice presidents, a Secretary, a Treasurer, and such other officers including but not limited to one or more Assistant Secretaries and one or more Assistant Treasurers, as the Board of Directors may from time to time elect or appoint. One person may hold more than one office. All officers shall be subject to removal, with or without any cause, at any time, by vote of a majority of the whole Board of Directors. A vacancy in the office of any officer shall be filled by vote of a majority of the directors then in office.

Section 2: Powers and Duties of the President: The President, subject to the control of the Board of Directors, shall be in general charge of the affairs of the Association in the ordinary course of its business; he shall preside at all meetings of the members and of the Board of Directors; he may make, sign, and execute all deeds, conveyances, assignments, bonds, contracts, and other obligations, and any and all other instruments and papers of any kind or character in the name of the Association; and he shall do and perform such other duties as may from time to time be assigned to him by the Board of Directors.

Section 3: Vice Presidents: Each Vice President shall have the usual powers and duties pertaining to his office together with such other powers and duties as may be assigned to him by the Board of Directors, and the Vice President shall have and exercise the powers of the President during the officer's absence or inability to act. Any action taken by a Vice President in the performance of the duties of the President shall be conclusive evidence of the absence or inability to act of the President at the time such action was taken.

Section 4: Treasurer: The Treasurer shall have custody of all the funds and securities of the Association which come into his hands. When necessary or proper, he may endorse, on behalf of the Association, for collection of checks, notes, and other obligations and shall deposit the same to the credit of the Association in such bank or banks or depositories as shall be designated in the manner described by the Board of Directors; he may sign all receipts and vouchers for payments made to the Association, either alone or jointly with such officers as are designated by the Board of Directors; whenever required by the Board of Directors, he shall render a statement of his cash account; he shall enter or cause to be entered regularly on the books of the Association to be kept by him for that purpose full and accurate accounts to any director of the Association during business hours; he shall perform all acts incident to the position of Treasurer subject to the control of the Board of Directors; he shall, if

required by the Board of Directors, give such bond for the faithful discharge of his duties in such form as the Board of Directors may require.

Section 5: Secretary: The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the members in books provided for the purpose; he shall attend to the giving and serving of all notices; he may sign with the President or Vice President in the name of the Association all contracts, conveyances, transfers, assignments, authorizations, and other instruments of the Association and affix the seal of the Corporation thereto. He shall have the charge of and maintain and keep such books and papers as the Board of Directors may direct, all of which shall be at all reasonable times open to the inspection of any director upon request at the office of the Association during business hours and he shall in general perform all the duties incident to the office of the Secretary subject to the control of the Board of Directors.

Article VIII

Contracts, Checks, Bank Accounts

Section 1: The Board of Directors, except as these Bylaws otherwise provide, may authorize any officer or officers, agent or agents, in the name of and on behalf of the Association, to enter into any contract or execute and deliver any instrument; such authority may be general and confined to specific instances. Unless so authorized by the Board of Directors or expressly authorized by the Bylaws, no officer or agent or employee shall have any power or authority to bind the Association by any contract or engagement or to pledge its credit or to render it liable pecuniarily for any purpose or to any amount.

Section 2: No loan shall be contracted on behalf of the Association, and no negotiable papers shall be issued in its name unless authorized by the vote of the Board of Directors and a majority of those members voting at a general association meeting for which an agenda has been published which includes the matter to be voted.

Section 3: All checks, drafts, and other orders for the payment of money out of the funds of the Association, and all notes or other evidences of indebtedness of the Association, shall be signed on behalf of the Association and in such manner as shall from time to time be determined by resolution of the Board of Directors.

Section 4: All funds of the Association not otherwise employed shall be deposited regularly to the credit of the Association in such banks or other depositories as the Board of Directors may select and for the purpose of such deposit the President, a Vice President, the Treasurer, the Secretary, or any other officer or agent or employee of the Association to whom such power may be delegated by the Board of Directors, may endorse, assign, and deliver checks, drafts, and other orders for the payment of moneys which are payable to the order of the Association.

Section 5: *(added to Article VIII on March 9, 2008)* Special reserve funds shall be deposited in a high-yield account (Certificate of Deposit, bonds, money market, etc., and interest is to accrue on that account to help cover inflation) for each of the following issues:

- (a.) Disaster Relief Fund: To repair/replace those items damaged/destroyed during any natural disaster not covered by the CCPOA's insurance. The amount in this fund shall be increased from time to time by the Board to insure that there are sufficient funds to replace all piers belonging to the CCPOA along with at least 100 feet of bulkhead. Upon depletion of the funds, the Board shall endeavor to replenish the funds used in the following 36-month period. (Fully funded as of 1-1-08 with \$126,650.00.)
- (b.) Pool Repair Fund: To enable pool renovation every 10 years or as necessary. This fund will be increased at the rate of \$2,500.00 per year until the recommended amount of \$25,000.00 is reached. (Current balance in this fund is \$2,500.00.) These funds may be used for emergency, unbudgeted pool repairs at any time. The Board shall replenish any emergency funds used within 24 36 months.
- (c.) Gate Replacement/Repair Fund: To repair/replace the gate as needed. This fund will be increased at the rate of \$2,000.00 per year until the recommended amount of \$20,000.00 is reached. (Current balance in this fund is \$2,000.00.) These funds may be used for emergency, unbudgeted gate repairs at any time. The Board shall replenish any emergency funds used within 24 36 months.
- (d.) Building Fund: To repair/replace/or build new buildings as needed. This fund will be increased at the rate of \$2,500.00 per year until the recommended amount of \$25,000.00 is reached. (Current

- balance in this fund is \$2,500.00.) These funds may be used for emergency, unbudgeted building repairs at any time. The Board shall replenish any emergency funds used within 24 36 months.
- (e.) Fence Fund: To repair/replace the fence as needed. This fund will be increased at the rate of \$2,000.00 per year until the recommended amount of \$20,000.00 is reached. (Current balance in this fund is \$2,000.00.) These funds may be used for emergency, unbudgeted fence repairs at any time. The Board shall replenish any emergency funds used within 24 36 months.
- (f.) Pier Fund: To repair/replace the piers as needed. This fund will be increased at the rate of \$4,000.00 per year until the recommended amount of \$40,000.00 is reached. (Current balance in this fund is \$4,000.00.) These funds may be used for emergency, unbudgeted pier repairs at any time. The Board shall replenish any emergency funds used within 24 36 months.

(Article VIII, Section 5 (b, c, d, e, f) was amended January 23, 2026 as above)

These, and any other special funds set up by the Board of Directors, and the interest generated thereon, shall remain in the account until needed for the purpose specified. The Board shall not use these funds for any other purpose unless approved by a majority vote of the property owners present at a quarterly, annual, or called special meeting in accordance with the requirements of Article VI, Section 2(c). The Board shall, from time to time, determine the amounts necessary to meet the needs of each reserve fund and adjust the funds to be placed therein to insure that the purpose of the special fund is served.

Section 6: *(added to Article VIII on March 9, 2008)* The Board of Directors, or any one Board Member, shall not authorize deficit spending, or spend more money than the association will generate through maintenance fees, permits, and other income, on an annual basis, unless:

- a. The funds have been set aside in a special reserve account for that purpose; or
- b. The funds are budgeted or spent after being approved by a majority vote of the property owners present at a duly convened quarterly, annual, or special meeting; or
- c. The funds were voted and approved in prior years for projects not completed; or
- d. The funds were budgeted, but not spent, and are carried over to the next year's budget.

In the event the Board, or any Board Member, violates this provision, those persons may be held personally liable by the Association for any debt incurred in that violated the provision.

One or more Board Members may be removed for violating this provision by a majority vote of property owners present at a duly convened special meeting. If one or more Board Members are so removed, the property owners, by majority vote at that same meeting, shall appoint a person to complete the removed Board Member's term. If all Board Members are removed, a temporary Board shall be appointed by those property owners at the Special Meeting. The Board so appointed shall hold a general election within thirty (30) days and shall follow Article V of the Bylaws, as it is amended.

Section 7: *(added to Article VIII on March 9, 2008)* The Board, or any Board Member, shall not enter into a contract that exceeds twelve (12) months without prior approval by a majority of the property owners present at a duly convened quarterly, annual, or called special meeting. The Board or Board Members violating this provision may be held financially responsible for any debt incurred. One or more Board Members may be removed for violating this provision by a majority vote of property owners present at a duly convened special meeting. If one or more Board Members are so removed, the property owners, by majority vote at that same meeting, shall appoint a person to complete the removed Board Member's term. If all Board Members are removed, a temporary Board shall be appointed by those property owners at the Special Meeting. The Board so appointed shall hold a general election within thirty (30) days and shall follow Article V of the Bylaws, as it is amended.

Article IX
Indemnification and Insurance of Directors and Officers

The Association shall indemnify each director and officer or former director and officer of the Association for expenses and costs (including attorney's fees) actually and necessarily incurred by him in connection with any claim asserted against him, by action in court or otherwise, by reason of such person being or having been such director or officer, except in relation to matters as to which such director or officer shall have been guilty of negligence or misconduct in respect of the matter in which indemnity is sought.

The Association may purchase and maintain insurance on behalf of any person who is or was a director or officer of the Association against any liability asserted against him in any such capacity.

Article X
Miscellaneous Provisions

Section 1: Fiscal Year: The fiscal year of the Association shall end at midnight on December 31st of each year.

Section 2: Seal: The seal of the Corporation shall be circular in form and shall have inscribed thereon the name of the Corporation.

Section 3: Notice and Waiver of Notice: Whenever any notice whatever is required to be given under the provisions of these Bylaws, said notice shall be deemed to be sufficient if given by depositing the same in a post office box in a sealed, postpaid wrapper addressed to the person entitled thereto at his post office address, as it appears on the books of the Association, and such notice shall be deemed to have been given on the day of such mailing. A waiver of notice, whether before or after the time stated therein, shall be deemed equivalent to notice.

Section 4: Resignations: Any director or officer may resign at any time. Such resignation shall be made in writing and shall take effect at the time specified therein, or, if no time be specified, at the time of its receipt by the President or Secretary. The acceptance of the resignation shall not be necessary to make it effective, unless expressly so provided in the resignation.

Article XI
Amendments

These Bylaws may be supplemented, altered, amended, revised, or repealed in accordance with the measure adopted at the annual meeting, March 9, 1986, to wit:

Amendment to or revisions of the Bylaws are to be submitted to the entire membership through a mail ballot; information concerning the issue will accompany the ballot, and a special or quarterly meeting to discuss the issues involved will be held prior to the due date of the mail ballot. No more than two submissions per year for change may be made to the membership.

Any future amendments adopted shall be numbered thusly: Amendment One, Amendment Two ... consecutively and registered with the Clerk of Court, Jackson County, Texas.

AMENDMENTS

Amendment One – March 13, 1988

Article II, Section 1, paragraph (f) shall be amended to read:

The Association may provide for garbage and rubbish collection and disposal, not including personal home garbage.

Amendment Two – March 8, 1998

Article V, Section 2, insert after first paragraph:

In the event there are no contested races, or no opposing candidates, a mail ballot will be deemed unnecessary and the candidates will automatically become Directors at the Annual Meeting on the second Sunday in March of that year.

Amendment Three – April 18, 2005

Article IV, Section 1 (d) (1) shall be amended to read:

Assessments: The Association shall establish a regular assessment to be paid annually by the owner of each lot, such amount to be paid in advance for each year. The amount of the assessment shall be determined by a majority vote of the Board of Directors each year, subject to the approval of the majority of lot owners voting in person together with those voting by ballot mailed in the U. S. mail or by electronic ballot at the next quarterly meeting. The total assessment shall be in accord with the reasonably anticipated maintenance costs for the coming year. The Association may establish the same assessment to be paid by owners of lots in Cape Carancahua as now or later constituted if there are any such owners who are not paying an assessment.

(Amended January 23, 2026 as above)

Amendment Four – March 9, 2008

Article VIII, Section 6

The Board of Directors, or any one Board Member, shall not authorize deficit spending, or spend more money than the association will generate through maintenance fees, permits, and other income, on an annual basis, unless:

- (a.) The funds have been set aside in a special reserve account for that purpose; or
- (b.) The funds are budgeted or spent after being approved by a majority vote of the property owners present at a duly convened quarterly, annual, or special meeting; or
- (c.) The funds were voted and approved in prior years for projects not completed; or
- (d.) The funds were budgeted, but not spent, and are carried over to the next year's budget.

In the event the Board, or any Board Member, violates this provision, those persons may be held personally liable by the Association for any debt incurred that violated the provision.

One or more Board Members may be removed for violating this provision by a majority vote of property owners present at a duly convened special meeting. If one or more Board Members are so removed, the property owners, by majority vote at that same meeting, shall appoint a person to complete the removed Board Member's term. If all Board Members are removed, a temporary Board shall be appointed by those property owners at the Special Meeting. The Board so appointed shall hold a general election within thirty (30) days and shall follow Article V of the Bylaws, as it is amended.

Amendment Five – March 9, 2008

Article VIII, Section 7

The Board, or any Board Member, shall not enter into a contract that exceeds twelve (12) months without prior approval by a majority of the property owners present at a duly convened quarterly, annual, or called special meeting. The Board or Board Members violating this provision may be held financially responsible for any debt incurred. One or more Board Members may be removed for violating this provision by a majority vote of property owners present at a duly convened special meeting. If one or more Board Members are so removed, the property owners, by majority vote at that same meeting, shall appoint a person to complete the removed Board Member's term. If all Board Members are removed, a temporary Board shall be appointed by those property owners at the Special Meeting. The Board so appointed shall hold a general election within thirty (30) days and shall follow Article V of the Bylaws, as it is amended.

Amendment Six – March 9, 2008

Article V, Section 1 (a), the following sentence shall be added after the last paragraph:

All property owners eligible to vote shall be notified in writing by mail or electronic ballot thirty (30) days in advance of any meeting requiring a vote by the property owners of CCPOA.

(Amended January 23, 2026 as above)

Amendment Seven – March 9, 2008

Article VI, Section 3, insert after Oath of Office

Within thirty (30) days after this amendment is approved, each Board Member shall sign a statement that shall be notarized acknowledging that he/she will comply with all duly adopted provisions of these bylaws. The Oath shall be kept on file at the offices of the Corporation. If a Board Member fails to sign the oath, he/she shall not be qualified for office and shall be immediately removed by a majority vote of the remaining Board Members.

Amendment Eight – March 9, 2008

Article VIII, Section 5

Special reserve funds shall be deposited in a high-yield account (Certificate of Deposit, bonds, money market, etc., and interest is to accrue on that account to help cover inflation) for each of the following issues:

- (a.) Disaster Relief Fund: To repair/replace those items damaged/destroyed during any natural disaster not covered by the CCPOA's insurance. The amount in this fund shall be increased from time to time by the Board to insure that there are sufficient funds to replace all piers belonging to the CCPOA along with at least 100 feet of bulkhead. Upon depletion of the funds, the Board shall endeavor to replenish the funds used in the following 36-month period. (Fully funded as of 1-1-08 with \$126,650.00.)
- (b.) Pool Repair Fund: To enable pool renovation every 10 years or as necessary. This fund will be increased at the rate of \$2,500.00 per year until the recommended amount of \$25,000.00 is reached. (Current balance in this fund is \$2,500.00.) These funds may be used for emergency, unbudgeted pool repairs at any time. The Board shall replenish any emergency funds used within 36 months.
- (c.) Gate Replacement/Repair Fund: To repair/replace the gate as needed. This fund will be increased at the rate of \$2,000.00 per year until the recommended amount of \$20,000.00 is reached. (Current balance in this fund is \$2,000.00.) These funds may be used for emergency, unbudgeted gate repairs at any time. The Board shall replenish any emergency funds used within 36 months.
- (d.) Building Fund: To repair/replace/or build new buildings as needed. This fund will be increased at the rate of \$2,500.00 per year until the recommended amount of \$25,000.00 is reached. (Current balance in this fund is \$2,500.00.) These funds may be used for emergency, unbudgeted building repairs at any time. The Board shall replenish any emergency funds used within 36 months.
- (e.) Fence Fund: To repair/replace the fence as needed. This fund will be increased at the rate of \$2,000.00 per year until the recommended amount of \$20,000.00 is reached. (Current balance in this fund is \$2,000.00.) These funds may be used for emergency, unbudgeted fence repairs at any time. The Board shall replenish any emergency funds used within 36 months.
- (f.) Pier Fund: To repair/replace the piers as needed. This fund will be increased at the rate of \$4,000.00 per year until the recommended amount of \$40,000.00 is reached. (Current balance in this fund is \$4,000.00.) These funds may be used for emergency, unbudgeted pier repairs at any time. The Board shall replenish any emergency funds used within 36 months.

These, and any other special funds set up by the Board of Directors, and the interest generated thereon, shall remain in the account until needed for the purpose specified. The Board shall not use these funds for any other purpose unless approved by a majority vote of the property owners present at a quarterly, annual, or called special meeting in accordance with the requirements of Article VI, Section 2(c). The Board shall, from time to time, determine the amounts necessary to meet the needs of each reserve fund and adjust the funds to be placed therein to insure that the purpose of the special fund is served.

(Amended (b), (c), (d), (e), & (f) January 23, 2026 as above)

Amendment Nine – March 9, 2008

Article IV, Section 1 (d) (1), insert after first paragraph

Since the State of Texas requires all new subdivision lots be at least one half-acre in size, the annual maintenance fee for any newly-developed lots one-half acre or larger purchased after 1-1-08 shall be \$350.00. Annual maintenance fees for these lots shall increase at the same percentage rate as any future increase levied on current lots.

Amendment Ten – March 9, 2008

Article V, Section 3

~~Any provision currently in Article V that conflicts with the language of this amendment is repealed and the language of this amendment shall supersede all prior terms. Article V of the Bylaws is hereby amended to include the following provisions:~~

~~All ballot elections shall adhere to the following procedures:~~

- ~~(a.) The Board shall appoint a three person committee to research and recommend a third party (accounting firm, legal firm, or city or county election officials), with no ties to the CCPOA, to conduct the election.~~
- ~~(b.) The Election Committee shall, with the assistance of CCPOA office personnel, verify the eligibility of property owners to vote in the upcoming election. Any property owner with an outstanding balance more than ninety days old at the time the voting list is sent to the designated third party conducting the election will not be eligible to vote in the upcoming election.~~
- ~~(c.) The designated third party selected to conduct the election shall:~~
 - ~~(1) Prepare the ballots.~~
 - ~~(2) Mail the ballots to all eligible voters with addressed/stamped return envelopes on the 20th day of January of each year and at other such times as a special election shall be held.~~
 - ~~(3) Receive the executed ballots. All ballots must be received by mail, by the due date, to be valid. The due date shall be March 5th of any year for the annual election. For special elections, the property owners shall set the due date for ballots at a quarterly, annual, or called special meeting. The due date shall be at least thirty (30) days after the ballot is mailed.~~
 - ~~(4) Count the ballots.~~
 - ~~(5) Report the results of the annual election at the annual meeting of the CCPOA. Report the results of a special election at a members' meeting to be determined at the time the special election is called.~~
 - ~~(6) Destroy the ballots 60 days after the election.~~
 - ~~(7) Maintain the anonymity of all voters and disclose no information to any property owner regarding the casting of any vote.~~
- ~~(d.) Any property owner wishing to run for the CCPOA Board of Directors shall present to the Election Committee or the Cape Carancahua office, in a sealed envelope, a brief biography of qualifications, along with the position for which said property owner wishes to run, before the deadline posted at bulletin boards and in the CCPOA office. The outside of the sealed envelope shall show the date and time it was submitted and the property owner's signature. The Election Committee or CCPOA office personnel will issue a receipt for same.~~

These procedures are intended to result in fair and complete ballot counting using a Ballot Committee. The Ballot Committee will be composed of CCPOA members selected by the Board of Directors. The Ballot Committee shall consist of six members, one each from Sections 1-5, plus one alternate member. The Ballot Committee shall select one member as Chairman. Decisions made by the Committee shall be by vote, requiring a simple majority. The Committee shall maintain a written record of each meeting, such records to be submitted to the Board of Directors within one week after the final vote tally is made.

Ballots may be cast in person at the meeting so designated for the vote, sent to the CCPOA Office by regular mail in the envelope provided or by electronic ballot.

In all cases, the ballot used must be the official ballot provided for the purpose by CCPOA, or an exact copy or scan. All ballots, except those cast in person at the meeting so designated, must be sent via U. S. Mail in the envelope provided marked "Ballot" or electronic ballot and received in the CCPOA Office no later than close of business on date designated. From the date of the mailing of the ballots through date designated, Cape mail will be checked once per day, at a time designated by the Ballot Committee. Two persons will check the mail -- the Cape Office Staff working that day and a member of the Ballot Committee. The total number of ballots for that day shall be counted and the number noted on a sheet provided for that purpose; all envelopes shall remain sealed. A copy of that record will be made and furnished to the President of the Board of Directors on request. The keys to the ballot box shall remain in the custody of the Ballot Committee from the date of mailing until the final vote tabulation on the day of the meeting so designated. The locked ballot box shall remain in the CCPOA Office at all times.

Members of the Ballot Committee will count and tabulate votes received by U. S. Mail in the CCPOA office between the hours of 9 a.m. and 4 p.m. on date designated. Voters shall be certified using the latest ownership information available in the Cape database provided by Office Staff.

Ballots shall be classified and marked as "Valid", "Spoiled", or "Ineligible". Spoiled and Ineligible ballots shall not be counted. The votes on all "Valid" ballots shall be counted and tabulated by the Committee. The tabulation of the votes shall be signed by the Committee members and will be held in total secrecy by them until after the final tabulation is made at the meeting so designated for the vote. All ballots shall be retained in their original envelopes for a period of sixty days following the meeting designated for the vote. They shall be retained in the locked ballot box, which shall remain in the Cape Office with the keys held by the Chairman or designee of the Ballot Committee.

Ballots cast in person at the meeting so designated shall be identical to the mailed ballot except they will be printed on colored paper and will not be individualized. The colored paper will differentiate them from mailed ballots. At the meeting, ballots shall be distributed to the members wishing to vote in person. Marked ballots shall be folded and collected by the Ballot Committee and counted as specified above. Votes cast at the meeting shall supersede and replace any cast previously. The final tabulation shall be signed by the Committee members, who shall then return to the meeting. The Committee Chairman or designee shall then announce the results to the CCPOA members there assembled.

On the sixtieth day following the meeting designated for the vote, the ballots and any other materials which identify the voters to the votes shall be destroyed. A member of the Ballot Committee and a member of the Office Staff shall meet at the Office on that day and destroy the materials using a method jointly agreed upon. Both parties must witness the destruction, taking care not to read the ballots, and to shield the ballots from any Office visitors.

(Amended January 23, 2026 as above)

Amendment Eleven – March 9, 2008

Article II, Section 3

No Board of Directors, or Board Members, may sell any of the land parcels listed below without the approval of a majority of the property owners voting at a quarterly, annual, or called special meeting.

- (a.) Recreational Reserve (1.2989 acres) known as "Boat Ramp"
- (b.) Recreational Reserve (.9622 acres) known as "Pool 2"
- (c.) Recreational Reserve (220' x 305') known as "Pool 1", "Tennis Courts", "Maintenance Building/Community Center" and "Cape Office"
- (d.) Recreational Reserve (2.16-acre waterfront recreational area with fishing pier) known as "Park 1"
- (e.) Recreational Reserve (1.53 acres) known as the parking lot adjacent to Park 1

- (f.) Recreational Reserve (17.31 acres at the southwest corner of the subdivision) known as “Park C” or “The Point”
- (g.) Recreational Reserve (1.2762 acres adjacent to Park C) known as “Park G”

Amendment Twelve – February 10, 2013

Voting and Elections

Section 1: Voting:

- (f) All questions and elections, except those that the manner of deciding is otherwise expressly governed by statute or by the Charter of the Corporation or by the Bylaws of the Association, shall be decided by a majority of those members voting in person, by proxy, or by absentee ballot, if a ballot is used.
- (g) Each property owner of record and his/her spouse have one vote each. If a property owner is single, only one vote is allowed. Multiple owners who are not husband and wife must each sign a document that names the owner designated to vote for all the owners. This document must accompany the signed ballot. Persons voting for owners of record must include Power of Attorney with ballot.
- (h) Votes may be cast in person, by proxy, or by absentee ballot if a ballot is used. Voting on certain matters, including, but not limited to, amendments to the Restrictions or the Bylaws and in the election of directors, will be by ballot sent to members by U.S. Postal Service mail no more than thirty nor less than ten days prior to the final call for ballots.
- (i) The Board of Directors will appoint five property owners (one each from Sections I, II, III, IV, and V in Cape Carancahua) and one alternate to comprise the Ballot Committee that will oversee all ballot voting.
- (j) By casting your vote via absentee ballot, you will forego the opportunity to consider and vote on any action from the floor at the meeting. This means that if there are any amendments to this proposition, your vote(s) will not be counted on the final vote. If you desire to retain this ability, please attend the meeting in person. You may submit this absentee ballot and later choose to attend the meeting in person, in which case your in-person vote will prevail.

Section 2: Election for Members of the Board of Directors:

Elections will be held at the annual meeting for members of the Board of Directors whose terms expire. Members wishing to run for the Board of Directors will present to the Election Committee or Office Staff, in a sealed envelope, a completed “Filing Form, Cape Carancahua Board of Directors” form before the posted deadline.

Section 3: Ballot Procedures:

- (e) Ballots may be submitted by U.S. Mail only in the envelope provided marked “Ballot” and must be received in the CCPOA office before the deadline designated for mailed ballots.
- (f) Ballots may be scanned and submitted via email to the official CCPOA email address before the deadline designated for email ballots.
- (g) Ballots may be faxed to 361-972-3024 before the deadline designated for faxed ballots.
- (h) Ballots may be deposited in the ballot box at the meeting until the vote is called and the Ballot Committee convenes to count the ballots.

Amendment Thirteen – January 23, 2026

Article II – Purposes and Jurisdiction

Section 1 – Purposes:

- (b) The Association may care for vacant, unimproved and unkempt lots in said development, remove and destroy grass, weeds, rodents, and any unsightly and obnoxious things there from, and do any other things and perform any labor necessary or desirable in the judgment of this Association to keep the property, and the land contiguous and adjacent thereto, neat and in good order, and the owner shall pay all costs and expenses in connection therewith.
- (f) The Association may provide for garbage and rubbish collection and disposal, not including personal home garbage at owner’s expense.

Article IV – Membership and Meetings

Section 1 – Membership:

(b) ~~Suspension: All financial obligations of a member shall be paid within thirty days from the date of notice thereof to the member. If not paid within ninety days from the date of such notice, the member's right to vote and hold office or committee appointment shall be automatically suspended. When the member pays his financial obligation in full, his rights will be reinstated automatically.~~

(d) Assessments and Liens:

(2) Liens: The Association shall have a lien on the lot of each owner, whether or not a member, for any unpaid dues or assessments, which lien shall include all court costs and a reasonable attorney's fee. Said lien shall accrue interest at the legal rate from the due date thereof. This lien shall be second only to the liens for taxes and any ~~un~~recorded deed of trust mortgage or other security instrument now existing.

Section 2: Meetings:

(a) Annual Meetings: The annual meeting of members shall be held on the second Sunday of March in each year at the appointed time ~~two o'clock p.m.~~ for the purpose of electing directors, to review a proposed budget for the coming year, and to transact any other business which may be brought before or submitted to the meeting. The annual meeting shall be held at Cape Carancahua Subdivision in Jackson County, Texas, or as otherwise determined by the Board of Directors. No notice of the annual meeting shall be necessary.

Article V – Voting and Elections

Section 1 – Voting

(a) All questions and elections, except those that the manner of deciding is otherwise expressly governed by statute or by the Charter of the Corporation or by the Bylaws of the Association, shall be decided by a majority of those members voting in person, by proxy, ~~or by~~ absentee ballot, or electronic ballot, if a ballot is used.

(c) Votes may be cast in person, by proxy, ~~or by~~ absentee ballot, or electronic ballot, if a ballot is used. Voting on certain matters, including, but not limited to, amendments to the Restrictions or the Bylaws and in the election of directors, will be by ballot sent to members by email unless property owner does not have email or requests ballot be sent by U.S. Postal Service mail no more than thirty nor less than ten days prior to the final call for ballots.

(d) The Board of Directors will appoint five property owners (~~one each from Sections I, II, III, IV, and V in Cape Carancahua~~) and one alternate to comprise the Ballot Committee that will oversee all ballot voting.

Section 3: Ballot Procedures

(a) Ballots may be submitted by U.S. Mail ~~only~~ in the envelope provided marked "Ballot", via electronic ballot, or in the designated ballot box located in the CCPOA office. Ballots submitted via these processes must be received in the CCPOA office before the deadline designated.

Article VIII – Contracts, Checks, Bank Accounts

Section 5 –

(b) Pool Repair Fund: To enable pool renovation every 10 years or as necessary. This fund will be increased at the rate of \$2,500.00 per year until the recommended amount of \$25,000.00 is reached. (Current balance in this fund is \$2,500.00.) These funds may be used for emergency, unbudgeted pool repairs at any time. The Board shall replenish any emergency funds used within 24 36 months.

(c) Gate Replacement/Repair Fund: To repair/replace the gate as needed. This fund will be increased at the rate of \$2,000.00 per year until the recommended amount of \$20,000.00 is

reached. (Current balance in this fund is \$2,000.00.) These funds may be used for emergency, unbudgeted gate repairs at any time. The Board shall replenish any emergency funds used within ~~24~~ 36 months.

(d) Building Fund: To repair/replace or build new buildings as needed. This fund will be increased at the rate of \$2,500.00 per year until the recommended amount of \$25,000.00 is reached. (Current balance in this fund is \$2,500.00.) These funds may be used for emergency, unbudgeted building repairs at any time. The Board shall replenish any emergency funds used within ~~24~~ 36 months.

(e) Fence Fund: To repair/replace the fence as needed. This fund will be increased at the rate of \$2,000.00 per year until the recommended amount of \$20,000.00 is reached. (Current balance in this fund is \$2,000.00.) These funds may be used for emergency, unbudgeted fence repairs at any time. The Board shall replenish any emergency funds used within ~~24~~ 36 months.

(f) Pier Fund: To repair/replace the piers as needed. This fund will be increased at the rate of \$4,000.00 per year until the recommended amount of \$40,000.00 is reached. (Current balance in this fund is \$4,000.00.) These funds may be used for emergency, unbudgeted pier repairs at any time. The Board shall replenish any emergency funds used within ~~24~~ 36 months.