

**BY-LAWS OF CANEY CREEK ESTATES CLUB,
INC.,
A TEXAS NON-PROFIT CORPORATION**

ARTICLE I

PURPOSE. The purpose of the Corporation shall be to promote civic pride, develop social welfare, and establish public unity in the community; to maintain those lots conveyed to the Corporation and held for the common good and use of the Members; to assist in all economic, civic, and social enterprise or activities that are for the welfare of the community; and to provide internal rules for the regulation and management of the affairs of the Corporation not inconsistent with the Articles of the Corporation or Article 1396-2.01 of the Texas Non-Profit Corporation Act.

ARTICLE II

OFFICES. The principal office of the Corporation shall be located in the Community of Sargent, Matagorda County, Texas.

The registered office of the Corporation required by the Texas Business Corporation Act to be maintained in the State of Texas, may be, but need not be, identical with the principal office, and the address of the registered office may be changed from time to time by the Board of Directors.

ARTICLE III

SECTION 1. Membership. All lot owners within Caney Creek Subdivision, Section I and II, as depicted in Vol. 2, Pages 62-68 and 70072 of the Map Records of Matagorda County, shall be "Members" of the Corporation and governed by and benefit from the Act, the Articles and the Provisions hereof.

SECTION 2. Members in Good Standing. As described in Articles and contemplated by the Act, only members who are current and up-to-date in paying to the Corporation their respective dues and/or other assessments provided herein shall be considered "Members in good standing of the Club (or Corporation)", and only such "Members in good standing" shall be entitled to vote on any matter before the membership at an annual and/or special meeting of the Corporation. Except as provided below in Article IV, Section 2(c), any non-current Member may attend any such meeting(s), but shall not be counted toward a "Quorum" (as below defined) nor entitled to vote unless such non-current Member becomes current by paying in full, in person or by messenger, in

cash or by certified check (not personal or company check), all accrued dues and/or assessments to the Corporation's Treasurer or president no later than one (1) hour prior to the particular meeting.

ARTICLE IV

SECTION 1. **Annual Meeting.** Unless the Board of Directors elects that an annual meeting is unnecessary and/or impractical and notifies the Members as below provided, the annual meeting of the Corporation shall be held on the Saturday preceding Labor Day in each year, at the hour of 2:00 p.m., or on such other date and time prior to December 1st of each year as the Board of Directors shall designate, for the purpose of electing directors, as needed, and for the transaction of such other business as may come before the meeting. The meeting shall be held at the Fellowship Hall of Caney Creek Estates unless otherwise informed in any notice delivered to the Members; any change of place and/or time must be stated in a written notice to the Members no less than ten (10) days prior to the date of the annual meeting. If the election of certain directors shall not be held on the day designated herein for any annual meeting or at any adjournment meeting thereof, the Board of Directors shall cause the election to be held at a special meeting held in the same year prior to December 1st. Failure to hold an annual meeting for whatever reason shall **not** cause a dissolution of the Corporation. One tenth (1/10) of all the members in good standing may compel the holding of an annual meeting should the Board of Directors fail to do so, by giving notice of the time and place thereof pursuant to Section 3(ii) and Section 4 of this Article.

SECTION 2. **Presiding Officer and Conduct of Meetings.** The Chairman of the Board of Directors, shall preside at all meetings and shall automatically serve as Chairman of such meetings. In the absence of the Chairman of the Board of Directors, or if the Directors neglect or fail to elect a Chairman, then, in order of priority, the President, Vice President, Secretary or Treasurer of the Corporation shall preside at the meetings and shall automatically be the Chairman of such meeting, unless and until a different person is elected by a majority of the Members entitled to vote at such meeting.

The Chairman of the meeting shall appoint at least three (3) members to act as inspectors of any election or matter to be voted upon at the meeting. The Chairman shall also appoint, with the approval of the Board of Directors, a Parliamentarian who shall be responsible for parliamentary procedures at the meetings as called upon, and shall be available for consultation to the President.

In all matters of procedure not specifically covered by the By-laws of the Club, meetings generally shall follow rules of parliamentary procedure as set out in the latest edition of Robert's Rules of Order, Newly Revised.

(a) If disorder should arise which prevents continuation of the legitimate business of the meeting, the Chairman may quit the chair and announce the adjournment of the meeting; and upon his so doing, the meeting shall be immediately adjourned.

(b) The Chairman may require that anyone not a Member in good standing leave the meeting.

(c) A resolution or motion shall be considered for vote only if proposed by a Member in good standing and seconded by another Member in good standing other than the individual who proposed the resolution or motion.

(d) The order of business at the annual and, so far as possible, at all other meetings shall be:

1. Calling the roll (optional with Chairman)
2. Proof of due notice of the meeting (if any is required)
3. Reading and disposal of unapproved minutes
4. Reports of officers and committees
5. Election of directors
6. Unfinished business
7. New business
8. Adjournment.

SECTION 3. Special Meetings. (i) Special Meetings of the Members, for any purpose or purposes may be called by the President, any two (2) Directors of the Board of Directors, any two (2) officers or a Member acting with the written consent and agreement of not less than one-tenth (1/10th) of all the Members in good standing of the Corporation.

(ii) **Place of Special Meeting.** The above authorized Members mentioned **may** designate any place, within Caney Creek Subdivision or within ten (10) miles thereof, as the place of meeting for any special meeting. If no designation is made, the place of meeting **shall** be the Fellowship Hall.

SECTION 4. Notice of Meetings. No notice shall be necessary with respect to an annual meeting, except as provided in Section 1 above with respect to a change in time and/or place

and/or decision to not hold the same. Written notice of special meetings stating the place (except as provided above in Section e[ii]), day and hour of the meeting and the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) nor more than fifty (50) days before the date of the meeting, either personally or by mail, by or at the direction of the President, or the Secretary, or the officer or persons calling the meeting, to each Member in good standing and entitled to vote at such meeting. If mailed, any notice required herein (whether special or annual oriented) shall be deemed to be delivered when deposited in the United States mail, addressed to the Member in good standing at his address as it appears on the books of the Corporation, with postage thereon prepaid. Waiver by a Member in writing of notice of a meeting, signed by him, whether before or after the time of such meeting, shall be equivalent to the giving of such notice. Attendance by a Member, whether in person or by proxy, at a meeting shall constitute a waiver of notice of such meeting of which he has had no notice.

SECTION 5. **Voting Lists.** The officer or agent having charge of the membership and dues and assessments collection records of the Corporation shall make, at least ten (10) days before any meeting, a complete list of the Members in good standing and thus entitled to vote at such meeting, or any adjournment thereof, arranged in alphabetical order, which list, for a period of ten (10) days prior to such meeting, shall be kept on file at the registered office of the Corporation and shall be subject to inspection by any Member at any time during usual business hours. Such list shall also be produced and opened at the time and place of the meeting and shall be subject to the inspection by any Member during the whole time of the meeting. The original membership and dues books, as updated from time to time, shall be prima facie evidence as to who are the Members in good standing entitled to examine such list or books and/or to vote at any meeting. Failure to comply with the requirements of this Section shall not affect the validity of any action taken at a meeting.

SECTION 6. **Quorum.** One-tenth (1/10th) of the Members in good standing of the Corporation entitled to vote, represented in person or by proxy, shall constitute a **quorum** at a meeting, and the vote of a **majority** of said one-tenth (1/10th) of said Members entitled to vote, and thus represented, in person or by proxy, at a meeting at which a quorum is present, shall be considered an act of the Corporation. If less than one-tenth (1/10th) of the Members in good standing are represented at a meeting, the Members at such meeting may adjourn the meeting without further requirement to a future designated date. At such future adjourned meeting at which a quorum shall be present or represented, any

business may be transacted which might have been transacted as originally notified in the previous adjourned meeting. The Members in good standing present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of a number of Members so as to leave less than a quorum.

SECTION 7. **Proxies.** At all meetings, a Member in good standing may vote in person or by proxy duly executed in writing by such Member in good standing to his duly authorized attorney-in-fact who must also be a Member in good standing. Such proxy shall be filed with the Secretary of the Corporation or Chairman of the meeting before or at the time of the meeting. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy. Each proxy shall be revocable unless expressly provided therein to be irrevocable.

SECTION 8. **Voting of Shares.** Each Member in good standing and entitled to vote shall be entitled to one (1) and only (1) vote upon each matter submitted to a vote at a meeting, regardless of the number of lots and/or properties owned by such Member within Caney Creek Estates, ~~Section I and or II.~~ Any lots and/or properties owned by married spouses, a partnership, trust or other legal entity or form of ownership shall be considered as one (1) Member only. As to election of Directors, a Member in good standing shall have one (1) vote for each Director to be elected.

SECTION 9. **Cumulative Voting.** There shall be no cumulative voting whatsoever permitted on any matter as Section 8 above implicitly denies this act.

SECTION 10. **Action by Members without Meeting.** Any action required to be taken at a meeting, or any other action which may be taken at a meeting, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by **all** of the Members in good standing and entitled to vote with respect to the subject matter thereof.

ARTICLE V

SECTION 1. **General Powers.** The business and affairs of the Corporation shall be managed by its Board of Directors.

SECTION 2. **Number, Tenure and Qualifications.** The number of Directors of the Corporation shall be nine (9), so that three (3), or more if necessary to fill vacancies occurring from

time to time for whatever reason, are elected each year. The number of Directors may be increased or decreased (provided the decrease does not shorten the term of any incumbent Director) from time to time by amendment of these By-Laws, but shall never be less than three (3). Each Director shall hold office for a term of three (3) years or until directorship is automatically terminated as below provided, he resigns, he is removed as below provided, and/or until his term expires and his successor shall have been elected and qualified. Directors must be residents of the State of Texas and Members in good standing of the Corporation.

SECTION 3. **Election.** A meeting of the Board of Directors shall be held not more than sixty (60) or less than thirty (30) days prior to the annual membership meeting. The Directors shall appoint a nominating committee consisting of three (3) Members in good standing (no one of whom shall be a member of the Board), whose names shall be posted properly at the main gatehouse. The nominating committee shall place in nomination, names selected from members in good standing to fill the vacancies on the Board of Directors caused by the expiration of term, for the ensuing year, nominating twice the number of members as there are vacancies to be filled. The names of the nominees shall be placed on a ballot on which space shall be provided for adding up to three (3) additional nominees, whose names may be submitted by any member in good standing. A copy of said ballot shall be mailed to each member at least ten (10) days prior to the annual membership meeting.

SECTION 4. **Chairman.** A majority of the quorum of Directors may elect from its Director a Chairman who shall attempt to preside at all meetings of the Board of Directors. The Chairman shall hold this office until the next regular meeting of the Directors or until his successor shall have been elected and qualified. In the absence of the Chairman, or if the Directors neglect or fail to elect a Chairman, then in order of priority, the President, Vice-President, Secretary and/or Treasurer of the Corporation, if one (1) or more of such officers are a member of the Board of Directors, shall automatically serve as Chairman of the Board of Directors.

SECTION 5. **Secretary.** The Secretary of the Board of Directors shall be the Secretary of the Corporation, and the Secretary shall act as Secretary of the Directors' meetings and record the minutes of all such meetings. If the Secretary of the Corporation is not available, then the Chairman, or the President, as the case may be, may appoint a person to serve as Secretary of the meeting, and such person shall not be required to be a Member of the Board of Directors nor an officer of the Corporation.

SECTION 6. **Regular Meetings.** A regular meeting of the Board of Directors shall be held without notice other than these By-Laws one (1) hour before, and at the same place as the annual meeting of Members. A majority of a quorum of the Board of Directors may provide, by written resolution, adopted with or without a meeting, but duly executed by such majority Board of Directors members, the time and place for the holding of additional regular meetings without any notice to other Directors being required, other than a copy of such adopted and executed resolution.

SECTION 7. **Special Meetings.** (i) Special meetings of the Board of Directors may be called by or at the request of the President or two (2) or more of the Directors. Such person or persons authorized to call said special meetings of the Board of Directors may fix any place and time for holding said special meeting.

(ii) **Notice of Special Meeting.** Notice of any special meeting shall be given at least seven (7) days prior to the date called therefor by a written notice delivered personally or mailed to each Director at his business address, or by telegram. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed, with postage thereon prepaid. If notice be given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. Any director may waive notice of any meeting. The original attendance (regardless of early departure of said Director from said meeting) of a Director at a meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business specifically because the meeting is not properly called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

SECTION 8. **Quorum.** Two thirds (2/3) or more Directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors. **No** Director may be present by proxy for quorum determination purposes.

SECTION 9. **Manner of Acting and Voting.** Except as provided above, the act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors. Any Director may act through written proxy delivered to such Director who shall be entitled to vote for said

proxy-giving Director. No proxy shall be effective for longer than three (3) months and shall be revocable unless expressly stated to be irrevocable.

SECTION 10. Vacancies. Any vacancy occurring in the Board of Directors may be filled by the affirmative vote of a majority of the remaining Directors at a present meeting though less than a quorum of the Board of Directors is present. A director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office. Any directorship to be filled by reason of an increase in the number of directors shall be filled by election at an annual or special meeting of Members called for that purpose.

A vacancy shall be deemed to exist by reason of the death, resignation, automatic removal below provided, failure or refusal to serve by the person elected, or upon the failure of Members to elect directors to fill the unexpired term of directors removed in accordance with the provisions of these By-Laws.

SECTION 11. Removal. The entire Board of Directors or any individual director may be removed from office, without cause, by either a majority vote of the Members in good standing at any meeting at which a quorum of such Members is present or a majority vote (**in person or by proxy**) of **all** directors then serving as directors (i.e., five [5] out of nine [9], four [4] of seven [7], three [3] of five [5], and two [2] of three [3]). In case the entire Board or any one (1) or more of the directors are so removed, new directors may be elected at the same meeting for the unexpired term of the director or directors so removed. Failure to elect directors to fill the unexpired term of the directors so removed shall be deemed to create a vacancy or vacancies in the Board of Directors. Any director(s) who fails to attend three (3) consecutive meetings (whether regular and/or special) of the Board of Directors, after proper notification, shall be automatically terminated as a director without further ado.

SECTION 12. Presumption of Assent. A director of the Corporation who is present at a meeting of the Board of Directors in which action on any Corporation matter is taken shall be presumed to have assented to the action taken unless his dissent shall be entered in the minutes of the meeting or unless he shall file his written dissent to such action with the person acting as the Secretary of the meeting before the adjournment thereof, or shall forward such dissent by registered mail to the Secretary of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

SECTION 13. **Interest of Directors in Contracts.** Any contract or other transaction between the Corporation and one (1) or more of its directors, or between the Corporation and any firm of which one (1) or more of its directors are members or employees, or in which they are interested, or between the Corporation and any corporation or association of which one (1) or more of its directors are shareholders, members, directors, officers, or employees, or in which they are interested, shall be valid for all purposes, notwithstanding the presence of such director or directors at the meeting of the Board of Directors of the Corporation, which acts upon, or in reference to, such contract or transaction, and notwithstanding his or their participation in such action, if the fact of such interest shall be disclosed or known to the Board of Directors and the Board of Directors shall, nevertheless, authorize, approve and ratify such contract or transaction by a vote of a majority of the directors present, such interested director or directors to be counted in determining whether a quorum is present, but not to be counted in calculating the majority of such quorum necessary to carry such vote. This section shall not be construed to invalidate any contract or other transaction which would otherwise be valid under the common and statutory law applicable thereto.

SECTION 14. **Action by Directors without Meeting.** Any action required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by Directors.

ARTICLE VI

SECTION 1. **Officers.** The officers of the Corporation shall be a President, one (1) or more Vice Presidents (the number thereof to be determined by the Board of Directors), a Secretary, and a Treasurer, each of whom shall be elected by the Board of Directors. Such other officers and assistant officers as may be deemed necessary may be elected or appointed by the Board of Directors. Any two (2) or more offices (particularly Secretary and Treasurer) may be held by the same person, except the offices of President and Secretary.

SECTION 2. **Election and Term of Office.** The officers of the Corporation to be elected by the Board of Directors shall be elected annually by the Board of Directors at the first meeting of the Board of Directors held after each annual meeting of the shareholders. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as convenient. Each officer shall hold office until his successor

shall have been duly elected and shall have qualified or until his death or until he shall resign or shall have been removed in the manner hereinafter provided.

SECTION 3. **Removal.** Any officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interest of the Corporation would be served thereby. Election or appointment of an officer shall not create any contract rights for such officer.

SECTION 4. **Vacancies.** A vacancy in any office may be filled by the Board of Directors for the unexpired portion of the term.

SECTION 5. **President.** The President shall be the chief executive officer of the Corporation and, subject to the control of the Board of Directors, shall in general supervise and control all business and affairs of the Corporation. He may, with the authorization of the Board of Directors, agree upon and execute any deeds, mortgages, bonds, contracts and other obligations in the name of the Corporation. In general, he shall perform all duties incident to the office of President and such duties as may be prescribed by the Board of Directors from time to time.

SECTION 6. **The Vice Presidents.** In the absence of the President or in the event of his death, inability or refusal to act, the Vice President (or in the event there be more than one (1) Vice President, the Vice Presidents in the order designated at the time of their election, or in the absence of any designation, then 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 duties as from time to time may be assigned to him by the President, or by the Board of Directors.

SECTION 7. **The Secretary.** The Secretary shall: (a) keep the minutes of the Members' and the Board of Directors' meetings in one (1) or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these By-Laws or as required by law; (c) be custodian of the corporate records and of the seal of the Corporation and see that the seal of the Corporation is affixed to all documents the execution of which on behalf of the Corporation under its seal is duly authorized; (d) shall have charge of the certificate books, transfer books and stock ledgers; (e) sign with the President, or a Vice President, certificates for membership in the Corporation; and (f) 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 Board of Directors.

SECTION 8. **The Treasurer.** If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the Board of Directors may determine, he shall: (a) have charge and custody of and be responsible for all funds and securities of the Corporation; receive and give receipts for monies due and payable to the Corporation from any source whatsoever, and deposit all such monies in the name of the Corporation in such banks, trust companies or other depositories in the manner prescribed by the Board of Directors; and (b) in general, perform all of the duties as from time to time may be assigned to him by the President or by the Board of Directors.

SECTION 9. **Assistant Secretaries and Assistant Treasurers.** The Assistant Secretaries and Assistant Treasurers, in general, shall perform such duties as shall be assigned to them by the Secretary or the Treasurer, respectively, or by the President of the Board of Directors. The Assistant Secretaries and Assistant Treasurers shall exercise the powers of the Secretary or the Treasurer, respectively, during that officer's absence or inability to act.

ARTICLE VII

Indemnification Insurance

SECTION 1. **Persons.** The Corporation shall indemnify, to the extent provided in Sections 2, 4 or 6:

(a) Any person who is or was a director, officer, agent, or employee of the Corporation and

(b) Any person who serves or served at the Corporation's request as a director, officer, agent, employee, partner or trustee of another corporation or of a partnership, joint venture, trust or other enterprise.

SECTION 2. **Extent - Derivative Suits.** In case of a suit by or in the right of the Corporation against a person named in Section 1 by reason of his holding a position named in Section 1, the Corporation shall indemnify him if he satisfies the standard in Section 3, for expenses (including attorneys' fees but excluding amounts paid in settlement) actually and reasonably incurred by him in connection with the defense or settlement of the suit.

SECTION 3. **Standard - Derivative Suits.** In case of a

suit by or in the right of the Corporation, a person named in Section 1 shall be indemnified only if:

(a) He is successful on the merits or otherwise, or

(b) He acted in good faith in the transaction which is the subject of the suit, and in a manner he reasonably believed to be in, or not opposed to, the best interests of the Corporation. However, he shall not be indemnified in respect of any claim, issue or matter as to which he has been adjudged liable for negligence or misconduct in the performance of his duty to the Corporation unless (and only to the extent that) the Court in which the suit was brought shall determine, upon application, that despite the adjudication but in view of all the circumstances, he is fairly and reasonably entitled to indemnity for such expenses as the Court shall deem proper.

SECTION 4. **Extent - Nonderivative Suits.** In case of a suit, action or proceeding (whether civil, criminal administrative or investigative), other than a suit by or in the right of the Corporation, together hereafter referred to as a nonderivative suit, against a person named in Section 1 by reason of his holding a position named in Section 1, the Corporation shall indemnify him if he satisfies the standard in Section 5, for amounts actually and reasonably incurred by him in connection with the defense or settlement of the nonderivative suit including:

(a) Expenses (including attorneys' fees);

(b) Amounts paid in settlement;

(c) Judgments; and

(d) Fines.

SECTION 5. **Standard - Nonderivative Suits.** In case of a nonderivative suit, a person named in Section 1 shall be indemnified only if:

(a) He is successful on the merits or otherwise, or

(b) He acted in good faith in the transaction which is the subject of the nonderivative suit, and in a manner he reasonably believed to be in, or not opposed to, the best interests of the Corporation and, with respect to any criminal action or proceeding, he had no reason to believe his conduct was unlawful. The termination of a nonderivative suit by judgment, order, settlement, conviction, or upon a plea of **nolo contendere** or its equivalent shall not, of

itself, create a presumption that the person failed to satisfy the standard of this Section 5(b).

SECTION 6. Determination That Standard Has Been Met.

A determination that the standard of Section 3 or 5 has been satisfied may be made by a Court; or, except as stated in Section 3(b) (second sentence), the determination may be made by:

(a) A majority of the directors of the Corporation (whether or not a quorum) who were not parties to the action, suit or proceeding, or

(b) Independent legal counsel (appointed by a majority of the directors of the Corporation, whether or not a quorum, or elected by the shareholders of the Corporation) in a written opinion, or

(c) A majority of the Members in good standing of the Corporation.

SECTION 7. Proration. Anyone making a determination under Section 6 may determine that a person has met the standard as to some matters but not as to others, and may reasonably prorate amounts to be indemnified.

SECTION 8. Advance Payment. The Corporation may pay in advance any expenses (including attorneys' fees) which may become subject to indemnification under Sections 1 - 7 if:

(a) The Board of Directors authorizes the specific payment; and

(b) The person receiving the payment undertakes in writing to repay unless it is ultimately determined that he is entitled to indemnification by the Corporation under Section 1 - 7.

SECTION 9. Nonexclusive. The indemnification provided by Section 1 - 7 shall not be exclusive of any other rights to which a person may be entitled by law, by-law, agreement, vote of shareholders or disinterested directors, or otherwise.

SECTION 10. Continuation. The indemnification and advance payment provided by Sections 1 - 8 shall continue as to a person who has ceased to hold a position named in Section 1 and shall inure to his heirs, executors and administrators.

SECTION 11. Insurance. The Corporation may purchase and maintain insurance on behalf of any person who holds or who has

held any position named in Section 1, against any liability incurred by him in any such position, or arising out of his status as such, whether or not the Corporation would have power to indemnify him against such liability under Section 1 - 8.

SECTION 12. **Reports.** Indemnification payments, advance payments, and insurance purchases and payments made under Sections 1 - 11 shall be reported in writing to the shareholders of the Corporation with the next notice of annual meeting, or within six (6) months, whichever is sooner.

ARTICLE VIII

Dues and Assessments

SECTION 1. **Purpose.** This Article is stated (i) in order to effectuate the purposes of the Corporation as stated in the Articles, (ii) to effectuate the original desires of the Caney Creek Estates Subdivision developers in accordance with those documents originally executed during the years from 1952 to the present by Frank Carpenter, M.L. Hale and/or J.W. Anselin, or their respective heirs, pertaining to the establishment of the predecessor to this Corporation, Caney Creek Estates Club or other similar names contemplating a civic organization composed of the property or lot owners of Caney Creek Subdivision, (iii) additionally to effectuate the desires of the Members of this Corporation to maintain the boat ramp lots and/or other lots and properties, real and personal, which are owned by the Corporation and/or predecessor club for the general use and welfare of the Members, and (iv) in accordance with the desires of said original developers, agreed to be governed by the Articles and all By-Laws, as amended from time to time including these, which are in effect to control the internal business affairs of the Corporation.

SECTION 2. **Dues.** Annual dues from each Member shall be calculated as follows: ~~\$25.00~~ per lot owned by said Member multiplied by the number of respective original subdivided and platted lot(s), or prorated portions thereof which are presently owned by said Member. These annual dues shall be payable in advance during the month of January of each calendar year. ~~No dues on "inside lots" (inside lots being defined as lots not having Caney Creek as a boundary line) shall not be payable until the calendar year following the erection or moving on of any type of building, mobile or stationary, having sleeping accommodations therein.~~ The money collected hereby will be designated as a general fund and used for the purpose of regular business operations of the Corporation, including without limitation office

expenses, salaries, purchase of supplies, taxes, insurance, operations of gate house, equipment repairs, boat ramps, etc. Any surplus monies remaining at the end of each calendar year shall, by a vote of the Board of Directors, be transferred to the assessment account below mentioned for the Corporation's specific use below stated.

SECTION 3. **Liens.** Should a Member become delinquent in the payment of the dues and assessments above required, and should such payment remain delinquent after thirty (30) days written notice from the Board of Directors and/or any officer of the Corporation, the Board shall be authorized to file a lien affidavit against the lot(s) or properties owned by such Member within Caney Creek Estates Subdivison, and at any time thereafter, proceed with a judicial or non-judicial foreclosure of said lien in accordance with the procedures provided at law or equity, specifically those provided in Vernon's Annotated Texas Statutes, Article 3810, as amended (which is incorporated herein). The lien herein granted shall always be secondary, subordinate and inferior to any lien created by ad valorem taxes, purchase money and/or improvement loans, but no subordination hereof shall apply to any proceeds received by a Member from the refinance of equity or appreciation which such Member has realized from owning the lot(s) or properties and/or any improvements thereon. All past dues and assessments shall accrue interest at the rate of ten percent (10%) from January 31 of each year due until paid in full.

SECTION 4. **Covenants Running with the Land.** All Members hereby covenant and agree that the provisions of these By-Laws, specifically without limitation those pertaining to dues and assessments, shall be covenants running with the land and be binding upon and for the benefit of the Corporation and such Members and their respective heirs, successors, assigns and legal representatives. Futhermore, the Board of Directors, acting by and through its Chairman, or the President of the Corporation, shall be authorized to file all above mentioned liens and/or these By-Laws, and any amendments thereto, against the respective concerned lots and/or properties. As to the filing of these By-Laws, or any subsequent amendments hereto, such filing may occur in blanket form against the entire Caney Creek Estates Subdivisions, ~~Section 1 and 2,~~ without further approval or vote needed from the Members.



ARTICLE IX

AMENDMENTS. These By-Laws may be altered, amended or repealed, and new laws may be adopted, by a majority vote of a quorum of the members in good standing at any meeting duly called for such

ARTICLE X

Miscellaneous Provisions

SECTION 1. Notice and Waiver of Notice. Whenever any notice whatever is required to be given under the provisions of these By-Laws, 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 Corporation, and such notice shall be deemed to have been given on the day of such mailing. A waiver of notice, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

SECTION 2. Relation to Articles and the Act. These By-Laws are subject to, and governed by, the Articles and the Act.

CERTIFICATE OF ADOPTION OF BY-LAWS

The undersigned hereby certifies that these By-Laws are the true and correct By-Laws of the Corporation voted upon and duly adopted at a meeting of the Members duly held on the 25th day of June, 1989

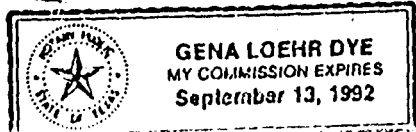
Dated and Executed this 9th day of July, 1989

BY: Judy Chittenden Secretary

Before me, the undersigned authority, on this day personally appeared, Judy Chittenden, Secretary of Caney Creek Estates Club, Inc., known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same for the purpose and consideration therein expressed and in the capacity therein stated.

Given under my hand and seal of office on this the 9th day of July, 1989.

Genia Loehr Dye Notary Public in and for Matagorda County, Texas



OFFICIAL RECORDS

VOL. 233 PAGE 794

FILED

'89 AUG 30 P 4:29

Lewis Vaughn
COUNTY CLERK
MATAGORDA COUNTY, TEXAS

STATE OF TEXAS

COUNTY OF MATAGORDA

I hereby certify that this instrument was FILED in File Number:
Sequence on the date and at the time stamped hereon by me;
and was duly RECORDED in the above named records of
Matagorda County, Texas on



AUG 30 1989

Steve Vaughn
COUNTY CLERK, Matagorda County, Texas

*Michael E. McCre
55 Vaughn Dr.
Ho. 77007*