

**BY- LAWS OF
CIMARRON COUNTRY
PROPERTY OWNERS' ASSOCIATION
AMENDED AUGUST 2007**

The name of the organization shall be CIMARRON COUNTRY PROPERTY OWNERS' ASSOCIATION, hereinafter called "Association."

ARTICLE I – OBJECT

1.01 The purpose for which this non-profit corporation is formed is to promote health, safety and welfare for the benefit of the Owners and the Association, and to administer the regulations and provisions of these By-Laws and Dedication of Restrictions for Cimarron Country subdivision which is situated in the County of Montgomery, State of Texas, which property is described in final plat, Cimarron Country Subdivision, Montgomery County, Texas dated as of March 9, 1979 (the "Premises").

These By Laws govern the affairs of the Cimarron Country Property Owners' Association, a non-profit corporation organized under the Texas Non-Profit Corporation Act (the "Act").

1.02 All present or future Owners, tenants, future tenants or any other person that might reside within the subdivision are subject to the regulations set forth in these Amended By-Laws, hereinafter referred to as "By Laws". The mere acquisition or rental of any of the Lots of the subdivision or the mere act of occupancy of any said Lot will signify that these By-Laws are accepted, ratified and will be complied with by the Owner or occupant.

ARTICLE II - MEMBERSHIP, VOTING, MAJORITY OF OWNERS, QUORUM, PROXIES

2.01 MEMBERSHIP Any person, on becoming an owner of a Lot, shall automatically become a Member of this Association and be subject to these By-Laws. Such membership shall terminate without any formal Association action whenever such person ceases to own a Lot, but such termination shall not relieve or release any such former Owner from any liability or obligation incurred under or in any way connected with the Association during the period of such ownership and membership in this Association, or impair any rights or remedies which the Board of Directors of the Association or others may have against such former Owner and Member arising out of or in any way connected with such ownership and membership and the covenants and obligations incident thereto.

2.02 VOTING Voting shall be based upon the number of Lot(s) owned. Except as otherwise set forth in the Articles of Incorporation of the Association, an owner of an undivided interest in and to a Lot or Lots shall be entitled to a vote equal to the number of lots owned. Cumulative voting is prohibited. Proof of ownership of a Lot or Lots shall be required for voting purposes in the event that such Lot or Lots are acquired less than ninety (90) days prior to any meeting of the Association. A member shall be deemed eligible to vote upon meeting the requirements described in Section 7.01.

2.03 MAJORITY Unless otherwise specified in these By-Laws, the term "majority of Lot Owners" shall mean those Owners of more than fifty (50%) percent of the Lots who are actually present in person or by proxy at any meeting of the Lot Owners.

2.04 QUORUM Except as otherwise provided in these By-Laws, the presence in person or by proxy of thirty (30) percent of Owners as defined in paragraph 2.01 of this Article shall constitute a quorum of Owners, and if a quorum of Owners is present at any meeting, a majority vote of the Owners present, either in person or by proxy, shall be sufficient to either defeat or approve any proposed action.

2.05 PROXIES Votes may be cast in person or by proxy. Proxies may be mailed to the Secretary at the address of record or may be filed with the Secretary at or before the appointed time of each meeting. Any eligible Member may deliver another Member's proxy.

ARTICLE III – ADMINISTRATION

3.01 ASSOCIATION RESPONSIBILITIES The Owners of the Lot(s) will constitute the Association, which will have the responsibility of administering the Association through a Board of Directors.

3.02 PLACE OF MEETINGS Meetings of the Association shall be held at such place as the Board of Directors may determine.

3.03 ANNUAL MEETING The first annual meeting of the Association was held on Sunday, May 17, 1992, and annually thereafter on the third Sunday in May of each succeeding year. Effective with the date of this amendment, the Annual Meetings of the Association shall be held annually during the month of February of each succeeding year. At such time there shall be elected by ballot of the Owners a Board of Directors in accordance with the requirements of paragraph 4.04 of these By-Laws. The Owners may also transact such other business of the Association as may properly come before them.

3.04 SPECIAL MEETINGS OF THE ASSOCIATION It shall be the duty of the President to call a Special Meeting of the Association as directed by resolution of the Board of Directors. Additionally, upon a petition signed by thirty (30) percent of the Owners and having been presented to the Secretary and validated, the President shall be required to call a Special Meeting to be held within 20 days of receipt of said petition. The notice of any Special Meeting shall state the time and place of such meeting and the purpose therefore.

No business shall be transacted at a Special Meeting except as stated in the notice.

3.05 NOTICE OF MEETINGS It shall be the duty of the Secretary to mail a notice of each Annual or Special Meeting, stating the purpose thereof as well as the time and place where it is to be held, to each Owner of record, at least ten (10) days prior, but not more than twenty (20) days prior to such meeting. The mailing of a notice in the manner provided in this paragraph shall be considered notice served.

3.06 ADJOURNED MEETING If any meeting of the Association cannot be organized because a quorum is not present, the Owners who are present, either in person or by proxy, may adjourn the meeting until a quorum is obtained.

3.07 ORDER OF BUSINESS The order of business at all meetings of the Association shall be as follows:

Roll call and certifying proxies.

Proof of notice of meeting or waiver of notice.

Reading of Minutes of preceding meeting.

Reports of officers.

Reports of committees.

Election of Directors.

Unfinished business.

New business.

All meetings shall be conducted under and regulated by Robert's Rules of Order, 10th edition.

ARTICLE IV - BOARD OF DIRECTORS

4.01 NUMBER AND QUALIFICATIONS The affairs of this Association shall be governed by a Board of Directors composed of five (5) persons. Any person serving as a Director shall hold property in fee simple and shall have attained the age of 18 years of age at the time of his/her election and/or appointment. No person having been convicted of a felony shall serve on the Board of Directors. The Board of Directors shall act in such capacity and shall manage the affairs of the Association until their successors are elected.

4.02 POWERS AND DUTIES The Board of Directors shall have the power and duties necessary for the administration of the affairs of the Association. The Board of Directors shall have all of the powers listed in the Texas Property Code, Chapter 2.04.010 unless an expressed conflict exists therein, in which case these By Laws shall prevail.

4.03 OTHER POWERS AND DUTIES The Board of Directors shall be empowered and shall have the duties as follows:

(a) To administer and enforce the covenants, conditions, restrictions, uses, limitations, obligations and all other provisions set forth in the Dedication of Restrictions, except for the duty of approval of new construction projects as defined in the Dedication of Restrictions, which shall remain the responsibility of the Architectural Control Committee.

(b) To establish, make and enforce compliance with such reasonable rules as may be necessary for the operation of the Association's business, with the right to amend same from time to time. A copy of such amendment of rules and regulations shall be filed in the records of Montgomery County, Texas. A copy of such amendment may also be delivered, mailed, or sent via electronic mail, where possible, to each Owner promptly upon the adoption thereof.

(c) To keep in good order, condition and repair all of the common elements and all items of Association property.

(d) To purchase insurance policies for the benefit of the Association covering common area(s), if any exist, as circumstances change from time to time, and to exercise due diligence to determine reasonable levels and terms of coverage.

(e) To fix, determine, levy and collect the annual maintenance assessment to be paid by each of the Owners towards the gross expenses of the entire Premises. To levy and collect Special Assessments, whenever, in the opinion of the Board of Directors, it is necessary to do so in order to meet emergency needs related to a common utility. A Special Meeting of the Association must be called to consider Special Assessments. A Special Assessment must be approved by a 50% majority of eligible Owners present at the meeting, or by proxy. All assessments shall be in itemized statement form.

(f) To impose interest, late charges, and or administrative fees for the late payment of regular or Special Assessments, and, if applicable, returned check charges. Furthermore, adopt and amend rules regulating the collection of delinquent assessments and the application of payments.

(g) Institute, defend, intervene in, settle, or compromise litigation or administrative proceedings on matters affecting the subdivision.

(h) Upon calling a Special Meeting and in the presence of a quorum, and by approval of a majority vote of the eligible Owners attending such Special Meeting, in person or by proxy, the Board of Directors is empowered to borrow funds in order to pay for any approved expenditure or outlay required, pursuant to the authority granted by the provisions of the recorded Dedication of Restrictions, the Articles of Incorporation and these By-Laws and to execute all such instruments evidencing such indebtedness. In the event of exigent circumstances, the Board of Directors may act pursuant to Texas State Property Code 204.010.

(i) To enter into contracts within the scope of their duties and powers, including the hiring and termination of managing agents, independent contractors, or others to act in the capacity as agent as the need may arise.

(j) To establish a bank account for the common treasury and for all separate funds which are required or may be deemed advisable by the Board of Directors. All checks written against Association funds must be maintained in accounts under dual signature control, being signed by any two Directors. In the event the Association is under management contract, all expenses of the Association shall be approved at a minimum by one Director, in writing, evidenced by signature, facsimile, email or other verifiable method of communication, along with that of the management agent, shall be required. Any expenditure of the Association in excess of five hundred dollars (\$500.00) shall be approved prior to payment by a majority of the Board of Directors. It shall be the duty of all members of the Board of Directors to review all payments made from Association accounts on at least a quarterly basis.

(k) To keep and maintain full and accurate books and records showing all of the receipts, expenses, or disbursements and to permit examination thereof at any reasonable time by each of the Owners and to cause reconciliation of accounts and of the books to be conducted by unbiased, independent person(s) of competent means, at least annually. In the event of irregularities in the accounts or books of the Association, the Board of Directors shall vigorously pursue such matter to a conclusion and report such results to the Association in a timely manner.

(l) To prepare and deliver annually to each Owner a Profit and Loss Statement, Balance Sheet Statement, and Proposed Budget.

m) To meet at least once each quarter.

(n) To designate the personnel necessary for the maintenance and operation of the common elements.

(o) In general, to carry on the administration of this Association and to do all of those things, necessary and reasonable, in order to carry out the communal aspect of Lot(s) ownership.

4.04 ELECTION AND TERM OF OFFICE. The term of office for all Directors is three (3) years. At the expiration of the initial term of office of each respective Director, his or her successor shall be elected to serve a term of three (3) years. In case of a tie, the Director shall be determined by a runoff vote to be held contemporaneously with such election. The five (5) persons acting as Directors shall each hold office until their successors have been elected and hold their first meeting.

In case of an event wherein the entire Board of Directors shall be required to be chosen at a single election, the term of office of Directors shall be set at a staggered rate of tenure as follows: Two Directors shall serve for three years and three Directors shall serve for two years. In such case, the term of office to which each Director is elected shall be determined by number of votes received such that the two individuals receiving the largest number of votes shall have a term of office for three years, the three individuals receiving the next largest number of votes shall serve a term of office of two years. At the expiration of the initial term of office of each respective Director, his or her successor shall be elected to serve a term of three years.

No person may be elected to **serve more than two** successive terms of office. In the event there are not candidates available for positions on the Board, an incumbent Director may retain office until the next election, thus enabling such Director to serve on a year to year basis in excess of the term limit imposed. Should there be multiple incumbent Directors, with fewer number of positions unfilled by eligible candidates, the retained Director(s) shall be determined by a vote of the Board of Directors in place prior to said election.

No Lot Owner may be elected to the Board unless such individual is actually present at the election or has provided the Secretary of the Association with prior written notice of willingness to serve on the Board of Directors.

4.05 VACANCIES. In the event of a vacancy on the Board of Directors, the remaining Directors may appoint a replacement for the vacated position following public posting of such vacancy for a minimum of 15 days. The posting shall be located where it may be reasonably assumed that such notice shall afford the greatest opportunity of the Membership to become aware of such vacancy. The replacement Director may be appointed from those Owners expressing an interest in such vacated position as a result of such posting. In the event no eligible Owners express an interest in the vacated position, the remaining Directors may appoint a replacement Director at will. A replacement Director shall serve until the next general election.

4.06 REMOVAL OF DIRECTORS. At any Annual or Special Meeting of the Association duly called under 3.04 above, any one or more of the Directors may be removed with or without cause by a vote of a majority of the Owners present in person, or by proxy, at said Annual or Special Meeting of the Association, and a successor shall be elected as set out in Article 2 above. Any Director whose removal has been proposed shall be given an opportunity to be heard at the meeting.

4.07 ORGANIZATION MEETING OF THE BOARD OF DIRECTORS The first meeting of a newly elected Board of Directors shall be held within ten (10) days of election at such place as shall be fixed by the Directors at the meeting at which such Directors were elected and no notice shall be necessary to the newly elected Directors in order legally to constitute such meeting, providing a

majority of the Board of Directors shall be present. All Board meetings, including the organizational meeting, must be commemorated by written Minutes of such meetings, indicating business addressed and transacted, including a tally of the votes, excluding that portion of the meeting dealing with matters of a confidential or personal nature.

4.08 REGULAR MEETINGS Regular meetings of the Board of Directors shall be held at such time and place as shall be determined, from time to time, by a majority of the Directors, but at least four (4) such meetings shall be held during each fiscal year and notice of said meetings posted prominently at subdivision entrance at least seven (7) days prior to said meeting, except for Special Meetings of the Board of Directors which shall require no such posting. Notice of all such meetings of the Board of Directors shall be given to each Director, personally at the prior meeting of the Directors, by mail, telephone or email with return receipt and at least (3) days prior to the day named for such meeting.

Any Association member may attend any regular meeting of the Board of Directors. Owners desiring to conduct business before the Board of Directors shall notify the President or Secretary of their desire to do so and provide their topic of business no less than 5 days prior to the regular meeting date to accommodate scheduling the inclusion of their business in the meeting agenda, unless otherwise authorized by unanimous Board consent.

4.09 SPECIAL MEETINGS OF THE BOARD OF DIRECTORS Special Meetings of the Board of Directors may be called by the President on three (3) days notice given to each Director personally, by mail, telephone or email with return receipt. Such notice shall state the time, place (as hereinabove provided) and purpose of the meeting. Special Meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at least two (2) Directors. Participation by any Director in a Special Meeting via electronic means is allowed so long as such electronic participation is conducted in such a manner as to be heard and/or viewed by all other Directors.

4.10 WAIVER OF NOTICE. Before or at any scheduled meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall constitute a waiver of notice of the time and place thereof. In the event waiver of written notice has not been received by the Secretary prior to the commencement of said meeting, the meeting will be invalid and no business may be conducted. If all Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

In the event of a change of a scheduled meeting, such change consisting of time, date (wherein less than 3 days notice is provided), or location, or in the case of the calling of an emergency meeting, all Directors shall execute a waiver of notice of such meeting in writing. Should such waiver of notice not be obtained from all Directors, no business shall be conducted until such time as said waiver of notice of obtained.

4.11 BOARD OF DIRECTORS QUORUM The attendance of four Directors shall constitute a quorum for the transaction of business and the acts of the Directors present at a meeting at which a quorum is present shall be considered the acts of the Board of Directors. If at any meeting of the Board of Directors there be less than a quorum present, the majority of those present may adjourn from time to time.

4.12 FIDELITY BONDS The Board of Directors may require that all officers of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Association.

4.13 COMPENSATION No member of the Board of Directors shall receive any compensation, gift, or benefit for acting as such, provided however, that each Director shall be entitled to be reimbursed for any expenses reasonably incurred by such Director in the discharge of Association duties, including but not limited to, reimbursement for mileage at the rate allowed by the Internal Revenue Service at the time same is incurred.

ARTICLE V – OFFICERS

5.01 DESIGNATION The Officers of the Association shall be a President, Vice President, Secretary and Treasurer, all of whom shall be designated by the Board of Directors.

5.02 DESIGNATION OF OFFICERS The officers of the Association shall be designated annually by the Board of Directors at the organization meeting of each new Board and shall hold office at the pleasure of the Board. The Board of Directors, may, at its discretion, rearrange the designation of officers as may be necessary from time to time.

5.03 REMOVAL OF OFFICERS Upon an affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and his or her successor designated at any regular meeting of the Board of Directors or at any Special meeting of the Board of Directors called for such purpose.

5.04 PRESIDENT The President shall be the Chief Executive Officer of the Association. He/she shall preside at all meetings of the Association and the Board of Directors. He/she shall have all of the general powers and duties which are usually vested in the office of President of the Association, including but not limited to the power to appoint committees from amongst the Owners from time to time as the President may in his/her discretion decide is appropriate to assist in the conduct of the affairs of the Association. At the President's discretion, he/she can enter into any discussions and shall have full voting privileges on any motion.

5.05 VICE PRESIDENT The Vice President shall have all of the powers and authority and perform all the functions and duties of the President; conditioned upon the absence of the President or his or her inability for any reason to exercise such powers and functions or perform such duties and also perform any duties he or she is directed to perform by the President. Any operating Board may decide to have more than one Vice President. In cases of multiple Vice Presidents, the rank and duties of each Vice President shall be established.

5.06 SECRETARY The Secretary shall keep all the written Minutes of all meetings of the Board of Directors and the Minutes of all meetings of the Association; the Secretary shall have charge of such books and papers as the Board of Directors may direct; and shall, perform all the duties incident to the office of Secretary. The Secretary shall compile and keep up to date a complete list of members and their last known addresses as shown on the records of the Association. Such list shall also show opposite each member's name the Lot(s) number of the Lot(s) owned by said owner. Such list shall be open to inspection by Members and other persons lawfully entitled to inspect the same at reasonable times.

5.07 TREASURER The Treasurer shall have responsibility for Association funds and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He or she shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit, of the Association in such depositories as may from time to time be designated by the Board of Directors.

ARTICLE VI - INDEMNIFICATION OF OFFICERS, DIRECTORS AND DESIGNATED COMMITTEE MEMBERS

The Association shall indemnify every Director, Officer and certain committee members designated by the Association Board of Directors, his or her heirs, executors and administrators, against all loss, costs and expense, including attorney's fees, reasonably incurred by him or her in connection with any action, suit or proceeding to which he or she may be made a part by reason of his or her being or having been a Director or Officer of the Association, except as to matters as to which he or she shall be finally adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct. In the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Association is advised by counsel that the person to be indemnified has not been guilty of gross negligence or willful misconduct in the performance of his or her duty as such Director or Officer in relation to the matter involved. The foregoing rights shall include, but not be limited to, any other rights to which such Director or Officer may be entitled.

ARTICLE VII - OBLIGATIONS OF THE OWNERS

7.01 ASSESSMENTS. All Owners shall be obligated to pay the annual assessments imposed by the Association to meet the common expenses. The assessments shall be made according to number of Lot(s) owned and shall be due annually, in advance. An Owner shall be deemed to be in good standing and entitled to vote at any Annual or at any Special Meeting of the Association within the meaning of these By-Laws, if and only if, he or she shall have fully paid all assessments, including maintenance fees, and/or late fees or administrative fees, made or levied against him or her and the Lot(s) owned by him or her.

7.02 GENERAL Each Owner shall comply strictly with the provision of the Dedication of Restrictions for Cimarron Country Property Owners' Association dated as of February 28, 1979, filed in the records of Montgomery County, Texas under file number 7908256 in Volume 1120 commencing in page 863 and any amendments thereto, the Articles of Incorporation, and these By-Laws, amendments and supplements thereto.

Each Owner shall endeavor to observe and promote the cooperative purposes for which the Cimarron Country Property Owners' Association was established.

ARTICLE VIII – AMENDMENTS

These By Laws may be amended by the Association at a meeting of the Members called at a properly notified meeting as under Section 3 above. No amendment shall take effect unless approved by a majority (50%) of the members of record, in person or by proxy, at the time of such meeting. Voting shall be held in accordance with Section 2.02 and 2.05 of these By Laws, except that no Member shall be prohibited from voting on this matter based on the failure to pay any fee or assessment, or any outstanding deed restriction violation.

ARTICLE IX – COMPLIANCE

These By-Laws are set forth to comply with the requirements of the Act and laws of the State of Texas. If any of these By-Laws are found to be in conflict with Texas statutes, it is hereby agreed and accepted that the provisions of the state statute will apply, but only where in conflict and then only to the minimum extent required. All other provision herein shall remain in effect.

ARTICLE X - NON PROFIT ORGANIZATION

This Association is not organized for profit. No Owner, Member, member of the Board of Directors or person from whom the Association may receive any property or funds shall receive or be lawfully entitled to receive any pecuniary profit from the operation thereof and in no event shall any part of the funds or assets of the Association be paid as salary or compensation to, or distributed to or inure to the benefit of any member of the Board of Directors. Reimbursement of actual Association expenses may be paid to any Member while appointed as an agent of the Association. Any member of the Board of Directors may be reimbursed for his or her actual expenses incurred in connection with the administration of the affairs of the Association.


ARTICLE XI - REGISTERED OFFICE

The Association shall comply with the requirements of the Act and maintain a registered office and registered agent in Texas. The registered office may, but need not, be identical with the Association's principal office. The Board of Directors may change the registered office and the registered agent as provided in the Act.


CERTIFICATION OF THE BY LAWS

Signatures of the Board of Directors affixed hereto hereby certify that these Amended By Laws are true and correct and have been duly accepted by at least seventy five (75%) of the Property Owners as set forth in By Laws of the Association dated as of May 17, 1992.

EXECUTED this the 3 day of March, 2008



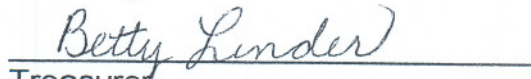
President



Vice President



Secretary



Treasurer



Director

These Amended By Laws are the work product of an committee consisting of an independent group of Cimarron Country Property Owner volunteers who labored at the request of the Cimarron Country Board of Directors to develop these Amended By Laws. Upon acceptance of these Amended By Laws by the Membership of the Association, the By Laws of the Association dated as of May 17, 1992, filed in the records of Montgomery County, Texas under file number 790826, commencing on page 863 shall no longer be valid.