

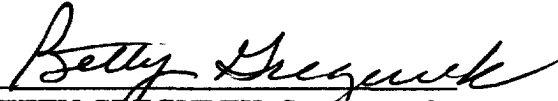
CORPORATE SECRETARY'S CERTIFICATE
OF AUTHENTICITY OF DEDICATORY INSTRUMENTS OF
KLEIMANN ESTATES PROPERTY OWNERS ASSOCIATION

The undersigned certifies that she is the duly appointed and acting Secretary of KLEIMANN ESTATES PROPERTY OWNERS ASSOCIATION (the "Association"). The Association is a nonprofit corporation whose members are comprised of some of the property owners in KLEIMANN ESTATES (the "Subdivision"), which is an unrecorded subdivision in Montgomery County, Texas.

The Subdivision is subject to certain reservations, restrictions and covenants as set out in instrument recorded in Volume 1164, Page 138 of the Deed Records of Montgomery County, Texas, and any amendments to said instrument.

The Association is a Texas non-profit corporation, and a true and correct copy of the Association's current Bylaws is attached to this Certificate as Exhibit "A". Also attached to this Certificate, as Exhibit "B" is a true and correct copy of the Association's Certificate of Formation.

SIGNED this 18th day of June, 2009.

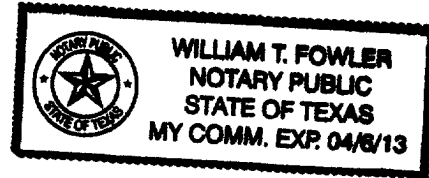

BETTY GREGUREK, Secretary of
Kleimann Estates Property Owners
Association

ACKNOWLEDGMENT

STATE OF TEXAS §
 §
COUNTY OF MONTGOMERY §

SWORN TO AND SUBSCRIBED to before me on the 18th day of June, 2009, by BETTY GREGUREK.

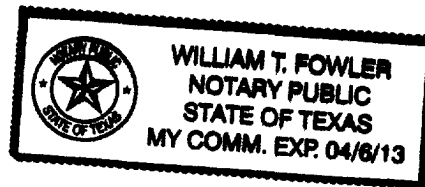
William T Fowler
Notary Public, State of Texas



THE STATE OF TEXAS §
 §
COUNTY OF MONTGOMERY §

This instrument was acknowledged before me on the 18th day of June, 2009, by BETTY GREGUREK, Secretary of KLEIMANN ESTATES PROPERTY OWNERS ASSOCIATION, a Texas nonprofit corporation, on behalf of said corporation.

William T Fowler
Notary Public, State of Texas



AFTER RECORDING RETURN TO:
Kleimann Estates Property Owners Association
14019 Waterview Dr.
Willis, Texas 77318

BYLAWS
OF
KLEIMANN ESTATES
PROPERTY OWNERS ASSOCIATION



**BYLAWS OF
KLEIMANN ESTATES PROPERTY OWNERS ASSOCIATION
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ARTICLE 1
OFFICES

1.01. **Principal Office.** The principal office of the Association shall be located at 14019 Waterview, Willis, Texas 77318.

1.02. **Other Offices.** The corporation also may have offices at such other places within Montgomery County, Texas, as the Board of Directors may from time to time determine or the business of the Association may require.

1.03. **Change of Location.** The Board of Directors may change the location of any office of the Association.

ARTICLE 2
DEFINITIONS

2.01. "Association" shall mean and refer to Kleimann Estates Property Owners Association, its successors and assigns.

2.02. "Subdivision" shall mean and refer to Kleimann Estates, an unrecorded subdivision located in Montgomery County, Texas.

2.03. "Common Area" shall mean all real property, if any, within the Subdivision, owned by the Association and dedicated for the common use and enjoyment of the Owners of property in the Subdivision.

2.04. "Lot" or "Lots" shall mean and refer to the lots, tracts or parcels of land within the Subdivision, and to any lot, tract or parcel of land resulting from the subdivision or re-subdivision of any Lot.

2.05. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Subdivision. In the event of an executory contract for installment sale or contract for deed covering any Lot, the "Owner" shall be the purchaser named in the contract. "Owner" does not include those persons or entities having an interest merely as security for the performance of an obligation, persons or entities who own only an easement, or those having an interest in the mineral estate only.

2.06. "Restrictions" shall mean and refer to the reservations, restrictions and covenants for Kleimann Estates, as recorded in Volume 1164, Page 138 of the Deed Records of Montgomery County, Texas, and any amendments to said reservations, restrictions and covenants.

2.07. "Member" shall mean and refer to those persons entitled to membership in the Association.

ARTICLE 3
QUALIFICATIONS FOR MEMBERSHIP

3.01. **Membership.** The membership of the Association shall consist of all the Owners of the Lots within the Subdivision, including contract purchasers, who make application for and are accepted as Members by the Board of Directors of the Association after complying with all requirements for membership as set out herein or as prescribed by the Board of Directors and paying all fees, dues, charges and assessments as established by the Board of Directors. The foregoing is not intended to include persons or entities holding title only as a lienholder or the owner of a mineral interest only. If a Member ceases to own any property within the Subdivision, such Member's membership in the Association shall automatically terminate.

3.02. **Proof of Membership.** The rights of membership shall not be exercised by any person until satisfactory proof has been furnished to the Secretary of the Association that the person is qualified as a Member. Such proof may consist of a copy of a duly executed and acknowledged deed, contract for deed or title insurance policy evidencing ownership of a Lot or Lots in the Subdivision. Such deed, contract for deed or policy shall be deemed conclusive in the absence of a conflicting claim based on a later deed, contract or policy.

3.03. **No Additional Qualification.** The sole qualifications for membership shall be as provided in Paragraph 3.01 above.

3.04. **Certificates of Membership.** The Board of Directors may provide for the issuance of certificates evidencing membership in the Association which shall be in such form as may be determined by the Board. All certificates evidencing membership shall be consecutively numbered. The name and address of each Member and the date of issuance of the certificate shall be entered on the records of the Association and maintained by the Secretary at the principal office of the Association.

ARTICLE 4
VOTING RIGHTS

4.01. **Voting.** Voting shall be on a one vote per Lot basis. Members are entitled to one vote for each Lot owned in the Subdivision. If record title to a particular Lot or Lots is in the name of two or more persons, all co-owners may become Members and may attend any membership meeting of the Association but the voting rights appurtenant to each such Lot may not be divided and fractional votes shall not be allowed. Any one of said co-owner Members may exercise the vote at any meeting of the Members and such vote shall be binding and conclusive on all of the other co-owner Members of said Lot who are not present; provided, if one of the non-attending co-owner Members has given the Association notice of objection to the attending co-owner Member's vote, no vote shall be cast for said Lot except upon notice of unanimous consent by all such co-owner Members being given to the Association. In the event more than one vote is cast for a single Lot by a Member or Members, none of the votes so cast shall be counted and all of such votes shall be deemed void. No Member shall be eligible to vote on any matter,

including the election of Directors, if such Member is in default in the payment of any dues, fees, charges or assessments due the Association.

4.02. Classes of Membership. The Association shall have only one (1) class of membership.

4.03. Proxies. At all meetings of Members, Members may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary of the Association. Every proxy shall be revocable and shall automatically cease on conveyance by the Member of his Lot, or on receipt of notice by the Secretary of the death or judicially declared incompetence of such Member. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise specifically provided in the proxy.

4.04. Quorum. The presence, either in person or by proxy, at any meeting, of eligible Members entitled to cast at least twenty (20%) percent of the total eligible votes of the Association shall constitute a quorum for any action. If at the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (½) of the required quorum at the preceding meeting. No subsequent meeting shall be held more than (60) days following the preceding meeting.

4.05. Required Vote. The vote of the majority of the votes entitled to be cast by the Members present, or represented by proxy, at a meeting at which a quorum is present shall be the act of the meeting of the Members, unless the vote of a greater number is required by statute, the Certificate of Formation or these Bylaws.

4.06. Cumulative Voting. Cumulative voting shall not be permitted.

ARTICLE 5

MEETINGS OF MEMBERS

5.01. Annual Meetings. An annual meeting of the Members of the Association shall be held at the hour of 10:00 a.m. on the first (1st) Saturday in October of each year, beginning on the first (1st) Saturday October, 2009. If the day for the annual meeting of the Members is a legal holiday, the meeting shall be held at the same hour on the following Saturday.

5.02. Special Meetings. Special meetings of the Members may be called by the President, the Board of Directors, or by Members representing at least five percent (5%) of the total votes entitled to be cast by the Members.

5.03. Place. Meetings of the Members shall be held within the Subdivision or at a convenient meeting place as close thereto as possible as the Board may specify in writing.

5.04. Notice of Meetings. Written notice of all Members' meetings shall be given by or at the direction of the Secretary of the Association (or other persons authorized to call the meeting)

by mailing or personally delivering a copy of such notice at least ten (10) but not more than fifty (50) days before such meeting to each Member entitled to vote at such meeting, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting and, in the case of a special meeting, the nature of the business to be undertaken. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the Member at the address last appearing on the books of the Association with postage thereon paid.

5.05. Order of Business at Meetings. The order of business at all meetings of the Members shall be as follows:

- (1) Roll call;
- (2) Proof of notice of meeting or waiver of notice;
- (3) Reading of Minutes of preceding meeting;
- (4) Reports of officers;
- (5) Reports of committees;
- (6) Election of directors;
- (7) Unfinished business; and
- (8) New business.

5.06. Action Without Meeting by Unanimous Consent. Any action required or permitted by the Certificate of Formation, these Bylaws, or the Code to be taken at a meeting of the Members of the Association may be taken without a meeting if all the Members entitled to vote with respect to the subject matter sign a written consent setting forth the action so taken.

5.07. Action by Non-Unanimous Consent. Any action required or permitted by the Certificate of Formation, these Bylaws, or the Code to be taken at any annual or special meeting of Members may be taken, subject to any statutory requirements, without a meeting, without prior notice, and without a vote, if the Members having not less than the minimum number of votes that would be necessary to take such action (had the matter arisen at a membership meeting at which the all Members entitled to vote on the action were present and voted) sign a written consent or consents setting forth the action so taken.

ARTICLE 6

BOARD OF DIRECTORS

6.01 Number. The affairs of the Association shall be managed by the Board of Directors consisting of no less than three (3) nor more than five (5) persons. Except for the initial Directors named in the Certificate of Formation, all Directors must be Members of the Association.

6.02 Term. The Directors set forth in the Certificate of Formation shall hold office until the annual election of Directors to be held at the first annual meeting of the Members of the Association or until their successors are elected and qualified. At the first annual meeting of the

Members three (3) Directors will be elected, who will be divided into three classes. There will be one (1) Director in the first class, who will hold office until the first annual meeting of Members after his election or until his successor is elected and qualified; there will be one (1) Director in the second class, who will hold office until the second annual meeting of Members after his election or until his successor is elected and qualified; and there will be one (1) Director in the third class, who will hold office until the third annual meeting of members after his election or until his successor is elected and qualified. At each annual meeting of Members thereafter, Directors will be elected for the class whose term of office expires at that meeting, and they will hold office until the third annual meeting of Members after their election or until their successors are elected and qualified.

6.03 Removal. Directors may be removed from office with or without cause by a majority of all of the votes entitled to be cast by the Members of the Association.

6.04 Vacancies. In the event of a vacancy on the Board caused by the death, resignation, or removal of a Director, the remaining Directors shall, by majority vote, elect a successor who shall serve 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 meeting or at a special meeting of Members called for that purpose.

6.05 Compensation. No Director shall receive compensation for any service he may render to the Association. A Director may, however, be reimbursed by the Board for actual expenses incurred by him in the performance of his duties.

6.06 Powers and Duties. The Board shall have the powers and duties, and shall be subject to limitations on such powers and duties, as enumerated in these Bylaws or as set forth in the Certificate of Formation of the Association. In addition, the Board of Directors shall have the following powers:

- a. cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the Members;
- b. supervise all officers, agents and employees of this Association, and see that their duties are properly performed;
- c. adjust the amount of the fees, charges, dues or assessments to be paid by the Members;
- d. send written notice of each fee, charge or dues assessment to every Member subject thereto;
- e. procure and maintain, if possible, adequate liability and hazard insurance on property owned by the Association;

- f. cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;
- g. cause any private roads, streets or easements in the Subdivision to be maintained;
- h. cause the Common Area, if any, to be maintained;
- i. cause the Restrictions of the Subdivision to be enforced and administered;
- j. employ such accountants, attorneys, contractors or other persons or entities as the Board deems necessary to manage and administer the affairs of the Association;
- k. manage the affairs of the Association; and
- l. perform all acts and do all things provided for or contemplated to be done by the Association in the Certificate of Formation or these Bylaws.

Directors shall exercise ordinary business judgment in managing the affairs of the Association. Directors shall act as fiduciaries with respect to the interests of the Members. In acting in their official capacity as directors of this Association, directors shall act in good faith and take actions they reasonably believe to be in the best interests of the Association and that are not unlawful. In all instances, the directors shall not take any action that they should reasonably believe would be contrary to the Association's best interests or would be unlawful. A director shall not be liable if, in the exercise of ordinary care, the director acts in good faith relying on written financial and legal statements provided by an accountant or attorney retained by the Association.

6.07 Actions of Board of Directors. The Board of Directors shall try to act by consensus. However, the vote of a majority of directors present and voting at a meeting at which a quorum is present shall be sufficient to constitute the act of the Board of Directors unless the act of a greater number is required by law or these Bylaws. A director who is present at a meeting and abstains from a vote is considered to be present and voting for the purpose of determining the decision of the Board of Directors. For the purpose of determining the decision of the Board of Directors, a director who is represented by proxy in a vote is considered present.

6.08. Action without Meeting by Unanimous Consent. Any action required or permitted by the Certificate of Formation, these Bylaws, or the Code to be taken at a meeting of the Directors of the Association may be taken without a meeting if all the Directors sign a written consent setting forth the action so taken.

6.09. Action by Non-Unanimous Consent. Any action required or permitted by the Certificate of Formation, these Bylaws, or the Code to be taken at any regular or special meeting of Board of Directors may be taken, subject to any statutory requirements, without a meeting, without prior notice, and without a vote, if the Directors having not less than the minimum number

of votes that would be necessary to take such action (had the matter arisen at a meeting of Directors at which the all Directors were present and voted) sign a written consent or consents setting forth the action so taken.

ARTICLE 7

NOMINATION AND ELECTION OF DIRECTORS

7.01. Nomination of Directors. Candidates for the Board of Directors of the Association may be nominated (i) by petition signed by eligible Members entitled to cast at least two (2) votes, provided such petition shall be received by the Secretary at least ten (10) days before the annual meeting, or (ii) at the annual meeting by motion and second by eligible Members. No Member shall be eligible to be nominated for or to serve on the Board of Directors if such Member is in default in the payment of any dues, fees or assessments or fines due the Association.

7.02. Election. Directors are elected at the annual meeting of Members of the Association. Members, or their proxies, may cast, in respect to each directorship to be filled, as many votes as they are entitled to exercise under the provisions hereof. The nominees receiving the highest number of votes shall be elected. No Member may cumulate votes.

7.03. Rules and Procedures. The Board of Directors may adopt rules and procedures for the conduct of annual elections of Directors, provided that such rules and procedures are not inconsistent with these Bylaws. Such rules and procedures so adopted by the Board of Directors may provide for voting by mail.

ARTICLE 8

MEETINGS OF DIRECTORS

8.01. Regular Meetings. Regular meetings of the Board of Directors shall be held on such dates at such places and at such times as may be fixed from time to time by resolution of the Board. The first regular meeting of each new Board shall be held within twenty (20) days after the annual meeting of Members. Notice of the time and place of such meeting shall be mailed or delivered to each member of the Board of Directors not less than five (5) nor more than fifteen (15) days before the date of the meeting. No notice of regular meetings of the Board of Directors (except for first regular meeting of each new Board) shall be required.

8.02. Special Meetings. Special meetings of the Board of Directors shall be held when called by written notice signed by the President and Secretary of the Board of Directors or by any two Directors. The notice shall specify the time and place of the meeting and the nature of any special business to be considered. Notice of any special meeting must be given to each Director not less than five (5) days (except in the case of emergencies), or more than fifteen (15) days prior to the date fixed for such meeting by written notice delivered personally or sent by mail or telegram to each Director at his address as shown in the records of the Association.

8.03. Quorum. A quorum for the transaction of business by the Board of Directors shall be a majority of the number of Directors constituting the Board of Directors as fixed by these Bylaws.

8.04. Voting Requirement. The act of the majority of Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors unless any provision of the Certificate of Formation or these Bylaws requires the vote of a greater number.

8.05. Open Meetings. Regular and special meetings of the Board shall be open to all Members of the Association; provided, however, that Association Members who are not on the Board may not participate in any deliberation or discussion unless expressly so authorized by the vote of a majority of a quorum of the Board.

8.06. Executive Session. The Board may, with the approval of a majority of a quorum, adjourn a meeting and reconvene in executive session to discuss and vote on personnel matters, litigation in which the Association is or may become involved, and other business of a confidential nature. The nature of any and all business to be considered in executive session shall first be announced in open session.

ARTICLE 9 **COMMITTEES**

9.01. Appointed by Board of Directors. The Board of Directors may appoint such committees as are required by the Restrictions. The Board may from time to time establish and appoint to such other committees as it shall deem necessary and advisable to assist the Board in the general operation and management of the Association. The Chairman and all Members of each such committee must be a Member of the Association.

9.02. Authority of Committees. The Board of Directors may grant to any committee thus established by the Board such authority and power consistent with these Bylaws as the Board shall deem required to carry out the intended purposes and functions of such committee.

9.03. Discharge of Committees and Committeemen. The Board of Directors may discharge any committee established by the Board and may remove and replace any committeeman appointed to any committee.

ARTICLE 10 **OFFICERS**

10.01. Enumeration of Officers. The Officers of the Association (who shall at all times be members of the Board of Directors) shall be a President, a Vice President, a Secretary and a Treasurer. The Board of Directors may, by resolution, create such other offices as it deems necessary or desirable.

10.02. Term. The Officers of this Association shall be elected annually by the Board of Directors and each shall hold office for a term of one year, unless such officer shall sooner resign, be removed, or be otherwise disqualified to serve.

10.03. Resignation and Removal. Any Officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect at the date of receipt of such notice or at any later time specified therein. Any officer may be removed from office by the Board whenever, in the Board's judgment, the best interests of the Association would be served by such removal.

10.04. Multiple Offices. Any two or more offices may be held by the same person, except the offices of President and Secretary.

10.05. Compensation. Officers shall not receive compensation for services rendered to the Association, but they may be reimbursed for reasonable expenses actually incurred in connection with their duties as officers.

ARTICLE 11

PRESIDENT

11.01. Election. At the first meeting of the Board immediately following the annual meeting of the Members, the Board shall elect one of its members to act as President.

11.02. Duties. The President shall:

- (a) Preside over all meetings of the Members and of the Board;
- (b) Sign as President all deeds, contracts, and other instruments in writing which have been first approved by the Board, unless the Board, by duly adopted resolution, has authorized the signature of a lesser officer;
- (c) Call meetings of the Board whenever he deems it necessary in accordance with rules and on notice agreed to by the Board. The notice period shall, with the exception of emergencies, in no event be less than five (5) days; and
- (d) Have, subject to the advice of the Board, general supervision, direction and control of the affairs of the Association and discharge such other duties as may be required of him by the Board.

ARTICLE 12
VICE PRESIDENT

12.01. Election. At the first meeting of the Board immediately following the annual meeting of the Members, the Board shall elect one of its members to act as Vice President.

12.02. Duties. The Vice President shall:

- (a) Act in the place and in the stead of the President in the event of his absence, inability, or refusal to act; and
- (b) Exercise and discharge such other duties as may be required of him by the Board. In connection with any such additional duties, the Vice President shall be responsible to the President.

ARTICLE 13
SECRETARY

13.01. Election. At the first meeting of the Board immediately following the annual meeting of the Members, the Board shall elect a Secretary. The Secretary need not be a member of the Board.

13.02. Duties. The Secretary shall:

- (a) Keep a record of all meetings and proceedings of the Board and of the Members;
- (b) Keep the seal of the Association, if any, and affix it on all papers requiring said seal;
- (c) Serve such notices of meetings of the Board and the Members required either by law or by these Bylaws;
- (d) Keep appropriate current records showing the members of this Association together with their addresses; and
- (e) Sign as Secretary all deeds, contracts, and other instruments in writing which have been first approved by the Board if said instruments require a second Association signature, unless the Board has authorized another Officer to sign in the place and stead of the Secretary by duly adopted resolution.

ARTICLE 14
TREASURER

14.01. Election. At the first meeting of the Board immediately following the annual meeting of the members, the Board shall elect a Treasurer. The Treasurer need not be a member of the Board.

14.02. Duties. The Treasurer shall:

- (a) Receive and deposit in such bank or banks as the Board may from time to time direct, all of the funds of the Association;
- (b) Be responsible for, and supervise the maintenance of, books and records to account for such funds and other Association assets;
- (c) Disburse and withdraw said funds as the Board may from time to time direct, and in accordance with prescribed procedures; and
- (d) Prepare and distribute the financial statements for the Association required by the Restrictions.

ARTICLE 15
BOOKS AND RECORDS

15.01. Maintenance. Complete and correct records of account and minutes of proceedings of meetings of Members, Directors, and committees shall be kept at the principal office of the Association. A record containing the names and addresses of all Members entitled to vote shall be kept at the principal office of the Association.

15.02. Inspection. The Restrictions of the Subdivision, the Certificate of Formation and the Bylaws of the Association, the membership register, the books of account, and the minutes of proceedings, shall be available for inspection and copying by any Member of the Association or any Director for any proper purpose at any reasonable time.

ARTICLE 16
AMENDMENTS

16.01. Amendments. The Board of Directors of this Association is expressly authorized to alter, amend, or repeal the Bylaws or to adopt new Bylaws of the Association, without any action on the part of the Members of the Association, but the Bylaws made by the Directors and the powers so conferred may be altered or repealed or new Bylaws adopted by a majority of the vote of the eligible Members present and voting, in person or by proxy, at any annual or special meeting or election called for that purpose; provided, however, that a statement of the proposed modifications, alterations, amendments, or repeal and proposed new Bylaws shall be signed by

either the Board of Directors or by ten percent (10%) or more of the Members entitled to vote and delivered to the Board of Directors at least twenty (20) days before the date of such meeting or election; and it shall be the duty of the Board of Directors to cause a copy of such proposed modifications, alterations, amendments, or repeal and proposed new Bylaws to be mailed to each Member of the Association at his last known address as shown on the books of the Association at least ten (10) days before such meeting or election.

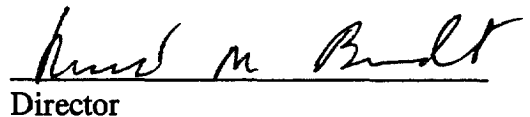
ARTICLE 17
CONFLICTS

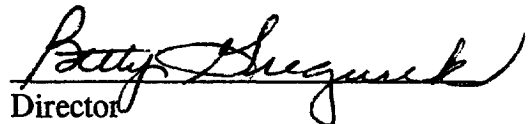
17.01. Certificate Governs. In the event of a conflict between the provisions of these Bylaws and the Certificate of Formation, the terms and provisions of the Certificate shall prevail.

ATTESTATION

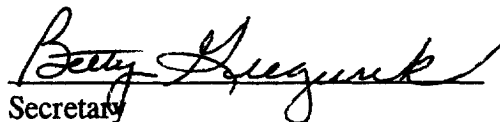
ADOPTED by the Board of Directors on this 18th day of June, 2009.


Director


Director


Director

ATTEST:


Secretary

Corporations Section
P.O.Box 13697
Austin, Texas 78711-3697



Hope Andrade
Secretary of State

Office of the Secretary of State

CERTIFICATE OF FILING OF

Kleimann Estates Property Owners Association
File Number: 801136117

The undersigned, as Secretary of State of Texas, hereby certifies that a Certificate of Formation for the above named Domestic Nonprofit Corporation has been received in this office and has been found to conform to the applicable provisions of law.

ACCORDINGLY, the undersigned, as Secretary of State, and by virtue of the authority vested in the secretary by law, hereby issues this certificate evidencing filing effective on the date shown below.

The issuance of this certificate does not authorize the use of a name in this state in violation of the rights of another under the federal Trademark Act of 1946, the Texas trademark law, the Assumed Business or Professional Name Act, or the common law.

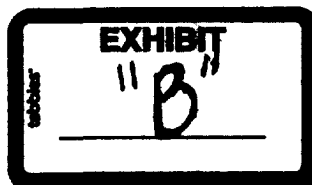
Dated: 06/17/2009

Effective: 06/17/2009



A handwritten signature in black ink, appearing to read "Hope Andrade".

Hope Andrade
Secretary of State



CERTIFICATE OF FORMATION
OF
KLEIMANN ESTATES
PROPERTY OWNERS ASSOCIATION
(Nonprofit Corporation)

FILED
In the Office of the
Secretary of State of Texas
JUN 17 2009

Corporations Section

The undersigned person, being a Texas business corporation, and having the capacity to contract for itself, acting as Organizer of a nonprofit corporation under Title I, Chapter 3, Subchapter A of the Texas Business Organizations Code (the "Code"), does hereby execute the following Certificate of Formation for such nonprofit corporation:

Article I,

Entity Name And Type

The filing entity being formed is a nonprofit corporation. The name of the entity is **Kleimann Estates Property Owners Association** (herein referred to as the "Association").

Article II,

Purpose

The Association does not contemplate pecuniary gain or profit to the members thereof.

The general purposes for which the Association is formed are to hold legal title to and to provide for the maintenance, repair, preservation, upkeep and protection of any common areas within that certain unrecorded subdivision in Montgomery County, Texas, known as Kleimann Estates (the "Subdivision") (such common area including that certain 0.409 acre tract within the Subdivision dedicated as a boat ramp for the use and benefit of the Subdivision's property owners); and to promote the health, safety and welfare of the members of the Association and the property owners and residents of the Subdivision; and specifically:

- (a) To promote the health, safety, and welfare of the members of the Association and the property owners in the Subdivision;
- (b) To enforce the reservations, restrictions and covenants applicable to the Subdivision as recorded in Volume 1164, Page 138 of the Deed Records of Montgomery County, Texas (the "Restrictions");
- (c) To fix, levy, collect and enforce payment by any lawful means, all dues, charges or assessments as provided in the Bylaws of the Association or as levied upon the members of the Association by its Board of Directors; to administer, utilize and disburse said dues and assessments so as to promote the recreation, health, safety and welfare of the members of the Association and the property owners and residents and for the improvement and maintenance of the

Subdivision; to pay all expenses in connection with the collection and enforcement of said dues, charges and assessments and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the property of the Association;

- (d) To acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association;
- (e) To borrow money, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;
- (f) To dedicate, sell, transfer or convey all or any part of the common areas in the Subdivision to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members;
- (g) To participate in mergers and consolidations with other non-profit corporations organized for the same or similar purposes;
- (h) To exercise all powers and authority of a property owners' association as set out in Chapters 202 and 204 and other applicable provisions of the Texas Property Code, such powers and authority being hereby expressly adopted and incorporated herein by reference; and
- (i) To have and to exercise any and all powers, rights and privileges which a nonprofit corporation organized under the Texas Business Organizations Code by law may now or hereafter have or exercise, but which are consistent with the Association's claiming and continuing to claim an exemption from federal income and state franchise taxes.

The exercise by the Association of the above powers and authority shall be subject to any specific limitations or conditions set out in the Restrictions or as provided by applicable law.

Article III. **Restrictions and Requirements**

The Association shall not pay dividends or other corporate income to its members, directors or officers or otherwise accrue distributable profits or permit the realization of private gain. The Association shall have no power to take any action prohibited by the applicable provisions of the Code. The Association shall not have the power to engage in any activities, except to an insubstantial degree, that are not in furtherance of the purposes and powers set forth above.

Article IV.
Registered Agent and Registered Office

The initial registered agent of the Association is an individual resident of the State of Texas whose name is William T. Fowler.

The business address of the registered agent and the registered office address is 300 W. Davis, Suite 510, Conroe, Texas 77301.

Article V.
Management

The management of the affairs of the Association is vested in a governing authority (the "Board of Directors"). The qualifications, manner of selection, duties, terms, and other matters relating to the Board of Directors shall be provided in the bylaws of the Association (the "Bylaws"). The initial Board of Directors shall consist of three (3) persons. The number of directors may be increased or decreased by adoption or amendment of the Bylaws, but no decrease shall have the effect of shortening the term of any incumbent director. The number of directors may not be decreased to fewer than three (3). In electing directors, members shall not be permitted to cumulate their votes by giving one candidate as many votes as the number of directors to be elected or by distributing the same number of votes among any number of candidates. The initial Board of Directors shall consist of the following persons at the following addresses:

| <u>Name of Director</u> | <u>Address</u> |
|-------------------------|--|
| Marvin Degeyter | 14526 Dairyland Dr. Willis, Texas 77318 |
| Richard Brandt | 118 Wedgewood Dr. Montgomery, Texas 77356 |
| Betty Gregurek | 14019 Waterview Dr. Willis, Texas 77318 |

Article VI.
Members

The Association will have members. Every owner of a lot, tract or parcel of land ("Owner") located in the Subdivision, including contract purchasers, shall be eligible to become a member of and entitled to voting rights in the Association upon complying with all requirements for membership as set forth in the Bylaws of the Association and paying all fees, dues, charges and assessments required by the Bylaws for membership. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation, persons or entities who own only an easement, or those having

an interest in the mineral estate only. If a member ceases to own any property within the Subdivision, such member's membership in the Association shall automatically terminate.

Article VII.

One Class of Membership and Voting Rights

The Association shall have only one (1) class of members.

Members shall be entitled to one (1) vote for each lot, tract or parcel of land owned in the Subdivision. When more than one person holds an interest in any lot, tract or parcel, all such persons shall be members. The vote for such lot, tract or parcel of land shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any lot, tract or parcel of land.

Article VIII.

Action by Non-Unanimous Consent

Any action required or permitted by this Certificate of Formation, the Bylaws, or the Code to be taken at any annual or special meeting of members of the Association may be taken, subject to any statutory requirements, without a meeting, without prior notice, and without a vote, if the members having not less than the minimum number of votes that would be necessary to take such action (had the matter arisen at a membership meeting at which all members entitled to vote on the action were present and voted) sign a written consent or consents setting forth the action so taken. Likewise, any action required or permitted by this Certificate of Formation, the Bylaws, or the Code to be taken at any meeting of the Board of Directors may be taken, subject to any statutory requirements, without a meeting, without prior notice, and without a vote, if the directors having not less than the minimum number of votes that would be necessary to take such action (had the matter arisen at a Board of Directors meeting at which all directors entitled to vote on the action were present and voted) sign a written consent or consents setting forth the action so taken.

Article IX.

Limitation of Liability of Directors and Officers and Indemnification

To the full extent permitted by applicable law, no director or officer of the Association shall be liable to the Association or its members for monetary damages for an act or omission in such director's capacity as a director or officer of the Association, except that this Article IX does not eliminate or limit the liability of a director or officer of the Association for:

1. a breach of such director's or officer's duty of loyalty to the Association or its members;
2. an act or omission not in good faith or that involves intentional misconduct or a knowing violation of the law;

3. a transaction from which such director received an improper benefit, whether or not the benefit resulted from an action taken within the scope of such director's or officer's office; or
4. an act or omission for which the liability of such director or officer is expressly provided for by statute.

Any repeal or amendment of this Article by the members of this Association shall be prospective only, and shall not adversely affect any limitation on the personal liability of a director or officer of the Association existing at the time of such repeal or amendment. In addition to the circumstances in which a director or officer of this Association is not personally liable as set forth in the foregoing provisions of this Article IX, a director or officer shall not be liable to the full extent permitted by an amendment to the Texas Business Organizations Code or other statute hereafter enacted that further limits the liability of a director or officer.

To the full extent permitted by applicable law, the Association shall indemnify any director or officer against judgments, penalties (including excise and similar taxes), fines, settlements and reasonable expenses (including court costs and attorney fees) actually incurred by any such person who was, is or is threatened to be made a named defendant or respondent in a proceeding because the person is or was a director or officer and shall advance to such person such reasonable expenses as are incurred by him in connection therewith. The rights of directors and officers set forth in this Article shall not be exclusive of any other right which directors or officers may have or hereafter acquire relating to the subject matter hereof. As used in this Article, the terms "director" and "officer" shall mean any person who is or was a director or officer of the Association and any person who, while a director or officer of the Association, is or was serving at the request of the Association as a director, officer, partner, venturer, proprietor, trustee, employee, agent or similar functionary of another foreign or domestic corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise. As used in this Article, the term "proceeding" means any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, arbitral or investigative, any appeal in any such action, suit or proceeding and any inquiry or investigation that could lead to such an action, suit or proceeding.

Article X.

Duration

The period of its duration is perpetual, and the Association shall continue until dissolved as provided by law.

Article XI.

Amendments of Bylaws

The Board of Directors of this Association is expressly authorized to alter, amend, or repeal the Bylaws or adopt new Bylaws of the Association without any action on the part of the members of the Association; provided however, the Bylaws made by the directors and the

powers so conferred may be altered or repealed or new Bylaws adopted by the members in the manner provided in the Bylaws.

Article XII.
Amendments to Certificate

The amendment of this Certificate shall require the vote of not less than two-thirds (2/3) of the total votes of the eligible members of the Association.

Article XIII.
Dissolution

The Association may only be dissolved by the vote of not less than two-thirds (2/3) of the total votes of the eligible members of the Association.

Article XIV.
Manner of Distribution

After all liabilities and obligations of the Association in the process of winding up are paid, satisfied, and discharged in accordance with Chapter 11 of the Texas Business Organizations Code, the property of the Association shall be applied and distributed as follows:

- (i) Property held by the Association on a condition requiring return, transfer, or conveyance because of winding up or termination shall be returned, transferred, or conveyed in accordance with that requirement; and
- (ii) The remaining property shall be distributed only for tax-exempt purposes to one or more organizations that are exempt under Section 502(c)(3) or described by Section 170(c)(1) or (2) of the Internal Revenue Code as provided in a plan of distribution adopted by the Association under the Texas Business Organizations Code.

Article XV.
Construction

All references in this Certificate of Organization to statutes, regulations, or other sources of legal authority shall refer to the authorities cited, or their successors, as they may be amended from time to time.

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Article XVI.
Organizer

The name and address of the Organizer is:

Kleimann Estates Water Co., Inc.
14019 Waterview Dr.
Willis, Texas 77318

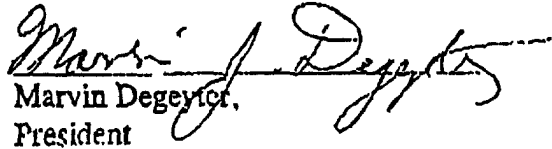
Article XVII.
Effectiveness of Filing

This document becomes effective when the document is filed by the Secretary of State.

EXECUTED by the undersigned Organizer on June 17, 2009.

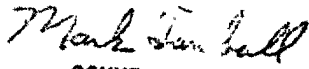
Organizer:

KLEIMANN ESTATES WATER CO., INC.,
a Texas corporation

By: 
Marvin Degeyter,
President

FILED FOR RECORD

09 JUN 22 AM 10:43


COUNTY CLERK
MONTGOMERY COUNTY, TEXAS

STATE OF TEXAS
COUNTY OF MONTGOMERY

I hereby certify this instrument was filed in
File Number Sequence on the date and at the time
stamped herein by me and was duly RECORDED in
the Official Public Records of Real Property at
Montgomery County, Texas.

JUN 22 2009




County Clerk
Montgomery County, Texas