

BY-LAWS OF
MEADOWLAKES PROPERTY OWNERS ASSOCIATION, INC.

ARTICLE 1
INTRODUCTION

The provisions of these By-laws shall apply to and govern the Meadowlakes Property Owners Association, Inc. (the Association), a Texas non-profit corporation, established for the purpose of protecting the rights, and fulfilling the obligations and duties of the Association as set forth in these By-laws, the Articles of Incorporation (Articles) and the Declaration of Covenants, Conditions and Restrictions (and any amendments thereof) (Restrictions) covering the Subdivision.

ARTICLE II
PURPOSE AND PLAN OF ORGANIZATION

Section 1. PURPOSE: The Association is organized under the laws of the State of Texas as a non-profit corporation and its activities shall be conducted in such a manner that no part of its net earnings will inure to the benefit of any member, director, officer or individual.

Section 2. OBJECTIVES: The objectives of the Association shall be:

- (a) to continue the development and maintenance of Meadowlakes subdivision located in the City of Meadowlakes, Texas;
- (b) through united effort, to attempt to provide the best atmosphere for the daily activities of its residents;
- (c) to encourage the membership to participate in the activities of the Association; and
- (d) to engage in any other activity deemed necessary or advisable in carrying out the purpose of the Association.

ARTICLE III
DEFINITIONS

Definitions used in these By-laws:

- (a) "Association" shall mean and refer to Meadowlakes Property Owners Association, Inc., a Texas Non-profit corporation, its successors and assigns.
- (b) "Subdivision" shall mean Meadowlakes Subdivision, Sections I through 4, constituting subdivisions of Burnet County, Texas, as evidenced by maps or plats of record in the Map or Plat Records of Burnet County, Texas.
- (c) "Lot" as hereinafter used in these by-laws shall mean and refer to any of the plots of land shown on the plats, replats, amended plats, and subdivision map recorded in the Map or Plat Records of Burnet County, Texas. The term "lot" does not include the common areas, parks, or clubhouse with related facilities (including the golf course).

- (d) "Member" shall mean and refer to every person or entity who holds a membership in the Association.
- (e) "Common Area" shall mean and refer to all those portions of the subdivision shown on any recorded final subdivision map, excluding portions of the subdivision dedicated to the public, which are owned or may be acquired by the Association for the common use and enjoyment of its members.
- (f) "Articles" shall mean the Articles of Incorporation of the Association.
- (g) "Board" shall mean the Board of Directors of the Association.
- (h) "Restrictions" shall mean and refer to the restrictions relating to the Subdivision, including those Restrictions of record in the Office of the County Clerk, Burnet County, Texas, together with any and all amendments thereof; and such other restrictions relating to additional sections of the Subdivision, which may be filed of record from time to time by the Association.
- (i) "Owner" shall mean and refer to the owner of record or equitable owner of record under a contract for deed, whether one or more persons or entities, of fee simple title to any lot, but excluding those having such interest merely as security for the performance of an obligation.
- (j) "Member in good standing" shall mean a member who is not delinquent in payment of their dues or assessments.
- (k) "Recreational Facilities" shall mean and refer to any improvements located on or in the Common Areas.

ARTICLE IV PRINCIPAL OFFICE

The principal office of the Association shall be located in the County of Burnet, State of Texas. Meetings of the Members and/or of the Board shall be held at such place in the County of Burnet, State of Texas as the Board may from time to time designate.

ARTICLE V MEMBERSHIP, VOTING RIGHTS, PROPERTY RIGHTS

Section 1. MEMBERSHIP:

- (a) Qualifications: Each owner of a lot, except as provided in the Restrictions, shall be a member of the Association and, except as herein otherwise provided, shall be entitled to one membership for each lot owned. Ownership or future fee ownership by the contract purchaser of a lot shall be the sole qualification for membership in the Association.
- (b) Member's Rights and Duties: Each member shall have the rights, duties and obligations as set forth in the Restrictions, the Articles, and these By-laws, as the same may from time to time be amended.

(c) Transfer of Membership: The Association membership of each Owner shall be appurtenant to the lot giving rise to such membership and shall not be assigned, transferred, pledged, hypothecated, conveyed or alienated in any way except upon the transfer of title to said lot, and then only to the transferee of title to said lot. Any attempts to make a prohibited transfer shall be void. Any transfer of title to a lot shall operate automatically to transfer the membership in the Association appurtenant thereto to the new Owner thereof.

Section 2. VOTING: Members in the Association shall have the following voting rights:

(a) Number of Votes: All members in good standing shall be entitled to one (1) vote for each residential lot owned in fee simple.

(b) When more than one person holds an interest in any lot, all such persons shall be members. The vote for such lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any lot.

ARTICLE VI

MEMBERSHIP ASSESSMENT AND LIEN RIGHTS

Section 1. MEMBERSHIP ASSESSMENTS: Regular and Special Assessments as provided in the Restrictions and as may be hereinafter provided, together with all other assessments which the Board shall from time to time set, shall be paid by members of the Association at the times, in the manner and subject to the conditions and limitations set forth in the Restrictions. The Board shall fix, levy, collect and enforce such assessments which in its discretion shall be deemed necessary, appropriate, or required in order to give effect to the purposes of the Association.

Section 2. SPECIAL ASSESSMENTS: In addition to the regular annual assessment(s) set forth in the Restrictions, a special assessment may be made by the Board applicable only for the year on which it is assessed. The purpose of this Special Assessment shall be to defray, in whole or in part, the cost of any repair, maintenance, construction or replacement of the road system or right-of-way within the subdivision, of any of the common areas or recreational facilities, or of any other property dedicated to the public within the subdivision which is not being maintained by a public entity, provided that any such special assessment must have the assent of fifty one percent (51%) of the voting members present, in person or by proxy, at a special meeting duly called for this purpose.

Section 3. ENFORCEMENT, LIEN RIGHTS: The Regular and Special Assessments, together with interest, costs and reasonable attorneys' fees, shall be a charge on the lots of the members to the full extent permitted by law, with a continuing lien upon the lots against which each assessment is made. Each such assessment, together with interest, costs and reasonable attorneys' fees, shall also be the personal obligation of the person who was the Owner or purchaser of such property at the time such assessment fell due. The Board shall have the duty to enforce such liens and shall also have and be entitled to exercise all other rights and remedies of such obligations and liens. No Owner or purchaser of a lot may waive or otherwise escape the liability for the assessment provided for herein by non-use of the common areas, the recreational facilities, the road system and the rights-of-way within the Subdivision, or by abandonment of his/her lot.

ARTICLE VII MEMBERS

Section 1. MEETINGS:

(a) Annual Meeting: The annual meeting of the members shall be held on the second Saturday of October of each year beginning at 10:00 o'clock A.M., for the purpose of electing directors and for the transaction of any other business which may come before the members. If the day fixed for this meeting shall be on a legal holiday in the State of Texas, the meeting shall be held on the next succeeding Saturday. The Board shall designate the place for this annual meeting

The order of business shall be:

- (1) Call to order
- (2) Record of attendance by the Secretary and reading of the minutes of the last annual meeting and of all special meetings.
- (3) Treasurer's report
- (4) Report of the Board of Directors
- (5) Committee reports
- (6) Unfinished business
- (7) New business
- (8) Election of officers

(b) Special Meetings: The Board, the President, or one-fourth of the members entitled to vote may call a special meeting of the members and designate the place for such meeting. If no such designation is made the place for such meeting shall be the registered office of the Association.

(c) Waiver of Notice: A waiver of notice signed by a majority of the members present and entitled to vote at any meeting may designate the place for holding such meeting. In case of a special meeting, the waiver must state the purpose or purposes for which the meeting is called.

Section 2. NOTICE OF AN ANNUAL OR SPECIAL MEETING: Written or printed notice stating the place, date and hour of any annual or special meeting, and in the case of a special meeting, the purpose or purposes for which such meeting is called, shall be delivered not less than ten (10) nor more than fifty (50) days prior to the date of such meeting. Said notice shall be delivered either in person or by mail to each member of record entitled to vote at such meeting at either the direction of the President or the Secretary or of the officer or person calling the meeting. If mailed, such notice shall be deemed delivered when deposited in the United States Mail, postage prepaid, and addressed to the member at his/her address as it appears on the books of the Association.

Section 3. QUORUM: The presence at an annual or special meeting of the members of the Association holding twenty-five percent or more votes entitled to be cast, represented in person or by proxy, shall constitute a quorum. If the required quorum is not present another meeting may be called subject to the same notice requirements, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than 60 days following the preceding meeting.

Section 4. VOTING: Each member shall be entitled to exercise the voting rights herein above provided in Article V, Section 2 on each matter submitted to vote at a meeting of members. Cumulative voting for directors is not permitted.

Section 5. PROXIES: At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his/her lot.

Section 6. METHOD OF VOTING: Voting on any question or in any election may be by voice vote or show of hands unless the presiding officer shall order or any member demands that voting be by written ballot.

Section 7. RULES OF PROCEDURE: To the extent applicable, Robert's Rules of Order shall govern the conduct and procedure at all Association meetings.

Section 8. INFORMAL ACTION BY MEMBERS: Any action taken or required to be taken at a meeting of the members may be taken without a meeting if they consent in writing, setting forth the action so taken. This consent shall be signed by all of the members entitled to vote with respect to the subject matter thereof, and shall have the same force and effect as a unanimous vote of the members. Such unanimous written consent shall be delivered to the Secretary of the Association for inclusion in the minute books of the Association.

ARTICLE VIII BOARD OF DIRECTORS

Section 1. NUMBER AND TERM OF OFFICE: The affairs of the Association shall be managed by a Board of Directors consisting of not less than five (5) nor more than seven (7) resident members in good standing. At the annual meeting of the Association in October, a sufficient number of members of the Board shall be elected to maintain the total number of members of the Board. Such members shall be elected to serve for a term of three years, except where a Director is elected to fill an unexpired term of a Director because of a position vacancy. The term of the newly elected Director filling an unexpired term shall be limited to the remaining term of the predecessor Director.

Section 2. REMOVAL AND VACANCIES: Any Director may be removed from the Board, with or without cause, by a vote of two-thirds of the members of the Association. In the event of death, resignation, removal of a Director or for any other reason wherein a vacancy occurs on the Board, the remaining members of the Board may appoint a resident association member in good standing to serve as Director until the next annual meeting.

Section 3. NOMINATION BY ASSOCIATION MEMBERS:

(a) Nominations for the Board may be made by petition signed by ten members in good standing and filed with the Secretary at least sixty (60) days prior to the annual meeting. The secretary shall post the names of such nominees on the Association Bulletin Board and/or publish them in the POA Newsletter at least fifty (50) days prior to the date of the annual meeting.

(b) Nominations for the Board may be made from the floor at the annual meeting with the prior consent of the nominees.

Section 4. NOTICE OF NOMINEES: The Secretary shall include in the notice of annual meeting the names of all members to be placed in nomination as members of the Board and shall indicate which nominees were nominated by the nominating committee and which were nominated by petition, if any.

Section 5. ELECTION OF MEMBERS OF THE BOARD: Election of members of the Board shall be by the voting procedures specified in ARTICLE V, Section 2. and ARTICLE VII, Section 4.

Section 6. ELECTION OF OFFICERS OF THE BOARD: The newly constituted Board shall meet immediately following the close of the annual meeting of the members, or as soon thereafter as practicable, and in all events within ten (10) days of such annual meeting. They shall elect from members of the Board a President, Vice-President, Director of Maintenance, Director of Gate Security, and Director of Storage Facilities. They shall also elect a Secretary and a Treasurer who may or may not be members of the Board, but who must be members of the Association in good standing. The officers provided for in this Section shall be elected for a term of one (1) year.

Section 7. MONTHLY MEETINGS: The Board shall meet monthly at times and places designated by the President of the Board.

Section 8. SPECIAL MEETINGS: Special meetings of the Board for any purpose or purposes may be called at any time by the President or, if he/she is absent, unable or refuses to act, by either the Vice-President or any one Director. Notice of the time and place of special meetings shall be given to each Director at least one business day prior to the date of such meeting and such notice may be conveyed telephonically, electronically, or by written notice (if time permits) delivered personally or mailed to each Director. In case such notice is mailed, it shall be deemed given and received seventy-two (72) hours after being deposited in the United States Mail.

Section 9. PRESIDENT AND VICE-PRESIDENT

(a) The President of the Board shall also be President of the Association, and he/she shall preside at all meetings of the Board and of the Association. The President shall recommend and the Board shall appoint the chairperson and members of the standing committees and other committees deemed necessary by the Board. The President shall perform all duties incident to the office of President and such other duties as may be prescribed from time to time by the Board, by these By-laws or the Subdivision Restrictions. In the absence of the President or in the event of his/her inability to act, the Vice-President shall perform the duties of the President. In the event of the absence or inability to act of both the President and Vice-President at any meeting of the Association or of the Board, the remaining members of the Board may choose a temporary presiding officer.

(b) In addition to the duties as defined herein, the Vice-President shall be responsible for the development of recreational activities within Meadowlakes.

Section 10. SECRETARY: The Secretary shall:

(a) Keep minutes of the meetings of the Board and of the Association in one or more books provided for that purpose. One signed copy of all minutes shall be kept at the principal office as noted in Article IV.

- (b) See that all notices are duly given in accordance with the provisions of these By-laws or as required by law. In case of the Secretary's absence, refusal or neglect to give the required notice, such notice may be given at the direction of the President or of the members upon whose request the meeting is called.
- (c) Be custodian of the records of the Association and of the Board.
- (d) Be charged with the writing and periodic distribution of pertinent information to the members, including the quarterly newsletter.
- (e) Keep a register of the post-office address of each member.
- (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/her by the President or the Board.

Section 11. TREASURER

- (a) The Treasurer shall have the custody of all funds, securities, evidences of indebtedness and other valuable documents of the Association. He/she shall receive or give cause to be given receipts and acquittances of monies paid in or on account of the Association and shall pay out of the funds on hand all just debts of the Association of whatever nature upon maturity of the same. All checks, drafts, or other orders for payment of money, notes or other evidence of indebtedness, issued in the name of or payable to the Association shall be signed or endorsed by two Board members, at least one of whom should be the Treasurer. Transfers of monies from one Board account to the other within the same financial entity can be signed by only one Board member, preferably the Treasurer.
- (b) He/she shall enter or cause to be entered in books of the Association to be kept for that purpose full and accurate accounts of all monies received and paid out on account of the Association, and whenever required by the Board, he/she shall keep or cause to be kept such other books as would show a true record of the expenses, losses, gains, assets and liabilities of the Association; and he/she shall perform all other duties incident to the office of Treasurer.

Section 12. ASSISTANT SECRETARIES AND TREASURERS: The assistant secretaries and treasurers, when authorized by the Board, shall perform such duties as shall be assigned to them by the Secretary or Treasurer, respectively, or by the Board.

Section 13. DIRECTOR OF MAINTENANCE. The Director of Maintenance shall conduct studies, report findings, and make recommendations regarding buildings, streets, grounds, parks, the marina and the fences and shall act as liaison with any contractor retained by the Board, but shall not assume a supervisory position.

Section 14. DIRECTOR OF GATE SECURITY. The Director of Gate Security shall develop procedures for proper policing of the main entrance gate and recommend these measures to the Board. The Director shall further develop procedures for policing of emergency gates. He/she shall also develop and make the Board aware of any other internal security measures that may be necessary or become so, to include any salary and other budgetary considerations for the Board.

Section 15. DIRECTOR OF STORAGE FACILITIES. The Director of Storage Facilities shall oversee the rental and maintenance of the storage facilities. He/she shall further recommend to the Board rental fees, rules, and policies regarding such storage facilities.

Section 16. QUORUM: The transaction of any business at any meeting of the Board, however called and noticed or wherever held, shall be valid if a quorum is present. A majority of the Board shall constitute a quorum thereof. Every act or decision done or made by a majority of the Directors at a meeting duly held at which a quorum is present shall be regarded as the act of the Board, unless the provisions of these By-laws, the Articles or the Restrictions require or permit the particular action involved to be taken by the Board under other circumstances.

Section 17. ACTION WITHOUT MEETING: Any action required or permitted to be taken by the Board by law, according to the Articles, these By-laws or the Restrictions, may be taken without a meeting, if all members of the Board shall individually or collectively consent telephonically, electronically, or in writing to such action. Such telephonic, electronic, or written consents, to include the notation of any absent director with an explanation of such absence, shall be filed with the minutes of the proceedings of the Board, and shall have the same force and effect as a unanimous vote of the Directors.

Section 18. ENTRY OF NOTICE: Whenever any Director is absent from any special meeting of the Board, an entry in the minutes to the effect that notice had been duly given shall be made.

Section 19. COMPENSATION: No Director or Officer of the Association shall receive any salary or other compensation for services rendered as a Director or Officer of the Association. However, directors and officers shall be reimbursed for expenses incurred in connection with the business of the Association and authorized by the Board. Nothing herein shall preclude any director or officer from serving the Association in any capacity other than as an officer or a director and receiving compensation therefore as authorized and approved by the Board. Any Director receiving any special compensation for services in such other capacity shall be excluded from deliberation and voting by the Board relative to the authorization thereof and fixing compensation with regard thereto.

Section 20. POWERS AND DUTIES: Subject to the limitations of the Articles, these By-laws, the Restrictions and the Texas Non-Profit Corporation Act as to action required to be taken, authorized or approved by the members of the Association, or a portion or percentage thereof, all Association powers and duties including those set forth in the Restrictions shall be exercised by, or under the authority of the Board, and the business and affairs of the Association shall be controlled by the Board. Without limiting the generality of the foregoing, the Board shall:

- (a) Exercise for the Association all powers, duties and authority vested in or delegated to the Board by the Association whether by these By-laws, the Articles, the Restrictions or otherwise.
- (b) Within the Subdivision, cause the road system or right-of-way, the common areas and recreational facilities, and any other property dedicated to the public use which is not being maintained by a public entity, to be properly operated, maintained, repaired, developed and improved.
- (c) Have the power to adopt and amend rules governing the use within the Subdivision of the road system or right-of-way, the common areas and recreational facilities, and any other property dedicated to the public use which is not being maintained by a public entity.
- (d) Establish, levy, assess and collect the assessments or charges in the manner set forth herein or in the Restrictions; enforce timely payment thereof, and enforce the actions of the Architectural Control Committee as hereinafter provided.

- (e) The Board may employ a professional manager, an independent contractor, and/or such other persons as it deems necessary; shall prescribe their duties, and shall enter into contracts and agreements for the purpose of providing for the performance of its powers and duties. The Board may further delegate any of its powers to such persons or entities as it may determine.
- (f) Cause to be kept a complete record of all of its acts and Association affairs and present a statement thereof to the Association at the annual meeting or at any duly called special meeting of the members.
- (g) Supervise all officers, agents and employees of the Association and see that their duties are properly performed.
- (h) Appoint and approve all agents and employees of the Association, prescribe their duties, fix their compensation (subject to the limitations on compensation to Directors and officers), and obtain such fidelity bonds as it may deem necessary or appropriate. The Association shall pay for the premiums on such bonds.
- (i) Purchase or otherwise acquire for the Association any property, rights, or privileges which the Association is authorized to acquire.
- (j) Pay for any property purchased by the Association, either wholly or in part, in money, stocks, bonds, debentures, or other securities of the Association.
- (k) Borrow money and make and issue notes, bonds and other negotiable and transferable instruments, mortgages, deeds of trust and trust agreements, and do every act and thing necessary to effectuate the same.
- (l) Procure and maintain adequate liability and hazard insurance on all properties and improvements owned or maintained by the Association. It shall also procure and maintain Directors' and Officers' liability insurance.

Section 21. ACTION BY THE BOARD: Unless otherwise expressly authorized or permitted by these By-laws, the Articles, or the Restrictions, all action required or permitted to be taken by the Board shall be taken and exercised only at a duly held regular or special meeting of the Board at which a quorum is present.

ARTICLE IX COMMITTEES

Section 1. The standing committees of the Association shall consist of the following: Architectural Control, Budget, and Nominating. The President may appoint ad hoc committees as deemed necessary.

Section 2. MEMBERS AND SELECTION: The Chairperson and members of each standing committee shall be recommended by the president and approved by the Board at the regular annual meeting of the Board or as soon thereafter as practicable so they may be announced at the first monthly meeting following the annual meeting. Those appointed shall serve for a period of one (1) year or until their successors have been elected and qualified. The Board shall have the

right at any time to remove any member or members of any of the committees, to change the number of persons upon such committees and to fill any vacancies occasioned therein.

Section 3. All committees shall be subject to call of the respective chairperson or of the President or Secretary of the Association. In the event any member of any committee is unable to attend any meetings of such committees, then the chairperson of the committee, or in his/her absence the President of the Association, may designate another member of the Association to serve as an alternate for the absent member.

ARTICLE X

ARCHITECTURAL CONTROL COMMITTEE

Section 1. COMMITTEE: The Architectural Control Committee ("The Committee") shall be appointed by the Board and shall consist of at least seven resident members in good standing. The Committee members shall serve at the will of the Board, and the Board shall have the right and power at any time and from time to time to create and fill vacancies on the Committee. A member of the Board shall serve as a liaison with the Architectural Control Committee.

Section 2. PURPOSE: It shall be the general purpose of the Committee to provide maintenance of architecture and construction in such a manner as to enhance the aesthetic properties and structural soundness of the developed community. The Committee shall be guided by and, except when in their sole discretion good planning would dictate to the contrary, controlled by the Restrictions. The judgment of the Committee shall be subject to review by appeal to the Meadowlakes POA Board of Directors.

Section 3. POWER: No improvements shall be placed or altered on any lot until the building plans, specifications, plot plans and a form survey showing the location of such improvements on the lot, have been submitted to, and approved in writing by a majority of the Committee as to harmony of external design and location in relation to surrounding structures and topography. The Committee may refuse to accept or may require changes, deletions or revisions in such plans and specifications in order to ensure that the architectural and general appearance of all buildings and grounds are in conformity with the Restrictions and By-laws and the general appearance of the community, and that such plans and specifications are not detrimental to the public health, safety, and general welfare of the community. Refusal of approval of plans and specifications or required changes, deletions or revisions in same, may be based upon any reasonable grounds, including purely aesthetic grounds, which in the discretion of the Committee shall be controlling subject to review by appeal as stated above.

Section 4. FAILURE TO APPROVE: In the event that any plans and specification are submitted to the Committee as provided herein, and the Committee shall fail either to approve or reject such plans and specifications sixty (60) days following such submission, applicant shall tender a reminder notice to the Committee by certified registered mail. If the Committee fails to approve or reject an application within thirty (30) days from date of receipt of reminder notice, then approval by the Committee shall not be required and full compliance with the Restrictions shall be deemed to have been obtained.

Section 5. COMPLIANCE: The Committee shall determine whether conditions contained in the Restrictions are being complied with; however, no act or failure or refusal of the Committee to initiate action to challenge a real or threatened violation of the Restrictions, or otherwise to act on its own initiative, shall be deemed to constitute a waiver of any right or duty of the Committee

at any time or from time to time thereafter to initiate such action and/or enforce compliance with the Restrictions. The Committee may act or refuse to act in any real or threatened violation of the Restrictions, all in the exercise of its sole discretion.

Section 6. ENFORCEMENT OF RESTRICTIONS: Notwithstanding any other provisions herein, it shall remain the prerogative and in the jurisdiction of the Committee to review applications and grant approvals for exceptions to the provisions of the Restrictions. Variations from such requirements and, in general, other forms of deviation from such Restrictions imposed thereby, may be made when and only when such exceptions, variances and deviations do not in any way detract from the appearance of the premises, and are not in any way detrimental to the public welfare or to the property of other persons located in the vicinity hereof, all in the sole opinion of the Committee. The Board shall be authorized to carry out the recommendations of the Committee and to enforce any sections authorized hereunder to the fullest extent permitted by law.

ARTICLE XI BUDGET COMMITTEE

The Budget Committee shall consist of the Treasurer of the Board as chairperson and three additional at large members. The Committee shall prepare and submit to the Board, at its meeting before entering the fiscal year, an operating budget showing the expected receipts and expenditures for the ensuing year.

ARTICLE XII NOMINATING COMMITTEE

The Nominating Committee, consisting of three resident members in good standing, shall be appointed by the President. It shall present in nomination at the annual meeting of the Association one or more resident members in good standing as candidates for the Board for each vacancy to be filled. The Secretary shall post a list of such candidates on the Association Bulletin Board and/or publish it in the POA Newsletter at least 70 days prior to the date of the annual meeting.

ARTICLE XIII MISCELLANEOUS

Section 1. EXECUTION OF CONTRACTS, ETC.: The Board, except as otherwise provided in these By-laws, may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the Association. Such authority may be general or confined to specific instances. Unless so authorized by the Board, no individual officer, agent or employee shall have any power or authority to bind the Association by a contract or engagement or to pledge its credit or to render it liable for any purpose or to pay any amount.

Section 2. INSPECTION OF BY-LAWS: The Association shall keep at its principal office the original or a copy of the By-laws as amended or otherwise altered to date, certified by the Secretary, which shall be open to inspection by the members of the Association at all reasonable times during office hours.

Section 3. FISCAL YEAR/AUDIT: The fiscal year of the Association shall terminate on August 31 of each year, at which time the Board will cause an audit of the financial records to be conducted by an independent firm.

Section 4. BOOKS AND RECORDS: The books, records and papers of the Association shall be kept at its principal office, and shall at all times, during reasonable business hours, be subject to inspection by any Association member.

Section 5. REPORTS TO MEMBERS: The Board shall cause an annual operating statement reflecting income and expenditures of the Association for each fiscal year to be prepared and make copies available for members attending the annual meeting.

ARTICLE XIV PROTECTION OF DIRECTORS AND OFFICERS

The Association shall indemnify each former, present and future director or officer of the Association or member of the Committees, against, and each such director and officer shall be entitled without further act on his/her part to indemnity from the Association for all expenses (including the amount of judgments and the amount of reasonable settlements made with a view to the curtailment of costs of litigation, other than amounts paid to the Association itself) reasonably incurred by him/her in connection with or arising out of any action, suit or proceeding in which he/she may be involved by reason of his/her being or having been a committee member, director or officer of the Association or of any other association, or company which he/she serves as director or officer at the request of the Association, whether or not he/she continues to be such Committee member, director or officer at the time of incurring such expenses; provided, however, that such indemnity shall not include any expenses by any such Committee member, director or officer (a) in respect of matters to which he/she shall finally be adjudged in any such action, suit or proceeding to be liable for willful misconduct in the performance of his/her duty as such Committee member, director or officer, or (b) in respect of any matter in which any settlement is effected in any amount in excess of the amount of expenses which might reasonably have been incurred by such Committee member, director or officer had such litigation been conducted to a final conclusion; provided, further, that in no event shall anything herein contained be so construed as to protect, or to authorize the Association to indemnify such Committee member, director or officer against any liability to the corporation or to its security holders to which he/she would otherwise be subject by reason of his/her willful misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of his/her office as such Committee member, director or officer. The foregoing right of indemnification shall inure to the benefit of the heirs, executors or administrators of each such Committee member, director or officer and shall be in addition to all other rights to which each such Committee member, director or officer may be entitled as a matter of law.

ARTICLE XV AMENDMENTS

Section 1. AMENDMENTS: Amendments to these By-laws may either be proposed by the Board or by petition signed by ten (10) members in good standing. Such proposed amendments may be submitted at any annual or special meeting of the members called for such purpose. The call therefore shall set forth such amendments and notice shall be mailed to each member as provided by these By-laws. The proposed amendments to these By-laws may be approved and adopted by a majority of the total voting power of the members present in person or by proxy at such meeting who are entitled to vote thereat, wherein a quorum is present. Upon approval by the

Board and adoption of amendments to these By-laws by the membership, the amended By-laws shall immediately become effective and binding on all concerned.

Section 2. CONFLICTS: In the event of any inconsistency between these By-laws and the Articles, the Articles shall control and in the event of any inconsistency between these By-laws or the Articles and the Restrictions, the Restrictions shall control.

Section 3. SEVERABILITY: If any clause or provision of these By-laws is illegal, invalid or unenforceable, under present or future laws, then and in that event, the remainder of the By-laws provisions shall not be affected thereby, and in lieu of each clause or provision that is illegal, invalid or unenforceable, there be added as a part of these By-laws a clause or provision as may be possible and be legal, valid and enforceable. The caption of each paragraph hereof is added as a matter of convenience only and shall be considered to be of no effect in the construction of any provision or provisions of these By-laws.

Approved and Adopted by the Board of Directors and membership of the Meadowlakes Property Owners Association, Inc. on this the _____ day of October 2009.

MEADOWLAKES PROPERTY OWNERS ASSOCIATION, INC.

By _____
President

By _____
Secretary