

**BYLAWS OF  
MISTY CREEK HOMEOWNERS' ASSOCIATION, INC.**

**ARTICLE I - OFFICES**

**1. REGISTERED OFFICE AND AGENT**

The registered office and registered agent of the Misty Creek Homeowner's Association, Inc. (the "Association") will be as set forth in the Association's Certificate of Formation. The registered office or the registered agent may be changed by resolution of the Board of Directors (the "Board") upon making the appropriate filing with the Secretary of State.

**2. PRINCIPAL OFFICE**

The principal office of the Association will be at 15 North Main Street; Temple, Texas 76501, provided that the Board will have the power to change the location of the principal office.

**3. OTHER OFFICES**

The Association also may have other offices at such places, within or without the State of Texas, as the Board may designate or as the business of the Association may require or as may be desirable.

Capitalized terms in these Bylaws have the same definitions as set out in the Declaration of Covenants, Conditions, and Restrictive Covenants of Misty Creek Subdivision.

**ARTICLE II - MEMBERS**

**1. MEMBERSHIP**

Every person or entity who is a record Owner of a free or undivided interest in any Lot that is subject to the jurisdiction of and to assessment by the Association will be a Member of the Association ("Member").

**2. CLASSES AND VOTES OF MEMBERS**

The Association has two classes of membership:

(a) Class A: Class A Members will be all Owners and Builder Members, with the exception of Declarant, and will be entitled to one vote for each Lot owned. When more than one person holds an interest in a Lot, all such persons will be Members. The vote for the Lot will be exercised as they among themselves determine, but in no event will more than one vote be cast per Lot.

(b) Class B: The Class B Member will be Declarant who is entitled to three votes for each Lot owned including all Lots shown on a Master Plat or Plan. Class B membership will cease and be converted to Class A membership at such time as the Declarant has conveyed and/or sold the last of the Unimproved Lots within the Subdivision and all of the

land area comprising the Properties, whether in a single or multiple transaction, to an Owner or to any governmental authority for public use.

Rights and obligations of each Member are described in the Declaration, as may be amended or modified from time to time.

### **3. TRANSFER OF MEMBERSHIP**

Membership in this Association will transfer or assign to the new Owner upon the sale of a Lot.

### **4. PLACE OF MEETING**

The Board may designate any place within Temple, Bell County, Texas, as the place of meeting for any annual meeting or for any special meeting called by the Board. If no designation is made or if a special meeting be otherwise called, the place of meeting will be the registered office of the Association in the State of Texas, but if all of the Members will meet at any time and place either within or without Temple, Bell County, Texas, and consent to the holding of a meeting, such meeting will be valid without call or notice, and any corporate action may be taken at such meeting.

### **5. ANNUAL MEETING**

The annual meeting of Members will be held on the first Monday during the month of March of each succeeding calendar year, beginning March 3, 2008.

Failure to hold the annual meeting at the designated time will not work a dissolution of the Association. In the event the Board fails to call the annual meeting at the designated time, any Member may make demand that such meeting be held within a reasonable time, such demand to be made in writing by registered mail directed to any officer of the Association. If the annual meeting of Members is not called within 60 days following such demand, any Member may compel the holding of such annual meeting by legal action directed against the Board, and all of the extraordinary writs of common law and of courts of equity will be available to such Member to compel the holding of such annual meeting.

### **6. NOTICE OF MEMBERS' MEETING**

Written or printed notice stating the place, day, and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, will be delivered not less than 10 nor more than 60 days before the date of the meeting, either personally, by facsimile transmission, electronic mail (email), or by United States Postal Service first-class mail, by or at the direction of the President, Secretary, or the officers or persons calling the meeting, to each Member entitled to vote at such meeting. If mailed, such notice will be deemed to be delivered when deposited with the United States Postal Service addressed to the Member at the Member's address as it appears on the records of the Association, with postage thereon paid. If transmitted by facsimile or email, notice is deemed to be delivered on successful transmission of the facsimile or email.

### **7. SPECIAL MEMBERS' MEETINGS**

Special meetings of the Members may be called by the President, the Board, or by Members having not less than 1/10<sup>th</sup> of the votes entitled to be cast at such meeting.

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Only business within the purpose or purposes described in the notice or executed waiver of notice may be conducted at a special meeting of the Members.

Any person or persons entitled hereunder to call a special meeting of Members may do so only by written request sent by certified mail or delivered in person to the President or Secretary. The officer receiving the written request will within 10 days from the date of its receipt cause notice of the meeting to be given in the manner provided by these Bylaws to all Members entitled to vote at the meeting. If the officer does not give notice of the meeting within 10 days after the date of receipt of the written request, the person or persons calling the meeting may fix the time of meeting and give the notice in the manner provided in these Bylaws. Nothing contained in this section will be construed as limiting, fixing, or affecting the time or date when a meeting of Members called by action of the Board may be held.

## **8. VOTING OF MEMBERS**

Unless otherwise provided by the Certificate of Formation or these Bylaws, a Member may vote in person or may vote by proxy executed in writing by the Member or by the Member's duly authorized attorney-in-fact. No proxy will be valid after 11 months from the date of its execution, unless otherwise provided in the proxy. Each proxy will be revocable unless expressly provided therein to be irrevocable, and in no event will it remain irrevocable for more than 11 months.

Elections of Directors or officers may be conducted by mail, by facsimile transmission, email, or any combination of these delivery methods.

At each election for Directors, every Member entitled to vote at such election will have the right to vote, in person or by proxy, for as many persons as there are Directors to be elected and for whose election the Member has a right to 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 will be the act of the Members meeting, unless otherwise provided by law, the Certificate of Formation, or these Bylaws.

Any vote may be taken by voice or show of hands unless a Member entitled to vote, either in person or by proxy, objects, in which case written ballots will be used.

## **9. QUORUM OF MEMBERS**

Unless otherwise provided in the Certificate of Formation or in these Bylaws, Members holding 1/10th of the votes entitled to be cast, represented in person or by proxy, will constitute a quorum. Unless otherwise provided in the Certificate of Formation or these Bylaws, once a quorum is present at a meeting of Members, the Members represented in person or by proxy at the meeting may conduct such business as may be properly brought before the meeting until it is adjourned, and the subsequent withdrawal from the meeting of any Member or the refusal of any Member represented in person or by proxy to vote will not affect the presence of a quorum at the meeting. Unless otherwise provided in the Certificate of Formation or these Bylaws, the Members represented in person or by proxy at a meeting of Members at which a quorum is not present may adjourn the meeting until such time and to such place as may be determined by a vote of the majority of the Members represented in person or by proxy at that meeting.

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## **10. FIXING RECORD DATES FOR DETERMINING MEMBERS ENTITLED TO VOTE AND NOTICE**

The record date for determining the Members entitled to notice of a Members' meeting and for determining the Members entitled to vote at a Members' meeting will be the close of business on the business day preceding the date on which notice is given, or, if notice is waived, at the close of business on the business day preceding the date of the meeting.

A determination of Members entitled to notice of or to vote at a Members' meeting is effective for any adjournment of the meeting unless the Board fixes a new date for determining the right to notice or the right to vote. The Board must fix a new date for determining the right to notice or the right to vote if the meeting is adjourned to a date more than 90 days after the record date for determining Members entitled to notice of the original meeting.

## **11. VOTING LISTS**

After fixing a record date for the notice of a meeting, the Association will prepare an alphabetical list of the names of all the voting Members who are entitled to notice of the meeting. The list must show the address and number of votes each voting Member is entitled to cast at the meeting. The Association will maintain, through the time of the Members' meeting, a list of Members who are entitled to vote at the meeting but are not entitled to notice of the meeting. This list will be prepared on the same basis and be part of the list of voting Members.

Not later than two business days after the date notice is given of a meeting for which a list was prepared, as provided above, and continuing through the meeting, the list of voting Members must be available for inspection by any Member entitled to vote at the meeting for the purpose of communication with other Members concerning the meeting at the Association's principal office or at a reasonable place identified in the meeting notice in the city where the meeting will be held. A voting Member or voting Member's agent or attorney is entitled on written demand to inspect and to copy the list at a reasonable time and at the Member's expense during the period it is available for inspection.

The Association will make the list of voting Members available at the meeting, and any voting Member or voting Member's agent or attorney is entitled to inspect the list at any time during the meeting or any adjournment.

## **12. ACTION BY MEMBERS WITHOUT MEETING**

Any action required by the Texas Business Organization Code (the "Code"), as applicable, to be taken at a meeting of the Members, or any action that may be taken at a meeting of the Members or any committee, may be taken without a meeting if a consent in writing, setting forth the action to be taken, will be signed by all the Members entitled to vote with respect to the subject matter thereof, or all of the members of the committee, as the case may be. Such consent will have the same force and effect as a unanimous vote.

If the Association's Certificate of Formation so provides, any action required by the Code to be taken at a meeting of the Members or any action that may be taken at a meeting of the members of any committee, may be taken without a meeting if a consent in writing, setting forth the action to be taken, is signed by a

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sufficient number of Members or committee members as would be necessary to take that action at a meeting at which all of the Members or members of the committee were present and voted.

Each written consent will bear the date of signature of each Member or committee member who signs the consent. A written consent signed by less than all of the Members or committee members is not effective to take the action that is the subject of the consent unless, within 60 days after the date of the earliest dated consent delivered to the Association in the manner required by this section, a consent or consents signed by the required number of Members or committee members is delivered to the Association at its registered office, registered agent, principal place of business, transfer agent, registrar, exchange agent, or an officer or agent of the Association having custody of the books in which proceedings of meetings of Members or committees are recorded. Delivery will be by hand or certified or registered mail, return receipt requested. Delivery to the Association's principal place of business will be addressed to the President or principal executive officer of the Association.

Prompt notice of the taking of any action by Members or a committee without a meeting by less than unanimous written consent will be given to all Members or committee members who did not consent in writing to the action.

If any action by Members or a committee is taken by written consent signed by less than all of the Members or committee members, any articles or documents filed with the Secretary of State as a result of the taking of the action will state, in lieu of any statement required by this Code concerning any vote of the Members, that written consent has been given in accordance with the provisions of the Code and that any written notice required by such section has been given.

A telegram, telex, cablegram, email, or similar transmission by a Member or member of a committee, or a photographic, photostatic, facsimile, or similar reproduction of a writing signed by a Member or member of a committee, will be regarded as signed by the Member or member of a committee for purposes of this section.

### **13. COMMITTEES OF THE MEMBERS**

The Members, by resolution adopted by a majority of the Members, may designate one or more committees that, to the extent provided in such resolution, will have and exercise the authority of the Members in the management of the Association, except as limited by the Certificate of Formation, these Bylaws, or the Code. Each such committee will consist of two or more Members. The designation of such committees and the delegation thereto of authority will not operate to relieve the Members of any responsibility imposed upon it or him by law.

Each member of a committee will continue as such until the next annual meeting of the Members of the Association and until a successor is appointed in the committee member's stead, unless the committee will be sooner terminated, or unless such member be removed from such committee, or unless such member cease to qualify as a member thereof. One member of each committee will be appointed chairperson by the person or persons authorized to appoint the members thereof. Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided in the case of the original appointments. Unless otherwise provided in the resolution designating a committee, a majority of the whole committee will constitute a quorum and the act of a majority of the members present at a meeting at which a quorum is present will be the act of the committee. Each

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committee may adopt rules for its own government not inconsistent with these Bylaws or with rules adopted by the Members.

### **ARTICLE III - DIRECTORS**

#### **1. BOARD OF DIRECTORS**

To the extent not limited or prohibited by law, the Certificate of Formation, or these Bylaws, the powers of the Association will be exercised by or under the authority of, and the business and affairs of the Association will be managed under the direction of, the Board of Directors of the Association.

#### **2. NUMBER AND ELECTION OF DIRECTORS**

The number of Directors will be three, provided that the number may be increased or decreased from time to time by an amendment to these Bylaws or resolution adopted by the Board, provided further that the number of Directors may not be decreased to fewer than three. No decrease in the number of Directors will have the effect of shortening the term of any incumbent Director.

At the first annual meeting of Members and at each annual meeting thereafter, the Members will elect Directors. A Director will hold office until the next annual election of Directors and until said Director's successor will have been elected, appointed, or designated and qualified.

#### **3. REMOVAL**

A Director may be removed from office, with or without cause, by the persons entitled to elect, designate, or appoint the Director. If the Director was elected to office, removal requires an affirmative vote equal to the vote necessary to elect the Director.

#### **4. RESIGNATION**

A Director may resign by providing written notice of such resignation to the Association. The resignation will be effective upon the date of receipt of the notice of resignation or the date specified in such notice. Acceptance of the resignation will not be required to make the resignation effective.

#### **5. VACANCIES AND INCREASE IN NUMBER OF DIRECTORS**

Any vacancy occurring in the Board will be filled by the affirmative vote of a majority of the remaining Directors though less than a quorum of the Board. A Director elected to fill a vacancy will be elected for the unexpired term of the previous Director. Any Directorship to be filled by reason of an increase in the number of Directors will be filled by election at an annual meeting or at a special meeting of Members called for that purpose.

#### **6. ANNUAL MEETING OF DIRECTORS**

Immediately following each annual meeting of Members, the Board elected at such meeting will hold an annual meeting at which it will elect officers and transact such other business as will come before the meeting. The time and place of the annual meeting of the Board may be changed by resolution of the Board.

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## **7. REGULAR MEETING OF DIRECTORS**

Regular meetings of the Board may be held with or without notice at such time and place as may be from time to time determined by the Board.

## **8. SPECIAL MEETINGS OF DIRECTORS**

The Secretary will call a special meeting of the Board whenever requested to do so by the President or by three or more Directors. Such special meeting will be held at the date and time specified in the notice of meeting.

## **9. PLACE OF DIRECTORS' MEETINGS**

All meetings of the Board will be held either at the principal office of the Association or at such other place, either within or without the State of Texas, as will be specified in the notice of meeting or executed waiver of notice.

## **10. NOTICE OF DIRECTORS' MEETINGS**

Notice of any special meeting of the Board will be given at least two days prior thereto by written notice delivered personally or sent by United States Postal Service mail, email, or telegram to each Director at that Director's address as shown by the records of the Association. If mailed, such notice will be deemed to be delivered when deposited in the United States Postal Service mail in a sealed envelope so addressed, the postage thereon prepaid. If notice is given by email, such notice will be deemed to be delivered when the email is transmitted. If notice is given by telegram, such notice will be deemed to be delivered when the telegram is delivered to the telegraph company. Any Director may waive notice of any meeting. The attendance of a Director at any meeting will constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in the notice or waiver of notice of such meeting, unless specifically required by law or by these Bylaws.

## **11. QUORUM AND VOTING OF DIRECTORS**

A quorum for the transaction of business by the Board will be a majority of the number of Directors fixed by these Bylaws. Directors present by proxy may not be counted toward a quorum. The act of the majority of the Directors present in person or by proxy at a meeting at which a quorum is present will be the act of the Board, unless the act of a greater number is required by law or the Certificate of Formation.

A Director may vote in person or by proxy executed in writing by the Director. No proxy will be valid after three months from the date of its execution. Each proxy will be revocable unless expressly provided therein to be irrevocable and unless otherwise made irrevocable by law.

## **12. COMPENSATION**

Directors, as such, will not receive any stated salary for their services, but by resolution of the Board a fixed sum and expenses of attendance, if any, may be allowed for attendance at any meeting of the Board.

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A Director will not be precluded from serving the Association in any other capacity and receiving compensation for such services.

### **13. ACTION BY DIRECTORS WITHOUT MEETING**

Any action required by the Texas Business Organizations Code to be taken at a meeting of the Board, or any action that may be taken at a meeting of the Board or any committee, may be taken without a meeting if a consent in writing, setting forth the action to be taken, will be signed by all members of the Board entitled to vote with respect to the subject matter thereof, as the case may be. Such consent will have the same force and effect as a unanimous vote.

If the Association's Certificate of Formation so provides, any action required by the Code to be taken at a meeting of the Board may be taken without a meeting if a consent in writing, setting forth the action to be taken, is signed by a sufficient number of Board members as would be necessary to take that action at a meeting at which all of Board members were present and voted.

Each written consent will bear the date of signature of each Director or committee member who signs the consent. A written consent signed by less than all of the Board or committee members is not effective to take the Act that is the subject of the consent unless, within 60 days after the date of the earliest dated consent delivered to the Association in the manner required by this section, a consent or consents signed by the required number of Board or committee members is delivered to the Association at its registered office, registered agent, principal place of business, transfer agent, registrar, exchange agent, or an officer or agent of the Association having custody of the books in which proceedings of meetings of Board or committees are recorded. Delivery will be by hand or certified or registered mail, return receipt requested. Delivery to the Association's principal place of business will be addressed to the President or principal executive officer of the Association.

Prompt notice of the taking of any action by the Board or a committee without a meeting by less than unanimous written consent will be given to all Board or committee members who did not consent in writing to the action.

If any action by Board or a committee is taken by written consent signed by less than all of the Board or committee members, any articles or documents filed with the Secretary of State as a result of the taking of the action will state, in lieu of any statement required by the Code concerning any vote of the Board or committee members, that written consent has been given in accordance with the provisions of the Code and that any written notice required by such section has been given.

A telegram, telex, cablegram, email, or similar transmission by a Director or member of a committee or a photographic, photostatic, facsimile, or similar reproduction of a writing signed by a Director or member of a committee will be regarded as signed by the Director or member of a committee for purposes of this section.

### **14. COMMITTEES OF THE BOARD OF DIRECTORS**

The Board, by resolution adopted by a majority of the Directors in office, may designate and appoint one or more committees, each of which will consist of two or more Directors, which committees, to the extent provided in said resolution, will have and exercise the authority of the Board in the management of the Association, except that no such committee will have the authority of the Board in reference to

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amending, altering, or repealing the Bylaws; electing, appointing, or removing any member of any such committee or any Director or officer of the Association; amending or restating the Certificate of Formation; adopting a plan of merger or adopting a plan of consolidation with another Association; authorizing the sale, lease, exchange, or mortgage of all or substantially all of the property and assets of the Association; authorizing the voluntary dissolution of the Association or revoking proceedings therefore; adopting a plan for the distribution of the assets of the Association; or amending, altering, or repealing any resolution of the Board that by its terms provides that it will not be amended, altered, or repeated by such committee. The designation and appointment of any such committee and the delegation of authority to such committee will not operate to relieve the Board, or any individual Director, of any responsibility imposed by law upon the Board or upon any individual Director.

Other committees not having and exercising the authority of the Board in the management of the Association may be appointed in such manner as may be designated by a resolution adopted by a majority of the Directors present at a meeting at which a quorum is present. Except as otherwise provided in such resolution, members of each such committee will be Members of the Association, and the President of the Association will appoint the members thereof. Any member thereof may be removed by the person or persons authorized to appoint such member whenever in their judgment the best interests of the Association will be served by such removal.

Each member of a committee will continue as such until the next annual meeting of the Members of the Association and until a successor is appointed, unless the committee will be sooner terminated, or unless such member be removed from such committee, or unless such member cease to qualify as a member thereof.

One member of each committee will be appointed chairperson by the person or persons authorized to appoint the members thereof.

Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided in the case of the original appointments.

Unless otherwise provided in the resolution of the Board designating a committee, a majority of the whole committee will constitute a quorum and the action of a majority of the members present at a meeting at which a quorum is present will be the action of the committee.

Each committee may adopt rules for its own government not inconsistent with these Bylaws or with rules adopted by the Board.

Any action required by the Texas Business Organizations Code to be taken at a meeting of a committee, or any action that may be taken at a meeting of any committee, may be taken without a meeting if a consent in writing, setting forth the action to be taken, will be signed by all members of the committee. Such consent will have the same force and effect as a unanimous vote.

If the Association's Certificate of Formation so provides, any action required by the Code to be taken at a meeting of any committee may be taken without a meeting if a consent in writing, setting forth the act to be taken, is signed by a sufficient number of committee members as would be necessary to take that action at a meeting at which all of the members of the committee were present and voted.

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Members of committees may be allowed compensation and reimbursement of expenses for attending committee meetings.

## **ARTICLE IV - OFFICERS**

### **1. NUMBER OF OFFICERS**

The officers of the Association will consist of a President and a Secretary and also may consist of one or more Vice-Presidents, a Treasurer, and such other officers and assistant officers as may be deemed necessary. New offices may be created and filled at any meeting of the Board. Any two or more offices may be held by the same person, except the offices of President and Secretary. A committee duly designated may perform the functions of any officer and the functions of any two or more officers may be performed by a single committee, including the functions of both President and Secretary.

### **2. ELECTION OF OFFICERS AND TERM OF OFFICE**

All officers will be elected or appointed annually by the Board at the regular annual meeting of the Board for such terms not exceeding three years.

### **3. REMOVAL OF OFFICERS, VACANCIES**

Any officer elected or appointed may be removed by the Board whenever in its judgment the best interests of the Association will be served. The removal of an officer will be without prejudice to the contract rights, if any, of the officer so removed. Election or appointment of an officer or agent will not of itself create contract rights. A vacancy in any office because of death, resignation, removal, disqualification, or otherwise may be filled by the Board for the unexpired portion of the term.

### **4. POWERS OF OFFICERS**

Each officer will have, subject to these Bylaws, in addition to the duties and powers specifically set forth herein, such powers and duties as are commonly incident to that office and such duties and powers as the Board will from time to time designate. All officers will perform their duties subject to the direction and under the supervision of the Board. The President may secure the fidelity of any and all officers by bond or otherwise.

All officers and agents of the Association, as between themselves and the Association, will have such authority and perform such duties in the management of the Association as may be provided in these Bylaws, or as may be determined by resolution of the Board not inconsistent with these Bylaws.

In the discharge of a duty imposed or power conferred upon an officer of the Association, the officer may in good faith and with ordinary care rely on information, opinions, reports, or statements, including financial statements and other financial data, concerning the Association or another person, that were prepared or presented by: one or more other officers or employees of the Association, including Members of the Board, or legal counsel, public accountants, or other persons as to matters the officer reasonably believes are within the person's professional or expert competence.

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An officer is not relying in good faith within the meaning of this section if the officer has knowledge concerning the matter in question that makes reliance otherwise permitted by this subsection unwarranted.

## **5. PRESIDENT**

The President will be the chief executive officer of the Association and will preside at all meetings of all Directors and Members. Such officer will see that all orders and resolutions of the Board are carried out, subject, however, to the right of the Directors to delegate specific powers, except such as may be by statute exclusively conferred on the President, to any other officers of the Association.

The President or any Vice-President will execute bonds, mortgages, and other instruments requiring a seal in the name of the Association. When authorized by the Board, the President or any Vice-President may affix the seal to any instrument requiring the same, and the seal when so affixed will be attested by the signature of either the Secretary or an Assistant Secretary.

The President will be an ex-officio member of all standing committees.

The President will submit a report of the operations of the Association each year to the Directors at their meeting next preceding the annual meeting of the Members and to the Members at their annual meeting.

## **6. VICE-PRESIDENTS**

The Vice-President, or Vice-Presidents in order of their rank as fixed by the Board, will, in the absence or disability of the President, perform the duties and exercise the powers of the President and will perform such other duties as the Board will prescribe.

## **7. SECRETARY AND ASSISTANT SECRETARIES**

The Secretary will attend all meetings of the Board and all meetings of the Members, will record all votes and the minutes of all proceedings, and will perform like duties for standing committees when required. The Secretary will give or cause to be given notice of all meetings of the Members and all meetings of the Board and will perform such other duties as may be prescribed by the Board. The Secretary will keep in safe custody the seal of the Association, if any, and when authorized by the Board affix the same to any instrument requiring it, and, when so affixed, it will be attested by the Secretary's signature or by the signature of an Assistant Secretary.

The Assistant Secretaries will, in order of their rank as fixed by the Board, in the absence or disability of the Secretary, perform the duties and exercise the powers of the Secretary, and they will perform such other duties as the Board will prescribe.

In the absence of the Secretary or an Assistant Secretary, the minutes of all meetings of the Board and Members will be recorded by such person as will be designated by the President or the Board.

## **8. TREASURER AND ASSISTANT TREASURERS**

The Treasurer will have the custody of the corporate funds and securities and will keep full and accurate accounts of receipts and disbursements in books belonging to the Association and will deposit all moneys

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and other valuable effects in the name and to the credit of the Association in such depositories as may be designated by the Board.

The Treasurer will disburse the funds of the Association as may be ordered by the Board, taking proper vouchers for such disbursements. The Treasurer will keep and maintain the Association's books of account and will render to the President and Directors an account of all of the Treasurer's transactions and of the financial condition of the Association and exhibit the books, records, and accounts to the President or Directors at any time. The Treasurer will disburse funds for capital expenditures as authorized by the Board and in accordance with the orders of the President and present to the President's attention any requests for disbursing funds if in the judgment of the Treasurer any such request is not properly authorized. The Treasurer will perform such other duties as may be directed by the Board or by the President.

If required by the Board, the Treasurer will give the Association a bond in such sum and with such surety or sureties as will be satisfactory to the Board for the faithful performance of the duties of the office and for the restoration to the Association, in case of death, resignation, retirement, or removal from office, of all books, papers, vouchers, money, and other property of whatever kind in the incumbent's possession or under the incumbent's control belonging to the Association.

The Assistant Treasurers in the order of their seniority will, in the absence or disability of the Treasurer, perform the duties and exercise the powers of the Treasurer, and they will perform such other duties as the Board will prescribe.

## **ARTICLE V - INDEMNIFICATION AND INSURANCE**

### **1. INDEMNIFICATION**

The Association will have the full power to indemnify and advance expenses pursuant to the provisions of the Code to any person entitled to indemnification under the provisions of the Code.

### **2. INSURANCE**

The Association may purchase and maintain insurance or another arrangement on behalf of any person who is or was a Member, Director, officer, employee, or agent of the Association or who 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 association, employee benefit plan, other enterprise, or other entity, against any liability asserted against him or her and incurred by him or her in such a capacity or arising out of his or her status as such a person, whether or not the Association would have the power to indemnify him or her against that liability. If the insurance or other arrangement is with a person or entity that is not regularly engaged in the business of providing insurance coverage, the insurance or arrangement may provide for payment of a liability with respect to which the Association would not have the power to indemnify the person only if including coverage for the additional liability has been approved by the Members of the Association.

Without limiting the power of the Association to procure or maintain any kind of insurance or other arrangement, the Association may, for the benefit of persons indemnified by the Association, (1) create a trust fund; (2) establish any form of self-insurance; (3) secure its indemnity obligation by grant of a security interest or other lien on the assets of the Association; or (4) establish a letter of credit, guaranty,

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or surety arrangement. The insurance or other arrangement may be procured, maintained, or established within the Association or with any insurer or other person deemed appropriate by the Board regardless of whether all or part of the stock or other securities of the insurer or other person are owned in whole or part by the Association. In the absence of fraud, the judgment of the Board as to the terms and conditions of the insurance or other arrangement and the identity of the insurer or other person participating in an arrangement will be conclusive and the insurance or arrangement will not be voidable and will not subject the Directors approving the insurance or arrangement to liability, on any ground, regardless of whether Directors participating in the approval are beneficiaries of the insurance or arrangement.

## **ARTICLE VI - MISCELLANEOUS**

### **1. WAIVER OF NOTICE**

Whenever any notice is required to be given to any Member or Director of the Association under the provisions of the Code, the Certificate of Formation, or these Bylaws, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, will be equivalent to the giving of such notice.

### **2. MEETINGS BY TELEPHONE CONFERENCE, ELECTRONIC OR OTHER REMOTE COMMUNICATIONS TECHNOLOGY**

Subject to the provisions required or permitted by the Code and these Bylaws for notice of meetings, Members of the Association, Members of the Board, or Members of any committee may participate in and hold a meeting of such Members, Board, or committee by means of: (1) conference telephone or similar communications equipment by which all persons participating in the meeting can communicate with each other; or (2) another suitable electronic communications system, including videoconferencing technology or the Internet, only if: (a) each Member entitled to participate in the meeting consents to the meeting being held by means of that system; and (b) the system provides access to the meeting in a manner or using a method by which each Member participating in the meeting can communicate concurrently with each other participant. Participation in a meeting pursuant to this section will constitute presence in person at such meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

### **3. SEAL**

The Association, at the Board's sole discretion, may adopt a corporate seal in such form as the Board may determine. The Association will not be required to use the corporate seal and the lack of the corporate seal will not affect an otherwise valid contract or other instrument executed by the Association.

### **4. CONTRACTS**

The Board may authorize any officer, officers, agent, or agents of the Association, in addition to the officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association. Such authority may be general or confined to specific instances.

## **BYLAWS**

**5. CHECKS, DRAFTS, ETC.**

All checks, drafts, or other instruments for payment of money or notes of the Association will be signed by such officer or officers or such other person or persons as will be determined from time to time by resolution of the Board.

**6. DEPOSITS**

All funds of the Association will be deposited from time to time to the credit of the Association in such banks, trust companies, or other depositories as the Board may select.

**7. GIFTS**

The Board may accept on behalf of the Association any contribution, gift, bequest, or devise for the general purposes or for any special purpose of the Association.

**8. BOOKS AND RECORDS**

The Association will keep correct and complete books and records of account and will keep minutes of the proceedings of the Members, Board, and committees and will keep at the registered office or principal office in this state a record of the names and addresses of its Members entitled to vote. A Member of the Association, on written demand stating the purpose of the demand, has the right to examine and copy, in person or by agent, accountant, or attorney, at any reasonable time, for any proper purpose, the books and records of the Association relevant to that purpose at the expense of the Member.

**9. FINANCIAL RECORDS AND ANNUAL REPORTS**

The Association will maintain current true and accurate financial records with full and correct entries made with respect to all financial transactions of the Association, including all income and expenditures, in accordance with generally accepted accounting practices. All records, books, and annual reports (if required by law) of the financial activity of the Association will be kept at the registered office or principal office of the Association in this state for at least three years after the closing of each fiscal year and will be available to the public for inspection and copying there during normal business hours. The Association may charge for the reasonable expense of preparing a copy of a record or report.

**10. FISCAL YEAR**

The fiscal year of the Association will be as determined by the Board.

**ARTICLE VII - CONSTRUCTION**

**1. PRONOUNS AND HEADINGS**

All personal pronouns used in these Bylaws will include the other gender whether used in masculine or feminine or neuter gender, and the singular will include the plural whenever and as often as may be appropriate. All headings herein are for convenience only and neither limit nor amplify the provisions of these Bylaws.

**BYLAWS**

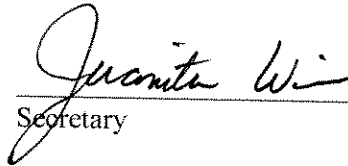
## 2. INVALID PROVISIONS

If any one or more of the provisions of these Bylaws, or the applicability of any such provision to a specific situation, will be held invalid or unenforceable, such provision will be modified to the minimum extent necessary to make it or its application valid and enforceable, and the validity and enforceability of all other provisions of these Bylaws and all other applications of any such provision will not be affected thereby.

### ARTICLE VIII - AMENDMENT OF BYLAWS

The Board may amend or repeal these Bylaws, or adopt new Bylaws, unless the Certificate of Formation or the Code limits such powers. Unless the Certificate of Formation or a Bylaw adopted by the Members provides otherwise as to all or some portion of these Bylaws, the Members may amend or repeal these Bylaws or adopt new Bylaws even though the Bylaws also may be amended, repealed, or adopted by the Board.

Adopted by the Board of Directors on December 17<sup>th</sup>, 2007.

  
Secretary