



**HERITAGE LAKE
PROPERTY OWNERS
ASSOCIATION
BYLAWS**

BYLAWS
"THE HERITAGE LAKE PROPERTY OWNERS' ASSOCIATION, INC."

ARTICLE I
Definitions

The following terms as used in these Bylaws are defined as follows:

(A) "Association" means "The Heritage Lake Property Owners Association, Inc." an Association composed of owners of properties at Heritage Lake, a recreational community developed by American Central Corporation, as the same may be shown on maps thereof recorded from time to time in the Recorder's Office of Putnam County, Indiana.

(B) "Board" means the Board of Directors of the Association.

(C) "Bylaws" means the Bylaws of the Association.

(D) "Common Properties" means and refers to those areas of land shown on any recorded subdivision plat, including any building(s) or other improvements thereon, and also including any so designated properties subsequently acquired by the Association (by contract, lease or purchase) as stated in the Articles of Incorporation in Article II, Section 2 (D).

(E) "Development" means Heritage Lake, a recreational community developed by American Central Corporation, as the same may be shown on maps thereof recorded from time to time.

(F) "Developer" means American Central Corporation or any successor or assign of American Central Corporation for the purpose of engaging in the business of sale or resale of such lots.

(G) "Lot" means any parcel within the Development as the same may be shown by lot number or tract number on maps thereof recorded from time to time.

(H) "Member" shall mean all those owners who are members of the Association as provided in Article III hereof.

(I) "Owner" means and refers to any person who purchases or otherwise acquires title to any lot including purchases under land

contracts entitling such person to the use and occupancy of such lot.

(J) "Regulation" means the rules and regulations adopted and published from time to time by the "Board".

(K) "Restrictive Covenants" means the Declarations of Restrictive Covenants imposed upon the Development, as duly recorded in the Recorder's Office of Putnam County, Indiana, as amended from time to time, and applicable as restrictions upon title to all properties within or without the Development.

ARTICLE II

Purpose

Section 1. To adopt rules and regulations in the best interests of the Association and its members.

Section 2. To own, build, administer and maintain Association properties and facilities; to administer and enforce the covenants and restrictions contained in the Declarations of Restrictive Covenants and in these Bylaws; to collect and disburse assessments and charges as permitted by law and under the Articles of Incorporation; and to promote the common benefit and enjoyment of property owners of Heritage Lake.

ARTICLE III

Membership

Section 1. Classes of Membership. There shall be the following classes of membership:

(A) Voting Members (Owner)

(B) Non-voting Members (Associate)

Section 2. Voting Members shall include every person or entity, including the Developer, who holds an equitable interest as land contract vendee or fee holder in any lot or lots included within "The Properties", as defined in the Restrictive Covenants, provided that any such person or entity who holds such interest merely as security for the performance of an obligation shall not be a voting member. Developer, American Central, has agreed by Transfer Agreement not to vote in election for members to the

POA Board. This does not limit the rights of any assignee to vote.

Section 3. Non-voting Members. There shall be two types of non-voting members, "single-family associate" and "associate owners." "Single-family associates" are (1) the spouses of voting members, (ii) those lot owners who reside at Heritage Lake but do not have the voting rights for their lots. (iii) the unemancipated minor children of voting members, regardless of whether or not they live at all times in their parents' home, (iv) the legal wards of voting members, (v) the unemancipated minor grandchildren of voting members who are living with their grandparents on a permanent, non-seasonal basis and not with one or both of their parents and (vi) the incapacitated adult children, aged or incapacitated parents or other incapacitated relatives of voting members who are living with and being cared for by them.

"Associate owners" are (i) individuals who share with others a legal or equitable interest in a lot but are not the one determined among them to exercise their lot's voting rights and do not reside in the Heritage Lake Subdivisions and (ii) their non-lot owning spouses and unemancipated minor children and (iii) such employees of the Association to whom its Board of Directors may in the sole exercise of the Board's discretion from time-to-time extend certain associate owner privileges.

A "minor" is an individual who is less than twenty-five years old; a minor is 'emancipated' if he/she is or has been married; and an "adult" is an individual who is not a minor.

Section 4. Privileges of Voting members and Non-voting members. Subject to the powers of the Board under Section 3 above with respect to voting members and non-voting members in good standing, they shall be entitled to the use and enjoyment of the common properties and facilities, subject, however, to provisions of the Restrictive Covenants and to such other regulations as may be established by the Board of Directors.

Section 5. Suspension of Membership Privileges. The right to use the common properties and, where noted, to vote at membership meetings may be suspended under the following terms and conditions:

(A) Membership privileges, including voting rights, shall be automatically suspended for so long as any annual or special assessment (including any late penalty, interest, court costs and attorney's fees) upon the member's lot is delinquent for more than thirty days, unless the suspension is stayed by action of the Board due to hardship.

(B) Membership privileges may also be suspended by action of the Board and/or delegated to contracted security personnel for infraction of the Restrictive Covenants, or infraction of the published regulations of the association, or for misuse of common facilities. Each such suspension may be for a period not to exceed thirty days. Contracted security personnel shall submit to the president of the Board a written report of any such actions taken to suspend a membership privilege.

(C) Assessments not paid when due shall be a continuing recorded lien upon the property pursuant to Article V of the Restrictive Covenants.

(D) The name, address, lot number, cause of suspension, and effective date of suspension with respect to suspended members may be publicly posted at the discretion of the Board of Directors.

ARTICLE IV

Evidence of Membership and Transfer

Section 1. Membership Certificate. The Association shall upon demand at any time furnish to any owner liable for said assessment, a certificate in writing signed by an officer of the Association, setting forth whether said assessment has been paid. Such certificate shall be conclusive evidence of payment of any assessment therein stated as having been paid. Records shall be maintained at the office of the Association of the names of voting members.

Section 2. Transfer. When a member ceases to be a property owner, such person's membership, and those non-voting members existing through relationships to such person, shall cease, but such person shall remain liable for all Association charges incurred prior to the giving of written notice to the Association that such person is no longer a property owner. It is the transferring owner's obligation to provide the transferee with a copy of the Heritage Lake Restrictive Covenants and a copy of these Bylaws.

ARTICLE V

Meetings of Members

Section 1. Place of Meeting. All annual and special meetings of the members of the Association shall be held in the State of Indiana at such time and place as the Board shall determine.

Section 2. Annual Meetings. The annual meeting of the Association shall be held on the last Saturday of February in each year.

Section 3. Special Meetings. Special meetings of the Association may be called by a majority of the Board of Directors and also may be called by the President and shall be called by the President whenever requested in writing by 100 or more members who are in good standing. Such request shall clearly state the purpose for which the special meeting is to be called.

Section 4. Notice of Meeting of the Association. Not less than ten nor more than thirty-days written notice of the meeting shall be given by mail to each member entitled to vote at such meeting. When more than one person owns an interest in a lot, notice or other communications required by these Bylaws to be sent to members given to one co-owner shall be conclusively presumed to have been given to all other co-owners. The notice shall be deemed to be delivered when deposited in the US mail, first class postage prepaid, addressed to the member's last known address, as recorded with the Association. The notice shall set out in reasonable detail the business to be brought before the

meeting and each meeting shall be limited to the items set out in the notice in order that those casting absentee ballots may be permitted to express their desires. Members present may make suggestions covering items which they feel should be brought before the membership. If any such suggestions are approved by proper resolution of those members present, it shall be the duty of the Secretary to present such resolution to the members for consideration and action at the next regular or special membership meeting. Further it shall be the duty of the secretary to include with the notice of any regular or special membership meeting such suggestions or requests as may be properly presented in writing and endorsed by fifty or more members in good standing, providing such requests are received at least sixty days prior to the meeting date.

Section 5. In the event that a change in the base and formula of the annual assessment is desired, the first meeting called to vote to change the amount of the annual assessment must be held no later than October 1st of the year preceding the April 1st assessment payment due date. Any petitions asking for a vote to change the annual assessments must be presented to the Board of Directors no later than August 1st of the year preceding the April 1st assessment payment due date. When such a vote is on the agenda and passed at an annual meeting or subsequent meetings called to obtain a quorum, the change in the assessment would become effective the following year.

Section 6. Quorum. The presence of 200 voting members, either in person or by absentee ballot, shall constitute a quorum for the transaction of business, except when the subjects of special assessments for capital improvements and change in basis and/or assessments are considered wherein the quorum and notice requirements shall be as stated in Article V of the Restrictive Covenants. If for any reason a meeting shall not be held on the date designated, such meeting may be rescheduled, provided, however, that the notice of such rescheduled meeting shall be given not less than ten days nor more than thirty days prior to the date of the rescheduled meeting.

Section 7. Voting. One vote shall be allocated for each lot owned to the owner or owners for each such lot. When a lot is owned by more than one member, the one vote allocated to such lot shall be cast as all members owning an interest in such lot shall agree. The Association may conclusively rely on the representation of one co-owner that he or she has the authority to cast the vote without requiring formal proxies from the other co-owners. If any dispute between co-owners as to how their lot's one vote shall be cast is made known to the meeting, no vote shall be counted for such lot. Voting at membership meetings shall be by majority of votes present as represented by persons and absentee ballots, unless a greater proportion is required by law or by the Restrictive Covenants.

- (A) Roll Call of functionaries
- (B) Reading of the Minutes of the Previous Meeting
- (C) Reports of the Officers
- (D) Reports of the Committees
- (E) Unfinished Business
- (F) New Business
- (G) Election of Directors

Section 8. Voting members may cast their votes either in person or by absentee ballot. The form of the absentee ballot shall be determined by the Board of Directors.

Section 9. A voting member must not be more than thirty days delinquent in the payment of any annual or special assessment upon his lot in order for him to participate in membership voting.

Section 10. It shall be the duty of the Secretary to prepare a list of the members entitled to vote at each meeting against which list all members voting, whether by absentee ballot or in person, shall be verified, either by the Secretary, or by some individuals designated by the Board of Directors.

Section 11. Parliamentary Authority. Robert's Rules of Order shall be followed in all meetings of the Board and the

Association.

ARTICLE VI

Assessments and/or Dues

Section 1. Each voting member of the Association (jointly and severally with all co-owners of his/her lot(s) at the Heritage Lake Subdivisions) shall pay to the Association as his/her annual membership dues that annual assessment charged pursuant to Article V of the Heritage Lake Restrictive Covenants. Each non-voting owner member of the Association (other than the spouse of a voting member) who wishes to exercise any membership privileges whatsoever shall pay to the Association as annual nonresident member dues a charge established annually by the Board at the same time that the amount of the annual assessment charged by the Restrictive Covenants is confirmed (except that husband-and-wife non-voting owner members shall pay only a single associate member dues charge), which associate membership dues shall be due every April 1 (or within 30 days of selection of nonresident member status, if later), of each calendar year (or part thereof) in which nonresident membership privileges are chosen.

Section 2. Assessments levied by the Association shall be used to promote the recreation, health, safety and welfare of the property owners in the Development and, in particular, for the improvement, maintenance and construction of facilities devoted to the use of all members.

Section 3. Annual assessments shall be paid in advance and shall be due on the dates specified in Article V, Section 7 of the Restrictive Covenants. No adjustments or prorations of assessments shall be made by the Association. The due date of any special assessment under Article V, Section 4 of the Restrictive Covenants, shall be fixed in the Resolution authorizing such assessment.

Section 4. The Board shall prepare a roster of the properties and assessments applicable thereto at least thirty days in advance of such assessment due date. Such assessment roster shall be kept in the office of the Association and shall be

open for inspection by any owner. Written notice of the assessment shall be sent to every property owner subject thereto.

Section 5. If any assessment is not paid when due, such assessment, including the cost of collection thereof, shall become a continuing recorded lien on the property, which shall bind the property in the hands of the then owner, his heirs, devisees, personal representatives and assigns in accordance with Section 9, Article V, of the Restrictive Covenants. If the assessment is not paid within thirty days after the due date, there shall be added to the delinquent assessment those penalty fees, interest, costs and reasonable attorney's fees authorized pursuant to Article V, Section 9 of the Restrictive Covenants. All delinquent annual membership dues assessments shall accrue interest at the rate of twenty one percent (or any subsequently lower statutorily authorized maximum consumer credit rate), and shall be payable without relief of appraisal and valuation laws.

Section 6. The lien for delinquent assessments provided for herein shall be subordinated to the lien of any mortgage or mortgages now or hereafter placed upon the properties pursuant to Article V, Section 10 of the Restrictive Covenants.

Section 7. Exempt property. The following property subject to the Restrictive Covenants shall be exempt from the assessments, charges and liens created therein:

(A) All properties to the extent of any easement or other interest therein dedicated and accepted by a local public authority and devoted to public use;

(B) All common properties as defined in Article I, paragraph (D);

(C) All properties exempted from taxation by the laws of the State of Indiana upon the terms and to the extent of such legal exemption;

(D) All properties owned by the Developer, its assigns and successors, and held by them or any of them for the purpose of engaging in the business of sale or resale of such property, in-

cluding any lots which may have been reacquired by the developer. Notwithstanding any provisions herein, no land or improvements devoted to dwelling use shall be exempt from said assessments, charges or liens.

ARTICLE VII

Finance

Section 1. The fiscal year of the Association shall begin on the first day of January each year, unless changed by resolution of the Board of Directors.

Section 2. No later than the 31st day of December, a budget of estimated income and expenditure for the next fiscal year shall be adopted by the Board. This budget shall be available for inspection by the members at the office of the Association. A summary of the approved budget shall be included in the notice of the next regular meeting of the Association.

Section 3. The Board of Directors shall determine the official depository or depositories.

(A) The treasurer shall be authorized to issue checks for expenditures incurred for the Association, provided the amount of such checks issued does not exceed in that fiscal year, the amount budgeted, in accordance with Article IX, Section 1 (E) hereof.

(B) All POA checks shall be signed by two of the following four officers: President, Treasurer, First Vice President, Manager, all of whom shall be bonded in an amount determined by the Board. Indemnity bond premiums shall be paid by the Association.

Any check written in an amount in excess of five hundred dollars (\$500.00) must carry the signature of either the President or the Treasurer.

(C) An accounting of all of the Association's receipts and disbursements for the previous fiscal year shall be prepared each year before the annual meeting, at which meeting the accounting shall be made available to the membership.

ARTICLE VIII
Special Assessments

Section 1. It is declared the policy of this Association that special assessments are generally undesirable and shall be levied only in an emergency or under extraordinary circumstances.

Section 2. Special assessments shall be levied only upon the recommendation of the Board and with the consent of voting members pursuant to Section 4, Article V of the Restrictive Covenants.

Section 3. The due date of any special assessment shall be fixed in the Resolution authorizing such assessment. Special assessments not paid within thirty days after the due date shall be collected pursuant to Section 9, Article V of the Restrictive Covenants.

ARTICLE IX
Board of Directors

Section 1. Powers. The Board of Directors shall have general power to carry on the affairs of the Association. In order to carry out this general power, the Board shall have the authority to undertake the following:

(A) Adopt a corporate seal as the seal of the association.

(B) Designate a banking institution or institutions as depository for the Association's funds in accordance with Article VII. Section 3 of these Bylaws.

(C) Perform other acts the authority for which has been granted herein, in the Restrictive Covenants, or Bylaws, including the borrowing of money for Association purposes. A resolution by the Board that the interests of the Association requires the borrowing of money shall be sufficient evidence for any person that the borrowing is for a proper corporate purpose. The Board may, if it determines that borrowing shall be reasonably necessary, borrow up to twenty percent of the gross annual receipts of the Association. In connection therewith, the Asso-

ciation may assign, pledge, mortgage, or encumber any Association assets or property as security for such borrowings, including future revenues of the Association.

(D) The Board shall adopt such rules and regulations relating to the use of the common properties and sanctions for noncompliance therewith, as it may deem reasonably necessary in the best interests of the Association and its members. Each voting member and non-voting member of the Association, and other, shall abide by the provisions of these Bylaws (as well as any Regulation adopted by the Board of Directors of the Association pursuant to these Bylaws). Failure to do so shall justify the Board in suspending such voting member or non-voting member as is herein provided. The Board may also establish and levy reasonable fees for review of building plans in accordance with Article VI of the Restrictive Covenants or for the use of the common properties. The Board may adopt reasonable rules of order for the conduct of the meetings of the Board of Directors, and on procedural questions upon which no rules have been adopted, the ruling of the Chairman of the Board shall be final. The Board will adopt Robert's Rules of Order as a guide for the conduct of all meetings.

(E) The Board shall adopt an annual operating budget in accordance with Article VII, Section 2, hereof and levy annual assessments per Article V of the Restrictive Covenants for each lot for the following year. Upon the adoption and approval of the budget, no expenditure in excess of the budget shall be made unless it is authorized by the Board of Directors.

The Board shall adopt Policy establishing the process to be used to develop and adopt the budget, the number of affirmative votes required to adopt the budget, the number of affirmative votes required to modify the budget after adoption, and the procedures to establish and administer specific funds (if any) in the budget. Voting requirements established in Budget Policy shall take precedence over Article IX, Section 10 in the Bylaws.

Section 2. Number of Directors. The number of directors shall be nine, each of whom must be a member of the Association. Each director shall serve for a term of three years. No director shall receive a salary for services performed as a director of the Association. With Board approval, directors and officers may be compensated for reasonable expenses incurred while so acting.

Section 3. Election of directors shall be by written ballot as hereinafter provided. In all election of directors, each voting member in good standing is entitled to one vote per lot for each director's position to be filled in accordance with Article III, Section 2, of the Restrictive Covenants. Only one such vote may be cast for any candidate. The persons receiving the largest number of votes shall be elected to fill the number of Board vacancies.

(A) Any member, who meets the requirements for candidates as set forth in these Bylaws, may request a "Petition For Office of Director" from the Secretary of the Association, or his/her designee. The potential candidate shall file, or cause to be filed, the completed petition during the month of October signed by a minimum of Twenty-five (25) voting members in good standing. The Petition shall be submitted to the Secretary or his/her designee. Each candidate shall also submit a brief biographic statement, not to exceed 125 words, which will be included in the annual mailer. The candidate may revise or edit his biographic statement up to the deadline for material to be included in the annual mailer as often as he/she deems necessary.

(B) Candidates for the Office of Director shall meet the following requirements:

1. Be a member in "good standing" as of May 1 of the year preceding the annual meeting in which new Directors will be elected, and remain in good standing up to the certification and announcement of the election results at the annual meeting. The fate of any certified candidate or elected Director who may experience problems of good standing would be in

the hands of the whole Board, and only the Board has the authority to remove a candidate from the ballot.

(2) File the required petition (including the biographic statement), that has been properly completed, in a timely manner to the designated party.

(C) Certified candidates for Office of Director shall be permitted to use the Association's bulk mail permit providing that they pay all costs associated with that use.

(D) Election of Directors shall be by written ballot, as described herein that is cast by voting members in good standing. One vote per lot may be cast for each Director's position to be filled. Voting shall be in accordance with Article III, Section 2 of the Restrictive Covenants. Only one vote per lot may be cast for any one candidate. The candidates receiving the largest number of certified votes shall be elected to fill the number of Board vacancies. Write-in votes are not permitted.

(E) All voting for Directors shall be made by written absentee ballot, or the written ballot shall be properly executed by the voting member, in good standing, at the annual meeting. The written ballot shall:

1. Be in a form as approved by the Board; and
2. Describe the vacancy to be filled; and
3. Set forth alphabetically the names of those persons who are candidates for the Office of Director; and
4. Be mailed with the notice of the annual meeting to each person entitled to vote. Ballots and notices shall be sent to the voting member's last known address appearing in the records of the Association.

(a) One ballot for each lot shall be distributed to members entitled to vote. Where more than one person owns an interest in a lot, the ballot shall be sent to one of the co-owners, as selected by the Association Secretary or his/her designee.

(b) More than one ballot cast per lot shall result in the first received ballot being accepted as the return for that lot and the disqualification of all further returned ballots for that lot. The ballots shall be returned by members to the POA Office and bear on its face the name of the member, the lot number, and such other information as the Board may determine, but such information shall be used for the purpose of recording eligible voters and shall not infringe upon the secret ballot of the member.

Ballots may also be returned, as prescribed, on the day of the annual meeting, but prior to the "Call to Order" at the start of the meeting.

(c) Upon receipt of each ballot the Association Secretary of his/her designee shall immediately place it in a safe and secure place.

(d) Two days prior to the annual meeting the collected ballots shall be verified by the Election Committee as to the lot casting a vote, but the ballots shall not be opened. On the day of the annual meeting, all ballots collected shall be turned over to the Election Committee to count the vote. Members of the Election Committee who might have a "conflict of interest" shall disqualify themselves from the process of verification, vote counting, and certification. The Election Committee shall certify the results of the election at the annual meeting. Terms of the Directors who are so elected shall commence immediately following the annual meeting.

(c) All secret ballots and petitions shall be retained by the Secretary for a period of one year.

Section 4. The Board of Directors shall have the power to appoint such other officers and agents and to hire such employees as may be necessary for the carrying out of the purposes of the Association.

Section 5. Any officer or agent may be removed and replaced at any time by the Board of Directors.

Section 6. The Board of Directors may establish such committees of the members as the Board deems necessary to carry on the affairs of the Association, and it shall define the powers and duties thereof. Committee members shall hold office at the pleasure of the Board of Directors. The Board shall establish the following standing committees:

(A) The Board of Directors shall appoint an Operations Committee consisting of the POA President, Treasurer, and two (2) additional Directors. The duties of the Operations Committee may be added to or deleted by direction of the Board. The routine administrative functions of the Association shall be vested in the Operations Committee. Such functions shall consist of, but not be limited to: hiring, firing, and supervising employees, maintaining an Association business office, and purchasing.

(B) An Architectural and Environmental Control Committee is to assume the functions and responsibilities detailed in Article VI of the Restrictive Covenants.

(C) An Audit Committee which shall assist the Board as the Board shall direct in financial budget and accounting matters.

(D) The Board of Directors shall appoint an Election Committee, which will have the following duties:

1. Between the first and last day of October each year, secure no less than the number of candidates (plus one) for the office of Director, which will be needed to fill the vacancies which will exist after the next annual meeting. The Committee may seek out candidates and encourage them to complete the requirements for becoming a candidate, or may simply accept candidates who wish to run for office. Although the Election Committee's responsibility is to assure a sufficient number of candidates and may encourage members to become candidates, the Election Committee shall not endorse any candidate over another candidate. Individual members of the Election Committee shall have the right to

support candidates of their choice.

2. Certify to the Board that all candidates seeking the office of Director meet all of the qualifications and requirements of a candidate as set forth in the Bylaws. This Certification shall be made to the Board at its first meeting in November.

3. Assist the Board, as the latter may direct, in the conduct of the Association elections, including the dissemination of information regarding candidates for Director, preparing ballots, sending out ballots, counting ballots, announcing the results, and other related matters.

(E) The Board of Directors shall appoint a committee to make recommendations to the Board regarding Siltation issues. The Board of Directors shall establish the purpose, function, authority, and responsibility of the committee. Members of the committee shall be approved by the Board.

Section 7. Removal of Directors. A director may be removed by three-fourths vote of the Board of Directors for "just cause". "Just cause" shall include self-dealing, conflict of interest, absence from three consecutive regular meetings and negligence in performing the responsibilities of a director. If a motion to remove a director is made at a Board meeting, the motion shall not be acted upon until the next Board meeting. Notice of the motion shall be mailed to the director whose removal is sought not less than twenty-one days prior to the meeting when the motion is to be considered and acted upon.

Section 8. Meetings of the Board of Directors. The Board shall meet at least quarterly. Special meetings of the Board may be called by the President or by a majority of the Board and shall be held at such place as the call or notice of the meeting shall designate.

Notice of a special meeting must be given in writing at least forty-eight hours prior to the date of said special meeting, or notice thereof may be waived by the Directors in writing.

After adoption of a Resolution setting forth the times of regular

meetings, no notice of such meeting shall be required, or waived, but notice of special meetings of the Board shall be given.

All meetings of the Board shall be open to attendance by the members, except any special meetings of the Board designated in the notice thereof as "an executive session," in which event the Board shall make a written report to be included in the minutes of the next Board meeting. Any recommendation resulting therefrom shall be submitted for final approval at the next Board meeting.

Section 9. Action Without Meeting. Any action required or permitted to be taken by any meeting of the Board of Directors (or any committee thereof) may be taken without a meeting if, prior to such action, a written consent thereto is signed by all Directors (or of such committee thereof) and such written consent is filed with the minutes of the proceedings of the Board (or such committee.)

Section 10. Quorum. A majority of the directors shall constitute a quorum to transact business of the Board, and the act of the majority of the Directors present at any duly called meeting shall be deemed to be the act of the Board, except where the Board has established specific voting procedures and requirements that exceed that of a majority of the Directors present at any duly called meeting.

Section 11. Vacancies. All Directors shall serve until their successors are elected. Any vacancies occurring on the Board created by the death or resignation of a Director shall be filled by the Board for the remainder of that term of office.

ARTICLE X

Officers

Section 1. Officers. The officers of the Association shall be the President, who shall be a member of the Board, one or more Vice-Presidents, the Secretary, and the Treasurer and such other officers and assistant officers as the Board may from time to time elect. Officers shall serve at the pleasure of the Board. Any two offices may be held by the same person, except the offices of President and Secretary. A director may serve as a committee member but not chairman of a committee except as stated in the Bylaws.

Section 2. President. The President shall be the executive officer of the Association and shall preside over all meetings of the Association and the Board of Directors. The President shall be ex-officio a member of all committees except the Election Committee. The President shall conduct the affairs of the Association in accordance with these Bylaws and those policies approved by the Board of Directors. The President shall be responsible for the preparation of a full and true report as to activities during the year of his/her presidency which report shall be submitted at the annual meeting and he/she shall file the report with the Secretary who shall make it available for inspection by the membership.

Section 3. Vice President. In the absence of the President, or in the event of the President's inability to act or his/her refusal to act, where such action is lawfully required by these Bylaws or otherwise, the Vice President, or if more than one, the First Vice President is empowered to act and shall thereupon be vested with the powers and duties of the President with respect to the action taken. The Vice President shall also perform such other duties as the President may assign.

Section 5. Treasurer. The Treasurer shall have custody of the funds of the Association, collect moneys due, pay the obligations of the Association out of its funds, and perform such other duties as are incident to the office of the Treasurer.

ARTICLE XI

General Provisions

Section 1. Financial Report to Members. The Directors shall make available to the members at the annual meeting and at other times financial statements of the Association's income and expenses as of the closing date of the prior fiscal year. Such financial statements shall be prepared in accordance with generally accepted accounting principles so as to present fairly the Association's operating results. Such statements need not be certified.

Section 2. Association Property. No part of the net earnings of the Association shall inure to the benefit of or be distributed to its members, directors, officers, or other private persons,

except that the Association shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distribution in furtherance of the purposes set forth in Article II hereof.

On dissolution of the Association, no member shall be entitled to any distribution of any Association property or assets. Should two-thirds of the members desiring to vote on the questions (subject to the quorum requirement of Article V, Section 5) consent to dissolution, then the Association's property and assets, thereon and all debts and claims against the Association; shall be conveyed either to an institution qualifying for exemption under Section 501 (C) (3) of the Internal Revenue Code, as amended, or any unit of state or local government, selected by the Board of Directors.

Section 3. Should the Association be forced to take legal action against any member(s) to enforce or defend any matter contained in these Bylaws, or the Heritage Lake Restrictive Covenants, and if successful, the member(s) agree that the Association shall be entitled to collect its costs, attorney fees, and all other reasonable and necessary damages from that member(s).

ARTICLE XIII

Heritage Lake Planning Committee (HLPC)

Purpose. To study the Heritage Lake common properties, facilities and their usage in order to determine the future needs of the Heritage Lake Community. The committee will develop and recommend a multi-year plan, which includes projects and/or policy changes which will meet those needs. The committee will gather information from property owners and other sources to establish a foundation from which to develop and support their recommendations. The committee chairperson will be responsible for reporting and updating their progress to the Board throughout the year at the monthly POA Board meetings. An annual committee report will be presented to the membership at the annual meeting. The recommended plan approved by the existing Board will be binding on subsequent Boards unless repealed by a two-thirds majority of a subsequent Board's membership.

Membership. The committee will consist of three (3) or more Heritage Lake Property Owners Association members in good standing approved by the Board upon the recommendation of the existing HLPC committee.

ARTICLE XIV

Alter, Amend, or repeal the Bylaws

The Board of Directors and Owner Members shall each have the power to make, alter, amend or repeal the Bylaws at any time by the affirmative vote of a majority of the entire number of Directors or Owner Members. Such vote shall be taken after a first and second reading. Any change in the Bylaws made by the Board would become effective the date the majority of the Board approved the change. At the next annual meeting following a change, all property owners would be informed of any Bylaw changes and would be given an opportunity to confirm or disapprove of the change. Should a majority of the property owners voting on a change in the Bylaws (either in person or by absentee ballot) be against the change, the Board would seriously reconsider their action.

ADOPTED, HERITAGE LAKE PROPERTY OWNERS ASSOCIATION BOARD OF DIRECTORS

February 5, 1976

Revisions:

December 7, 1977

December 6, 1980

January 6, 1980

November 14, 1983

June 9, 1986

March 13, 1989

April 9, 1990

February 26, 1994

February 24, 1996

April 8, 1996

December 9, 1996

July 14, 1997

August 12, 2002

December 13, 2004

Updated June 30, 2005

