

Minutes of Windermere Oaks Property Owners' Association  
Special Meeting of Members – December 5, 2009

Mr. Allen Mincho called the Special Meeting to order. Mr. Mincho introduced Mr. Josh Bernstein as an attorney who will assist and consult in today's Special Meeting called by the members. Mr. Mincho also stated that the meeting would be recorded. Mr. Mincho confirmed that a quorum of members was present in person or by proxy.

The first order of business was to appoint a temporary acting Chairman to preside over this Special Meeting only. Ed Parson nominated Mr. Mincho and Dana Martin seconded the nomination. There were no other nominations from the floor by the members. Mr. Mincho asked for a token vote for this appointment. Ed Parson cast the token vote and Mr. Mincho was confirmed as temporary acting Chairman for this Special Meeting only.

Mr. Mincho then asked for a nomination for a temporary acting Secretary to record the minutes and results of this Special Meeting. Chris Mulligan nominated Lois Vogelsang and Mike Madden seconded the nomination. There were no other nominations from the floor by the members. Mr. Mincho asked for a token vote to appoint Lois Vogelsang as temporary acting Secretary for this Special Meeting. Mike Madden made the token vote and Lois Vogelsang was appointed as temporary Secretary for this Special Meeting only.

After Mr. Mincho and Lois Vogelsang were elected Chairman and Secretary and a quorum being present, Mr. Mincho stated the purpose of the meeting was to discuss, ask questions, and then vote on a proposed amendment to the Bylaws of which everyone present was given a copy. The proposed amendment was read by Mr. Mincho as follows:

“In accordance with the requirements of Article 2.09B of the Texas Non-Profit Corporation Act and Article XIII, Section 1 of the Bylaws of the Windermere Oaks Property Owner's Association, a Texas non-profit corporation (the “**Association**”), the following amendment to the Bylaws of the Association has been duly adopted, at a Special Meeting of the members of the Association, by a vote of a majority of a quorum of members present in person or by proxy.

Article VII, Section 3 is hereby added to the Bylaws of the Association and provides as follows:

Section 3. Required Consent of Members. Notwithstanding any provision in these Bylaws to the contrary, the Board of directors shall not be permitted to take any of the following actions unless and until such actions have been approved by a majority of a quorum of members in person or by proxy at either annual meeting or at a Special Meeting called for the purpose of approving such action(s):

- (a) any purchase or expenditure of Association funds, other than for trash service, which , whether in a single transaction or in a series of transactions for a common purpose, totals more than \$25,000;
- (b) any increase in the amount of the annual assessment by more than twenty percent (20%) over the amount of the prior year's annual assessment; or
- (c) The levy of a special assessment or other assessment to defray expenses in excess of the Association's usual and customary expenses incurred in connection with the discharging its responsibilities under the Restrictions."

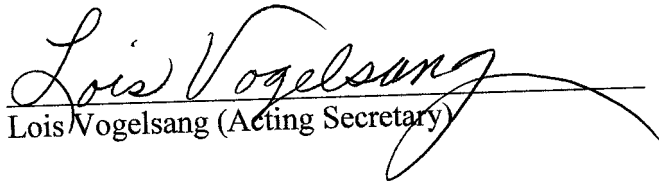
Mr. Mincho then asked for questions, discussion, and comments from the floor on the proposed amendment. Chris Mulligan asked if the amendment could be changed to read 10% instead of 20% in Section 3 (b). Mr. Mincho responded that no changes could be made to the amendment at today's Special Meeting. Lorraine Papa asked the wisdom of placing this proposed amendment in the Bylaws versus the Deed Restrictions. Mr. Mincho and Mr. Bernstein explained that the Bylaws may be amended to incorporate the proposed amendment because the Bylaws of a corporation contain the rules and procedures that govern the rights and powers of its members, directors, and officers, and the proposed amendment governs the rights and powers of the Association's directors.

John Ford and Jackie Yancey both asked if we could put the proposed amendment in the Bylaws and Deed Restrictions. Mr. Bernstein commented that it could be put in both, but that the Bylaws were the most appropriate place for the proposed amendment. Jeanette Shirley then asked if we could put the proposed amendment in the deed restrictions to please the opposition. Mr. Mincho replied that we could, but not today. Mr. Mincho went on to say that if the proposed amendment passed today, it would be up to the Board of Directors to either accept the proposed amendment as the will of the people or disregard it. Mr. Mincho said that if the proposed amendment passes today it will be recorded in the Official Public Records of Burnet County, Texas.

Don Vogelsang stated that most community HOAs in our area have spending limits on their Board of Directors. He also stated that he visited with Mr. Ronald Stark, an attorney who helped write our Deed Restrictions, who said that this proposed amendment could be placed in either the Bylaws or Deed Restrictions. Lorraine Papa asked if the Deed Restrictions trump the Bylaws. Mr. Bernstein said that is correct, but only if there is a conflict in both the Deed Restrictions and Bylaws. Mr. Bernstein opined that the proposed amendment to the Bylaws does not conflict with the provisions of the Deed Restrictions. Nicole Gelinis asked for an explanation of the difference between votes needed to amend the Articles of Incorporation, Bylaws, and Deed Restrictions. Mr. Bernstein replied that one needs 75% of the membership to amend the Articles of Incorporation, 66-2/3 % to amend the Deed Restrictions, and a simple majority of a quorum to amend the Bylaws. The Board or President can call a Special Meeting with proper notice to its membership. The members may call a Special Meeting by a petition signed by at least 25% of the members. After the Special Meeting is called, only 10% of its membership represented in person or by proxy is needed to establish a quorum at the

meeting. Mr. Bernstein again described the purposes of and differences between the Deed Restrictions (contractual agreement as to permitted and prohibited uses of land), Articles of incorporation (document creating the Association and setting forth its basic governing matters), and Bylaws (governing the day-to-day operation of the Association and specifying the powers and duties of the Board). Mr. Bernstein stated again that the best place for the proposed amendment is in the Bylaws.

Mr. Mincho asked repeatedly if there were any more questions, but no one replied. Mr. Mincho then advised all the members in attendance that it was time to vote on the proposed amendment. The members voted their ballots and proxies. Mr. Mincho appointed the Tellers to count the vote who were WOPOA members Phyllis Lormand, Sarah Doffing, and Lois Vogelsang (acting Secretary). After counting the votes several times by the Tellers, Mr. Mincho announced that the results of the vote as follows: 182 members "Approve" the proposed amendment and 0 "Disapprove" the proposed amendment. Mr. Mincho announced that the proposed amendment had passed 182-0 and would be recorded as soon as possible in the Official Public Records of Burnet County, Texas. Mr. Mincho thanked everyone for attending the meeting on a very cold day and adjourned the Special Meeting of December 5, 2009.

  
Lois Vogelsang (Acting Secretary)