

**The Board of Directors of Indian Lake Owners Association has directed that the following proposed amendments to the Articles of Incorporation be submitted to the Members to be voted upon at the Annual Members Meeting on July 16, 1988.**

**AMENDMENT NUMBER ONE  
REASON FOR AMENDMENT**

It is difficult to attract qualified individuals to serve as directors of Indian Lake Owners Association and to ensure that the Board of Directors will be able to attract qualified individuals to guide ILOA in its service to the members. It is in the best interest of ILOA and its members to provide whatever protections are afforded by law to the directors. Many states have enacted laws which provide such protections. These laws limit the personal liability of directors if such directors acted in good faith while performing their duty.

During the Regular Session of the 70th Texas Legislature in 1987, such a bill was enacted in Texas. The protections afforded by Senate Bill 260, if authorized by the ILOA members to apply to Indian Lake Owners Association, provides a mechanism for limitation of personal liability of Board members for violation of the duty of care, so long as the directors 1) do not breach their duty of loyalty to ILOA, 2) do not fail to act in good faith, 3) do not engage in intentional misconduct or knowingly violate the law, 4) do not engage in other conduct expressly prohibited by law, or 5) do not obtain an improper benefit.

Your vote in favor of the following proposed amendment will help ensure a representative Board of Directors of ILOA.

**PROPOSED AMENDMENT**

The limitation of personal liability of directors may be accomplished by amending the Articles of Incorporation of Indian Lake Owners Association to include the following language:

No director of Indian Lake Owners Association ("ILOA") shall be personally liable to ILOA or its members for monetary damages for any act or omission in the director's capacity as a director occurring from and after the adoption hereof, except in the following instances: (i) for any breach of the director's duty of loyalty to ILOA or its members; (ii) for any act or omission not in good faith or which involves intentional misconduct or knowing violation of the law; (iii) for any transaction from which the director received an improper benefit, whether or not the benefit resulted from action taken within the scope of the director's office; or (iv) for any act or omission for which the liability of a director is expressly provided for by statute. Any repeal or modification of this Article shall be prospective only, and shall not adversely affect any limitation of the personal liability of a director of ILOA existing at the time of repeal or modification.

**AMENDMENT NUMBER TWO  
REASON FOR THE AMENDMENT**

The Articles of Incorporation presently reflect an outdated address and the wrong person as the registered agent for service of process. They should be amended to reflect a local person to insure that the Corporation receives accurate notice of any suits that might be filed against it.

**PROPOSED AMENDMENT**

The street address of the registered office of the Corporation is

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and the name of its' registered agent at such address is

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