

**CERTIFICATE OF SECRETARY
FOR
AMENDMENT TO BYLAWS
OF
ROLLINGWOOD COMMUNITY DEVELOPMENT CORPORATION**

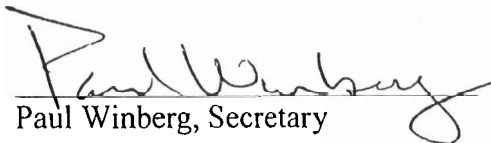
The undersigned, being the Secretary of Rollingwood Community Development Corporation, a Texas nonprofit development corporation (the "Corporation"), hereby certifies that the Board of Directors of the Corporation adopted an amendment to Article 5 of the Bylaws of the Corporation at a meeting duly held on March 20, 2003, and that such resolution amended Article 5 to read in its entirety as follows:

ARTICLE V. FISCAL YEAR

The fiscal year of the Corporation shall be January 1 through December 31 until December 31, 2002. Commencing January 1, 2003, the fiscal year of the Corporation shall be January 1 through September 30, 2003. Thereafter, the fiscal year of the Corporation shall be October 1 through September 30.

The undersigned certifies that said resolution has not been revoked, rescinded, amended or modified as of the date hereof.

Dated: 4/26/03


Paul Winberg, Secretary

ROLLINGWOOD COMMUNITY DEVELOPMENT CORPORATION

BYLAWS

ARTICLE I. OFFICES

1.01 **Location.** The principal office of the Rollingwood Community Development Corporation (the "Corporation") is located at 403 Nixon Drive, Rollingwood, Texas, 78746.

ARTICLE II. DIRECTORS

2.01 **Number, Appointment, and Term of Office.** The business and affairs of the Corporation shall be managed by a board of seven directors (the "Board"). Directors shall be appointed by the City Council of the City of Rollingwood (the "City"), and at least three directors must not be employees, officers, or members of the City Council. Each member of the Board shall serve at the pleasure of the City Council for a term of two years. Each director shall be a resident of the City and is entitled to one vote upon the business of the Corporation.

2.02 **Vacancies.** In case of a vacancy on the Board, the City Council shall appoint a successor to serve the remainder of the unexpired term.

2.03 **Regular Meeting; Place of Meeting.** Regular meetings shall be held from time to time as determined by resolution of the Board and shall be held at the City Council chambers, 403 Nixon Drive, Rollingwood, Texas, unless otherwise determined by resolution of the Board. A meeting of the Board for the election of officers and the transaction of other business shall be held on the Fourth Wednesday in June of each year, unless changed by resolution of the Board. All meetings shall be called and held in accordance with the Texas Open Meetings Act, Chapter 551, Government Code, as amended.

2.04 **Special Meetings.** Special meetings of the Board shall be held whenever called by the president, or upon written request by two directors.

2.05 **Notice of Meetings.** The secretary shall cause notice of the time and place of holding each meeting of the Board to be given to each director. The notice may be in writing, in person, or in person by telephone. Notice of each meeting shall also be given to the public in accordance with the provisions of the Texas Open Meetings Act, Chapter 551, Government Code, as amended.

2.06 **Quorum.** A majority of the membership of the Board, including vacancies, shall constitute a quorum for the transaction of business.

2.07 **Order of Business.** The order of business shall be determined by the Board.

2.08 **Presiding Officer.** At all meetings of the Board, the president, or in the president's absence, the vice-president, or in the absence of both of these officers, a member of the Board selected by the directors present, shall preside. The secretary of the Corporation shall sit as

secretary at all meetings of the Board, and in case of the secretary's absence, the presiding officer shall designate any person to act as secretary.

2.09 Management. The property and business of the Corporation shall be managed by the Board which may exercise all powers of the Corporation.

2.10 Additional Powers. In addition to the powers conferred by these Bylaws and the Articles of Incorporation (but subject to the restrictions in the Articles of Incorporation), the Board may exercise all powers of the Corporation and do all lawful acts and things that are not prohibited by statute, the Articles of Incorporation, or these Bylaws including, but not limited to the following powers:

(1) To purchase, or otherwise acquire for the Corporation, any property, rights, or privileges which the Corporation is authorized to acquire, at such price or consideration and generally on such terms and conditions as the Board determines to be appropriate, and at its discretion to pay therefor either wholly or partly in money, notes, bonds, debentures, or other securities or contracts of the Corporation as may be lawful.

(2) To create, make and issue notes, mortgages, bonds, deeds of trust, trust agreements and negotiable or transferable instruments and securities, secured by mortgage or deed of trust on any real and/or personal property of the Corporation (whether tangible or intangible) or otherwise, and to do every other act or thing necessary to effect the same.

(3) To sell or lease the real or personal property of the Corporation on such terms as the Board may see fit and to execute all deeds, leases and other conveyances or contracts that may be necessary for carrying out the purposes of this Corporation.

ARTICLE III. OFFICERS

3.01 Compensation of Directors and Officers. Directors and officers, shall not receive any salary for their services but, by resolution of the Board, expenses incurred in the Corporation's business may be reimbursed.

3.02 Officers. The officers of the Corporation shall be a president, vice-president, secretary, and treasurer. The Board, at each annual meeting, shall elect these officers. The Board may appoint such other officers as it deems necessary, who shall have such authority, and shall perform such duties as from time to time may be prescribed by the Board. The Rollingwood City Administrator shall provide such staff as may be necessary for administrative support services for the Corporation. The executive director shall be a non-voting ex officio member of the Board.

3.03 Powers and Duties of the President. The president shall preside at all meetings of the Board. He or she shall have power to sign and execute all contracts and instruments of conveyance in the name of the Corporation, to sign notes and orders for the payment of money, and to appoint and discharge agents and employees, subject to the approval of the Board. He or she shall have general and active management of the business of the Corporation, and shall perform all the duties usually incident to the office of president.

3.04 **Vice-President.** The vice president shall have such powers and perform such duties as may be delegated to him or her by the Board. In the absence or disability of the president, the vice-president may perform the duties and exercise the powers of the president.

3.05 **Power and Duties of the Secretary.** The secretary shall keep the minutes of all meetings of the Board in books provided for that purpose; shall provide all notices, may sign with the president, or a vice-president, in the name of the Corporation, all contracts and instruments of conveyance authorized by the Board, shall have charge of the books and papers of the Board, and shall in general perform all the duties incident to the office of secretary, subject to the control of the Board. Records of the Corporation shall be maintained and filed in the office of the City secretary of the City.

3.06 **Treasurer.** The treasurer shall have custody of all funds and securities of the Corporation and shall endorse on behalf of the Corporation for collection, checks, notes and other obligations and shall deposit the same to the credit of the Corporation in such bank or depository as the Board may designate. Whenever required by the Board the treasurer shall render a statement of the Corporation's cash account; enter regularly in the books of the Corporation, a full and accurate account of the Corporation; and perform all acts incident to the position of treasurer, subject to the control of the Board. All written statements and accounts shall be maintained and filed in the office of the City administrator for the City. The treasurer shall give a bond for the faithful discharge of his or her duties in such sum, if any, as the Board may require.

ARTICLE IV. COMMITTEES OF THE BOARD OF DIRECTORS

The Board may, by resolution adopted by affirmative vote of the majority of the number of Directors fixed by these Bylaws, designate two or more Directors (with such alternates, if any, as may be deemed desirable) to constitute a committee for any purpose specified by the Board; provided, that any such committee shall have and may exercise only the power of recommending action to the Board and of carrying out and implementing any instructions or any policies, plans, programs and rules theretofore approved, authorized and adopted by the Board. This paragraph does not eliminate the requirement of a committee to comply with the Open Meetings Act to the extent applicable.

ARTICLE V. CORPORATION SEAL

No corporate seal shall be required.

ARTICLE VI. FISCAL YEAR

The fiscal year of the Corporation is January 1 through December 31.

ARTICLE VII. INDEMNIFICATION OF DIRECTORS AND OFFICERS

7.01. **Definitions.** In this Article VII:

(a) "Indemnitee" means (i) any present or former director, advisory director or officer of the Corporation; (ii) any person who, while serving in any of the capacities referred to in clause (i) hereof, served at the Corporation's request as a director, officer, partner, venturer, proprietor, trustee, employee, agent or similar functionary of another foreign or domestic corporation, partnership, joint venture, trust, employee benefit plan or other enterprise; and (iii) any person nominated or designated by (or pursuant to authority granted by) the Board or any committee thereof to serve in any of the capacities referred to in clauses (i) or (ii) hereof.

(b) "Official Capacity" means (i) when used with respect to a director, the office of director of the Corporation, and (ii) when used with respect to a person other than a director, the elective or appointive office of the Corporation held by such person or the employment or agency relationship undertaken by such person on behalf of the Corporation, but in each case does not include service for any other foreign or domestic corporation or any partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise.

(c) "Proceeding" means any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, arbitrative or investigative, any appeal in such an action, suit or proceeding, and any inquiry or investigation that could lead to such an action, suit or proceeding.

7.02. Indemnification. The Corporation shall indemnify every Indemnitee against all judgments, penalties (including excise and similar taxes), fines, amounts paid in settlement, and reasonable expenses actually incurred by the Indemnitee in connection with any Proceeding in which he was, is or is threatened to be named a defendant or respondent, or in which he was or is a witness without being named a defendant or respondent, by reason, in whole or in part, of his serving or having served, or having been nominated or designated to serve, in any of the capacities referred to in Section 7.01(a), if it is determined in accordance with Section 7.04 that the Indemnitee (i) conducted himself in good faith, and (ii) in the case of any criminal Proceeding, had no reasonable cause to believe that his conduct was unlawful; provided, however, that in the event that an Indemnitee is found liable to the Corporation or is found liable on the basis that personal benefit was improperly received by the Indemnitee, the indemnification (i) is limited to reasonable expenses actually incurred by the Indemnitee in connection with the Proceeding and (ii) shall not be made in respect of any Proceeding in which the Indemnitee shall have been found liable for willful or intentional misconduct in the performance of his duty to the Corporation. The termination of any Proceeding by judgment, order, settlement or conviction, or on a plea of nolo contendere or its equivalent, is not of itself determinative that the Indemnitee did not meet the requirements set forth in clauses (i) or (ii) in the first sentence of this Section 7.02. An Indemnitee shall be deemed to have been found liable in respect of any claim, issue or matter only after the Indemnitee shall have been so adjudged by a court of competent jurisdiction after exhaustion of all appeals therefrom. Reasonable expenses shall include, without limitation, all court costs and all fees and disbursements of attorneys for the Indemnitee.

7.03. Successful Defense. Without limitation of Section 7.02 and in addition to the indemnification provided for in Section 7.02, the Corporation shall indemnify every Indemnitee against reasonable expenses incurred by such person in connection with any Proceeding in which he is a witness or a named defendant or respondent because he served in any of the capacities

referred to in Section 7.01(a), if such person has been wholly successful, on the merits or otherwise, in defense of the Proceeding.

7.04. Determinations. Any indemnification under Section 7.02 (unless ordered by a court of competent jurisdiction) shall be made by the Corporation only upon a determination that indemnification of the Indemnitee is proper in the circumstances because he has met the applicable standard of conduct. Such determination shall be made (i) by the Board by a majority vote of a quorum consisting of directors who, at the time of such vote, are not named defendants or respondents in the Proceeding; (ii) if such a quorum cannot be obtained, then by a majority vote of all directors (in which designation directors who are named defendants or respondents in the Proceeding may participate), such committee to consist solely of two (2) or more directors who, at the time of the committee vote, are not named defendants or respondents in the Proceeding; or (iii) by special legal counsel selected by the Board or a committee thereof by vote as set forth in clauses (i) or (ii) of this Section 7.04 or, if the requisite quorum of all of the directors cannot be obtained therefor and such committee cannot be established, by a majority vote of all of the directors (in which directors who are named defendants or respondents in the Proceeding may participate). Determination as to reasonableness of expenses shall be made in the same manner as the determination that indemnification is permissible, except that if the determination that indemnification is permissible is made by special legal counsel, determination as to reasonableness of expenses must be made in the manner specified in clause (iii) of the preceding sentence for the selection of special legal counsel. In the event a determination is made under this Section 7.04 that the Indemnitee has met the applicable standard of conduct as to some matters but not as to others, amounts to be indemnified may be reasonably prorated.

7.05. Advancement of Expenses. Reasonable expenses (including court costs and attorneys' fees) incurred by an Indemnitee who was or is a witness or who is or is threatened to be made a named defendant or respondent in a Proceeding shall be paid by the Corporation at reasonable intervals in advance of the final disposition of such Proceeding, and without making any of the determinations specified in Section 7.04, after receipt by the Corporation of (i) a written affirmation by such Indemnitee of his good faith belief that he has met the standard of conduct necessary for indemnification by the Corporation under this Article VII and (ii) a written undertaking by or on behalf of such Indemnitee to repay the amount paid or reimbursed by the Corporation if it shall ultimately be determined that he is not entitled to be indemnified by the Corporation as authorized in this Article VII. Such written undertaking shall be an unlimited obligation of the Indemnitee but need not be secured and it may be accepted without reference to financial ability to make repayment. Notwithstanding any other provision of this Article VII, the Corporation may pay or reimburse expenses incurred by an Indemnitee in connection with his appearance as a witness or other participation in a Proceeding at a time when he is not named a defendant or respondent in the Proceeding.

7.06. Other Indemnification and Insurance. The indemnification provided by this Article VII shall (i) not be deemed exclusive of, or to preclude, any other rights to which those seeking indemnification may at any time be entitled under the Articles, any law, agreement or vote of disinterested directors, or otherwise, or under any policy or policies of insurance purchased and maintained by the Corporation on behalf of any Indemnitee, both as to action in his Official Capacity and as to action in any other capacity, (ii) continue as to a person who has ceased to be in the capacity by reason of which he was an Indemnitee with respect to matters arising during

the period he was in such capacity, and (iii) inure to the benefit of the heirs, executors, and administrators of such a person.

7.07. Construction. The indemnification provided by this Article VII shall be subject to all valid and applicable laws, including, without limitation, Article 5190.6, Section 15 of the Development Corporation Act of 1979, and, in the event this Article VII or any of the provisions hereof or the indemnification contemplated hereby are found to be inconsistent with or contrary to any such valid laws, the latter shall be deemed to control and this Article VII shall be regarded as modified accordingly, and, as so modified, to continue in full force and effect.

7.08. Continuing Offer, Reliance, etc. The provisions of this Article VII (i) are for the benefit of, and may be enforced by, each Indemnitee of the Corporation the same as if set forth in their entirety in a written instrument duly executed and delivered by the Corporation and such Indemnitee, and (ii) constitute a continuing offer to all present and future Indemnitees. The Corporation, by its adoption of these Bylaws, (i) acknowledges and agrees that each Indemnitee of the Corporation has relied upon and will continue to rely upon the provisions of this Article VII in becoming, and serving in any of the capacities referred to in Section 7.01(a) hereof, (ii) waives reliance upon, and all notices of acceptance of, such provisions by such Indemnitees, and (iii) acknowledges and agrees that no present or future Indemnitee shall be prejudiced in his right to enforce the provisions of this Article VII in accordance with their terms by any act or failure to act on the part of the Corporation.

7.9. Effect of Amendment. No amendment, modification or repeal of this Article VII or any provision hereof shall in any manner terminate, reduce or impair the right of any past, present or future Indemnitees to be indemnified by the Corporation, nor the obligation of the Corporation to indemnify any such Indemnitees, under and in accordance with the provisions of this Article VII as in effect immediately prior to such amendment, modification or repeal with respect to claims arising from or relating to matters occurring, in whole or in part, prior to such amendment, modification or repeal, regardless of when such claims may arise or be asserted.

ARTICLE VIII. MISCELLANEOUS

8.01 Notices and Waivers. Whenever under the provisions of these Bylaws notice is required to be given to any director or officer, unless otherwise provided, the notice may be given personally, or it may be given in writing by depositing it in the post office or letter box in a post paid envelope or postal card addressed to the director or officer, at the address as appears on the books of the Corporation, and the notice shall be deemed to be given at the time when it is mailed. Whenever any notice to directors or officers is required to be given by law, or by these Bylaws, a waiver in writing signed by the person or persons entitled to the notice, whether before or after the time stated shall be deemed the equivalent of notice. This paragraph does not eliminate the requirement to comply with the Open Meetings Act.

8.02 Negotiable Instruments. All checks, drafts, notes or other obligations of the Corporation shall be signed by such of the officers of the Corporation or by such person or persons as may be authorized by the Board. All checks shall require the signature of two persons.

8.03 Resignations. Any director or officer may at any time resign. Resignations shall be made in writing and shall take effect at the time specified in the resignation, or, if no time be specified, at the time of its receipt by the president or the secretary. The acceptance of a resignation shall not be necessary to make it effective, unless expressly so provided in the resignation.

8.04 Approval of the City Council. To the extent these Bylaws refer to any approval or other action to be taken by the City, that approval or action shall be evidenced by a certified copy of a resolution, ordinance, or motion duly adopted by the City Council.

8.05 Organizational Control. The City Council at its sole discretion, and at any time, may alter or change the structure, organization or activities of the Corporation (including the termination of the Corporation), subject to any limitation on the impairment of contracts entered into by the Corporation. The foregoing notwithstanding, the City, at all times during which any indebtedness of the Corporation, the interest on which is exempt from federal income taxation, remains outstanding, will maintain a beneficial interest in the Corporation.

8.06 Quarterly Reports. The Board shall prepare a quarterly activity report, detailing the projects and work accomplished during the previous quarter. This report shall be submitted to the City Council by the 15th day of the month following the end of each quarter.

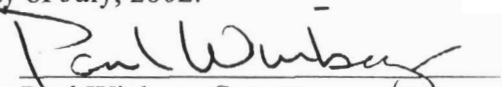
ARTICLE IX. PROVISIONS REGARDING BYLAWS

- (a) These Bylaws shall become effective only upon the occurrence of the following events:
- (1) the approval of these Bylaws by the City Council; and
 - (2) the adoption of these Bylaws by the Board.
- (b) These Bylaws may be amended at any time and from time to time either by (i) majority vote of the directors then in office with approval of the City Council or (ii) by the City Council itself, at its sole discretion.
- (c) These Bylaws shall be liberally construed to effectuate their purposes. If any word, phrase, clause, sentence, paragraph, section or other part of these Bylaws, or the application thereof to any person or circumstances, shall ever be held to be invalid or unconstitutional by any court of competent jurisdiction, the remainder of these Bylaws and the application of such word, phrase, clause, sentence, paragraph, section or other part of these Bylaws to any other person or circumstance shall not be affected thereby.

ARTICLE X. DISSOLUTION OF CORPORATION

It shall not be the purpose of this Corporation to engage in carrying on propaganda or otherwise attempting to influence legislation. Upon the dissolution of the Corporation after payment of all obligations of the Corporation, all remaining assets of the Corporation shall be transferred to the City of Rollingwood, Texas.

I hereby certify that the foregoing Bylaws are the true and correct Bylaws of the Corporation as adopted by the Board on the 30th day of July, 2002.


Paul Winberg, Secretary

20 July, 2002