

BYLAWS

OF

Dripping Springs' HIDDEN SPRINGS RANCH HOMEOWNER'S ASSOCIATION, INC.

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**TO
BYLAWS
OF**

**Dripping Springs' HIDDEN SPRINGS RANCH HOMEOWNER'S ASSOCIATION, INC.
A Texas Non-Profit Corporation**

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BYLAWS
OF
Dripping Springs' HIDDEN SPRINGS RANCH HOMEOWNER'S ASSOCIATION, INC.
A Texas Non-Profit Corporation

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ARTICLE I.
Identification and Offices

Section 1. Name. The name of the Corporation (herein so called) is Dripping Springs' HIDDEN SPRING'S RANCH HOMEOWNER'S ASSOCIATION, INC.

Section 2. Registered Office and Registered Agent. The registered office of the Corporation shall be at 2500 Cedar Springs, Suite 500, Dallas, Texas 75201. The name of its registered agent at this address is D, Woodard Glenn.

Section 3. Offices. The Corporation shall have a general office and such other offices in such location as the Board of Directors (herein so called) may from time to time determine or as the business of the Corporation may require.

ARTICLE II.
Members

Section 1. Classes of Members. Members of the Corporation shall consist of those persons or entities owning one or more lots in a development (the "Development") in Hays County, Texas and which is commonly known as Dripping Springs' HIDDEN SPRINGS RANCH. The Corporation shall have two (2) classes of members, as follows:

(a) Class A Members. Class A Members (herein so called) shall be all of the members other than those members identified as Class B Members. When more than one person or entity owns a lot, then all of such persons shall be members, and the vote for such lot shall be exercised as they, among themselves determine, but in no event shall more than one vote be cast with respect to any such lot.

(b) Class B Members. Class B Members (herein so called) shall be Dripping Springs' HIDDEN SPRINGS RANCH, L.L.C. (the "Developer"). The Class B Members of the Corporation shall be converted to a Class A membership upon the earlier to occur of the following:

(A) When the Developer no longer owns record title to any lot in the Development; or

(B) At such time as the Developer voluntarily relinquishes its Class B membership rights.

Section 2. Voting Rights.

(a) Class A Members shall be entitled to one vote for each lot which they own in the Development.

(b) Class B Members of the Corporation shall be entitled to six (6) votes for each lot which they own in the Development.

Notwithstanding any voting rights of any class of members provided in these Bylaws, the Corporation shall take no action with respect to any matter whatsoever without the prior written consent of the Developer, so long as Developer owns a Class B membership in the Corporation.

Section 3. Suspension of Voting Rights of Member. The voting rights of any Class A Member shall be suspended by the vote of the Board of Directors, if any of the following events shall occur:

(a) Such Class A Member shall fail or refuse to pay any assessments or other obligations, which have been levied against the lot(s) owned by the Class A Member pursuant to that certain SECOND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF HIDDEN SPRINGS RANCH ADDITION IN HAYS COUNTY, TEXAS (the "Declaration") filed in the Official Public Records of Hays County, Texas under County Clerk's document No. HC 9925950, as may in the future be in any manner amended, modified or restated; or

(b) Such Class A Member shall fail or refuse to abide by any rules and regulations promulgated by the Corporation in connection with the use and management of the common properties in the Development which are for the use and benefit of all the members.

Any member whose voting rights have been suspended under Section 3.(a) of this Article II, shall be reinstated upon payment by such Class A member of all of the assessments, obligations, penalties and interest associated therewith. The voting rights of any member who has been suspended under Section 3.(b) of this Article II, shall be reinstated within sixty (60) days after the action by the Board of Directors to suspend such Class A Member's voting rights; provided, however, that during such sixty (60) day period such member continues to violate the rules and regulations promulgated by the Corporation, then such voting rights may be suspended for successive sixty (60) day periods upon the vote of the Board of Directors.

Section 4. Termination of Membership. The membership of a Member shall terminate upon the sale by that member of its ownership interest in the lot in the Development, whereupon the "new" owner of such lot shall become a member of the Corporation.

Section 5. Transfer of Membership. Membership in this corporation is not transferable nor assignable, except on the transfer and conveyance of a lot in the Development.

Section 6. Annual Meeting of Members. Commencing in the year 2001, an annual meeting of the members shall be held on the third Monday in March of each year at 10:00 a.m. at such place as may be determined by the Board of Directors. The purpose of the annual

meeting shall be to elect directors and transact such other business as may come before the meeting. Failure to hold the annual meeting at the designated time shall not work a dissolution of the Corporation. In the event the Board of Directors 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 Corporation. If the annual meeting of members is not called within sixty (60) days following such demand, any member may compel the holding of such annual meeting by legal action directed against the Board of Directors, and all of the extraordinary writs of common law and of courts of equity shall be available to such member to compel the holding of such annual meeting. Each and every member is hereby declared to have a justiciable interest sufficient to enable him to institute and prosecute such legal proceedings.

Section 7. Special Meetings. Special meetings of the members may be called by the President, the Board of Directors, or by members having not less than one-tenth of the members of the votes entitled to be cast at such meeting.

Section 8. Place of Meeting. The Board of Directors may designate any place, either within or without the State of Texas, as the place of meeting for any annual meeting or for any special meeting called by the Board of Directors. If no designation is made or if a special meeting be otherwise called, the place of meeting shall be the registered office of the Corporation in the State of Texas; but if all of the members shall meet at any time and place, either within or without the State of Texas, and consent to the holding of a meeting, such meeting shall be valid without call or notice, and at such meeting any corporate action may be taken.

Section 9. Notice of Meetings. 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, shall be delivered not less than ten (10) nor more than sixty (60) days before the date of the meeting, either personally, by facsimile transmission, or by mail, by or at the direction of the president, or the secretary, or the officers or persons calling the meeting, to each member entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the member at his address as it appears on the records of the Corporation, with postage thereon paid. If transmitted by facsimile, notice is deemed to be delivered on successful transmission of the facsimile.

Section 10. Quorum. The holders of a majority of the votes of all of the members, present in person or represented by proxy, shall constitute a quorum at all meetings of the members for the transaction of business. If a required quorum is not present at any meeting of the members, then the person(s) who called for such meeting shall be entitled to call one (1) additional meeting of members, which such additional meeting shall occur not later than sixty (60) days after the date of the original meeting at which a quorum was not present. The call for such additional meeting shall be in all respects subject to the notice requirements set for in Section 9. of this Article II.; provided that a quorum for such additional meeting shall consist of only one-half ($\frac{1}{2}$) of the votes required to constitute a quorum at the original meeting at which no quorum was present. 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, shall be the act of the members meeting, unless the vote of a greater number is required by law, the Articles of Incorporation, these Bylaws or the Declaration.

Section 11. Proxy. A member may vote in person or may vote by proxy executed in writing by the member or by his duly authorized attorney-in-fact. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy. Each proxy shall be revocable unless expressly provided therein to be irrevocable, and in no event shall it remain irrevocable for more than eleven (11) months.

Section 12. Record Date for Determining Members Entitled to Notice and Vote.

(a) The Board of Directors shall fix a future date as the record date for determining the members entitled to notice of a members' meeting. If a record date is not fixed, members at 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, are entitled to notice of the meeting.

(b) The Board of Directors shall fix a future date as the record date for determining the members entitled to vote at a members' meeting. If a record date is not fixed, members on the date of the meeting who are otherwise eligible to vote are entitled to vote at the meeting.

(c) The Board of Directors shall fix in advance a record date for the purpose of determining the members entitled to exercise any rights regarding any other lawful action. If a record date is not fixed, members at the close of business on the date on which the Board of Directors adopts the resolution relating to the record date, or the 60th day before the date of the other action, whichever is later, are entitled to exercise those rights.

(d) A record date fixed under this Section 12, may not be more than sixty (60) days before the date of the meeting or action that requires the determination of the members.

(e) 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 of Directors fixes a new date for determining the right to notice or the right to vote. The Board of Directors 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 ninety (90) days after the record date for determining members entitled to notice of the original meeting.

Section 13. Voting Members' List for Meeting.

(a) After fixing a record date for the notice of a meeting, the Corporation shall prepare an alphabetical list of the names of all its 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 Corporation shall 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 shall be prepared on the same basis and be part of the list of voting members.

(b) Not later than two (2) business days after the date notice is given of a meeting for which a list was prepared, as provided by Section 13.(a) of this Article II, 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 Corporation'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, subject to the limitations of the Act (as hereinafter defined) to copy the list at a reasonable time and at the member's expense during the period it is available for inspection.

(c) The corporation shall 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.

Section 14. Liability for Assessments. The Members shall be fully responsible and liable for any assessment and any other obligations levied in accordance with the terms of the Declaration.

ARTICLE III.

Board of Directors

Section 1. General Powers. The affairs of the Corporation shall be managed by the Board of Directors, who shall exercise all general powers conferred by the laws of the State of Texas upon corporations organized under the Texas Non-Profit Corporation Act, as it may be amended from time to time (the "Act"), and shall have such additional powers and duties as are specifically provided by the Articles of Incorporation, by these Bylaws and by the Declaration.

Section 2. Number. The Board of Directors shall consist of not less than three, nor more than nine directors. The number of directors shall be determined by vote of the members in each year when an election of the directors (as hereinafter provided) is to occur. The Board of Directors shall initially consist of the three persons named as directors in the Articles of Incorporation.

Section 3. Election. The members shall elect annually the persons who are to serve as directors. Each director shall continue in office until the next annual meeting of members and until his successor shall have been elected, appointed, or designated and qualified. Directors shall be elected by a vote of the majority of members present at the meeting. Cumulative voting for directors is not permitted.

Section 4. Duties. The Board of Directors shall determine in what manner the funds of the Corporation shall be spent.

Section 5. Annual Meetings. An annual meeting of the Board of Directors shall be held on the third Monday in March of each year, beginning in 2001, at the same place as, and immediately following, the annual meeting of members. No notice need be given of the annual meeting of the directors.

Section 6. Regular Meetings. Regular meetings of the Board of Directors may be scheduled as determined by resolution of the Board of Directors. No notice shall be required to be given for any regular meeting of the Board of Directors; provided, that upon adoption of a resolution by the Board of Directors scheduling regular meetings, notice shall be given to the members of the time and place where such meetings will generally be held. Such notice shall be delivered to the members not later than two (2) days before the next scheduled regular meeting after the adoption of such resolution.

Section 7. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President or any two directors.

Section 8. Place of Meetings. Meetings of the Board of Directors may be held within or without the State of Texas.

Section 9. Notice of Meetings. Notice of any special meeting of the Board of Directors shall be given at least three (3) days prior thereto by written notice delivered personally or sent by mail or facsimile transmission to each director at his address as shown by the records of the Corporation. If mailed, such notice shall be deemed to be deposited in the United States mail in a sealed envelope so addressed, with postage thereon prepaid. If transmitted by facsimile, notice is deemed to be delivered on successful transmission of the facsimile. Any Director may waive notice of any meeting. The attendance of a director at a meeting shall 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 on the ground that 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 of directors need be specified in the notice or waiver of notice of such meeting.

Section 10. Quorum. A majority of the number of directors of the Board of Directors, shall be necessary and sufficient to constitute a quorum for the transaction of business at all meetings. 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 shall be the act of the board of directors, unless the act of a greater number is required by statute, the Articles of Incorporation or these Bylaws.

Section 11. Proxy. A director may vote in person or by proxy executed in writing by the director. No proxy shall be valid after three (3) months from the date of its execution. Each proxy shall be revocable unless expressly provided therein to be irrevocable, and unless otherwise made irrevocable by law.

Section 12. Resignation. Any director may resign at any time by giving written notice of such resignation to the Board of Directors, the President, or Secretary. Any such resignation shall take effect at the time specified therein or, if no time be specified, upon receipt thereof by the Board of Directors or one (1) of the above named officers; and, unless specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 13. Removal. At any special meeting of the members, duly called as provided in these Bylaws, any director may, by the affirmative vote of the holders of four-fifths (4/5) of all the members entitled to vote for the election of directors, be removed from office, either with or without cause. At such meeting a successor or successors may be elected by a plurality of the

votes cast, or if any such vacancy is not so filled, it may be filled by the directors as provided in Section 14 of this Article III.

Section 14. Vacancies. Any vacancy occurring in the Board of Directors shall be filled by the majority vote of the remaining directors. A director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.

Section 15. Additional Directors. Any directorship to be filled by reason of an increase in the number of directors shall be filled by election at an annual meeting or at a special meeting of members called for that purpose.

Section 16. Compensation. Directors as such shall not receive any stated salaries for their services, but by resolution of the Board of Directors, a fixed sum and expenses of attendance, if any, may be allowed for attendance at each regular and special meeting of the Board of Directors; but nothing herein contained shall be construed to preclude any Director from serving the Corporation in any other capacity and receiving compensation therefor.

Section 17. Informal Action by Directors. Any action required by law to be taken, or which may be taken at a meeting of the Board of Directors, may be taken without any meeting if a consent in writing, setting forth the action so taken shall be signed by all the directors.

Section 18. Disqualification. No person who holds any public office for the State of Texas shall be eligible to serve as a member of the Board of Directors if such relationship might cause him to be placed in a position of conflict of interest.

Section 19. Liability of Directors in Certain Cases.

(a) In addition to any other liabilities imposed by law upon directors of the Corporation, the directors who vote for or assent to any distribution of assets other than in payment of its debts, when the corporation is insolvent or when such distribution would render the Corporation insolvent, or during the liquidation of the Corporation without the payment and discharge of or making adequate provisions for all known debts, obligations and liabilities of the Corporation, shall be jointly and severally liable to the Corporation for the value of such assets which are thus distributed, to the extent that such debts, obligations and liabilities of the Corporation are not thereafter paid and discharged.

(b) A director of the Corporation who is present at a meeting of its Board of Directors at which action was taken on such corporate matter shall be presumed to have assented to such action unless his dissent shall be entered in the minutes of the meeting or unless such director shall file his or her written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the secretary of the Corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of the action.

(c) A director shall not be liable under Section 19.(a) of this Article III if, in voting for or assenting to a distribution, the director:

(i) relied in good faith and with ordinary care on information, opinions, reports, or statements, including financial statements and other financial data, concerning the Corporation or another person that were prepared or presented by:

(A) one or more officers or employees of the Corporation;

(B) legal counsel, public accountants, or other persons as to matters the director reasonably believes are within the person's professional or expert competence; or

(C) a committee of the Board of Directors of which the director is not a member;

(ii) acting in good faith and with ordinary care, considered the assets of the Corporation to be at least that of their book value; or

(iii) in determining whether the Corporation made adequate provision for payment, satisfaction, or discharge of all of its liabilities and obligations, relied in good faith and with ordinary care on financial statements of, or other information concerning, a person who was or became contractually obligated to pay, satisfy, or discharge some or all of those liabilities or obligations.

(d) A director shall not be liable under this Section 19 if, in the exercise of ordinary care, he acted in good faith and in reliance upon the written opinion of an attorney for the Corporation.

(e) A director against whom a claim shall be asserted under this Section 19 and who shall be held liable thereon shall be entitled to contribution from persons who accepted or received such distribution knowing such distribution to have been made in violation of this Section 19, in proportion to the amounts received by them respectively.

Section 20. General Standards for Directors.

(a) A director shall discharge the director's duties, including the director's duties as a member of a committee, in good faith, with ordinary care, and in a manner the director reasonably believes to be in the best interest of the Corporation.

(b) In the discharge of any duty imposed or power conferred on a director, including as a member of a committee, the director may in good faith rely on information, opinions, reports, or statements, including financial statements and other financial data, concerning the Corporation or another person that were prepared or presented by:

(i) one or more officers or employees of the Corporation;

(ii) legal counsel, public accountants, or other persons as to matters the director reasonably believes are within the person's professional or expert competence; or

(iii) a committee of the Board of Directors of which the director is not a member.

(c) A director is not relying in good faith, within the meaning of this Section 20, if the director has knowledge concerning a matter in question that makes reliance otherwise permitted by this Section 20 unwarranted.

(d) A director is not liable to the Corporation, any member, or any other person for any action taken or not taken as a director if the director acted in compliance with this article. A person seeking to establish liability of a director must prove that the director has not acted:

(i) in good faith;

(ii) with ordinary care; and

(iii) in a manner the director reasonably believes to be in the best interest of the Corporation.

(e) A director is not deemed to have the duties of a trustee of a trust with respect to the Corporation or with respect to any property held or administered by the Corporation, including property that may be subject to restrictions imposed by the donor or transferor of the property.

Section 21. Delegation of Investment Authority.

(a) The Board of Directors of the Corporation may:

(i) from time to time contract with investment counsel, trust companies, banks, investment advisors, or investment managers; and

(ii) confer on those advisors full power and authority to:

(A) purchase or otherwise acquire stocks, bonds, securities, and other investments on behalf of the Corporation; and

(B) sell, transfer, or otherwise dispose of any of the Corporation's assets and properties at a time and for a consideration that the advisor deems appropriate.

(b) The Board of Directors also may:

(i) confer on an advisor described in Section 21.(a) of this Article III, other powers regarding the Corporation's investments as the Board of Directors deems appropriate; and

(ii) authorize the advisor to hold title to any of the Corporation's assets and properties in its own name for the benefit of the Corporation or in the name of a nominee for the benefit of the Corporation.

(c) The Board of Directors has no liability regarding any action taken or omitted by an advisor engaged under this article if the Board of Directors acted in good faith and with ordinary care in selecting the advisor. The Board of Directors may remove or replace the advisor, with or without cause, if they deem that action appropriate or necessary.

Section 22. Interested Directors.

(a) A contract or transaction between the Corporation and one or more of its directors, officers, or members, or between the Corporation and any other corporation, partnership, association, or other organization in which one or more of its directors, officers, or members are directors, officers, or members, or have a financial interest, is not void or voidable solely for that reason, solely because the director, officer, or member is present at or participates in the meeting of the Board of Directors or committee of the Board of Directors or of the members that authorizes the contract or transaction, or solely because the director's, officer's, or member's votes are counted for that purpose, if:

(i) the material facts as to the relationship or interest and as to the contract or transaction are disclosed or are known to the Board of Directors, the committee, or the members, and the Board of Directors, committee, or members in good faith and with ordinary care authorizes the contract or transaction by the affirmative vote of a majority of the disinterested directors or members, even though the disinterested directors or members are less than a quorum;

(ii) the material facts as to the relationship or interest and as to the contract or transaction are disclosed or are known to the members entitled to vote on the contract or transaction, and the contract or transaction is specifically approved in good faith and with ordinary care by vote of the disinterested members; or

(iii) the contract or transaction is fair to the Corporation when it is authorized, approved, or ratified by the Board of Directors, a committee of the Board of Directors, or the members.

(b) Common or interested directors or members may be counted in determining the presence of a quorum at a meeting of the Board of Directors, of a committee, or of the members that authorizes the contract or transaction.

ARTICLE IV.

Officers

Section 1. Officers. The officers of the Corporation shall be elected by the Board of Directors at their annual meeting and shall consist of a President and Secretary. The Board of Directors may also elect one or more Vice Presidents, a Treasurer, and such other officers as the Board of Directors may determine, who need not be members of the Board of Directors. Two or more offices may be held by the same person, except that the same person shall not be President and Secretary.

Section 2. Term of Office. The officers of the Corporation shall hold office for a term of one year and thereafter until their successors are chosen and qualify in their stead, but in no event shall such term extend beyond three years. Any officer may be removed at any time by the affirmative vote of a majority of the Board of Directors. If the office of any officer becomes vacant for any reason the vacancy shall be filled by the Board of Directors.

Section 3. President. The President shall be the chief executive officer of the Corporation. He shall preside at all meetings of the Board of Directors; shall be ex officio of all standing committees, shall have general and active management of the business of the Corporation and shall see that all orders and resolutions of the Board of Directors are carried into effect. In any matter upon which the vote of the directors is evenly divided, the President shall be given an additional vote with which to break the deadlock of the directors solely on the matters on which the deadlock has occurred.

Section 4. Vice President. If elected by the Board of Directors, the Vice President (or in the event that there be more than one Vice President in the order of their election) shall, in the absence of the President or in the event of his inability or refusal to act, perform the duties of and be subject to all the restrictions of the President. Any Vice President shall perform such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

Section 5. Treasurer. If elected by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the Board of Directors shall determine. He shall have charge and custody of and be responsible for all funds and securities of the Corporation; receive and give receipts for monies due and payable to the Corporation from any source whatsoever, and deposit all such monies in the name of the Corporation in such banks, trust companies or other depositories as shall be selected by the Board of Directors; and, in general, perform all duties incident to the office of Treasurer and such other duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the President or by the Board of Directors. The Assistant Treasurers in the order of their seniority shall, in the absence or disability of the Treasurer, perform the duties and exercise the powers of the Treasurer, and shall perform such other duties as the Board of Directors shall prescribe.

Section 6. Secretary. The Secretary shall keep the minutes of the meetings of the Board of Directors in one or more books provided for that purpose; see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; the custody of the corporate records of the Corporation; keep a register of the post office address of each Director which shall be furnished to the Secretary by such Director; and in general perform all duties which are incident to the office of the Secretary and such other duties as from time to time may be assigned to him by the President or the Board of Directors. The Assistant Secretaries in order of their seniority shall, in the absence or disability of the Secretary, perform the duties and exercise the powers of the Secretary and shall perform such other duties as the Board of Directors shall prescribe.

Section 7. Officers and Agents. The Board of Directors from time to time may appoint other officers or agents including, but not limited to, one (1) or more Assistant Vice Presidents, one (1) or more Assistant Secretaries and one (1) or more Assistant Treasurers, to hold office for such period, have such authority and perform such duties as are provided in these Bylaws

or as may be provided in the resolutions appointing them. The Board of Directors may delegate to any officer or agent the power to appoint any such subordinate officers or agents and to prescribe their respective terms of office, authorities and duties.

Section 8. Authority. Officers and agents shall have such authority and perform such duties in the management of the Corporation as are provided in these Bylaws or as may be determined by resolution of the Board of Directors.

Section 9. Discharge of Duties.

(a) In the discharge of a duty imposed or power conferred on an officer of the Corporation, 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 Corporation or another person, that were prepared or presented by:

(i) one or more other officers or employees of the Corporation, including members of the Board of Directors; or

(ii) legal counsel, public accountants, or other persons as to matters the officer reasonably believes are within the person's professional or expert competence.

(b) An officer is not relying in good faith as required by Section 9.(a) of this Article IV if the officer has knowledge concerning the matter in question that makes reliance otherwise permitted by Section 9 (a) of this Article IV unwarranted.

Section 10. Resignation. Any officer may resign at any time by giving written notice of such resignation to the Board of Directors, the President, or the Secretary. Any such resignation shall take effect at the time specified therein or, if no time be specified, upon receipt thereof by the Board of Directors or one (1) of the above named officers; and, unless specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 11. Removal. Any elected or appointed officer may be removed at any time, either with or without cause, at any meeting of the Board of Directors by the vote of a majority of all the directors then in office. Any officer or agent appointed in accordance with the provisions of Section 7 of this Article IV, hereof, may be removed, either with or without cause, by the Board of Directors at any meeting at which a quorum is present, by the vote of a majority of the directors at such meeting, or by any superior officer or agent upon whom such power of removal shall have been conferred by a resolution of the Board of Directors.

Section 12. Vacancies. Any vacancy occurring in any office by reason of death, resignation, removal, disqualification or any other cause shall be filled for the unexpired portion of the term of office in the manner prescribed by these Bylaws for regular election or appointment to such office.

ARTICLE V.
Committees

Section 1. Creation and Authority. The Board of Directors may by resolution designate and appoint one or more committees, which, to the extent provided in such resolution, shall have and exercise the authority of the Board of Directors in the management of the Corporation. Each such committee shall consist of two or more persons, a majority of whom are directors and the remainder of whom need not be directors. The designation of such committees and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any individual director, of any responsibility imposed upon it or him by law. Any non-director who becomes a member of any such committee shall have the same responsibility with respect to such committee as a director who is a member thereof.

Section 2. Term of Office. Each member of a committee shall continue as such until the next annual meeting of the Board of Directors of the Corporation and until his successor is appointed, unless the committee shall be sooner terminated by the Board of Directors, or unless such member be removed from such committee by the Board of Directors, or unless such member shall cease to qualify as a member thereof.

Section 3. Chairman. One member of each committee shall be appointed chairman by the person or persons authorized to appoint the members thereof.

Section 4. Vacancies. 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.

Section 5. Quorum. Unless otherwise provided in the resolution of the Board of Directors designating a committee, a majority of the whole committee shall constitute a quorum and act of the majority of the committee members present at a meeting at which a quorum is present shall be the act of the committee.

ARTICLE VI.
Indemnification

Section 1. Indemnification of Directors. To the fullest extent permitted by the Act:

(a) the Corporation shall indemnify each director who was, is, or is threatened to be made a named defendant or respondent in a proceeding because the person is or was a director of the Corporation;

(b) the Corporation shall pay or reimburse a director for expenses incurred by such director:

(i) in advance of the final disposition of a proceeding to which such director was, is, or is threatened to be made a party, and

(ii) in connection with such director's appearance as a witness or other participation in any proceeding.

Section 2. Mandatory Indemnification of Officers. The Corporation shall indemnify and advance expenses to an officer of the Corporation to the extent required to do so by the Act or other applicable law.

Section 3. Other Indemnification of Officers, Employees, Agents or Others. The Corporation may indemnify and advance expenses to an officer, employee, agent of the Corporation, or others to the same extent and subject to the conditions set forth in the Act.

Section 4. Insurance. The Corporation may purchase and maintain insurance or other arrangement to protect itself and any director, officer, employee, agent of the Corporation, or other person as provided in the Act.

Section 5. Non-Exclusive. The provisions of this Article VI. shall not be exclusive of any other right under any law, any provision of the Articles of Incorporation, any provision of these Bylaws, any agreement, or otherwise.

ARTICLE VII.

Contracts, Checks, Deposits and Funds

Section 1. Contracts. The Board of Directors may authorize any officer or officers, agent or agents of the Corporation, 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 Corporation, and such authority may be general or confined to specific instances.

Section 2. Drafts, etc. All checks, drafts, or orders for payment of money, notes or other evidences of indebtedness issued in the name of the Corporation, shall be signed by such officer or officers, agent or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors.

Section 3. Deposits. All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Board of Directors may select.

Section 4. Gifts. The Board of Directors may accept on behalf of the Corporation any contribution, gift, bequest or devise for the general purposes or for any special purpose of the Corporation.

ARTICLE VIII.

Books and Records

Section 1. Maintenance of Books and Records. The Corporation shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its members, Board of Directors, and committees having any authority of the Board of Directors and shall keep at its registered office or principal office a record of the names and addresses of its members entitled to vote.

Section 2. Right to Examine. A member of the Corporation, 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 Corporation relevant to that purpose, at the expense of the member.

ARTICLE IX.

Action Without Formal Meeting and Telephone Meetings

Section 1. Action without Meeting. Any action required by these Bylaws to be taken at a meeting of the members or Board of Directors of the Corporation, or any action which may be taken at a meeting of the members or Board of Directors or of any committee, may be taken without a meeting if a consent in writing, setting forth the action to be taken, shall be signed by all the members entitled to vote with respect to the subject matter thereof, or all of the directors, or all of the members of the committee, as the case may be. Such consent shall have the same force and effect as a unanimous vote, and may be stated as such in any document filed with the Secretary of State under the Act.

Section 2. Telephone Meetings. Unless otherwise required by the Articles of Incorporation or these Bylaws, members of a corporation, directors of the Board of Directors of the Corporation, or members of any committee designated by such board may participate in and hold a meeting of such members, Board of Directors, or committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this Section 2 shall 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.

ARTICLE X.

Waiver of Notice

Whenever any notice is required to be given under the provisions of the Texas Non-Profit Corporation Act or under the provisions of the Articles of Incorporation or Bylaws of the Corporation a waiver thereof in writing signed by the person or persons entitled to such notice whether before or after the time stated therein shall be deemed equivalent to the giving of such notice.

ARTICLE XI.

Amendments to Bylaws

These Bylaws may be altered, amended or repealed and new Bylaws may be adopted by a majority of the whole Board of Directors present at any regular meeting, or at any special meeting if at least three (3) days written notice is given of intention to alter, amend or repeal or to adopt new Bylaws at such meeting, or unanimous written consent signed by all of the directors.

ARTICLE XII.
General Provisions

Section 1. Fiscal Year. The fiscal year of the Corporation shall be fixed by resolution of the Board of Directors.

Section 2. Seal. The Corporation may, but is not required, to have a seal and may conduct all activities in furtherance of its purpose, and execute all instruments necessary to any transaction conducted by the Corporation without imprinting of a seal on said instruments.

Section 3. Construction. Whenever the context so requires, the masculine shall include the feminine and neuter, and the singular shall include the plural, and conversely. If any portion of these Bylaws shall be invalid or inoperative, then, so far as is reasonable and possible:

(a) The remainder of these Bylaws shall be considered valid and operative; and

(b) Effect shall be given to the intent manifested by the portion held invalid or inoperative.

Section 4. Table of Contents and Headings. The table of contents and headings are for organization, convenience and clarity. In interpreting these Bylaws, they shall be subordinated in importance to the other written material.

Section 5. Relation of Bylaws to Articles of Incorporation. These Bylaws are subject to, and governed by, the Articles of Incorporation.

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APPROVED AND ADOPTED by the Board of Directors of the Corporation as of the 8th day of September, 2000.

Bruce Jones, Secretary