

SECOND AMENDED BYLAWS

OF

HUNTERS CROSSING LOCAL GOVERNMENT CORPORATION

A Texas Local Government Corporation

(Created by the City of Bastrop, Texas)

Date of Adoption: May 8, 2012

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I. PURPOSES	1
ARTICLE II. BOARD OF DIRECTORS	2
Section 1. <i>Appointment, Classes, Powers, Number, and Term of Office.</i>	2
Section 2. <i>Meetings of Directors.</i>	2
Section 3. <i>Annual Meetings.</i>	2
Section 4. <i>Regular Meetings.</i>	2
Section 5. <i>Special and Emergency Meetings.</i>	3
Section 6. <i>Quorum.</i>	3
Section 7. <i>Conduct of Business</i>	3
Section 8. <i>Committees.</i>	3
Section 9. <i>Compensation of Directors</i>	4
Section 10. <i>Director's Reliance on Consultant Information</i>	4
ARTICLE III. OFFICERS	4
Section 1. <i>Titles and Term of Office.</i>	4
Section 2. <i>Powers and Duties of the President</i>	4
Section 3. <i>Powers and Duties of the Vice-President.</i>	4
Section 4. <i>Execution of Documents.</i>	5
Section 5. <i>Treasurer.</i>	5
Section 6. <i>Secretary.</i>	5
Section 7. <i>Officer's Compensation</i>	5
Section 8. <i>Officer's Reliance on Consultant Information.</i>	5
ARTICLE IV. MISCELLANEOUS PROVISIONS	6
Section 1. <i>Fiscal Year.</i>	6
Section 2. <i>Seal.</i>	6
Section 3. <i>Notice and Waiver of Notice.</i>	6
Section 4. <i>Resignations.</i>	6
Section 5. <i>Gender.</i>	6
Section 6. <i>Appropriations and Grants.</i>	6
ARTICLE V. INDEMNIFICATION OF DIRECTORS AND OFFICERS	7
Section 1. <i>Right to Indemnification</i>	7
Section 2. <i>Advance Payment</i>	7
Section 3. <i>Indemnification of Employees and Agents</i>	8
Section 4. <i>Appearance as a Witness</i>	8
Section 5. <i>Non-exclusivity of Rights.</i>	8
Section 6. <i>Insurance.</i>	8
Section 7. <i>Notification</i>	9
Section 8. <i>Savings Clause</i>	9
ARTICLE VI. AMENDMENTS	9

SECOND AMENDED BYLAWS

OF THE

HUNTERS CROSSING LOCAL GOVERNMENT CORPORATION

ARTICLE I.

PURPOSES

The Hunters Crossing Local Government Corporation (the "*Corporation*") is organized for the purpose of aiding, assisting, and acting on behalf of the City of Bastrop, Texas (the "*City*") to implement the City-approved Service Plan for the Hunters Crossing Public Improvement District (the "*Project*") and to perform such other functions as the City from time to time lawfully may delegate to the Corporation.

The Corporation is formed pursuant to the provisions of Subchapter D, Chapter 431, Texas Transportation Code ("the *Act*") as it now or may hereafter be amended, and the authorities cited therein, which authorizes the Corporation to assist and act on behalf of the City and to engage in activities in the furtherance of the purposes for its creation.

The Corporation shall have and exercise all of the rights, powers, privileges, authority, and functions given by the general laws of Texas to non-profit corporations incorporated under the Act including, without limitation, Article 1396-1.01 et seq., Vernon's Texas Civil Statutes, consistent with the Articles of Incorporation and other applicable laws.

The Corporation shall have all other powers consistent with the Articles of Incorporation of a like or different nature not prohibited by law which are available to non-profit corporations in Texas and which are necessary or useful to enable the Corporation to perform the purposes for which it is created, including the power to issue bonds, notes or other obligations, and otherwise exercise its borrowing power to accomplish the purposes for which it was created, provided that the Corporation shall not issue bonds or otherwise exercise its borrowing power without the consent of the governing body of the City.

The Corporation is created as a local government corporation pursuant to the Act and shall be a governmental unit within the meaning of Subdivision (2), Section 101.001, Texas Civil Practice and Remedies Code. The operations of the Corporation are governmental and not proprietary functions for purposes of the Texas Tort Claims Act, Section 101.001 et seq., Texas Civil Practice and Remedies Code. Consistent with the Corporation's status as an instrumentality of the City, the Corporation shall perform such duties and functions with respect to public property and public business within the area of the Hunters Crossing Public Improvement District boundaries, not prohibited by law, and shall perform such other functions as the City by official action shall delegate to the Corporation.

ARTICLE II.

BOARD OF DIRECTORS

Section 1. Appointment, Classes, Powers, Number, and Term of Office. All powers of the Corporation shall be vested in the Board of Directors (the "**Board of Directors**"). The Board of Directors shall consist of seven (7) persons, but may be expanded to include more than seven (7) members, at the discretion of the City Council. The City shall appoint the members of the Board of Directors, as follows:

1. One appointed member shall be a currently serving Council Member.
2. One appointed member shall be a current property owner and resident in the Hunters Crossing Subdivision.
3. One appointed member shall be a representative of a Commercial enterprise that has a place of business in the Public Improvement District.
4. All other appointed members are at the Council's sole discretion.

Each Director shall serve for a term which expires on the date set forth below for the position to which such person was appointed, or until his or her successor is appointed by the City unless such Director has been appointed to fill an unexpired term in which case the term of the Director shall expire on the expiration date of the term of the Director whose position he or she was appointed to fill or until his or her successor is appointed qualifies for the position. Any Director may be removed from office at any time, with or without cause, by the City Council. The number of Directors may only be increased or decreased by the City Council.

The terms of office of the initial Board of Directors will be seven (7) years. Upon the expiration of the term of office of the initial Directors, except as otherwise provided by the Bylaws of the Corporation or the official action of the governing body of the City appointing a Director or Directors, Directors shall be divided into three classes, one class of one (1) Director initially to serve for a term of one (1) year, the second class of two (2) Directors initially to serve for a term of two (2) years, and the third class of two (2) Directors initially to serve for a term of three (3) years. The Board of Directors shall determine the class in which each Director shall be placed, including placement of any new membership position created by the City Council, from time to time. Thereafter each class shall serve for a term of three (3) years. All Directors shall hold their respective offices until their successor is appointed and qualifies as a Director.

Section 2. Meetings of Directors. The Directors may hold their meetings and may have an office and keep the books of the Corporation at such place or places within the City as the Board of Directors may from time to time determine; provided, however, in the absence of any such determination, such place shall be the registered office of the Corporation in the State of Texas.

To the extent provided by law, the meetings of the Board of Directors and any committee of the Board of Directors shall be held in accordance with and notice of such meetings shall be

filed for the same length of time and in the same manner and location as is required of a City under Chapter 551, Government Code (the "*Open Meetings Act*").

To the extent provided by law, the records of the Corporation, the Board of Directors, and any committee of the Board of Directors exercising the powers of the Corporation are subject to Chapter 552, Government Code (the "*Public Information Act*").

Section 3. Annual Meetings. If an annual meeting is required by law, the annual meeting of the Board of Directors shall be held at the time and at the location in the City designated by the resolution of the Board of Directors for the purposes of transacting such business as may be brought before the meeting.

Section 4. Regular Meetings. Regular meetings of the Board of Directors shall be held at such times and places as shall be designated, from time to time, by resolution of the Board of Directors.

Section 5. Special and Emergency Meetings. Special and emergency meetings of the Board of Directors shall be held whenever called by the President or the Secretary or by a majority of the then appointed Directors.

The Secretary shall give notice of each special meeting in person, by telephone, FAX, mail or telecommunication at least three (3) days before the meeting to each Director and to the public in compliance with the Open Meetings Act. Notice of each emergency meeting shall also be given in the manner required of the City under Section 551.045 of the Open Meetings Act. Unless otherwise indicated in the notice thereof, any and all matters pertaining to the purposes of the Corporation may be considered and acted upon at a special or emergency meeting. At any meeting at which every Director shall be present, even though without any notice, any matter pertaining to the purposes of the Corporation may be considered and acted upon to the extent allowed by the Open Meetings Act.

Section 6. Quorum. A majority of the Board of Directors shall constitute a quorum for the consideration of matters pertaining to the purposes of the Corporation. If at any meeting of the Board of Directors there is less than a quorum present, a majority of those present may adjourn the meeting from time to time. The act of no fewer than a majority of the members of the entire membership of the Board of Directors at a meeting at which at least a quorum is in attendance shall constitute the act of the Board of Directors, unless the act of a greater number is required by law, by the Articles of Incorporation, or by these Bylaws.

A Director who is present at a meeting of the Board of Directors at which any corporate action is taken shall be presumed to have assented to such action unless his dissent or abstention shall be entered in the minutes of the meeting or unless he shall file his written dissent or abstention to such action with the person acting as the secretary of the meeting before the adjournment thereof or shall forward such dissent or abstention by registered mail to the Secretary of the Board of Directors immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of the action.

Section 7. Conduct of Business. At the meetings of the Board of Directors, matters pertaining to the purposes of the Corporation shall be considered in such order as from time to time the Board of Directors may determine.

At all meetings of the Board of Directors, the President shall preside, and in the absence of the President, the Vice-President shall preside. In the absence of the President and the Vice-President, a President shall be chosen by the Board of Directors from among the Directors present.

The Secretary of the Board of Directors shall act as secretary of all meetings of the Board of Directors, but in the absence of the Secretary, the presiding officer may appoint any person to act as secretary of the meeting.

Section 8. Committees. The Board of Directors may, by resolution passed by a majority of the Directors, designate two (2) or more Directors to constitute one or more committees. A committee shall act in the manner provided in the authorizing resolution. Each committee so designated shall keep regular minutes of the transactions of its meetings and shall cause such minutes to be recorded in books kept for that purpose in the office of the Corporation, and shall report the same to the Board of Directors from time to time.

Section 9. Compensation of Directors. Directors, as such, shall not receive any salary or compensation for their services as Directors; unless otherwise directed by the governing bodies of the City and County. A Director may be reimbursed for reasonable out-of-pocket expenses incurred as a Director in accordance with guidelines established by the Board of Directors which are reasonable and necessary in carrying out the Board of Directors' purposes.

Section 10. Director's Reliance on Consultant Information. A Director shall not be liable if while acting in good faith and with ordinary care, he relies on information, opinions, reports, or statements, including financial statements and other financial data that were prepared or presented by:

- (a) one or more other officers or employees of the Corporation;
- (b) legal counsel, public accountants, or other persons as to matters the officer 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.

ARTICLE III.

OFFICERS

Section 1. Titles and Term of Office. The officers of the Corporation shall be a President, a Vice-President, a secretary, a treasurer, and such other officers as the Board of Directors may from time to time shall elect. One person may hold more than one office, except that the President of the Board may not hold the office of Secretary. The term of office for each officer (other than the Treasurer) shall be coincident with the Director's term of office.

Officers shall be subject to removal, with cause, at any time by a vote of a majority of the whole Board of Directors.

A vacancy in the office of any officer shall be filled by the Board of Directors. The designation of the Treasurer shall be governed by the provisions of Section 5 of this Article.

Section 2. Powers and Duties of the President. The President shall be a member of the Board of Directors and shall preside at all meetings of the Board of Directors. He or she shall have such duties as are assigned by the Board of Directors. The President may call special or emergency meetings of the Board of Directors.

Section 3. Powers and Duties of the Vice-President. The Vice-President shall be a member of the Board of Directors and shall perform the duties and exercise the powers of the President upon the President's death, absence, disability, or resignation, or upon the President's inability to perform the duties of his or her office. Any action taken by the Vice-President in the performance of the duties of the President shall be conclusive evidence of the absence or inability to act of the President at the time such action was taken.

Section 4. Execution of Documents. In furtherance of the purposes of the Board of Directors and subject to the provisions of the Articles of Incorporation and By-laws, the Board of Directors may authorize the President or Vice President to sign and execute all bonds, notes, deeds, conveyances, franchises, assignments, mortgages, notes, contracts and other obligations and instruments in the name of the Corporation.

Section 5. Treasurer. Notwithstanding the provisions of any other Section of this Article (other than the second paragraph of Section 1), The City's Director of Finance (or Interim or Acting Director of Finance) shall be the Treasurer of the Corporation during the term of office of the initial Directors. The Treasurer shall have custody of all the funds and securities of the Corporation which come into his or her hands. When necessary or proper, he or she may 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 a special Corporation fund in depository bank or banks located in the City of Bastrop. He or she may sign all receipts and vouchers for payments made to the Corporation, either alone or jointly with such other officer as is designated by the Board of Directors. He or she shall perform all acts incident to the position of Treasurer subject to the control of the Board of Directors and he or she shall, before beginning to perform the duties of office, shall execute, and thereafter throughout his or her term of office, shall maintain in full force and effect a bond for \$100,000 payable to the Corporation and conditioned on the faithful performance of the Treasurer's duties. Such bond shall be approved by the Board of Directors and paid for by the Corporation. . All Corporation funds shall be secured in the same manner as City funds, as required by Chapter 2256, Government Code, the Public Funds Investment Act.

Section 6. Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors in books provided for that purpose. He or she shall attend to the giving and serving of all notices; in furtherance of the purposes of the Corporation and subject to the limitations contained in the Articles of Incorporation, he or she may sign with the President in the name of the Corporation and/or attest the signatures thereof, all contracts, conveyances,

franchises, bonds, deeds, assignments, mortgages, notes and other instruments of the Corporation. He or she shall have charge of the Corporation's books and records, except the books of account and financial records and securities of which the Treasurer shall have custody and charge, and such other books and papers as the Board of Directors may direct, and, he or she shall in general perform all duties incident to the office of Secretary subject to the control of the Board of Directors.

Section 7. Officer's Compensation. Officers may not receive salary or compensation for personal services. Members of the Board of Directors, even in their capacity as officers, are not entitled to compensation.

Section 8. Officer's Reliance on Consultant Information. 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 that were prepared or presented by:

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

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

ARTICLE IV.

MISCELLANEOUS PROVISIONS

Section 1. Fiscal Year. The fiscal year of the Corporation shall begin October 1 of each year.

Section 2. Seal. The seal of the Corporation shall be such as from time to time may be approved by the Board of Directors.

Section 3. Notice and Waiver of Notice. Whenever any notice whatever, other than public notice of a meeting given to comply with the Open Meetings Act, is required to be given under the provisions of these Bylaws, such notice shall be deemed to be sufficient if given by depositing the same in a post office box in a sealed postpaid wrapper addressed to the person entitled thereto at his or her post office address, as it appears on the books of the Corporation, and such notice shall be deemed to have been given on the day of such mailing. A waiver of notice, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

Section 4. Resignations. Any Director or officer may resign at any time. Such resignations shall be made in writing and shall take effect at the time specified therein, or, if no time be specified, at the time of its receipt by the President or Secretary. The acceptance of a resignation shall not be necessary to make it effective, unless expressly so provided in the resignation.

Section 5. Gender. References herein to the masculine gender shall also refer to the feminine in all appropriate cases and vice versa.

Section 6. Appropriations and Grants. The Corporation shall have the power to request and accept any appropriation, grant, contribution, donation, or other form of aid from the federal government, the State, any political subdivision, or municipality in the State, or from any other source.

Section 7. Financial Reports; Annual Audits. The Corporation shall prepare of cause to be prepared a statement or statements of its operations for and as of the end of each of its fiscal quarters, using the substantially same format that is employed by the City. The Corporation shall deliver each such financial statement to the Chief Financial Officer of the City not later than thirty (30) days after the end of the fiscal quarter to which such statement refers.

The Corporation shall also cause an audit of the Corporation's financial affairs to be performed, and a written report thereof prepared, by an independent certified public accountant or firm of independent certified public accountants for each of the Corporation's fiscal years. Such audits shall be performed and reported by the auditor employed by the City for its corresponding fiscal year (unless such auditor declines to perform the Corporation audit) and shall employ substantially the same standards and format employed in connection with the City's corresponding annual audit. The Corporation shall deliver each such audit to the City's Chief Financial Officer not later than thirty (30) days after the close of the Corporation's fiscal year to which such audit refers.

Section 8. Organizational Control. The City may, at its sole discretion, and at any time, alter or change the structure, organization, programs, or activities of the Corporation (including the power to terminate the Corporation), subject to applicable law and any limitation on the impairment of contracts entered into by the Corporation.

Section 9. Effective Date. These Bylaws shall become effective only upon the occurrence of the following events: (a) the approval of these Bylaws by the governing body of the City; and (b) the adoption of these Bylaws by the Board of Directors.

ARTICLE V.

INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 1. Right to Indemnification. Subject to the limitations and conditions as provided in this Article V and the Articles of Incorporation, each person who was or is made a party or is threatened to be made a party to or is involved in any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, arbitrative or investigative (hereinafter a "Proceeding"), or any appeal in such a proceeding or any inquiry or investigation that could lead to such a Proceeding, by reason of the fact that he or she, or a person of whom he or she is the legal representative, is or was a director or officer of the Corporation or while a director or officer of the

Corporation, is or was serving at the request of the Corporation as a director, officer, partner, venturer, proprietor, trustee, employee, agent or similar functionary of another foreign or domestic corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise, shall be indemnified by the Corporation to the fullest extent permitted by the Texas Non-Profit Corporation Act, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than said law permitted the Corporation to provide prior to such amendment) against judgments, penalties (including excise and similar taxes and punitive damages), fines, settlements and reasonable expenses (including, without limitation, attorneys' fees) actually incurred by such person in connection with such proceeding, and indemnification under this Article V shall continue as to a person who has ceased to serve in the capacity which initially entitled such person to indemnity hereunder. The rights granted pursuant to this Article V shall be deemed contract rights, and no amendment, modification or repeal of this Article V shall have the effect of limiting or denying any such rights with respect to actions taken or proceedings arising prior to any such amendment, modification or repeal. It is expressly acknowledged that the indemnification provided in this Article V could involve indemnification for negligence or under theories of strict liability.

Section 2. Advance Payment. The right to indemnification conferred in this Article V shall include the right to be paid in advance or reimbursed by the Corporation the reasonable expenses incurred by a person of the type entitled to be indemnified under Section 1 who was, is or is threatened to be made a named defendant or respondent in a proceeding in advance of the final disposition of the proceeding and without any determination as to the person's ultimate entitlement to indemnification; provided, however, that the payment of such expenses incurred by any such person in advance of the final disposition of a proceeding, shall be made only upon delivery to the Board of Directors of a written affirmation by such Director or officer of his or her good faith belief that he or she has met the standard of conduct necessary for indemnification under this Article V and a written undertaking, by or on behalf of such person, to repay all amounts so advanced if it shall ultimately be determined that such indemnified person is not entitled to be indemnified under this Article V or otherwise.

Section 3. Indemnification of Employees and Agents. The Corporation, by adoption of a resolution of the Board of Directors, may indemnify and advance expenses to an employee or agent of the Corporation to the same extent and subject to the same conditions under which it may indemnify and advance expenses to Directors and officers under this Article V; and the Corporation may indemnify and advance expenses to persons who are not or were not Directors, officers, employees or agents of the Corporation but who are or were serving at the request of the Corporation as a Director, officer, partner, venturer, proprietor, trustee, employee, agent or similar functionary of another foreign or domestic corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise against any liability asserted against him or her and incurred by him or her in such a capacity or arising out of his or her status as such a person to the same extent that it may indemnify and advance expenses to Directors under this Article V.

Section 4. Appearance as a Witness. Notwithstanding any other provision of this Article V, the Corporation may pay or reimburse expenses incurred by a Director or officer in connection with his or her appearance as a witness or other participation in a proceeding involving the Corporation or its business at a time when he or she is not a named defendant or respondent in the proceeding.

Section 5. Non-exclusivity of Rights. The right to indemnification and the advancement and payment of expenses conferred in this Article V shall not be exclusive of any other right which a Director or officer or other person indemnified pursuant to Section 3 of this Article V may have or hereafter acquire under any law (common or statutory), provision of the Articles of Incorporation of the Corporation or these Bylaws, agreement, vote of shareholders or disinterested Directors or otherwise.

Section 6. Insurance. The Corporation may purchase and maintain insurance, at its expense, to protect itself and any person who is or was serving as a Director, officer, employee or agent of the Corporation or is or was serving at the request of the Corporation as a Director, officer, partner, venturer, proprietor, trustee, employee, agent or similar functionary of another foreign or domestic corporation, partnership, joint venture, proprietorship, employee benefit plan, trust or other enterprise against any expense, liability or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under this Article V.

Section 7. Notification. Any indemnification of or advance of expenses to a Director or officer in accordance with this Article V shall be reported in writing to the members of the Board of Directors with or before the notice of the next regular meeting of the Board of Directors and, in any case, within the 12-month period immediately following the date of the indemnification or advance.

Section 8. Savings Clause. If this Article V or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Corporation shall nevertheless indemnify and hold harmless each Director, officer or any other person indemnified pursuant to this Article V as to costs, charges and expenses (including attorneys' fees), judgments, fines and amounts paid in settlement with respect to any action, suit or proceeding, whether civil, criminal, administrative or investigative, to the full extent permitted by any applicable portion of this Article V that shall not have been invalidated and to the fullest extent permitted by applicable law.


ARTICLE VI.

AMENDMENTS


These Bylaws may be amended at any time and from time to time by either of the following methods: (1) a proposal to alter, amend, or repeal these Bylaws may be made by the affirmative vote of a majority of the full Board of Directors at any annual or regular meeting, or at any special meeting if notice of the proposed amendment be contained in the notice of said special meeting; however, any such proposed change or amendment to the Bylaws must be approved by the governing body of the City to be effective; or (2) the governing body of the City

may, in its sole discretion, and at any time, amend these Bylaws by adopting an amendment or amendments to these Bylaws and delivering such amendment or amendments to the Secretary of the Corporation.

Amended and adopted by the City Council of the City of Bastrop, at its regular meeting on May 8, 2012.


By: Mayor Terry Orr, on Behalf of the City Council

Acknowledged by the Directors of the Board on the 8th day of May 2012.


By: Michael H. Talbot, President, on Behalf of the
Hunters Crossing Local Government Corporation
Board of Directors