

EXHIBIT "A"

BYLAWS OF
ELLIOTT RANCH HOMEOWNERS ASSOCIATION, INC.

ARTICLE I
NAME AND LOCATION

The name of the corporation is ELLIOTT RANCH HOMEOWNERS ASSOCIATION, INC., hereinafter referred to as the "Association." The principal office of the Association shall be located at 2105 Justin Lane, Unit 101, Austin, Texas 78757, but meetings of members and directors may be held at such places within Hays County, Texas, or Travis County, Texas, as may be designated by the Board of Directors.

ARTICLE II
DEFINITIONS

Except as expressly defined herein, all capitalized terms shall have the same meaning as defined in that certain Amended and Restated Declaration of Covenants and Restrictions for Elliott Ranch recorded in Volume 1512, Page 913 of the Official Public Records of Travis County, Texas, as amended by First Supplemental Declaration of Covenants, Conditions and Restrictions for Elliott Ranch recorded under Document No. 9910956 in the Official Public Records of Hays County, Texas, and as the same may be further amended from time to time (the "Declaration").

ARTICLE III.
MEETING OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the Members shall be held on such date in December of 2000 or January of 2001 as may be determined by the Board, and each subsequent regular annual meeting of the Members shall be held on such date in the month of December or January of each year thereafter as may be determined by the Board.

Section 2. Special Meetings. Special meetings of the Members may be called at any time by the president or by the Board of Directors, or upon written request of the Members who are entitled to vote one-fourth (1/4) of all of the votes of the membership.

Section 3. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, not less than ten (10) or more than sixty (60) days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5. Proxies. At all meetings of Members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his Lot.

Section 6. Informal Action by Members. Any action required or permitted to be taken at a meeting of the Members may be taken without a meeting if a consent in writing, setting forth the action to be taken, shall be signed by (i) all Members entitled to vote with respect to the subject matter thereof, or (ii) if the Articles of Incorporation so provide, by a sufficient number of Members as would be necessary to take that action at a meeting at which all of the Members were present and voted. Any such written consent shall be executed, dated, and filed with the Association in the manner required by Article 1396-9.10 of the Texas Non-Profit Corporation Act.

Section 7. Voting Members' List for Meeting. After fixing a record date for the notice of a meeting, the Association shall prepare an alphabetical list of the names of all its voting Members who are entitled to notice of the meeting. This list must show the address and number of votes each voting Member is entitled to cast at the meeting. The Association 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.

Section 8. Inspection of Voting Members' List. 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 7, 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 Association's principal office or at a reasonable place identified in the meeting notice in the county 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 Section B, Article 1396-2.23 of the Texas Non-Profit Corporation Act, to copy the list at a reasonable time and at the Member's expense during the period it is available for inspection.

Section 9. List of Voting Members Available at Meeting. The Association 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 10. Proof of Ownership. Except for Declarant, any person who purchases a Lot, following such purchase, shall furnish to the Board a true and correct copy of the original or a certified copy of the recorded instrument vesting that person with an interest or ownership in said Lot, which copy shall remain in the files of the Association. A Member shall not be deemed to be in good standing nor shall be entitled to vote at any annual or special meeting of Members unless this requirement first is met.

Section 11. Registration of Mailing Address. Each Owner shall have one and the same registered mailing address to be used by the Association for mailing of statements, notices, demands and all other communications, and such registered address shall be the only mailing address of such Owner to be used by the Association, provided that when two (2) or more persons or entities hold individual interests in any Lot, each such person and/or entity may receive such statements, notices, demands and all other communications at the registered mailing address furnished to the Association by such person or entity. Upon transfer of title, the registered address of the new Owner(s) shall be furnished to the Board. Any registered address furnished to the Board shall be in written form and signed by all of said Owners of the applicable Lot or by such persons as are authorized by law to represent the interest of such Owners. A change of address shall be effective fifteen (15) days after the Board receives notice of such change.

**ARTICLE IV.
BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE**

Section 1. Number; Powers. The affairs of this Association shall be managed by a Board of three (3) directors, who need not be Members of the Association. The Board of Directors (sometimes herein referred to as the "Board"), shall have the powers and duties necessary for the administration of the affairs of the Association and for the operation and maintenance of the Subdivision in the manner required by the Declaration. The Board's powers and duties expressly include all powers and duties of the Association as described in the Declaration, which description is incorporated by reference, together with all powers and duties incidental thereto, regardless of whether specifically enumerated in the Declaration or elsewhere. The Board may do all such acts and things except as by law or by these Bylaws or by the Declaration may not be delegated to the Board.

Section 2. Term of Office. At the first annual meeting, the Members shall elect one director for a term of one year, one director for a term of two years and one director for a term of three years; and at each annual meeting thereafter the Members shall elect one director for a term of three years. *Amended*

Section 3. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association who are entitled to vote. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 4. Vacancies. Any vacancy in the Board caused by death, resignation or disqualification (i.e., by any reason other than the removal of a Director in accordance with Section 3 above), shall be filled by the unanimous vote of the remaining members of the Board within thirty (30) days after such vacancy. Each person so elected shall be a Director until a successor is elected at the next annual meeting of the Members of the Association.

Section 5. Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

**ARTICLE V.
NOMINATION AND ELECTION OF DIRECTORS**

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more Members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the Members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among Members or non-Members.

Section 2. Election. Election to the Board of Directors shall be by vote of the Members. Upon the request of at least one-fourth (1/4) of all of the votes of the membership, such vote shall be by secret written ballot. At such election the Members or their proxies may cast, in respect to each vacancy, as many votes as they

are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VI. MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held annually at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two directors, after not less than three (3) days notice to each director.

Section 3. Waiver of Notice. Before or after any meeting of the Board, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 4. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

Section 5. Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE VII. POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have power to exercise, on behalf of the Association, all of the powers, rights and privileges as set forth in the Declaration and as otherwise provided by law, including without limitation, the power to:

- (a) accept, own, operate and maintain the Private Streets and other Common Area, and to adopt and publish rules and regulations governing the use of the Private Streets and any Common Area facilities, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;
- (b) suspend the voting rights of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association as provided in the Declaration;
- (c) exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration;
- (d) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and

- (e) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

Section 2. Duties. It shall be the duty of the Board of Directors to:

- (a) accept, own, operate and maintain the Private Streets and other Common Area;
- (b) as more fully provided in the Declaration, to:
 - (1) fix the amount of the regular annual assessment against each Lot or portion of the Property covered by the Declaration;
 - (2) send written notice of each assessment to every Owner subject thereto; and
 - (3) foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the owner personally obligated to pay the same.
- (c) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;
- (d) procure and maintain adequate liability and hazard insurance on the Common Area and any property owned by the Association;
- (e) cause all officers or employees having fiscal responsibilities to be bonded or insured, as it may deem appropriate;
- (f) cause all real and personal property taxes and other taxes and assessments levied upon or with respect to any property owned by the Association and any Common Area, to the extent that such taxes and assessments are not levied directly upon the Owner of any Lot on which an easement for any Common Area is located to be paid;
- (g) obtain and maintain in effect policies of insurance which, in the opinion of the Board of Directors, are reasonably necessary or appropriate to carry out the functions of the Association;
- (h) make, establish, promulgate, and in its discretion amend or repeal and reenact, such rules not in conflict with the Declaration or these Bylaws as it deems proper, covering any and all aspects of its functions, including the use of the Private Streets, and the use and occupancy of any Common Area;
- (i) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Members who are entitled to vote;
- (j) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed; and
- (k) carry out and enforce all duties of the Association set forth in the Declaration.

**ARTICLE VIII.
OFFICERS AND THEIR DUTIES**

Section 1. Enumeration of Offices. The officers of this Association shall be a President and Vice-President, who shall at all times be members of the Board of Directors, a Secretary, and a treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the initial organizational meeting and at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

President

(a) The President shall be the Chief Executive Officer of the Association. The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, promissory notes, mortgages, deeds and other written instruments. He shall have all of the general powers and duties which are usually vested in the office of president of a Texas non-profit corporation, including but not limited to, the power to appoint committees from among the Members from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Association or as may be established by the Board or by the Members at any regular or special meetings.

Vice-President

(b) The Vice-President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

Secretary

(c) The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses, and shall perform such other duties as required by the Board.

Treasurer

(d) The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; may sign promissory notes of the Association; keep proper books of account; and cause an annual audit of the Association books to be made by a public accountant at the completion of income and expenditures to be presented to the membership at its regular annual meeting.

**ARTICLE IX
INDEMNIFICATION OF OFFICERS AND DIRECTORS**

Section 1. Indemnification. To the maximum extent permitted by Article 1396-2.22A of the Act (without regard, however, to Section Q of such Article), the Association shall indemnify any person who is or was a director or officer of the Association against any and all judgments, penalties (including excise and similar taxes), fines, settlements and reasonable expenses actually incurred by such person in connection with a proceeding (as defined in Article 1396-2.22A) because of that person's service or status as a director or officer. Further, the Association shall pay or reimburse reasonable expenses incurred by a director or officer who was, is or is threatened to be made a party in a proceeding, in advance of the final disposition of the proceeding, to the maximum extent permitted by Article 1396-2.22A; provided, however, that payment or reimbursement of expenses pursuant to the procedures set out in Section K of Article 1396-2.22A may be conditioned upon a showing, satisfactory to the Board of Directors in its sole discretion, of the financial ability of the officer or director in question to make the repayment referred to in such Section. Further, the Association may indemnify, and may reimburse or advance expenses to or purchase and maintain insurance or any other arrangement on behalf of, any person who is or was a director, officer, employee or agent of the Association, or who is or was serving at the request of the Association as a director, officer, partner, venturer, proprietor, director, employee, agent or similar functionary of another corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise, in connection with any liability asserted against such person because of such service or status, to such further extent, consistent with Article 1396-2.22A and other applicable law, as the Board of Directors may from time to time determine. The provisions of this Section shall not be deemed exclusive of any other rights to which any such person may be entitled under any bylaw, agreement, insurance policy, or otherwise. No amendment, modification or repeal of this Section shall in any manner terminate, reduce or impair the right of any person to be indemnified by the Association in accordance with the provisions of this Section as in effect immediately prior to such amendment, modification or repeal with respect to claims arising from or relating to matters occurring prior to such amendment, modification or repeal, regardless of when such claims may arise or be asserted.

Section 2. Other. The Members, Board, officers or representatives of the Association shall enter contracts or other commitments as agents for the Association, and they shall have no personal liability for any such contract or commitment (except such liability as may be ascribed to them in their capacity as Owners).

**ARTICLE X.
COMMITTEES**

The Association shall appoint an Architectural Control Committee, when authorized and as provided in the Declaration, and a Nominating Committee, as provided in these Bylaws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

**ARTICLE XI.
BOOKS AND RECORDS**

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration, the Articles of Incorporation and the Bylaws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable cost.

**ARTICLE XII.
ASSESSMENTS**

As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of eighteen percent (18%) per annum or the maximum legal rate, whichever is lesser, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Area or abandonment of the Lot or portion of the Property owned by him.

**ARTICLE XIII.
AMENDMENTS**

Section 1. Amendment. These Bylaws may be amended, at a regular or special meeting of the Members, by a vote of a majority of a quorum of Members present in person or by proxy.

Section 2. Conflicts. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

**ARTICLE XIV.
MISCELLANEOUS**

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

IN WITNESS WHEREOF, we, being all of the directors of the Association, have hereunto set our hands this
1st day of APRIL, 2000.

Leon A. Whitney
LEON A. WHITNEY

Kay Whitney
KAY WHITNEY

Jim C. Elliott
JIM C. ELLIOTT

CERTIFICATION

I, the undersigned, do hereby certify:

THAT I am the duly elected Secretary of the Elliott Ranch Homeowners Association, Inc., a Texas non-profit corporation, and,

THAT the foregoing Bylaws constitute the original Bylaws of said Association, as duly adopted by a Consent of Directors dated the 1st day of April, 2000..

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this 1st day of April, 2000.


JIM C. ELLIOTT, Secretary

After recording, please return to:
Niemann & Niemann, L.L.P.
Attorneys At Law
Westgate Building, Suite 313
1122 Colorado Street
Austin, Texas 78701