

**BYLAWS**

**OF THE**

**BRUSHY CREEK REGIONAL UTILITY AUTHORITY, INC.**

## TABLE OF CONTENTS

ARTICLE I: PURPOSES.....	1
Section 1.01 Purposes.....	1
ARTICLE II: DIRECTORS .....	2
Section 2.01 Appointment, Classes, Powers, Number, and Term of Office..	2
Section 2.02 Meetings of Directors.....	3
Section 2.03 Annual Meeting.....	3
Section 2.04 Regular Meetings .....	3
Section 2.05 Special and Emergency Meetings .....	3
Section 2.06 Quorum.....	4
Section 2.07 Voting.....	4
Section 2.08 Conduct of Business.....	4
Section 2.09 Compensation of Directors.....	5
Section 2.10 Director’s Reliance on Consultant Information.....	5
ARTICLE III: OFFICERS .....	5
Section 3.01 Titles and Term of Office.....	5
Section 3.02 Selection of Officers.....	6
Section 3.03 Powers and Duties of the President.....	6
Section 3.04 Powers and Duties of the Vice-President.....	6
Section 3.05 Secretary.....	7
Section 3.06 Compensation.....	7
Section 3.07 Officer’s Reliance on Consultant Information.....	7
ARTICLE IV: BUDGET .....	8
Section 4.01 Budget and Fiscal Year .....	8
ARTICLE V: INDEMNIFICATION.....	8
Section 5.01 Right to Indemnification .....	8
Section 5.02 Indemnification of Employees and Agents.....	11
Section 5.03 Non-exclusivity of Rights .....	11
Section 5.04 Insurance .....	11

Section 5.05 Savings Clause .....	11
ARTICLE VI: CODE OF ETHICS.....	12
Section 6.01 Policy and Procedures .....	12
Section 6.02 Unlawful Acts.....	12
Section 6.03 Nepotism .....	13
ARTICLE VII: AMENDMENTS .....	13
Section 7.01 Amendments.....	13
ARTICLE VIII: CONSENT OF CITY COUNCILS .....	13
Section 8.01: Council Consent .....	13
ARTICLE IX: DISTRIBUTION OF NET INCOME.....	13
Section 9.01: Distribution of Net Income .....	13
ARTICLE X: AUTHORITY TO CONTRACT.....	14
Section 10.01 Authority to Contract .....	14
ARTICLE XI: MISCELLANEOUS PROVISIONS.....	14
Section 11.01 Seal .....	14
Section 11.02 Notice and Waiver of Notice.....	14
Section 11.03 Resignations .....	15
Section 11.04 Gender .....	15
Section 11.05 Appropriations and Grants .....	15

**BYLAWS  
OF THE  
BRUSHY CREEK REGIONAL UTILITY AUTHORITY, INC.**

**ARTICLE I  
PURPOSES**

**Section 1.01 Purposes.** Brushy Creek Regional Utility Authority, Inc. (the “Corporation”) is organized for the purpose of aiding, assisting, and acting on behalf of the cities of Round Rock, Cedar Park, and Leander, Texas (collectively, the “Cities”), in the performance of their governmental functions to promote the common good and general welfare of the Cities, including, without limitation, the financing, construction, acquisition, ownership, maintenance, and operation of a regional water transmission, treatment and distribution and/or regional wastewater transmission, treatment systems and/or water reuse system (the “Facilities”) on behalf of the Cities, and to perform such other governmental functions and purposes of the Cities as may be determined from time to time by the City Councils of the Cities (the “City Councils”).

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, which authorizes the Corporation to assist and act on behalf of the Cities to accomplish any governmental purpose of the Cities 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, now or hereafter, given by the general laws of the State of Texas to non-profit corporations incorporated under the Act including, without limitation, the Texas Non-Profit Corporation Act, Article 1396-1.01 et seq., Vernon’s Texas Civil Statutes.

The Corporation shall have all other powers 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.

The Corporation is created as a local governmental 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. The Corporation shall have the power to acquire land in accordance with the Act as amended from time to time.

## **ARTICLE II DIRECTORS**

**Section 2.01. Appointment, Classes, Powers, Number, and Term of Office.** All powers of the Corporation shall be vested in the Board of Directors (the "Board"). The Board shall consist of six (6) persons. Each City shall have two (2) Directors appointed by the respective City Council.

One Director appointed by each City shall be either the Mayor or Council member of the City, herein referred to as a "Council Director." The other Director appointed by each City shall be either the Mayor or Council member, a member of the staff, a resident, or a water customer of the City, herein referred to as a "Citizen Director." In the event a City appoints two of its City Council members as Directors, the City Council shall designate which of its appointees is the Council Director and which is the Citizen Director.

The term of the existing Directors shall expire on July 1, 2011. The term of the initial Citizen Director for each City shall expire on July 1, 2011. Upon the expiration of the term of office of a Director, the City Council shall appoint a Director as stated above, and the term of office for each appointed Director shall be two (2) years. The number of Directors may subsequently be either increased or decreased in accordance with the provisions of Article VI of the Articles of Incorporation of the Corporation.

When any Council Director or Citizen Director ceases to hold his/her elected position as the Mayor or Council member of a City, the City Council of the subject City shall appoint a replacement Council Director or Citizen Director, as appropriate, to fill the unexpired term. When any Citizen Director ceases to be employed by the City, a resident of the City or a water customer of the City Council of the subject City shall appoint a replacement Citizen Director to fill the unexpired term.

Any Director may be removed at will by a majority vote of the City Council that made such appointment and such City Council shall appoint a new Director to complete the unexpired term.

In the event that a Director resigns, then such Director shall be considered removed from the Board and the appropriate City Council shall provide for the appointment of a new Council Director or Citizen Director, as appropriate, to complete the unexpired term.

**Section 2.02. 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 as the Board may from time to time determine; provided, however, in the absence of any such determination, such places shall be the registered office of the Corporation in the State of Texas.

The Board shall meet in accordance with and file notices of each meeting of the Board as is required by Chapter 551, Government Code (the "Open Meetings Act").

The Corporation, the Board, and any committee of the Board exercising the powers of the Board are subject to Chapter 552, Government Code, and (the "Public Information Act").

**Section 2.03. Annual Meetings.** The annual meeting of the Board shall be held at the time and at the location in any of the Cities designated by the resolution of the Board for the purposes of transacting such business as may be brought before the meeting.

**Section 2.04. Regular Meetings.** Regular meetings of the Board shall be held at such times and places as shall be designated, from time to time, by a resolution of the Board.

**Section 2.05. Special and Emergency Meetings.** Special and emergency meetings of the Board shall be held whenever called by the President of the Board or by a majority of the Directors.

The Secretary shall give reasonable notice to all Directors of each special meeting in person, by telephone, electronic transmission (e.g., facsimile transmission or electronic mail) or mail at least seventy-two (72)

hours before the meeting. 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; provided that all meetings shall comply with the Open Meetings Act.

**Section 2.06. Quorum.** Four Directors, being a majority of the Board, shall constitute a quorum for the consideration of matters pertaining to the purposes of the Corporation.

**Section 2.07. Voting.** Each City, acting through its Council Director, shall be entitled to one vote on each matter to come before the Board. In the absence of the Council Director at a meeting, the Citizen Director, if present, shall be entitled to vote and the vote of the Citizen Director of such City shall constitute the vote of the City. Except as provided herein, the affirmative votes of at least two Cities present and voting at a meeting shall constitute a binding act of the Board.

The affirmative votes of all three Cities shall be required to approve the following matters:

- 1) The amendment of the Articles of Incorporation;
- 2) The amendment of these Bylaws; and
- 3) The addition of new members to the Corporation.

A Director who is present at a meeting of the Board at which any corporate action is taken shall be presumed to have assented to such action, unless his or her dissent shall be entered in the minutes of the meeting or unless he or she shall file a 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; and the Secretary shall forward a copy of such dissent to the other Directors by mail within seven (7) days. Such right to dissent shall not apply to a Director who voted in favor of the action.

**Section 2.08. Conduct of Business.** At the meetings of the Board, matters pertaining to the purposes of the Corporation shall be considered in such order as from time to time the Board may determine.

At all meetings of the Board, 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, an acting presiding officer shall be chosen by the Board from among the Directors present.

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

**Section 2.09. Compensation of Directors; Reimbursement for Expenses.** Directors shall not receive any salary or compensation for their services as Directors. Directors shall be reimbursed for their actual expenses incurred in the performance of their duties as Directors.

**Section 2.10. Director's Reliance on Consultant Information.** A Director shall not be liable if while acting in good faith and with ordinary care, the Director relies 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 other 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 which the Director is not a member.

### **ARTICLE III OFFICERS**

**Section 3.01. Titles and Term of Office.** The officers of the Corporation shall be a President, a Vice-President, and a Secretary. The President shall also serve as Chairman of the Board and the Vice-President shall serve as Vice-Chairman of the Board. The term of the officers in place on the date of the adoption of these amended Bylaws shall expire on July 1, 2010. Thereafter, the term of office for each officer shall be one (1) year.



**Section 3.02. Selection of Officers.** Only the three Council Directors are eligible to serve as officers. It is the intent of the Cities that the officer duties be shared equally among the three Cities. Accordingly, the officers of the Board will rotate among the three Cities every year as set forth below:

Year One	(July 2, 2010-July1, 2011)
President	Cedar Park's Council Director
Vice-President	Round Rock's Council Director
Secretary	Leander's Council Director
Year Two	(July 2, 2011-July 1, 2012)
President	Round Rock's Council Director
Vice-President	Leander's Council Director
Secretary	Cedar Park's Council Director
Year Three	(July 2, 2012-July 1, 2013)
President	Leander's Council Director
Vice-President	Cedar Park's Council Director
Secretary	Round Rock's Council Director

Thereafter, the officers shall continue to rotate among the three Cities on the same three-year cycle as set forth above.

**Section 3.03. Powers and Duties of the President.** The President shall be a member of the Board and shall preside at all meetings of the Board. When authorized by the Board, the President or the Vice-President may sign and execute all bonds, notes, deeds, conveyances, franchises, assignments, mortgages, notes, contracts and other obligations in the name of the Corporation. The President shall have such other duties as are assigned by the Board. The President may call special and emergency meetings of the Board.

**Section 3.04. Powers and Duties of the Vice-President.** The Vice-President 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. The Vice-President shall have such other powers and duties as may be assigned to him or her by the Board.

**Section 3.05. Secretary.** The Secretary shall keep or cause to be kept the minutes of all meetings of the Board 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, records, documents and instruments, and such other books and papers as the Board may direct, all of which shall at all reasonable times be open to the inspection of any Director upon application at the office of the Corporation during business hours; and, he or she shall, in general, perform all duties incident to the office of Secretary subject to the control of the Board. The Board shall have the discretion to delegate some or all of the Secretary's duties to one or more staff members of the Corporation or of the three Cities.

**Section 3.06. Compensation.** Officers are not entitled to compensation except as otherwise provided in Section 2.09 of these Bylaws.

**Section 3.07. 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, concerning the Corporation or another person that were prepared or presented by:

- (a) one or more other officers or employees of the Corporation, including 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 BUDGET**

**Section 4.01. Budget and Fiscal Year.** The fiscal year of the Corporation shall commence on October 1<sup>st</sup> of each year and end on September 30<sup>th</sup> of the following year. At least ninety (90) days prior to October 1<sup>st</sup> of each year, the Board shall prepare and adopt a proposed budget of expected revenues and proposed expenditures for the next ensuing fiscal year. The budget shall contain such classifications and shall be in such form as may be prescribed from time to time by the City Councils. The budget proposed for adoption shall include the projected expenses, and such other budgetary information as shall be required by the City Councils for their approval and adoption. The budget shall be considered adopted upon formal approval of all three City Councils. Should any of the City Councils take no final action on or before October 1<sup>st</sup>, the proposed budget shall be deemed to have been finally adopted by such City Council.

## **ARTICLE V INDEMNIFICATION**

### **Section 5.01. Right to Indemnification.**

- A. Definitions in this Article:
1. Covered person includes current and former Directors, committee members, employees of the Corporation, and officers and former officers and the estate of current or former Directors, ex-officio Directors, officers and former officers or employees of the Corporation
  2. Loss means a sum of money which a covered person is legally obligated to pay.
  3. Proceeding means any threatened, pending or completed claim, action, suit or civil, criminal, administrative, arbitratve or investigative proceeding.
- B. Coverage Generally. To the fullest extent permitted by law, the Corporation shall indemnify and defend a covered person in accordance with this Section from and against a loss arising in

connection with a proceeding relating to an act or omission of the covered person during the course and scope of the covered person's office or employment for the Corporation.

C. Additional Coverage. In addition to the coverage described in subsection B of this Section, the Corporation will pay the following:

1. The Corporation's expenses in investigating and defending the proceeding;
2. Court costs assessed against a covered person;
3. Reasonable expenses of the covered person incurred at the Corporation's request or with the Corporation's approval; and
4. Attorney's fees ordered by a court to be paid by the covered person.

D. Criteria for Coverage. To be entitled to coverage under this Section, a covered person must:

1. Notify the Corporation's General Manager or legal counsel in writing as soon as practicable, but not later than three (3) working days, after receipt of written notice of a proceeding;
2. Cooperate with the Corporation in the conduct of the proceeding, negotiation of settlements, and enforcement of any rights of the Corporation or the covered person against any claimant;
3. Attend depositions, hearings and trials, and assist in securing evidence and obtaining attendance of witnesses;
4. Not, except with the written consent of the Corporation's General Manager or legal counsel, enter into any agreement or stipulation concerning a proceeding;

5. Not, except with the written consent of the Corporation's General Manager or legal counsel, or upon request of a public officer at the scene of an accident, give any oral or written statement concerning the accident; and
  6. Not, except at the covered person's own cost, voluntarily make any payment, assume any obligation or incur any expense in connection with a proceeding without the consent of the Corporation's General Manager or legal counsel.
- E. Exemptions. Coverage under this Section will not apply to a claim or suit brought against a covered person:
1. By the Corporation;
  2. Arising from the intentional or knowing violation of a penal statute or law committed by or with the knowledge and consent of the covered person, or arising from a fraudulent act committed by or at the direction of the covered person;
  3. If the covered person joins or attempts to join a proceeding against the Corporation or an officer or employee of the Corporation with a proceeding against the covered person;  
or
  4. If the covered person fails to comply with subsection (e) of this Section.
- F. Investigation, negotiation, settlement. The Corporation may investigate, retain counsel, negotiate and settle any proceeding as it determines to be reasonable and prudent.
- G. Subrogation of rights. A covered person, in accepting coverage under this Section, agrees to allow the Corporation to be subrogated to any rights of the covered person to the extent of the Corporation's obligations and payments under this Section.

- H. Conflict of Interest. If the Corporation's General Manager or legal counsel determines there is a conflict between the interests of the Corporation and those of the person involved in a proceeding, the Corporation may designate and pay the reasonable fees of a separate attorney.
- I. Disciplinary action. Nothing in this Section will affect the Corporation's right to take disciplinary action against a covered person for conduct otherwise indemnified or defended by the Corporation under this Section.

**Section 5.02. Indemnification of Employees and Agents.** The Corporation, by adoption of a resolution of the Board, 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, venture 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 such a person to the same extent that it may indemnify and advance expenses to Directors under this Article V.

**Section 5.03. Non-exclusivity of Rights.** The right to indemnification conferred in this Article V shall not be exclusive of any other right which a covered person may have or hereafter acquire under any law (common or statutory), these Bylaws, written agreement with the Corporation, vote of disinterested Directors or otherwise.

**Section 5.04. Insurance.** The Corporation may purchase and maintain insurance, at its expense, to protect itself and any covered person against any expense, liability or loss, whether or not the Corporation would have power to indemnify such person against such expense, liability or loss under this Article V.

**Section 5.05. 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 covered person with respect to a proceeding to the 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 CODE OF ETHICS**

### **Section 6.01. Policy and Purposes.**

- A. It is the policy of the Corporation that Directors and officers conduct themselves in a manner consistent with sound business and ethical practices; that the public interest always be considered in conducting corporate business; that the appearance of impropriety be avoided to ensure and maintain the public confidence in the Corporation; and that the Board establish policies to control and manage the affairs of the Corporation fairly, impartially, and without discrimination.
  
- B. This Code of Ethics has been adopted as part of the Board's Bylaws for the following purposes: (a) to encourage high ethical standards in official conduct by Directors and corporate officers; and (b) to establish guidelines for such ethical standards of conduct.

**Section 6.02. Unlawful Acts.** A Director or officer shall not intentionally or knowingly offer, confer or agree to confer on another, or solicit, or agree to accept from another:

- (a) any benefit as consideration for the Director or officer's decision, opinion, recommendation, vote, or other exercise of discretion as a Director or officer;
  
- (b) any benefit as consideration for the Director's or officer's, decision, vote, recommendation, or other exercise of official discretion in a judicial or administrative proceeding; or
  
- (c) any benefit as consideration for a violation of a duty imposed by law on the Director or officer.

**Section 6.03. Nepotism.** No Director or officer shall appoint, or vote for, or confirm the appointment to any office, position, clerkship, employment or duty, or any person related within the second degree by affinity (marriage relationship) or within the third degree of consanguinity (blood relationship) to the Director or officer so appointing, voting or confirming, or to any other Director or officer. This provision shall not prevent the appointment, voting for, or confirmation of any person who shall have been continuously employed in such office, position, clerkship, employment or duty at least thirty (30) days prior to the appointment of the Director or officer so appointing or voting.

## **ARTICLE VII AMENDMENTS**

**Section 7.01. Amendments.** A proposal to alter, amend, or repeal these Bylaws shall be made by the affirmative vote of all the 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 proposed change or amendment to the Bylaws must be approved by the three City Councils to be effective.

## **ARTICLE VIII CONSENT OF CITY COUNCILS**

**Section 8.01. Council Consent.** To the extent that these Bylaws refer to approval by the Cities or refer to advice and consent by the Cities, such approval or advice and consent shall be evidenced by a certified copy of a resolution or other official action duly adopted by each of the City Councils. There shall be no implied consent, obligation or liability to the Cities by any action of the Corporation.

## **ARTICLE IX DISTRIBUTION OF NET INCOME**

**Section 9.01. Distribution of Net Income.** Unless otherwise determined by the City Councils in accordance with the provisions of Section 431.107 of the Transportation Code, any income earned by the Corporation after payment of reasonable expenses, debt, and the establishment of a reserve sufficient to cover estimated expenditures for future activities, shall either be



retained by the Corporation or distributed to the Cities in an equitable manner to be determined by the three City Councils taking into consideration the relative use of the Facilities and the initial capital investments of the respective Cities. In the event that the Facilities cease to operate, the three City Councils may either direct that (a) the Corporation retain such income, but only in such a manner so as to ensure compliance with all then applicable federal tax law relating to the Corporation and its non-profit status, or (b) the Cities receive any such income earned by the Corporation in an equitable manner determined by the three City Councils as set forth above.

## **ARTICLE X AUTHORITY TO CONTRACT**

### **Section 10.01. Authority to Contract.**

- A. Except as provided below, the Board may contract with any qualified and appropriate person, association, corporation or governmental entity to perform and discharge designated tasks which will aid or assist the Board in the performance of its duties. However, no such contract shall ever be approved or entered into which seeks or attempts to divest the Board of its discretion and policy making functions in discharging the duties herein set forth. All contracts that provide for the expenditure of sums that are not in the Budget must be approved by all three (3) City Councils. All contracts that provide for the expenditure of Five Hundred Thousand Dollars (\$500,000) or more must be approved by all three (3) City Councils.
  
- B. The Board may contract with one or more of the Cities to utilize the services of staff and employees of the respective Cities.

## **ARTICLE XI MISCELLANEOUS PROVISIONS**

**Section 11.01. Seal.** The seal of the Corporation shall be such as from time to time may be approved by the Board.

**Section 11.02. Notice and Waiver of Notice.** Whenever any notice whatever 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

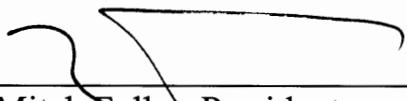
post office box in a sealed postpaid wrapper addressed to the person entitled thereto at his or her post office address, as it appears on the books of the Corporation, and such notice shall be deemed to have been given on the day of such mailing. A waiver of notice, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

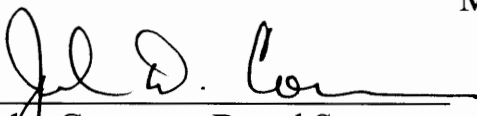
**Section 11.03. Resignations.** Any Director or officer may resign at any time. Such resignations shall be made in writing and shall take effect at the time specified therein, or, if no time be specified, at the time of its receipt by the President or Secretary. The acceptance of a resignation shall not be necessary to make it effective, unless expressly so provided in the resignation.

**Section 11.04. Gender.** References herein to the masculine gender shall also refer to the feminine in all appropriate cases, and vice versa.


**Section 11.05. 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, or from any other source.

Approved and adopted by a unanimous vote of the Brushy Creek Regional Utility Authority Board of Directors this 17<sup>th</sup> day of February, 2010.

  
\_\_\_\_\_  
Mitch Fuller, President

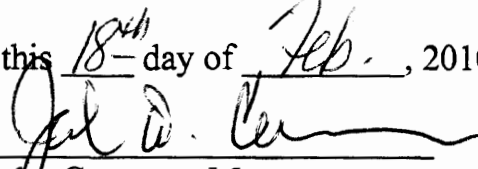
Attest:   
\_\_\_\_\_  
John Cowman, Board Secretary

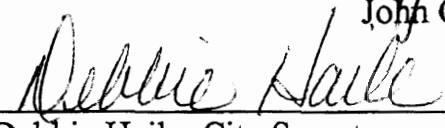
Approved by the Cedar Park City Council this 25<sup>th</sup> day of Febr., 2010.

  
\_\_\_\_\_  
Bob Lemon, Mayor

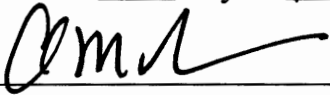
Attest:   
\_\_\_\_\_  
LeAnn Quinn, City Secretary

Approved by the Leander City Council this 18<sup>th</sup> day of Feb., 2010.

  
\_\_\_\_\_  
John Cowman, Mayor

Attest:   
\_\_\_\_\_  
Debbie Haile, City Secretary

Approved by the Round Rock City Council this 11<sup>th</sup> day of February, 2010.

  
\_\_\_\_\_  
Alan McGraw, Mayor

Attest:   
Sara White, City Secretary

**ARTICLES OF AMENDMENT**

**FILED**  
**In the Office of the**  
**Secretary of State of Texas**  
**MAR 22 2010**

**TO THE**

**Corporations Section**

**ARTICLES OF INCORPORATION OF**

**BRUSHY CREEK REGIONAL UTILITY AUTHORITY, INC.**

Pursuant to the provisions of Subchapter D of Chapter 431, Texas Transportation Code, as amended (the "Act"), the Articles of Incorporation of the Brushy Creek Regional Utility Authority are amended as follows:

**ARTICLE I**

Article VI of the Articles of Incorporation is hereby amended to read as follows:

**Article VI**

The Board of Directors (the "Board") shall consist of six (6) Directors. Each City shall appoint two Directors, who shall meet the qualifications set forth in the Bylaws of the Corporation. Except as otherwise provided in these Articles of Incorporation or Bylaws, all powers of the Corporation shall be vested in the Board. The Directors' terms of office each shall be two years.

Any Director may be removed at will by a majority vote of the City Council which appointed such Director.

All other matters pertaining to the internal affairs of the Corporation shall be governed by the Bylaws of the Corporation, so long as such Bylaws are not inconsistent with these Articles of Incorporation or the laws of the State of Texas. Adoption of the Bylaws shall require unanimous approval of the Directors and the consent and approval of the City Councils of all three Cities. The Bylaws shall contain a provision that once adopted, they may not be amended except with the unanimous approval of the Directors and the consent and approval of the City Councils of all three Cities. Until such time as the Bylaws are adopted and approved, Board action shall require unanimous approval of the Directors.

## ARTICLE II

These Articles of Amendment were adopted at a meeting of the Board of Directors held on January 20, 2010 and received the unanimous vote of all of the Directors in attendance.

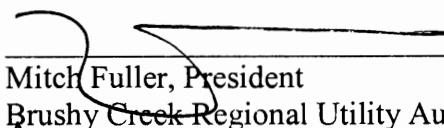
These Articles of Amendment were approved at a meeting of the City Council of Cedar Park held on the 25<sup>th</sup> day of February, 2010.

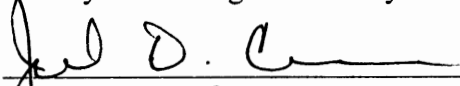
These Articles of Amendment were approved at a meeting of the City Council of Leander held on the 18<sup>th</sup> day of Feb., 2010.

These Articles of Amendment were approved at a meeting of the City Council of Round Rock held on the 11<sup>th</sup> day of Feb., 2010.


Dated: February 17<sup>th</sup>, 2010

### BRUSHY CREEK REGIONAL UTILITY AUTHORITY

By:   
\_\_\_\_\_  
Mitch Fuller, President  
Brushy Creek Regional Utility Authority, Inc.

Attest:   
\_\_\_\_\_  
John Cowman, Secretary  
Brushy Creek Regional Utility Authority, Inc.

**CITY OF CEDAR PARK,**

By:   
Bob Lemon, Mayor  
City of Cedar Park, Texas

Attest:   
LeAnn Quinn, Cedar Park City Secretary



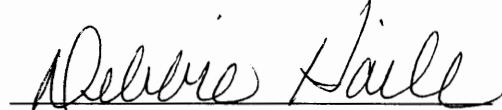
**CITY OF LEANDER**

By:



John D. Cowman, Mayor  
City of Leander, Texas

Attest:



Debbie Haile, Leander City Secretary

**CITY OF ROUND ROCK**

By:   
Alan McGraw, Mayor

Attest:   
Sara White, City Secretary

Approved by the Leander City Council this 27<sup>th</sup> day of Feb., 2010.

John D. Cowman  
John Cowman, Mayor

Attest: Debbie Haile  
Debbie Haile, City Secretary