

BYLAWS
of
The Board of Directors
Tax Increment Reinvestment Zone No. 2
City of Mansfield, Texas

ARTICLE I

POWERS AND PURPOSE

Section 1. Financing Development or Redevelopment in the Zone. In order to implement the purposes for which Tax Increment Reinvestment Zone No. 2 (the "Zone") was formed, the City of Mansfield, Texas (the "City") may issue obligations to finance all or part of the cost of implementing the "Project Plan" for the Zone as defined in the Tax Increment Financing Act of the Tax Code, Chapter 311, Vernon's Texas Codes Annotated (the "Act").

Section 2. Books and Records. The Board of Directors of the Zone (the "Board of Directors" or "Board") shall keep records of account and minutes of its proceedings and the proceedings of committees having any of the authority of the Board. All records of the Zone may be inspected by any director for any proper purpose at any reasonable time; and at all times the City Council and the City Auditor will have access to the records of the Zone.

Section 3. Approval of Programs. The City Council must approve all programs and expenditures for the Zone.

ARTICLE II

BOARD OF DIRECTORS

Section 1. Powers, Number, and Term of Office. The property and affairs of the Zone shall be managed and controlled by the City Council based on the recommendations of the Board, subject to the restrictions imposed by law, the ordinance creating the Zone, and these Bylaws. It is the intention of the City Council that the Board shall function only in an advisory capacity and exercise only those powers, advisory in nature, which are either granted to the Board pursuant to the Act or delegated to the Board by the City Council.

The Board of Directors shall consist of five (5) directors. Four (4) of the directors shall be appointed by the City Council and one director shall be appointed by the County Commissioners Court of the participating County. However, if a taxing unit (other than the City) waives its right to appoint a member to the Board, as evidenced by written resolution duly adopted by the governing body of such taxing unit, the City may appoint such Board member in its stead.

The first Board of Directors shall serve for an initial term ending December 31, 2014, or until his/her successor is appointed. Subsequent directors shall be appointed by the governing bodies of the City and participating County and shall serve for two (2) year terms beginning January 1, 2015 or until their successors are appointed by the respective governing bodies.

Any director may be removed from office by the City Council for cause deemed by the City Council as sufficient for their removal in the interest of the public, but only after a public hearing before the City Council on charges publicly made, if demanded by such director within ten (10) days.

In the event of a vacancy caused by the resignation, death, termination of office or removal for any reason, of a director, the governing body of the respective taxing unit which made such appointment shall fill the vacancy.

Section 2. Meetings of Directors. Meetings of the Board shall be held at such times and places as designated by the Board. All Board meetings shall be public unless pertaining to matters of land purchase, contract, security, legal or personnel matters. Notice of meetings shall be posted in accordance with the provisions of Chapter 551, Texas Government Code. Emergency Meetings of the Board shall be held whenever called by the chair, by a majority of the directors or upon request by the City Council. Notice of all Emergency Meetings shall state the purpose, which shall be the only business conducted and shall be subject to the requirements of State Law.

Section 3. Quorum. A quorum shall be made up of three (3) of the five (5) directors holding current appointments. The act of a majority of the directors present at a meeting at which a quorum is in attendance shall constitute the act of the Board, unless the act of a greater number is required by law.

Section 4. Conduct of Business. At Board meetings, matters pertaining to the purposes of the Zone shall be considered in such order as determined by the Board. The chair of the Board shall preside at all meetings and in the absence of the chair, the vice-chair shall exercise the power of the chair. The secretary for the Board shall provide meeting notice and keep meeting minutes, and shall have charge of such records and documents as the Board may direct. The secretary shall in general perform all duties incident to the office of secretary. The duties of the secretary may be performed by city staff.

Section 5. Compensation of Directors. Directors shall not receive any salary or compensation for their services, except that they shall be reimbursed for their actual reasonable expenses incurred in the performance of their duties.

Section 6. Attendance. Directors shall make every effort to attend all Board meetings. The City Council may replace a City appointee of the Board or request replacement of an appointee from other taxing jurisdiction for non-attendance at three consecutive meetings.

ARTICLE III

OFFICERS

Section 1. Titles and Term of Office. The officers of the Zone shall consist of a chair, a vice-chair, and such other officers as the Board may from time to time elect; provided however that the City Council shall, on an annual basis, appoint the chair whose term shall end on December 31 of each year. One person may hold more than one office. Terms of office for officers, other than the chair, shall not exceed two years. All officers, other than the chair, shall be subject to removal from office, with or without cause, at any time by a vote of a majority of the entire Board. A vacancy in the office of any officer, other than the chair, shall be filled by a vote of a majority of the entire Board.

Section 2. Powers and Duties of the Chair. The chair shall be the chief executive officer of the Board and, subject to the approval of the City Council, he/she shall be in general charge of the properties and affairs of the Zone and shall preside at all meetings of the Board.

Section 3. Vice-Chair. The vice-chair shall have such powers and duties as may be assigned to him by the Board and shall exercise the powers of the chair in his/her absence or inability to act. Any action taken by the vice-chair in the performance of the duties of the chair shall be conclusive evidence of the absence or inability to act of the chair at the time such action was taken.

ARTICLE IV

PROVISIONS REGARDING BYLAWS

Section 1. Effective Date. These Bylaws shall become effective only upon the occurrence of the following events:

- (1) The adoption of these Bylaws by the Board, and
- (2) The approval of these Bylaws by the City Council.

Section 2. Amendments to Bylaws. These Bylaws may be amended by a majority vote of the Board, provided that the Board submits such amendment to the City Council for subsequent approval. After consultation with the Board, the Bylaws may also be amended by the City Council.

Section 3. Interpretation of Bylaws. These Bylaws and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein. If any section or part of these Bylaws shall ever be held to be invalid or unconstitutional by any court of competent jurisdiction, the remainder of these Bylaws shall not be affected.

ARTICLE V

GENERAL PROVISIONS

Section 1. Notice and Waiver of Notice. Unless otherwise required by State Law, whenever any notice is required to be given under these Bylaws, such notice shall be deemed to be sufficient if given by depositing the same, properly addressed and postage paid, with the United States Postal Service, and such notice shall be deemed to have been given on the day of such mailing. A waiver of notice signed by the person entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Attendance of a director at a meeting shall constitute a waiver of notice of such meeting.

Section 2. Resignations. A director may resign at any time. Such resignation shall be 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 City Council. The acceptance of a resignation shall not be necessary to make it effective.

Section 3. Approval or Delegation of Power by the City Council. To the extent that these Bylaws refer to any approval or delegation of power by the City, such approval or delegation shall be evidenced by the adoption of an ordinance or resolution by the City Council.

Approved by the Board of Directors on the 9TH day of JANUARY, 2013.

Approved by the City Council on the 14TH day of JANUARY, 2013.