

BYLAWS OF
MANSFIELD PARK FACILITIES DEVELOPMENT CORPORATION

ARTICLE I
PURPOSE AND POWERS

Section 1 - Purpose

The Corporation is incorporated for the purposes set forth in Article Four of its Articles of Incorporation, the same to be accomplished on behalf of the City of Mansfield, Texas (the "City") as its duly constituted authority and instrumentality in accordance with the Development Corporation Act of 1979, as amended, Article 5190.6, Vernon's Ann. Civ. St., as amended, (the "Act"), and other applicable laws.

Section 2 - Powers

In the fulfillment of its corporate purpose, the Corporation shall be governed by Section 4B of the Act, and shall have all of the powers set forth and conferred in its Articles of Incorporation, in the Act, and in other applicable law, subject to the limitations prescribed therein and herein and to the provisions thereof and hereof.

ARTICLE II
BOARD OF DIRECTORS

Section 1 - Powers, Number and Term of Office

- (a) The property and affairs of the Corporation shall be managed and controlled by a Board of Directors (the "Board") and, subject to the restrictions imposed by law, by the Articles of Incorporation, and by these Bylaws, the Board shall exercise all of the powers of the Corporation.
- (b) The Board shall consist of seven (7) directors, each of whom shall be appointed by the City Council (the "City Council") of the City, **and one (1) non-voting ex-officio member. The City Manager or his or her designee shall serve as the non-voting ex-officio member.**
- (c) The City Council may appoint an alternate director in the same manner as the seven (7) directors. If a director is absent from a Board meeting, the alternate director may replace the absent director and will act as the director during the Board meeting. The alternate director is encouraged to attend all Corporation Board meetings.
- (d) The directors constituting the first Board shall be those directors named in the Articles of Incorporation. Successor directors shall have the qualifications, shall be of the classes of directors, and shall be appointed to the terms set forth in the Articles of Incorporation.
- (e) Any director or Board alternate may be removed from office by the City Council at will.
- (f) **The City Manager, or his or her designee, serving in his or her capacity as a non-voting ex-officio member: (i) may not be counted toward a meeting quorum; (ii) may participate in any discussion that occurs in open session; and (iii) may attend and participate in any discussion that occurs in any executive session.**

Section 2. Meetings of Directors.

The directors may hold their meetings at such place or places in the City as the Board may from time to time determine; provided, however, in the absence of any such determination by the Board, the meetings shall be held at the principal office of the Corporation as specified in Article V of these Bylaws.

Section 3. Notice of Meetings

- (a) Regular meetings of the Board shall be held without the necessity of notice to directors at such times and places as shall be designated from time to time by the Board. Special meetings of the Board shall be held whenever called by the president, by the secretary, by a majority of the directors, by the Mayor of the City, or by a majority of the City Council.
- (b) The secretary shall give notice to each director of each special meeting in person or by mail, telephone or telegraph, at least two (2) 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 meeting. At any meeting at which every director shall be present, even though without any notice, any matter pertaining to the purpose of the Corporation may be considered and acted upon consistent with applicable law.
- (c) Whenever any notice is required to be given to the Board, said 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. Attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called or convened. Neither the business to be transacted at nor the purpose of any regular or special meeting of the Board need be specified in the notice to directors or waiver of notice of such meeting, unless required by the Board. A waiver of notice in writing, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

Section 4 - Open Meetings Act

All meetings and deliberations of the Board shall be called, convened, held, and conducted, and notice shall be given to the public, in accordance with the Texas Open Meetings Act, Article 6252-17, Vernon's Ann. Civ. St., as amended.

Section 5 - Quorum

A majority of the directors shall constitute a quorum for the conduct of the official business of the Corporation. 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 and of the Corporation, unless the act of a greater number is required by law.

Section 6 - Conduct of Business

- (a) At the meetings of the Board, matters pertaining to the business of the Corporation shall be considered in accordance with rules of procedure as from time to time prescribed by the Board.

- (b) At all meetings of the Board, the president shall preside.
- (c) 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 7 - Committees of the Board

The Board may designate two (2) or more directors to constitute an official committee of the Board to exercise such authority of the Board as may be specified in the resolution. It is provided, however, that all final, official actions of the Corporation may be exercised only by the Board. 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 principal office of the Corporation.

Section 8 - Compensation of Directors

Directors shall not receive any salary or compensation for their services as directors. However, they shall be reimbursed for their actual expenses incurred in the performance of their official duties as directors.

ARTICLE III OFFICERS

Section 1 - Titles and Term of Office

- (a) The officers of the Corporation shall be a president, a vice president, a secretary and a treasurer, and such other officers as the Board may from time to time elect or appoint. One person may hold more than one office, except that the president shall not hold the office of secretary. Terms of office shall be one (1) year with the right of an officer to be reelected.
- (b) All officers shall be subject to removal from office at any time by a vote of a majority of the entire Board.
- (c) A vacancy in the office of any officer shall be filled by a vote of a majority of the directors.

Section 2 - Powers and Duties of the President

The president shall be the chief executive officer of the Corporation, and, subject to the paramount authority of the Board, the president shall be in general charge of the properties and affairs of the Corporation, shall preside at all meetings of the Board, and may sign and execute all contracts, conveyances, franchises, bonds, deeds, assignments, mortgages, notes and other instruments in the name of the Corporation.

Section 3 - Vice President

The vice president shall have such powers and duties as may be prescribed by the Board and shall exercise the powers of the president during that officer's absence or inability to act. 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 - Treasurer

The treasurer shall have the responsibility to see to the handling, custody, and security of all funds and securities of the Corporation in accordance with these Bylaws. When necessary or proper, the treasurer may endorse and sign, on behalf of the Corporation, for collection or issuance, checks, notes and other obligations in or drawn upon such bank, banks or depositories as shall be designated by the Board consistent with these Bylaws. The treasurer shall see to the entry in the books of the Corporation full and accurate accounts of all monies received and paid out on account of the Corporation. The treasurer shall, at the expense of the Corporation, give such bond for the faithful discharge of his duties in such form and amount as the Board or the City Council may require.

Section 5 - Secretary

The secretary shall keep the minutes of all meetings of the Board in books provided for that purpose, shall give and serve all notices, may sign with the president in the name of the Corporation, and/or attest the signature thereto, all contracts, conveyances, franchises, bonds, deeds, assignments, mortgages, notes and other instruments of the Corporation, shall have charge of the corporate books, records, documents and instruments, except the books of account and financial records and securities, and such other books and papers as the Board may direct, all of which shall at all reasonable times be open to public inspection upon application at the office of the Corporation during business hours, and shall in general perform all duties incident to the office of secretary subject to the control of the Board.

Section 6

The president and vice president shall be named from among the members of the Board. The treasurer and secretary may, at the option of the Board, be persons other than members of the Board, and they may be employees of the City. In the event the offices of treasurer or secretary are not held by members of the Board, such positions will be considered non-voting ex-officio members.

Section 7 - Compensation

Officers who are members of the Board shall not receive any salary or compensation for their services, except that they shall be reimbursed for their actual expenses incurred in the performance of their official duties as officers.

ARTICLE IV [RESERVED]

ARTICLE V FUNCTIONAL CORPORATE DUTIES AND REQUIREMENTS

Section 1 - General Park Facilities Development Plan

- (a) It shall be the duty and obligation of the Board, in coordination with the necessary contracting parties and to research, develop, prepare, finance, and implement the park facilities development plan.
- (b) In carrying out its obligations under subsection (a), the Corporation shall be authorized to exercise all rights and powers granted under the Act, including, but not limited to Section 4B thereof, and with the objective and for the purpose of developing and diversifying the

economy of the State of Texas and the City, and the elimination of unemployment and underemployment in the State and the City and the expansion of commerce within the State.

- (c) The Board shall periodically submit reports to the City Council as to the status of its activities in carrying out its obligations under this Section.
- (d) Any and all agreements between the Corporation and other parties shall be authorized, executed, approved, and delivered in accordance with applicable law.

Section 2 - Annual Corporate Budget

At least sixty (60) days prior to the commencement of each fiscal year of the Corporation, the Board shall 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 Council. The budget shall not be effective until the same has been approved by the City Council.

Section 3 - Books, Records, Audits

- (a) The Corporation shall keep and properly maintain, in accordance with generally accepted accounting principles, complete books, records, accounts, and financial statements pertaining to its corporate funds, activities, and affairs.
- (b) At the direction of the City Council, the books, records, accounts, and financial statements of the Corporation may be maintained for the Corporation by the accountants-, staff and personnel of the City.
- (c) The Corporation, or the City if the option described in subsection (b) is selected, shall cause its books, records, accounts, and financial statements to be audited at least once each fiscal year by an outside, independent, auditing and accounting firm selected by the Corporation and approved by the City Council. Such audit shall be at the expense of the Corporation.

Section 4 - Deposit and Investment of Corporate Funds

- (a) All proceeds from loans or from the issuance of bonds, notes, or other debt instruments ("Obligations") issued by the Corporation shall be deposited and invested as provided in the resolution, order, indenture, or other documents authorizing or relating to their execution or issuance.
- (b) Subject to the requirements of contracts, loan agreements, indentures or other agreements securing Obligations all other monies of the Corporation, if any, shall be deposited, secured, and/or invested in the manner provided for the deposit, security, and/or investment of the public funds of the City. The Board shall designate the accounts and depositories to be created and designated for such purposes, and the methods of withdrawal of funds therefrom for use by and for the purposes of the Corporation upon the signature of its treasurer and such other persons as the Board shall designate. The accounts, reconciliation, and investment of such funds and accounts shall be performed by the Department of Finance of the City.

Section 5 - Expenditures of Corporate Money

The monies of the Corporation, including sales and use taxes collected pursuant to Section 4B of the Act, monies derived from rents received from the lease or use of property, the proceeds from the investment of funds of the Corporation, the proceeds from the sale of property, and the proceeds derived from the sale of Obligations, may be expended by the Corporation for any of the purposes

authorized by the Act, subject to the following limitations:

- a) Expenditures from the proceeds of Obligations shall be identified and described in the orders, resolutions, indentures, or other agreements submitted to and approved by the City Council prior to the execution of loan or financing agreements or the sale and delivery of the Obligations to the purchasers thereof required by Section 6 of this Article;
- b) Expenditures that may be made from a fund created with the proceeds of Obligations and expenditures of monies derived from sources other than the proceeds of Obligations may be used for the purposes of financing or otherwise providing one or more "Projects," as defined in Section 4B of the Act. The specific expenditures shall be described in a resolution or order of the Board and shall be made only after the approval thereof by the City Council;
- c) All other proposed expenditures shall be made in accordance with and shall be set forth in the annual budget required by Section 2 of this Article or in contracts meeting the requirements of Section 1(d) of this Article.

Section 6 - Issuance of Obligations

No Obligations, including refunding Obligations, shall be authorized or sold and delivered by the Corporation unless the City Council shall approve such Obligations by action taken prior to the date of sale of the Obligations.

ARTICLE VI MISCELLANEOUS PROVISIONS

Section 1 - Principal Office

- (a) The principal office and the registered office of the Corporation shall be the registered office of the Corporation specified in the Articles of Incorporation.
- (b) The Corporation shall have and shall continually designate a registered agent at its registered office, as required by the Act.

Section 2 - Fiscal Year

The fiscal year of the Corporation shall be the same as the fiscal year of the City.

Section 3 - Seal

The seal of the Corporation shall be as determined by the Board.

Section 4 - Resignations

Any director or officer may resign at any time. Such resignation 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 - Approval or Advice and Consent of the City Council

To the extent that these Bylaws refer to any approval by the City or refer to advice and consent by the Council, such advice and consent shall be evidenced by a certified copy of a resolution, order or motion duly adopted by the City Council.

Section 6 - Services of City Staff and Officers

Subject to the paramount authority of the City Manager under the Charter of the City, the Corporation shall have the right to utilize the services of the City Attorney, the City Secretary, and the staff and employees of the Finance Department of the City, provided (i) that the Corporation shall pay reasonable compensation to the City for such services, and (ii) the performance of such services does not materially interfere with the other duties of such personnel of the City.

Section 7 - Indemnification of Directors, Officers and Employees

- (a) As provided in the Act and in the Articles of Incorporation, the Corporation is, for the purposes of the Texas Tort Claims Act (Subchapter A, Chapter 101, Texas Civil Practices and Remedies Code), a governmental unit and its actions are governmental functions.
- (b) The Corporation shall indemnify each and every member of the Board, its officers, and its employees, and each member of the City Council and each employee of the City, to the fullest extent permitted by law, against any and all liability or expense, including attorneys fees, incurred by any of such persons by reason of any actions or omissions that may arise out of the functions and activities of the Corporation.

ARTICLE VII EFFECTIVE DATE, AMENDMENTS

Section 1 - Effective Date

These Bylaws shall become effective upon the occurrence of the following events:

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

Section 2 - Amendments to Articles of Incorporation and Bylaws

The Articles of Incorporation of the Corporation and these Bylaws may be amended only in the manner provided in the Articles of Incorporation and the Act.