

**BYLAWS OF
REINVESTMENT ZONE NUMBER THREE
THE CITY OF GRAND PRAIRIE, TEXAS
PENINSULA TAX INCREMENT FINANCING DISTRICT**

ARTICLE I

POWERS AND PURPOSE

Section 1. Financing Development or Redevelopment in the Zone. In order to implement the purposes for which Tax Increment Financing Reinvestment Zone Number Three, City of Grand Prairie, Texas (the "Zone") was formed, as set forth in Ordinance No. 6097, dated July 13, 1999, creating the zone, the City of Grand Prairie, 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: Approval of Programs and Financial Statements. The Board of Directors shall keep correct and complete books and records of account and shall also keep minutes of its proceedings and the proceedings of committees having any of the authority of the Board of Directors. All books and records of the Zone may be inspected by any director or his agent or attorney for any proper purpose at any reasonable time; and at all times the City Council and the City Auditor will have access to the books and records of the Zone. The City Council must approve all programs and expenditures for the Zone and annually review any financial statements of 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 of Directors of the Zone ("Board of Directors" or "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 of Directors shall function only in an advisory or study capacity with respect to the Zone and shall 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 ~~seventeen (17)~~ nine (9) directors: ~~nine (9)~~ five (5) of whom shall be appointed by the City Council of the City; one (1) of whom shall be appointed by the governing body of the Cedar Hill Independent School District (CHISD); one (1) appointed by the governing body of Dallas County (Dallas Co); one (1) appointed by the Dallas County Hospital District (DCHD); one (1) appointed by the governing board of

Dallas County Community College (DCCC); ~~one (1) appointed by the governing board of Tarrant County (Tarrant Co); one (1) appointed by the governing board of the Tarrant County Hospital District (TCHD); one (1) appointed by the governing board of Tarrant County College District (TCCD);~~ provided however, that 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, 2001, or until his or her successor is appointed. Subsequent directors shall be appointed by the governing bodies of the City, CHISD, Dallas Co, DCCC, DCHD, ~~Tarrant Co, TCHD, TCCD~~ and shall serve for two (2) year terms beginning January 1, 2002 or until their successors are appointed by the respective governing bodies. Each taxing unit shall be entitled to appoint an alternate Board Member to serve in the absence of the designated Board Member.

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 a City Council appointed Board Member within 10 days.

In the event of a vacancy caused by the resignation, death, or removal for any reason, of a director, the governing body of the respective taxing unit (i.e. City, Dallas Co, CHISD, DCHD, DCCC, ~~Tarrant Co, TCHD, TCCD~~) which made such Board appointment shall be responsible for filling the vacancy.

Section 2. Meetings of Directors. The directors may hold their meetings at a facility accessible to the public within the City as the Board of Directors may from time to time determine.

Section 3. 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 the Board of Directors. All meetings of the board shall be of a public nature unless pertaining to matters of land purchase, security, personnel, or strictly legal matters. Notice of all regular and special meetings of the Board and any committees thereof shall be posted, and all Board Members notified, in accordance with the provisions of the Texas Open Meetings Act, Article 6252-17, Vernon's Texas Civil Statutes. Meetings will be held as required.

Section 4. Emergency Meetings. Emergency Meetings of the Board of Directors shall be held whenever called by the chairman, by the secretary, by a majority of the directors then in office or upon advice of or request by the City Council.

Section 5. Quorum. A majority of the directors holding current appointments shall constitute a quorum for the consideration of matters pertaining to the purposes of the Zone. 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 of Directors, unless the act of a greater number is required by law.

Section 6. Conduct of Business. At the meetings of the Board of Directors, matters pertaining to the purposes of the Zone 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 chairman shall preside and in the absence of the chairman, the vice-chairman shall exercise the power of the chairman.

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. City staff shall provide notice of meetings and prepare meeting agendas.

Within five days following each Regular and Emergency Meeting, a copy of the minutes of the meeting shall be submitted to the City Secretary of the City.

Section 7. Compensation of Directors. Directors as such 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 duties hereunder.

Section 8. Attendance. Board members shall make every effort to attend all Regular and Special meetings of the Board and/or Committees. The City Council may replace a City appointee of the Board or request replacement of an appointee from other taxing jurisdictions for non-attendance.

ARTICLE III

OFFICERS

Section 1. Titles and Term of Office. The officers of the Zone shall consist of a chairman, a vice chairman, a secretary, and such other officers as the Board of Directors may from time to time elect or appoint; provided however that the City Council shall, on an annual basis, appoint the chairman whose term shall begin on January 1. One person may hold more than one office, except that the chairman shall not hold the office of secretary. Terms of office for officers, other than the chairman, shall not exceed two years.

All officers, other than the chairman, shall be subject to removal from office, with or without cause, at any time by a vote of a majority of the entire Board of Directors.

A vacancy in the office of any officer, other than the chairman, shall be filled by a vote of a majority of the directors.

Section 2. Powers and Duties of the Chairman. The chairman shall be the chief executive officer of the Board of Directors 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 of Directors.

Section 3. Vice Chairman. The Vice chairman shall be a member of the Board of Directors, shall have such powers and duties as may be assigned to him by the Board of Directors and shall exercise the powers and duties as may be assigned to him by the Board of Directors and shall exercise the powers of the chairman during that officer's absence or inability to act. Any action taken by the vice-chairman in the performance of the duties of the chairman shall be conclusive evidence of the absence or inability to act of the chairman at the time such action was taken.

Section 4. Secretary. The secretary shall keep the minutes of all meetings of the Board of Directors in books provided for the purpose. He/she shall have charge of such books, records, documents and instruments as the Board of Directors may direct, all of which shall at all reasonable times be open to inspection, and he/she shall in general perform all duties incident to the office of secretary subject to the control of the City Council and the Board of Directors. The function of Secretary may be performed by City Staff.

Section 5. Compensation. Officers as such 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 duties hereunder.

Section 6. Staff. The City Manager and his designee may perform staff functions of the Board of Directors.

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

Section 2. Amendments to Bylaws. These Bylaws may be amended by majority vote of the Board of Directors, provided that the Board of Directors files with the City Council a written application requesting that the City Council approve such amendment to the Bylaws, specifying in such application the amendment or amendments proposed to be made. If the City Council by appropriate resolution finds and determines that it is advisable that the proposed amendment be

made, authorizes the same to be made and approves the form of the proposed amendment, the Board of Directors shall proceed to amend the Bylaws.

After consultation with the Board of Directors, the Bylaws may also be amended at any time by the City Council by adopting an amendment to the Bylaws by resolution of the City Council and delivering the Bylaws to the secretary of the Board of Directors.

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 word, phrase, clause, sentence, paragraph, section or other part of these Bylaws, or the application thereof to any person or circumstance, shall ever be held to be invalid or unconstitutional by any court of competent jurisdiction, the remainder of these Bylaws and the application of such word, phrase, clause, sentence, paragraph, section or other part of these Bylaws to any other person or circumstance shall not be affected thereby.

ARTICLE V

GENERAL PROVISIONS

Section 1. Notice and Waiver of Notice. Whenever any notice whatsoever is required to be given under the provision of these Bylaws, 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 hereto at his post office address, as it appears on the books of the Zone, 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 purposes of objecting to the transaction of any business on the grounds that the meeting is not lawfully called or convened. 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 2. 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 is specified, at the time of its receipt by the City Council. The acceptance of a resignation shall not be necessary to make it effective, unless expressly so provided in the resignation.

Section 3. Approval or Delegation of Power by the City Council. To the extent that these Bylaws refer to any approval by the City, such approval of delegation shall be evidenced by a certified copy of an ordinance, or resolution (if permissible), duly adopted by the City Council.