

BY-LAWS OF
CITY OF TAYLOR PARK FOUNDATION

ARTICLE I.
POWERS AND PURPOSES

Section 1. Holding Real Property. The corporation shall own or hold title or an interest in real property for and on behalf of the City of Taylor, Texas, ("City") to provide a public purpose of the City in compliance with the Texas Local Government Code, 253.011 as now written or hereafter amended.

Section 2. Conditions Precedent to acquisition of Real Property. The Corporation shall not hold real property unless:

1. Consideration for the transfer shall be in the form of an agreement between the parties that requires this Corporation to use the real property in a manner that primarily promotes a public purpose of the City. If this Corporation fails to use the real property held by it in that manner, ownership of the property automatically reverts to the City.
2. The City shall transfer the real property by an appropriate instrument of transfer including provisions that:

a) requires the Corporation to use the real property in a manner that primarily promotes a public purpose of the City; and

b) indicates that ownership of the real property automatically reverts to the City if the Corporation fails to use the real property in that manner.

Section 3. Books and Records; Approval of Programs and Financial Statements. The Corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its Board of Directors and committees having any of the authority of the Board of Directors. All books and records of the Corporation may be inspected by any director or his agent or attorney for any proper purpose at any reasonable time. At all times the Taylor City Council ("Governing Body") will have access to the books and records of the Corporation. The Governing Body shall be entitled to approve all programs and expenditures of the Corporation and annually review any financial statements of the Corporation.

Section 4. Non-profit Corporation. The Corporation shall be a non-profit corporation, and no part of its net earnings remaining after payment of its expenses shall

inure to the benefit of any individual, firm or corporation, except that in the event the Board of Directors of the corporation (the "Board of Directors") shall determine that sufficient provision has been made for the full payment of the expenses, bonds and other obligations of the Corporation issued to finance the acquisition of real property, then any net earnings of the Corporation thereafter accruing with respect to the real property shall be paid to the City of Taylor, Texas.

ARTICLE II.
BOARD OF DIRECTORS

Section 1. Powers, Number and Term of Office. The property and affairs of the Corporation shall be managed and controlled by the Board of Directors and, subject to the restrictions imposed by law, the Articles of Incorporation and these By-Laws, the Board of Directors shall exercise all of the powers of the Corporation.

The Board of Directors shall consist of three (3) directors, one of whom shall be the Mayor of the Governing Body, one of whom shall be the City Manager of the Governing Body, and one of whom shall be the Chairman of the City of Taylor Parks Board.

The directors constituting the first Board of Directors shall be those directors named in the Articles of Incorporation. The term of the director who is the Mayor of the Governing Body shall serve so long as the director is the Mayor of the Governing Body. The term of the director who is the City Manager of the Governing Body shall serve so long as the director is the City Manager of the Governing Body. The term of the director who is the Chairman of the City of Taylor Parks Board shall serve so long as the director is the Chairman of the City of Taylor Parks Board. The director who is appointed by the Governing Body shall serve a term of two (2) years. Each director appointed shall hold office for their respective terms until his or her successor is appointed as herein provided.

Any director may be removed from office, by the Governing Body, for cause or at will.

Section 2. Meetings of Directors. The directors may hold their meetings at such place or places in the State of Texas, as the Board of Directors may from time to time determine; provided, however, in the absence of any such determination by the Board of Directors, the meetings shall be held at the registered office of the corporation in the State of Texas.

Section 3. Regular Meetings. Regular Meetings of the Board of Directors shall be held without necessity of notice at such times and places as shall be designated, from time to time by minutes duly passed and authorized by the Board of Directors.

Section 4. Special Meetings. Special Meetings of the Board of Directors shall be held whenever called by the president, by the secretary, by a majority of the directors for the time being in office or upon advice of or request by the Governing Body.

The secretary shall give notice to each director of each Special Meeting in person, or by mail telephone or telegraph, at least seventy-two (72) hours before the meeting. Unless otherwise indicated in the notice thereof, any and all matters pertaining to the purpose 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.

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

Section 6. Conduct of Business. At the meeting of the Board of Directors, matters pertaining to the purposes of the Corporation 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 president shall preside, and in the absence of the president, the vice president shall exercise the powers of the president.

The secretary of the Corporation 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.

Section 7. Executive Committee. The Board of Directors, by resolution passed by a majority of the directors in office, may designate two or more directors to constitute an executive committee, which committee, to the extent provided in such resolution, shall have and may exercise all of the authority of the Board of Directors in the management of the corporation, except where action of the Board of Directors is specified by law. The executive committee shall act in the manner provided in such

resolution. The executive committee so designated shall keep regular minutes of the transactions of its meeting and shall cause such minutes to be recorded in books kept for that purpose in the office of the Corporation, and shall report the same to the Board of Directors from time to time.

Section 8. Compensation of Directors. Directors as such shall not receive any salary or compensation for their services, except that they may be reimbursed for their actual expenses incurred in the performance of their duties hereunder.

ARTICLE III.
OFFICERS

Section 1. Titles and Term of Office. The officers of the Corporation shall be a president, a vice president, a secretary and a treasurer, and such other officers as the Board of Directors 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 not exceed three (3) years.

All officers 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 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 Board of Directors, he shall be in general charge of the properties and affairs of the corporation; he shall preside at all meetings of the Board of Directors; in furtherance of the purposes of this Corporation, he 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 assigned to him by the Board of Directors 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 custody of all funds and securities of the Corporation which come into his hands. When necessary or proper, the Treasurer may endorse, on behalf of the Corporation, for

collection, checks, notes and other obligations and shall deposit the same to the credit of the Corporation in such bank or banks or depositories as shall be designated in the manner prescribed by the Board of Directors; he may sign all receipts and vouchers for payment made to the Corporation, either alone or jointly with such other officer as is designated by the Board of Directors; whenever required by the Board of Directors, he shall render a statement of his cash account; he shall enter or cause to be entered regularly in the books of the Corporation to be kept by him for that purpose full and accurate accounts of all monies received and paid out on account of the Corporation; he shall perform all acts incident to the position of treasurer subject to the control of the Board of Directors; he shall, if required by the Board of Directors, give such bond for the faithful discharge of his duties in such form as the Board of Directors may require.

Section 5. Secretary. The secretary shall keep the minutes of all meetings of the Board of Directors in books provided for that purpose; he shall attend to the giving and serving of all notices; in furtherance of the purposes of this Corporation, he 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; he shall have charge of the corporate books, records, documents and instruments, except the books of account and financial records and securities of which the treasurer shall have custody and charge, and such other books and papers as the Board of Directors may direct, all of which shall at all reasonable times be open to inspection upon application at the office of the Corporation during business hours, and he shall in general perform all duties incident to the office of secretary subject to the control of the Board of Directors.

Section 6. Compensation. Officers as such shall not receive any salary or compensation for their services, except that they may be reimbursed for their actual expenses incurred in the performance of their duties hereunder.

ARTICLE IV.
PROVISIONS REGARDING ARTICLES OF INCORPORATION
AND BY-LAWS

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

1. the approval of these By-Laws by the Governing Body;
and
2. the adoption of these By-Laws by the Board of
Directors.

Section 2. Amendments to Articles of Incorporation and By-Laws. The Articles of Incorporation may at any time and from time to time be amended, provided that the Board of Directors files with the Governing Body a written application requesting that the Governing Body approve such amendment to the Articles of Incorporation, specifying in such application the amendment or amendments proposed to be made. If the Governing Body 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 Articles as provided in the Act.

The Articles of Incorporation may also be amended at any time by the Governing Body at its sole discretion by adopting an amendment to the Articles of Incorporation of the corporation by resolution of the Governing Body and delivering the Articles of Amendment to the Secretary of State.

These By-Laws may be amended by majority vote of the Board of Directors and such amendments shall be subject to approval by the Governing Body.

Section 3. Interpretation of By-Laws. These By-Laws 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 By-Laws, 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 By-Laws and the application of such word, phrase, clause, sentence, paragraph, section or other part of these By-Laws to any other person or circumstance shall not be affected thereby.

ARTICLE V.
GENERAL PROVISIONS

Section 1. Principal Office. The principal office of the Corporation shall be located in Taylor, Texas.

The Corporation shall have and continuously maintain in the State of Texas (the "State") a registered office, and a registered agent whose business office is identical with such registered office. The registered office may be, but not need be, identical with the principal office in the

State, and the address of the registered office may be changed from time to time by the Board of Directors.

Section 2. Fiscal Year. The fiscal year of the Corporation shall be as determined by the Board of Directors.

Section 3. Seal. The seal of the corporation shall be as determined by the Board of Directors.

Section 4. Notice and Waiver of Notice. Whenever any notice whatsoever is required to be given, the Articles of Incorporation or these By-Laws, the 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 post office address, as it appears on the books of the Corporation, and such notice shall be deemed to have been given on the date 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 of Directors need be specified in the notice or waiver of notice of such meeting, unless required by the Board of Directors. A

waiver of notice in writing, signed by the person or persons entitled to the notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

Section 5. Resignations. Any director or officer may resign at any time. The 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 6. Action Without a Meeting of Directors or Committees. Any action which may be taken at a meeting of the Board of Directors or of any committee may be taken without a meeting if a consent in writing, setting forth the action to be taken, shall be signed by all of the directors, or all of the members of the committee, as the case may be. The consent shall have the same force and effect as a unanimous vote and may be stated as such in any articles or document filed with the Secretary of State, or any other person.

Section 7. Approval or Advice and Consent of the Governing Body. To the extent that these By-Laws refer to any approval by the City or refer to advice and consent by

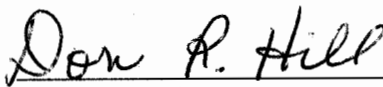
the City, such advice and consent shall be evidenced by a certified copy of a resolution, ordinance or motion duly adopted by the Governing Body.

Section 8. Organizational Control. The City may, at its sole discretion, and at any time, alter or change the structure, organization, programs or activities of the Corporation (including the power to terminate the Corporation), subject to any limitation on the impairment of contracts entered into by such Corporation.

Section 9. Dissolution of the Corporation. Upon dissolution of the Corporation, title to or other interest in any real or personal property owned by the Corporation at such time shall vest in the City.

Section 10. Pronouns. All personal pronouns used in these By-Laws shall include the other gender whether used in masculine or feminine or neuter gender, and the singular shall include the plural whenever and as often as may be appropriate. All headings herein are for the parties' convenience only and neither limit nor amplify the provisions of this Agreement.

Adopted this 30th day of August, 2004.



Don R. Hill,
President

ATTEST:



A handwritten signature in cursive script, appearing to read "Frank Salvato", is written over a horizontal line.

Frank Salvato,
Secretary