

BYLAWS OF THE CAMERON COUNTY REGIONAL MOBILITY AUTHORITY

§ 1. The Authority

These Bylaws are made and adopted for the regulation of the affairs and the performance of the functions of the Cameron County Regional Mobility Authority (the “Authority”), a regional mobility authority authorized and existing pursuant to the provisions of House Bill 3588, enacted by the 78th Legislature of Texas, and codified in Texas Transportation Code, Chapter 370, as the same may be amended from time to time (the “Regional Mobility Authority Act”), as well as rules adopted by the Texas Department of Transportation concerning the operation of regional mobility authorities, located at 43 Tex. Admin. Code § 26.1, et seq. (the “RMA Rules”).

§ 2. Principal Office

The domicile and principal office of the Authority shall be in Cameron County, Texas.

§ 3. General Powers

The activities, property, and affairs of the Authority will be managed by its Board of Directors (the “Board”), which may exercise all powers and do all lawful acts permitted by the Constitution and statutes of the State of Texas, the RMA rules, these bylaws, and the Authority shall act through the Board in the performance of its duties and functions.

§ 4. Initial Board

- a) The initial Board of the Authority shall be composed of seven Directors, appointed as follows:
 - 1) The Governor shall appoint one (1) director, who shall serve as the presiding officer of the Board. The Governor’s Appointee must be a resident of Cameron County.
 - 2) The Commissioners Court of Cameron County shall appoint six (6) directors, two (2) with terms of six (6) years, two (2) with terms of four (4) years and two (2) with terms of two (2) years.
- b) The terms of the initial Directors of the Authority shall begin on the date of their appointment through February 1 of the year in which the term of each initial Board member expires.
- c) Directors may be reappointed at the discretion of the Cameron County Commissioners Court.

d) Each initial Director shall serve until his or her successor has been duly appointed and qualified or until his or her death, resignation, or removal from office in accordance with these bylaws.

§5. Subsequent Directors.

a) When the term of an initial Director of the Authority expires, and thereafter, when the term of each Director subsequently appointed expires, the Cameron County Commissioners Court shall appoint a successor to that Director whose term is expiring.

b) Each Director appointed by a Commissioners Court must be a resident of the county governed by that Commissioners Court at the time of their appointment.

c) Subject to § 7 of these bylaws and except as may be otherwise provided by law (including any amendment to the Regional Mobility Authority Act or the RMA Rules), each successor to an initial Director, and each Director thereafter appointed, shall be appointed for a six-year term. Each Director shall serve until his or her successor has been duly appointed and qualified or until his or her death, resignation, or removal from office in accordance with these bylaws.

d) Directors qualified to serve under applicable law and these bylaws may be reappointed following the expiration of their terms. Except as otherwise provided by applicable law, there is no limitation on the number of terms a Director may serve.

§ 6. Qualifications of Directors

a) All Directors will have and maintain the qualifications set forth in this §6 and in the Regional Mobility Authority Act or RMA Rules.

b) All appointments to the Board shall be without regard to disability, sex, religion, age, or national origin.

c) An elected official is not eligible to serve as a Director.

d) An employee of a city or county located wholly or partly within the boundaries of the Authority is not eligible to serve as a Director.

e) A person who is an officer, employee, or paid consultant of a Texas trade association in the field of road construction or maintenance, public transportation or aviation, or whose spouse is an officer, manager, or paid consultant of Texas trade association in the aforementioned fields, is not eligible to serve as a Director or as the Authority's Executive Director.

- f) A person is not eligible to serve as a Director or as the Authority's Executive Director if the person or the person's spouse:
- 1) is employed by or participates in the management of a business entity or other organization, other than a political subdivision, regulated by or receives money from TxDOT or the Authority;
 - 2) owns or controls, directly or indirectly, more than a 10 percent interest in a business entity or other organization that is regulated by or receives money from TxDOT or the Authority, other than compensation for acquisition of turnpike right-of-way;
 - 3) uses or receives a substantial amount of tangible goods, services, or money from TxDOT or the Authority, other than compensation or reimbursement authorized by law for Board membership, attendance, or expenses, or for compensation for acquisition of turnpike right-of-way;
 - 4) is an officer, employee, or paid consultant of a Texas trade association in the field of road construction, maintenance, or operation; or
 - 5) is required to register as a lobbyist under Chapter 305, Government Code, because of the person's activities for compensation on behalf of a profession related to the operation of TxDOT or the Authority.

§ 7. Vacancies

A vacancy on the Board shall be filled promptly by the Cameron County Commissioners Court. Each Director appointed to a vacant position shall be appointed for the unexpired term of the Director's predecessor in that position.

§ 8. Resignation and Removal

A Director may resign at any time upon giving written notice to the Authority and the Cameron County Commissioners Court. A Director may be removed from the Board if the Director does not possess at the time the Director is appointed, or does not maintain, the qualifications required by the Regional Mobility Authority Act, the RMA Rules, or these bylaws, or if the Director violates any of the foregoing. In addition, a Director who cannot discharge the Director's duties for a substantial portion of the term for which he or she is appointed because of illness or disability, or a Director who is absent from more than half of the regularly scheduled Board meetings during a given calendar year, may be removed. If any Director of the Authority or Board Counsel knows that a potential ground for removal of a Directors exists, then he/she shall notify the Board of the potential ground for removal. The Director shall be considered removed

from the Board only after the Authority receives notice of removal from the Cameron County Commissioners Court.

§ 9. Compensation of Directors

Directors shall serve without compensation, but will be reimbursed for their actual expenses of attending each meeting of the Board and for such other expenses as may be reasonably incurred in their carrying out the duties and function as set forth herein.

§ 10. Conflict of Interest

A Director shall not: (a) accept or solicit any gift, favor, or service that might reasonably tend to influence that Director in the discharge of official duties on behalf of the Authority or that the Director knows or should know is being offered with the intent to influence the Director's official conduct; or (b) accept other compensation that could reasonably be expected to impair the Director's independence of judgment in the performance of the Director's official duties. Director's shall familiarize themselves and comply with all applicable laws regarding conflicts of interest, including any conflict of interest policy adopted by the Board.

§ 11. Meetings

All regular meetings of the Board shall be held in Cameron County, at a specific site, date, and time to be determined by the Chairman. The Chairman may postpone any regular meeting if it is determined by a majority of those present that such meeting is unnecessary or that a quorum will not be achieved, but no fewer than four regular meetings shall be held during each calendar year. Special meetings and emergency meetings of the Board may be called, upon proper notice, at any time by the Chairman or at the request of any three Directors. Special meetings and emergency meetings shall be held at such time and place as is specified by the Chairman, if the Chairman calls the meeting, or by the three Directors, if they call the meeting. The Chairman shall set the agendas for meetings of the Board, except that the agendas of meetings called by three Directors shall be set by those Directors, and except that a request of two Directors to set an agenda item for the next meeting shall automatically be honored by the Chairman.

§ 12. Voting; Quorum

A majority of the Directors constitutes a quorum, and the vote of a majority of the Directors present at a meeting at which a quorum is present will be necessary for any action taken by the Board. No vacancy in the membership of the Board will impair the right of a quorum to exercise all of the rights and to perform all of the duties of the Board. Therefore, if a vacancy occurs, a majority of the Directors then serving in office will constitute a quorum.

§ 13. Meetings by Telephone

Subject to the notice requirements of the Texas Open Meetings Act, the Board may participate in and hold meetings by means of conference telephone or similar communications equipment by which all persons participating in the meeting can hear each other and at which public participation is permitted by a speaker telephone at a conference room of the Authority or other facility in Cameron County that is accessible to the public. Participation in a meeting pursuant to the § 13 constitutes being present in person at such meeting, Except that a Director will not be considered in attendance when the Director appears at such a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened as generally provided under § 16 these bylaws. Each part of the telephone conference call meeting that by law must be open to the public shall be audible to the public at the location specified in the notice and shall be tape-recorded, preserved by other methods, or documented by written minutes. On conclusion of the meeting, the tape recording or the written minutes of the meeting shall be made available to the public.

§ 14. Procedure

All meetings of the Board and its committees shall be conducted in accordance with Robert's Rules of Order pursuant to statutorily proper notice of meeting posted as provided by law. The Chairman at any time may change the order of items to be considered from that set forth in the notice of meeting, provided that all agenda items that require a vote by the Board shall be considered at the meeting for which they have been posted. To the extent procedures prescribed by applicable statutes, the RMA Rules, or the bylaws conflict with Robert's Rules of Order, the Statutes, the RMA Rules, or these bylaws shall govern.

§ 15. Committees

The Board may appoint committees, however it is the specific intent of the Board to retain all decision making authority and for any committees to be considered in an advisory capacity only.

§ 16. Notice of Directors

Notice of each meeting of the Board shall be sent by mail, electronic mail, or facsimile to all Directors entitled to vote at such meeting. At least 72 hours advanced notice must be provided prior to Board meetings. If sent by mail, such notice will be deemed delivered when it is deposited in the United States mail with sufficient postage prepaid. If sent by electronic mail or facsimile, the notice will be deemed delivered when transmitted properly to the correct e-mail address or number. Such notice of meetings also may be given by telephone, provided that any of the Chairman, Executive Director, Secretary, or their designee speaks personally to the applicable

Director to give such notice.

§ 17. Waiver of Notice

Whenever any notice is required to be given to any Director by statute or by these bylaws, a written waiver of such notice signed by the person or person entitled to such notice, whether before or after the time required for such notice, shall be deemed equivalent to the giving of such notice.

§ 18. Attendance as Waiver

Attendance of a Director at a meeting of the Board thereof will constitute a waiver of notice of such meeting, except that a Director will not be considered in attendance when the Director appears at such a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

§ 19. Officers

The officers of the Authority shall consist of a Chairman, a Vice Chairman, a Secretary, and a Treasurer. The offices of Secretary and Treasurer may be held simultaneously by the same person. The individuals elected as officers shall not be compensated for their service as officers. However, officers shall be reimbursed for all expenses incurred in conducting proper Authority business and for travel expenses incurred in the performance of their duties. If desired, the Board may also designate an Assistant Secretary and Assistant Treasurer, who shall also be considered officers of the Authority.

§ 20. Election and Term of Office

Except for the office of Chairman, which is filled by the Governor's appointment, officers will be elected by the Board for a term of two years, subject to § 21 of these bylaws. The election of officers to succeed officers whose terms have expired shall be by a vote of the Directors of the Authority at the first meeting of the Authority held after January 1 of each year or at such other meeting as the Board determines.

§ 21. Removal and Vacancies

Each officer shall hold office until a successor is chosen and qualified, or until the officer's death, resignation, or removal, or, in the case of a Director serving as an officer, until such officer ceases to serve as a Director. Any officer, except the Chairman, may resign at any time upon giving written notice to the Board. The Chairman may resign at any time upon giving written notice to the Board and Governor. Any office except the Chairman may be removed from service as an officer at any time, with or without cause, by the affirmative vote of majority of the

Directors of the Authority. The Directors of the Authority may at any meeting vote to fill any officer position except the Chairman vacated due to an event described in this § 21 for the remainder of the unexpired term.

§ 22. Chairman

The Chairman is appointed by the Governor and is a Director of the Authority. The Chairman shall call all regular meetings of the Board, preside at and set the agendas for all meetings of the Board (except as provided in the concluding sentence of § 11 of these bylaws), and initially approve the reimbursement of expenses to the Executive Director.

§ 23. Vice Chairman

The Vice Chairman must be a Director of the Authority. During the absence or disability of the Chairman, upon the Chairman's death (and pending the Governor's appointment of a successor new Chairman), or upon the Chairman's request, the Vice Chairman shall perform the duties an exercise the authority and powers of the Chairman.

§ 24. Secretary

The Secretary need not be a Director of the Authority. The Secretary shall keep true and complete records of all proceedings of the Directors in books provided for that purpose and shall assemble, index, maintain, and keep up-to-date a book of all of the policies adopted by the Authority; attend to the giving and serving of all notices of meetings of the Board, of committees, and such other notices as are required by the office of Secretary and as may be directed by the Regional Mobility Authority Act, any trust indenture binding on the Authority, Directors of the Authority, or the Executive Director; seal with the official seal of the Authority (if any) and attest all documents, including trust agreements, bonds, and other obligations of the Authority that require the official seal of the Authority to be impressed thereon; execute, attest, and verify signatures on all contracts in which the total consideration equals or exceeds an amount established in resolutions of the Board, contracts conveying property of the Authority, and other agreements binding on the Authority which by law or Board resolution require attestation; certify resolutions of the Board and any committee thereof; maintain custody of the corporate seal, minute books, account, and all other official documents and records, files, and contracts that are not specifically entrusted to some other officer or depository; and hold such administrative offices and perform such other duties as the Directors or the Executive Director shall require.

§ 25. Treasurer

The Treasurer need not be a Director of the Authority. The Treasurer shall execute all requisitions to the applicable bond trustee for withdrawals from the construction fund, unless the Board designates a different officer, Director, or employee of the Authority to execute any or all

of such requisitions. In addition, the Treasurer shall execute, and if necessary attest, any other documents or certificates required to be executed and attested by the Treasurer under the terms of any trust agreement or supplemental trust agreement entered into by the Authority; maintain custody of the Authority's funds and securities and keep a full and accurate account of all receipts and disbursements, and endorse, or cause to be endorsed, in the name of the Authority and deposit, or cause to be deposited, all funds in such bank or banks as may be designated by the Authority as depositories, render to the Directors at such times as may be required an account of all financial transactions coming under the scope of the Treasurer's authority; give a good and sufficient bond, to be approved by the Authority, in such an amount as may be fixed by the Authority; invest such of the Authority's funds as directed by resolution of the Board, subject to the restrictions of any trust agreement entered into by the Authority; and hold such administrative offices and perform such other duties as the Directors of the Authority or the Executive Director shall require. If, and to the extent that, the duties or responsibilities of the Treasurer and those of any administrator conflict and are vested in different persons, the conflicting duties and responsibilities shall be deemed vested in the Treasurer.

§ 26. Administrators

The chief administrator of the Authority shall be the Executive Director. Other administrators may be appointed by the Executive Director with the consent of the Board. All such administrators, except for the Executive Director, shall perform such duties and have such powers as may be assigned to them by the Executive Directors or as set forth in Board Resolutions. Any administrator may be removed, with or without cause, at any time by the Executive Director. All administrators will be reimbursed for expenses incurred in performance of their duties as approved by the Executive Director. Notwithstanding the foregoing, all expense reimbursements to the Executive Director shall be subject to the initial approval of the Chairman, as provided in § 22 of these bylaws.

§ 27. Executive Director

- a) The Executive Director will be selected by the Board and shall serve at the pleasure of the Board, performing all duties assigned by the Board and implementing all resolutions adopted by the Board. The Executive Director shall at all times provide all information to the entire Board at the same time that he/she provides it to the officers.
- b) In addition, the Executive Director:
 - 1) shall be responsible for general management, hiring and termination of employees, and day-to-day operations of the Authority;
 - 2) shall be responsible for preparing a draft of the Strategic Plan for the Authority's operations, as described in § 36 of these bylaws;

- 3) shall be responsible for preparing a draft of the Authority's written Annual Report, as described in § 36 of these bylaws;
 - 4) at the invitation of the Cameron County Commissioners Court, shall appear, with representatives of the Board, before the Commissioners Court to present the Authority's Annual Report and respond to questions and receive comments regarding the Report or the Authority's operations;
 - 5) may execute inter-agency and interlocal contracts and service contracts not exceeding amounts established in Resolutions of the Board;
 - 6) may execute contracts, contract supplements, contract change orders, and purchase orders not exceeding amounts established in Resolutions of the Board; and
 - 7) shall have such obligations and authority as may be described in one or more Resolutions enacted from time to time by the board.
- c) The Executive Director may delegate the foregoing duties and responsibilities as the Executive Director deems appropriate, provided such delegation does not conflict with applicable law or any express direction of the Board.

§ 28. Interim Executive Director

The Board may designate an Interim Executive Director to perform the duties of the Executive Director during such times as the position of Executive Director is vacant. The Interim Executive Director need not be an employee of the Authority.

§ 29. Indemnification by the Authority

Any person made a party to or involved in any litigation, including any civil, criminal or administrative action, suit or proceeding, by reason of the fact that such person is or was a Director, officer, or administrator of the Authority or by reason of such person's alleged negligence or misconduct in the performance of his or her duties as such Director, officer, or administrator shall be indemnified by the Authority, to the extent funds are lawfully available and subject to any other limitations that exist by law, against liability and the reasonable expenses, including attorney's fees, actually and necessarily incurred by him or her in connection with any action therein, except in relation to matters as to which it is adjudged that such Director, officer, or administrator is liable for gross negligence or willful misconduct in the performance of his or her duties. A conviction or judgment entered in connection with compromise or

settlement of any such litigation shall not by itself be deemed to constitute an adjudication of liability for such gross negligence or willful misconduct. The right to indemnification will include the right to be paid by the Authority for expenses incurred in defending a proceeding in advance of its final disposition in the manner and to the extent permitted by the Board in its sole discretion. In addition to the indemnification described above that the Authority shall provide a Director, officer or administrator, the Authority may, upon approval of the Board in its sole discretion, indemnify a Director, officer, or administrator under such other circumstances, or may indemnify an employee, against liability and reasonable expenses, including attorney's fees, incurred in connection with any claim asserted against him or her in said party's capacity as a Director, officer, administrator, or employee of the Authority, subject to any limitations that exist by law. Any indemnification by the Authority pursuant to this § 31 shall be evidenced by a resolution of the Board.

§ 30. Expenses Subject to Indemnification

As used herein, the term "expenses" includes fines or penalties imposed and amounts paid in compromise or settlement of any such litigation only if:

- a) independent legal counsel designated by a majority of the Board, excluding those Directors who have incurred expenses in connection with such litigation for which indemnification has been or is to be sought, shall have advised the Board that, in the opinion of such counsel, such Director, officer, administrator, or other employee is not liable to the Authority for gross negligence or willful misconduct in the performance of his or her duties with respect to the subject of such litigation; and
- b) a majority of the Directors shall have made a determination that such compromise or settlement was or will be in the best interests of the Authority.

§ 31. Procedure for Indemnification

Any amount payable by way of indemnity under these bylaws may be determined and paid pursuant to an order of or allowance by a court under the applicable provisions of the laws of the State of Texas in effect at the time and pursuant to a resolution of a majority of the Directors, other than those who have incurred expenses in connection with such litigation for which indemnification has been or is to be sought. In the event that all of the Directors are made parties to such litigation, a majority of the Board shall be authorized to pass a resolution to provide for legal expenses for the entire Board.

§ 32. Additional Indemnification

The right of indemnification provided by these bylaws shall not be deemed exclusive of any right

to which any Director, officer, administrator, or other employee may be entitled, as a matter of law, and shall extend and apply to the estates of deceased Directors, officers, administrators, and other employees.

§ 33. Contracts and Purchases

All contracts and purchases on behalf of the Authority shall be entered into and made in accordance with rules of procedure prescribed by the Board and applicable laws and rules of the State of Texas.

§ 34. Sovereign Immunity

The Authority will not by agreement or otherwise waive or impinge upon its sovereign immunity.

§ 35. Termination of Employees

Employees of the Authority shall be employees at will unless they are party to an employment agreement with the Authority executed by the Chairman upon approval by the Board. Employees may be terminated at any time, with or without cause, by the Executive Director subject to applicable law and the policies in place at the time of termination.

§ 36. Strategic Plan, Annual Report, and Presentation to Commissioners Court

- a) Each even-numbered year, the Authority shall issue a Strategic Plan of its operations covering the next five fiscal years, beginning with the next odd-numbered fiscal year. A draft of each Strategic Plan shall be submitted to the Board for review, approval, and, subject to revisions required by the Board, adoption.
- b) Under the direction of the Executive Director, the staff of the Authority shall prepare a draft of an Annual Report on the Authority's activities during the preceding year and describing all Regional Mobility Authority revenue bond issuances anticipated over the coming year, the financial condition of the Authority, all project schedules, and the status of the Authority's performance under the most recent Strategic Plan. The draft shall be submitted to the Board for review, approval, and, subject to revisions required by the Board, adoption. Not later than January 1 following the conclusion of the preceding fiscal year, the Authority shall file with the Cameron County Commissioners Court the Authority's Annual Report, as adopted by the Board.
- c) At the invitation of the Cameron County Commissioners Court, representatives of the Board and the Executive Director shall appear before the Commissioners

Court to present the Annual Report and respond to questions and receive comments.

§ 37. Compliance with Law

The Board shall comply with all requirements of the Regional Mobility Authority Act, applicable administrative rules of the Texas Department of Transportation and all other applicable law.

§ 38. Fiscal Year

The fiscal year for the Authority shall be from October 1st to September 30th.

§ 39. Seal

The official seal of the Authority shall consist of the embossed impression of circular disk with the words “Cameron County Regional Mobility Authority, 2004” on the outer rim, with a star in the center of the disk.

§ 40. Public Access Policy

The Authority shall maintain an access policy to be adopted by the Board that provides the public with a reasonable opportunity to appear before the board to speak on any issue under the jurisdiction of the Authority.

§ 41. Amendments to Bylaws

Except as may be otherwise provided by law, these bylaws may be amended, modified, altered, or repealed in whole or in part, at any regular meeting of the Board after ten days advance notice has been given by the Chairman to each Director of the proposed change. These bylaws may not be amended at any special or emergency meeting of the Board.

§ 42. Dissolution of the Authority

- a) Voluntary Dissolution
 - 1) An Authority may not be dissolved unless the dissolution is approved by the Texas Transportation Commission (the “commission”).
 - 2) A Board may submit a request to the commission for approval to dissolve.
 - 3) The commission may approve a request to dissolve only if:
 - A) all debts, obligations, and liabilities of the authority have been paid and discharged or adequate provision has been made for the payment of all debts, obligations, and liabilities;

- B) there are no suits pending against the authority, or adequate provision has been made for the satisfaction of any judgment, order, or decree that may be entered against it in any pending suit; and
- C) the authority has commitments from other governmental entities to assume jurisdiction of all authority transportation facilities.

b) Involuntary dissolution

- 1) The commission by order may require an authority to dissolve if the commission determines that the authority has not substantially complied with the requirements of a commission rule or an agreement between the department and the authority.
- 2) The commission may not require dissolution unless:
 - A) The conditions described in Sections 42 (3) (A) and (B) have been met; and
 - B) The holders of any indebtedness have evidenced their agreement to the dissolution.