SECOND AMENDED AND RESTATED BYLAWS

OF

METROPOLITAN TRANSIT AUTHORITY OF HARRIS COUNTY, TEXAS

(Amended and Restated as of December 14, 2017)

Preamble

The Metropolitan Transit Authority of Harris County, Texas ("Authority"), a public body corporate and politic, is authorized and governed by Chapter 451, Texas Transportation Code, as amended (the "Code"), and pursuant to an election held on August 12, 1978 (the "Confirmation and Tax Election," and along with the "Code," the Authorizing Law. Pursuant to the Authorizing Law, power is granted to the Authority's Board of Directors ("Board") to adopt rules, regulations and such bylaws as it may deem necessary. Accordingly, the bylaws adopted below shall facilitate the efficient conduct of the business of the Authority for the benefit of the Authority's Board, and shall not give rise to any rights, duties or obligations of any party other than the Authority.

ARTICLE I.

OFFICES, DOMICILE AND SERVICE

Section 1. Offices. The principal executive offices and the principal operating offices of the Authority are located in Houston, Harris County, Texas. The Authority may have such other offices as determined by the Board.

Section 2. Domicile. The domicile of the Authority is Harris County, Texas.

Section 3. Service of Process. The Authority may be served through its President and Chief Executive Officer ("CEO"), its Secretary to the Board, or any other board member or person designated by resolution of the Board.
Section 4. Authorization. These bylaws are adopted pursuant to the authority granted by State of Texas in the Code. In the event of any conflict between these bylaws and the Authorizing Law, the Authorizing Law shall control. In the event any provision of these bylaws shall be determined to be invalid, the remainder of these bylaws shall nevertheless remain in force and effect.

ARTICLE II.

BOARD

Section 1. General Powers. The Board shall exercise its statutory authority and powers, expressed and implied, through the management, control and operation of the Authority and its properties. The Board shall exercise its responsibility by selecting and retaining a General Manager, which shall be referred to as the President and CEO. The President and CEO of the Authority is responsible for managing the Authority’s transportation system in compliance with the budget and the Board’s policies. The Authority shall adopt policies to govern any and all aspects of the Authority, including the adoption of annual capital and operating budgets, the establishment of the goals of the Authority, and processes to measure the performance and compliance of administration and staff of the Authority in respect to its policies and goals.

Section 2. Number and Tenure. The Board consists of nine (9) members, five appointed by the mayor of the City of Houston and confirmed by its City Council, two appointed by the Commissioners Court of Harris County and two appointed jointly by the mayors of the other incorporated municipalities within the boundaries of the Authority. The term of office of the members of the Board is two years, except that no individual may serve more than eight years and no individual may be appointed to a term for which service to the completion of the term would

Section 4. Removal. The grounds for removal of a board member are inefficiency or nonfeasance or malfeasance in office, not giving time or service to appointment, violation of Chapters 171 and 176, Local Government Code, and other similar or related conflict of interest laws of the State of Texas, illness or disability to perform and absence (without having been excused by a majority vote) from more than one-half of the regularly scheduled board meetings [Tex. Transp. Code Ann. § 451.510 (West 2007)]. Any member of the Board may be removed from office pursuant to the procedures established by Section 451.511 of the Code requiring notice and a hearing [Tex. Transp. Code Ann. § 451.511 (West 2007)].

Section 5. Vacancies. Any vacancy in a position on the Board, whether by death, resignation, disqualification, incapacity to serve or removal from office, shall be filled for the remainder of the term of that position in a manner provided for the original appointment of that position [Tex. Transp. Code Ann. § 451.504 (West 2007)]. Vacancies on the Board shall not impair the power of the Board to transact any and all business of the Authority.

Section 6. Regular Meetings. The Board shall hold at least one regular meeting during each month for the purpose of transacting the business of the Authority. Regular meetings shall be held at such times, places and days as the Board shall designate by resolution [Tex. Transp. Code Ann. § 451.514(a) (West 2007)]. In addition to the notice required by the Open Meetings Act [Tex. Gov't Code Ann. § 551.043 (West 2012)], notice of board meetings shall be posted at the

Section 7. Special Meetings. Special meetings may be called by the Chair of the Board ("Chair") or by the President and CEO as may be necessary [Tex. Transp. Code Ann §451.514(b) (West 2007)]. The Chair or the President and CEO may fix the time and place within the boundaries of the Authority for holding such special meeting and such time and place shall be set out in a written notice of the special meeting distributed to each member of the Board. The written notice of any special meeting of the Board shall state the purpose or purposes for which such meeting is called and shall include a copy of the agenda for the meeting as posted for the public. The written notice may be hand delivered, mailed to each Board member at their usual address, or delivered by electronic transmission (email). If mailed, such notice shall be deemed to have been delivered when deposited in the United States Mail, properly addressed, with sufficient first class postage thereon prepaid, at least five days prior to the scheduled special meeting. If notice is hand delivered, such notice shall be deemed to have been delivered when delivered to each Board member’s usual business or residence address at least seventy-two hours prior to the scheduled special meeting. If notice is by electronic transmission (email), such notice shall be deemed to have been delivered when sent at least on two separate times to the usual email address of each Board member at least seventy-two hours prior to scheduled special meeting. The signing of a written waiver of notice of any special meeting by a member of the Board, whether before or after the time stated therein, shall be equivalent to the receiving of such notice. Board member attendance at a special meeting shall also constitute a waiver of notice of such meeting, except when a Board member attends a meeting for the express and announced purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened,
which objection shall be voiced at the beginning of the meeting with the request that such objection be entered into the minutes of the meeting.

If a special meeting is called as an emergency meeting as defined in the Open Meetings Act, the Chair or President and CEO calling the meeting shall make good faith efforts to give notice to all Board members as soon as possible, but no less than two hours before the meeting. An emergency meeting may be called only in those limited circumstances wherein an emergency or an urgent public necessity exists (as recognized by law) that requires board action because of (1) an imminent threat to public health and safety; or (2) a reasonably unforeseeable situation. The posting of public notice of an emergency meeting must follow the legal requirements of the Open Meetings Act.

Section 8. Quorum. A majority of the members of the Board shall constitute a quorum of the Board for the purpose of conducting its business and exercising its powers.

Section 9. Officers. The members of the Board shall elect from among their number a Chair, First Vice-Chair, Second Vice-Chair and Secretary [Tex. Transp. Code Ann. § 451.520(a) (West 2007)]. Such officers of the Board shall be elected annually at the first regular January meeting of the Board for terms to expire at the first regular January meeting of the Board in the succeeding year. In nominating and electing officers of the Board, it is in the best interest of the Authority that the Board give the highest consideration to electing officers that will ensure that each appointing governmental entity (i.e. City of Houston, Harris County and Multi-Cities) has one of its appointees elected to an officer position (i.e. as First Vice-Chair, Second Vice-Chair and Secretary). Each officer of the Board holds office until his or her successor is duly elected and qualified or until his or her earlier death, resignation, incapacity to serve, removal from office or otherwise. The Board shall fill any vacancy in any office of the Board by election, such
appointment to continue until the expiration of the current term of the office that becomes vacant. The Board may appoint one or more assistant secretaries, who are not required to be members [Tex. Transp. Code Ann. § 451.520(b) (West 2007)].

Section 10. Procedure at Meetings. The Chair shall preside at meetings of the Board. In the absence of the Chair at any meeting, the First Vice-Chair shall preside. In the absence of both the Chair and the First Vice-Chair at any meeting, the Second Vice-Chair shall preside. In the absence of the Chair and both Vice-Chairs, any member of the Board selected by the members present shall preside. The Secretary or one of the Assistant Secretaries shall act as secretary at all meetings of the Board. In their absence, the presiding officer of the meeting may designate any person to act as secretary. At meetings of the Board, the business shall be transacted in such order as the Board may from time to time determine.

Section 11. Powers and Duties of Board Officers.

(A) Chair.

(i) The Chair shall preside at all meetings of the Board.

(ii) The Chair shall determine by inspection and investigation if orders and resolutions promulgated by the Board are being carried into effect, and report from time to time his or her findings to the Board.

(iii) The Chair may sign and execute for and on behalf of the Authority contracts of insurance, bonds, deeds, mortgages, debentures, contracts or any other instruments or documents of whatever nature which the Board has authorized him or her to execute.

(iv) The Chair shall establish the proposed agenda for each meeting of the Board, with the assistance of the President and CEO.
(v) The Chair shall have the right to vote on all matters coming before the Board, except in those circumstances prohibited by law.

(vi) The Chair shall appoint all members of committees of the Board.

(vii) The Chair shall perform, in general, all duties incident to the office of Chair and such other duties as may be prescribed by these bylaws or assigned to him by the Board from time to time.

(B) **First Vice-Chair.** The Vice-Chair shall preside at any meeting of the Board when the Chair is absent and shall have the power and authority of the Chair and shall perform the duties of the Chair in case of the disability of the Chair, or when requested to perform such duties by the Chair, and shall perform such other duties as may from time to time be assigned to him by the Chair or by the Board.

(C) **Second Vice-Chair.** The Second Vice-Chair shall preside at any meeting of the Board when the Chair and the First Vice-Chair are absent or otherwise unable to preside and shall have the power and authority of the Chair and shall perform the duties of the Chair in case of the disability of the Chair, or when requested to perform such duties by the Chair, and shall perform such other duties as may from time to time be assigned by the Chair or by the Board.

(D) **Secretary.**

(i) The Secretary shall be custodian of the seal and shall, as may be necessary or appropriate, execute or affix the seal of the Authority to all contracts of insurance, bonds, deeds, mortgages, debentures, contracts or any other instruments or documents of whatever nature which the Board has authorized to be executed or which any Board member, officer or staff member of the Authority has
authority to execute, and attest to same. The Secretary may adopt a facsimile signature to be utilized for such purposes.

(ii) The Secretary shall keep the permanent records of all proceedings and transactions of the Authority, shall keep the minutes of all official meetings of the Board in one or more books provided for such purpose, and shall see that notices are duly given in accordance with the provisions of these bylaws or as required by law.

(iii) The Secretary shall perform, in general, all the duties incident to the office of Secretary and such other duties as may from time to time be assigned to him or her by the Board.

(E) Assistant Secretaries.

(i) By resolution, the Board may from time to time appoint one or more Assistant Secretaries, either members or nonmembers of the Board, who shall serve until their successors are appointed.

(ii) Any Assistant Secretary of the Authority may perform all the duties and exercise all the powers of the Secretary in case of the absence or disability of the Secretary, or upon request of the Chair or the Secretary.

(F) Parliamentarian. The General Counsel to the Authority, or his or her designated representative, shall serve as Parliamentarian to the Board.

Section 12. Manner of Acting. On any question presented, the number of members present shall be recorded by the Secretary or one of the Assistant Secretaries. Action may be taken by the Authority upon a vote of a majority of the Board members present, unless the act of a greater number shall be required by law or by these bylaws.
Section 13. Board Committees. The Chair may establish committees from time to time to review and consider proposed actions of the Board. The Chair shall appoint members to the committees of the Board at the first regular January meeting of the Board. There will be committees to work on various subjects: i.e. capital programs, personnel/human resources, customer service, finance/audit and government/public affairs. The Chair may establish, at any time, additional committees at his or her discretion or dissolve committees as desired. The Chair may also appoint special committees, task force and/or study groups and appoint their members. The Chair may refer any matter to a Board committee for consideration or create a special committee, task force or study group to assist the Board as deemed necessary. The Chair may establish and modify, from time to time, various rules and procedures for the governance and operation of the committees created under this section. Such procedures may specify (among others) the purpose, quorum, roles, responsibilities and other meeting and governance requirements that the Chair of the Board deems necessary.

Section 14. Compensation. Each member of the Board is entitled to the sum of Fifty Dollars ($50.00) for each official meeting of the Board which he or she attends, not to exceed five meetings in any calendar month. The minutes of each official meeting of the Board or a committee shall reflect each member of the Board in attendance. Each member of the Board shall also be reimbursed for his or her necessary and reasonable expenses incurred in the discharge of his or her duties [Tex. Transp. Code Ann. §451.519 (West 2007)].

Section 15. Presumption of Assent. Any member of the Board who is present at a meeting of the Board at which action on any Authority matter is taken is presumed to have assented to the action taken, unless his or her dissent or abstention is entered in the minutes of the meeting or unless he or she files his or her written dissent or abstention to such action with the Secretary
or Assistant Secretaries before the adjournment of the meeting or forwards such dissent or abstention by registered mail to the Secretary or Assistant Secretaries immediately after the adjournment of the meeting. The right to subsequent dissent does not apply to a Board member who voted in favor of an action of the Board.

Section 16. Resignation. Any Board member or Board officer may resign at any time. Such resignations shall be made in writing and shall specify an effective date for the resignation. If no date is specified, the resignation shall be deemed effective at the time of its receipt by the Secretary or Assistant Secretary. The acceptance of a resignation shall not be necessary to make it effective, unless expressly so provided in the resignation. Notwithstanding, as required by law, a Board member continues to serve until his or her replacement takes office.

Section 17. Parliamentary Rules. Except where inconsistent with the Code or these bylaws, Robert’s Rules of Order, as from time to time revised, shall govern the proceedings of the Board and its committees.

ARTICLE III.

CONTRACTS AND LOANS

Section 1. Contracts. The Board may authorize the Chair or the President and CEO to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Authority, and such authority may be general or confined to specific instances. All contracts shall be executed by either the Chair or the President and CEO, attested by the Secretary or an Assistant Secretary and approved by the Chief Financial Officer and General Counsel or their designated representatives. Any contract not so approved is void and of no effect as to the Authority.
Section 2. Loans. No loans shall be contracted on behalf of the Authority, and no evidence of indebtedness shall be issued in its name, unless authorized by resolution of the Board, executed by the Chair and attested by the Secretary or an Assistant Secretary.

ARTICLE IV.

BANKING AND INVESTMENTS

Section 1. Checks, Drafts, etc. All checks, drafts, notes or other orders for the payment of money issued in the name of the Authority shall be signed by such officers or employees of the Authority as shall from time to time be authorized by resolution of the Board.

Section 2. Depositories. All funds of the Authority, except petty cash, shall be deposited from time to time to the credit of the Authority in such banks as the Board may from time to time designate, and upon such terms and conditions as shall be fixed by the Board, unless otherwise required by orders or resolutions authorizing the issuance of the Authority's bonds or notes. The Board may from time to time authorize the opening and maintaining of general and special accounts within any such depository as it may designate, and may make such special rules and regulations with respect thereto as it may deem expedient. To the extent that funds in the depository bank or banks are not insured by the Federal Deposit Insurance Corporation, they shall be secured in the manner provided by law for the security of funds of counties of the State of Texas [Tex. Transp. Code Ann. § 451.105 (West 2007)].

Section 3. Investments. The Board, by resolution, may provide that an authorized representative of the Authority may invest and reinvest the funds of the Authority and provide for money be withdrawn from the appropriate accounts of the Authority for such investments on terms as the Board considers advisable. Such investments must be made in direct or indirect obligations of the United States, the State, or any county, city, school district or other political subdivision of
the State, or in certificates of deposit of state or national banks or savings and loan associations within the State of Texas, provided that such certificates are secured in the manner provided for the security of the funds of counties of the State of Texas. Each year, the Board shall adopt an investment policy as required by law [Tex. Gov't Code Ann. § 2256 (West 2012)].

ARTICLE V.

AUDIT AND BUDGET

Section 1. Audit. The Board each year shall have prepared an audit of its affairs by an independent certified public accountant or a firm of independent certified public accountants, which audit shall be open to public inspection [Tex. Transp. Code Ann. § 451.451 (West 2007)]. Such auditors shall have no personal interest directly or indirectly in the fiscal affairs of the Authority and shall be experienced and qualified in the accounting and auditing of public bodies. It is provided, however, that the Authority’s auditors may undertake consulting services for the Authority in addition to their duties in connection with the annual audit.

Section 2. Budget. Prior to the commencement of a fiscal year, the Board shall adopt an annual operating budget which specifies expenditures by type and amount. Before the Board adopts its annual operating budget, it shall conduct a public hearing and shall make the proposed annual operating budget available to the public at least fourteen days prior to the hearing. The Authority may not make operating expenditures in excess of the total budgeted operating expenditures for a fiscal year unless the Board amends the operating budget by resolution after public notice and hearing [Tex. Transp. Code Ann. § 451.103 (West 2007)]. Further, prior to the commencement of a fiscal year, the Board shall adopt an annual capital budget.
ARTICLE VI.

INDEMNIFICATION OF BOARD MEMBERS

Each Board member is indemnified by the Authority against any liability imposed upon him or her and for any expense reasonably incurred by him or her in connection with any claim made against him or her, or any action, suit or proceeding to which he or she may be a party by reason of his or her being, or having been, a Board member, and against such sums as counsel selected by the Board shall deem reasonable payment made in settlement of any such claim, action, suit or proceeding, provided, however, that no Board member shall be indemnified with respect to actual damages arising out of a cause of action for a wilful act or omission, an act or omission constituting gross negligence or official misconduct, or with respect to matters for which such indemnification would be unlawful or against public policy. Any right of indemnification granted by this Article VI is in addition to and not in lieu of any other such right to which any Board member of the Authority may at any time be entitled under the laws of the State of Texas; and if any indemnification which would otherwise be granted by this Article VI is disallowed by any competent court or administrative body as illegal or against public policy, then any Board member with respect to whom such adjudication was made, and any other Board member, shall be indemnified to the fullest extent permitted by law and public policy, it being the express intent of the Authority to indemnify its Board members to the fullest extent possible in conformity with these bylaws, all applicable laws and public policy. The Authority may purchase and maintain insurance on behalf of any person who is or was a Board member of the Authority against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such. The indemnification provided herein shall inure to the benefit of the heirs, executors and administrators of the Board members of the Authority.
ARTICLE VII.

SEAL

The Corporate Seal shall be in such form as the Board shall approve, and such seal, or a facsimile thereof, may be impressed on, affixed to, or in any manner reproduced upon, instruments of any nature required to be executed by officers of the Authority.

ARTICLE VIII.

FISCAL YEAR

The fiscal year of the Authority shall begin and end on such dates as the Board at any time shall determine by resolution.

ARTICLE IX.

AMENDMENTS TO BY LAWS

These bylaws may be altered, amended or repealed, or new bylaws may be adopted, by a majority vote of the Board at any regular meeting of the Board or at any special meeting of the Board for which notices have been given to each Board Member, pursuant to Section 7 of Article II.

Certificate by Secretary

The undersigned being the Secretary of Metropolitan Transit Authority of Harris County, Texas, certifies that these amended bylaws were duly adopted by the Board of the Authority effective as of December 14, 2017.

Bylaws adopted: April 9, 1980
Amended and Restated Bylaws: Effective September 24, 2015
Second Amended and Restated Bylaws: Effective December 14, 2017