

HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY

BOARD RESOLUTION No. 2008-11

APPROVING THE HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY
FIRST AMENDMENT TO HIDALGO COUNTY REGIONAL MOBILITY
AUTHORITY BYLAWS

THIS RESOLUTION is adopted this 20th day of May, 2008 by the Board of Directors of the Hidalgo County Regional Mobility Authority at a special meeting.

WHEREAS, the Hidalgo County Regional Mobility Authority (the "Authority"), acting through its Board of Directors (the "Board"), is a regional mobility authority created pursuant to Chapter 370, Texas Transportation Code, as amended (the "Act");

WHEREAS, the Authority was created by Order of Hidalgo County (the "County") dated October 26, 2004; Petition of the County dated April 21, 2005; and a Minute Order of the Texas Transportation Commission (the "Commission") dated November 17, 2005, pursuant to provisions under the Act;

WHEREAS, the Minute Order of the Commission provides that the County will appoint six of the Authority's Board members and the Governor will appoint the seventh;

WHEREAS, the Bylaws of the Authority, as initially adopted, provide that the County will appoint five of the Authority's Board members, the City of McAllen (the "City") will appoint one Board member, and the Governor will appoint the seventh Board member;

WHEREAS, it was the intention by the County, the City, the Commission, and the Authority that the City would participate in the Authority by recommending a Board member for appointment and that such Board member would be appointed by the County, as provided in the Commission's Minute Order;

NOW THEREFORE, BE IT RESOLVED, BY THE BOARD OF DIRECTORS OF THE
HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY THAT:

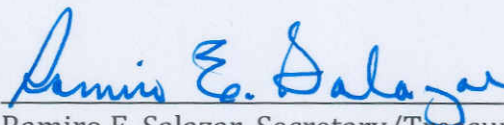
Section 1. The recital clauses are incorporated in the text of this Resolution as if fully restated.

Section 2. The Board hereby approves the First Amendment to the Hidalgo County Regional Mobility Authority Bylaws, attached hereto as Exhibit A.

PASSED AND APPROVED AS TO BE EFFECTIVE IMMEDIATELY BY THE BOARD OF DIRECTORS OF THE HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY AT A SPECIAL MEETING, duly posted and noticed, on the 20 day of May, 2008, at which meeting a quorum was present.



Dennis Burleson, Chairman



Ramiro E. Salazar, Secretary/Treasurer

EXHIBIT A

**FIRST AMENDMENT
to the
BYLAWS OF THE
HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY**

The Bylaws of the Hidalgo County Regional Mobility Authority, initially adopted by the Hidalgo County Regional Mobility Authority Board of Directors on October 12, 2006, is hereby amended as follows:

§ 4. Initial Board

- (a) The Initial Board of the Authority shall be composed of seven (7) 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 Hidalgo County.
 - (2) The Commissioners Court of Hidalgo County shall appoint five (5) Directors, two (2) with terms of two (2) years and three (3) with terms of (1) year. Each Director must be a resident of Hidalgo County.
 - (3) The City of McAllen shall recommend one (1) Director with a term of two (2) years to the Commissioners Court of Hidalgo County for appointment to the Authority. Such Director may be resident of the City of McAllen and must be resident of Hidalgo County.

§ 5. Subsequent Directors

- (a) When the term of an initial Director of the Authority expires, and thereafter, when the term of each subsequently appointed Director expires, the entity that appointed or recommended the Director whose term is expiring shall appoint or recommend a successor to that Director.

**BYLAWS OF THE
HIDALGO 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 Hidalgo County Regional Mobility Authority (the “Authority”), a regional mobility authority authorized and existing pursuant to Chapter 370 of the Texas Transportation Code, as the same may be amended from time to time (the “RMA 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 § 26.01, *et seq.* (the “RMA Rules”).

§ 2. Principal Office

The domicile and principal office of the Authority shall be in Hidalgo County.

§ 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 Act, the RMA rules, and these bylaws.

§ 4. Initial Board

- (a) The initial Board of the Authority shall be composed of seven (7) 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 Hidalgo County.
 - (2) The Commissioners Court of Hidalgo County shall appoint five (5) Directors, two (2) with terms of two (2) years and three (3) with terms of one (1) year. Each Director must be a resident of Hidalgo County.
 - (3) The City of McAllen shall appoint one (1) Director with a term of two (2) years. Such director may be a resident of the City of McAllen and must be a resident of Hidalgo County.
- (b) The terms of the initial Directors of the Authority shall begin on the date of their appointment by the office or entity which appointed them through February 1 of the year in which the term of each initial Director expires.
- (c) Directors may be reappointed at the discretion of the entity which appointed them.

- (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 entity that appointed the Director whose term is expiring shall appoint a successor to that Director.
- (b) Subject to § 7 of these bylaws, each successor to an initial Director, and each Director thereafter appointed, shall be appointed for a two-year term commencing on February 2 of the year of appointment and expiring on February 1 two years later. 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 or provisions of state law.
- (c) Upon the admission of a new county into the Authority in accordance with the RMA Act, the RMA Rules, and these bylaws, the number of Directors composing the Board shall be increased by one. The Commissioners Court of the newly admitted county shall appoint one Director who must be a resident of that county at the time of their appointment.
- (d) In the event that the addition or withdrawal of a county from the Authority results in an even number of Directors on the Board, the governor shall appoint an additional Director.
- (e) 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 RMA Act or RMA Rules.
- (b) All appointments to the Board shall be made without regard to disability, sex, religion, age, or national origin.
- (c) Each Director appointed by the Commissioners Court of Hidalgo County or by a municipality located within Hidalgo County must be a resident of the County at the time of their appointment. All gubernatorial appointees must be a resident of Hidalgo County at the time of their appointment.
- (d) An elected official 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 a 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 entity that made the appointment that falls vacant. 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 entity that appointed that Director. 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 RMA 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 one third of the regularly scheduled Board meetings during a given calendar year, may be removed. If the Executive Director of the Authority knows that a potential ground for removal of a Director exists, the Executive

Director shall notify the Chairman of the potential ground for removal. The Chairman then shall notify the entity that appointed such Director of potential ground for removal. Additionally, the Commissioner's Court of the county appointing a Director, or the City Council of a municipality appointing a Director, may remove a Director appointed by that entity for cause. A Director shall be considered removed from the Board only after the Authority receives notice of removal from the entity that appointed such Director.

§ 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 functions 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. Directors shall familiarize themselves and comply with all applicable laws regarding conflicts of interest, including Chapter 171 of the Texas Local Government Code and any conflict of interested policy adopted by the Board.

§ 11. Additional Obligations of Directors

Directors shall comply with the requirement to file an annual personal financial statement with the Texas Ethics Commission as provided by § 370.2521 of the RMA Act and the requirement to complete training on the RMA's responsibilities under the Open Meetings Act and the Public Information act as provided by §§ 551.005 and 552.012 of the Texas Government Code.

§ 12. Meetings

All regular meetings of the Board shall be held in a county of the Authority, at a specific site, date, and time to be determined by the Chairman. The Chairman may postpone any regular meeting if it is determined 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.

§ 13. 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.

§ 14. Meetings by Telephone

As authorized by § 370.262 of the RMA Act, the Board, committees of the Board, staff, or any combination thereof, may participate in and hold open or closed meetings by means of conference telephone or other electronic communications equipment by which all persons participating in the meeting can communicate with each other and at which public participation is permitted by a speaker telephone or other electronic communications equipment at a conference room of the Authority or other facility in a county of the Authority that is accessible to the public. Such meetings are subject to the notice requirements set forth in §§ 551.125 (c) – (f) of the Texas Open Meetings Act, however they are not subject to the additional requirements of §§ 551.125 (b) of the Act. The notice must state where members of the public can attend to hear those portions of the meeting open to the public. Participation in a meeting pursuant to this § 14 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 § 17 of these bylaws. Each part of a meeting conducted by telephone conference call or other electronic means that by law must be open to the public shall be accessible to the public at the location specified in the notice and shall be tape-recorded and documented by written minutes. On conclusion of the meeting, the tape recording and the written minutes of the meeting shall be made available to the public within a reasonable period of time.

§ 15. 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 these bylaws conflict with Robert's Rules of Order, the statutes, the RMA Rules, or these bylaws shall govern.

§ 16. Committees

The Chairman at any time may designate from among the Directors one or more ad hoc or standing committees, each of which shall be comprised of two or more Directors, and may designate one or more Directors as alternate members of such committees, who may, subject to any limitations imposed by the Chairman, replace absent or disqualified members at any meeting of that committee. The Chairman serves as an ex-officio member of each committee. If approved by resolution passed by a majority vote of the Board, a committee shall have and may exercise all of the authority of the Board, to the extent provided in such resolution and subject to the limitations imposed by applicable law; provided that no Committee shall be authorized to enter into or approve any contract, nor authorize the expenditure of funds on behalf of the Authority. All contracts and expenditures of the Authority shall be made by the Board of Directors. The Chairman shall appoint the chairman of each committee, as well as Directors to fill any vacancies in the membership of the committees. At the next regular meeting of the Board following the Chairman's formation of a committee, the Chairman shall deliver to the Directors and the

Secretary a written description of the committee, including (a) the name of the committee, (b) whether it is an ad hoc or standing committee, (c) its assigned function(s) and/or task(s), (d) whether it is intended to have a continuing existence or to dissolve upon the completion of a specified task and/or the occurrence of certain events, (e) the Directors designated as members and alternate members to the committee, and its chairman, and (f) such other information as requested by any Director. The Secretary shall enter such written description into the official records of the Authority. The Chairman shall provide a written description of any subsequent changes to the name, function, task, term, or composition of any committee in accordance with the procedure described in the preceding two sentences. A committee also may be formed by a majority vote of the Board, which vote (and not the Chairman) also shall specify the committee's chairman and provide the descriptive information otherwise furnished by the Chairman in accordance with the preceding three sentences. A meeting of any committee formed pursuant to this § 16 may be called by the Chairman, the chairman of the applicable committee, or by any two members of the committee. All committees comprised of a quorum of the Board shall keep regular minutes of their proceedings and report to the Board as required. The designation of a committee of the Board and the delegation thereto of authority shall not operate to relieve the Board, or any Director, of any responsibility imposed upon the Board or the individual Director by law. To the extent applicable, the provisions of these bylaws relating to meetings, quorums, meetings by telephone, and procedure shall govern the meetings of the Board's committees.

§ 17. Notice of Meetings

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. 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 email address or number, provided that an additional copy of such notice shall be sent by overnight delivery as confirmation of the notice sent by electronic mail or facsimile. 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.

§ 18. 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 persons entitled to such notice, whether before or after the time required for such notice, shall be deemed equivalent to the giving of such notice.

§ 19. Attendance as Waiver

Attendance of a Director at a meeting of the Board or a committee 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.

§ 20. 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.

§ 21. 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 one (1) year, subject to § 22 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 February 1 of each year or at such other meeting as the Board determines.

§ 22. 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 the Governor. Any officer except the Chairman may be removed from service as an officer at any time, with or without cause, by the affirmative vote of a 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 § 22 for the remainder of the unexpired term.

§ 23. Chairman

The Chairman is appointed by the Governor and is a Director of the Authority. The Chairman shall appoint all committees of the Board as specified in these bylaws (except as otherwise provided in § 16 of these bylaws), call all regular meetings of the Board, and preside at and set the agendas for all meetings of the Board (except as provided in the concluding sentence of § 12 of these bylaws). The Chairman shall further review and approve all requests for reimbursement of expenses sought by the Executive Director.

§ 24. 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 and exercise the authority and powers of the Chairman.

§ 25. 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 and its committees and such other notices as are required by the office of Secretary and as may be directed by the RMA 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 of Board resolution require attestation; certify resolutions of the Board and any committee thereof; maintain custody of the corporate seal, minute books, accounts, 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.

§ 26. 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.

§ 27. 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 Director or as set forth in Board Resolutions. All administrators will be reimbursed for expenses incurred in performance of their duties as approved by the Executive Director.

§ 28. 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.

(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 §37 of these bylaws;
- (3) shall be responsible for preparing a draft of the Authority's written Annual Report, as described in §37 of these bylaws;
- (4) at the invitation of the Commissioners Court or of the City Council of a municipality located within the County, shall appear, with representatives of the Board, before the inviting body 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 approved by 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.

§ 29. 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.

§ 30. 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 attorneys' 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 a 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. In the event of a conviction for an offense involving the conduct for which the director, officer, or administrator was indemnified, the officer, director, or administrator shall be liable to the Authority for the amount of indemnification paid, with interest at the legal rate for interest on a judgment from the date the indemnification was paid, as provided by §370.258 of the RMA Act. 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 attorneys' 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 § 30 shall be evidenced by a resolution of the Board.

§ 31. 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 interest of the Authority.

§ 32. 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 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.

§ 33. 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.

§ 34. 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 and its agencies.

§ 35. Sovereign Immunity

Unless otherwise required by law, the Authority will not by agreement or otherwise waive or impinge upon its sovereign immunity.

§ 36. 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.

§ 37. Strategic Plan, Annual Report, and Presentation to Governmental Bodies

- (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, or in the absence of an Executive Director, the Chairman shall direct that 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 turnpike revenue bond issuances anticipated for 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 not later than January 30th for review, approval, and, subject to revisions required by the Board, adoption. Not later than March 31st following the conclusion of the preceding fiscal year, the Authority shall file with the Commissioners Court of Hidalgo County and the City Council of the City of McAllen the Authority's Annual Report, as adopted by the Board.
- (c) At the invitation of a Commissioners Court or of the City Council of a municipality located within Hidalgo County, representatives of the Board and the Executive Director shall appear before the inviting body to present the Annual Report and respond to questions and receive comments.

§ 38. Rates and Regulations; Compliance with Law

The Board shall, in accordance with all applicable trust agreements, the RMA Act, the RMA Rules, or other law, establish toll rates and fees, designate speed limits, establish fines for toll violators, and adopt rules and regulations for the use and occupancy of said turnpike project.

§ 39. Seal

The official seal of the Authority shall consist of the embossed impression of a circular disk with the words “Hidalgo County Regional Mobility Authority, 2006” on the outer rim, with a star in the center of the disk.

§ 40. Fiscal Year

The fiscal year for the Authority shall be from January 1st to December 31st.

§ 41. 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.

§ 42. Appeals Procedure

The Authority shall maintain an appeals procedure to be adopted by the Board and amended from time to time that sets forth the process by which parties may bring to the attention of the Authority their questions, grievances, or concerns and may appeal any action taken by the Authority.

§ 43. Amendments by 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 (10) 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.

§ 44. Dissolution of the Authority

(a) Voluntary Dissolution

- (1) The Authority may not be dissolved unless the dissolution is approved by the Texas Transportation Commission (the “Commission”). The Board may submit a request to the Commission for approval to dissolve.
- (2) 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 the 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 § 44(a)(2)(A) and (B) have been met; and
 - (B) The holders of any indebtedness have evidenced their agreement to the dissolution.