

BYLAWS

of the



SOUTH WEST TRANSIT
ASSOCIATION

Approved
February 19, 2008

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AS AMENDED, February 19, 2008

ARTICLE I

MEMBERSHIP

A. Classes of Members. Members shall be classified as follows:

1. **Regular Members.** This class shall consist of publicly funded transit providers operating any form of public transportation service within the States of Texas, Kansas, Arizona, Oklahoma, Louisiana, Arkansas, or New Mexico or any state requesting membership with issues that are similar to those of the above States and approved by the board of directors. Regular members shall have the privileges and services of this Association as prescribed from time to time by the Board of Directors and shall be entitled to vote. The publicly funded transit providers may be represented by more than one person, but shall be limited to one vote per grantee.

2. **Professional Members.** This class shall consist of (1) persons, non-profit organizations, groups or public agencies active in the development, promotion of operation of public transportation, and municipalities or transit authorities contemplating the operation of an urban transit system but not actually in operation; and (2) representatives of publications dealing with public transportation matters. Such members shall have the privileges and services of this Association as prescribed from time to time by the Board of Directors and shall be entitled to vote. Professional members may be represented by more than one person, but shall be limited to one vote per agency member. This class shall include, but not by way of limitation, both incorporated and unincorporated statewide transit associations.

3. **Business Members.** This class shall consist of (1) persons, firms or corporations engaged in manufacturing for, or supplying materials or rendering services to, the public transportation field within the areas of the regular members of the South West Transit Association; and (2) professional consultants or consultant firms that are engaged in professional transportation work. Such members shall have the privileges and services of this Association as prescribed from time to time by the Board of Directors and shall be entitled to vote. **Business** members may be represented by more than one person, but shall be limited to one vote per company member.

B. Admission to Membership. Except as provided below, every applicant for membership shall make application in writing, enclosing payment for current dues and assessments. Thereafter, the applications shall be presented for approval to the Board of Directors at the next regular meeting following receipt of the application. Upon affirmative vote of not less than two-thirds of Directors, the same shall be approved.

1. Members in Good Standing – Those members who are current with their dues and any other fees due to the Association, and not having been suspended or expelled.

C. Voting Rights.

1. All members in good standing shall be eligible to vote on matters coming before the Association.

2. Each member shall have one vote.

3. A majority of the votes cast by members present at any regular or special meeting shall be required to determine all matters coming before the Association, unless further requirements are imposed in these bylaws.

D. Suspension, and Expulsion.

1. A member in good standing may withdraw their membership at any time

2. A member may be suspended from the Organization by a two-thirds vote of the entire Board of Directors for violation of the Articles of Incorporation and Bylaws, and for non-conformance to current standards of business ethics and practice. However, such member shall be given opportunity to be heard. A suspended member may be reinstated by two-thirds vote of the members present at a meeting of the Board of Directors.

3. A member to be expelled requires a two-thirds vote of the entire Board of Directors. A member may be expelled for violation of the Articles of Incorporation or Bylaws, or for non-conformance to current standards of business ethics and practice. However, such member shall not be reinstated except by two-thirds vote of the entire Board of Directors, and then only upon furnishing satisfactory evidence to the Board of intent to abide by the Articles of Incorporation and Bylaws, including adherence to standards of current business ethics and practice.

4. A member that either withdraws or is suspended or expelled prior to the end of a membership year is not entitled to a refund of dues either in full or in part.

E. Transfer of Membership. Membership in this Association is not transferable or assignable.

ARTICLE II

MEETINGS

A. Regular Meetings.

1. Date. There shall be an Annual Meeting, the dates and locations of which shall be set by the Board of Directors.
2. Agenda. The order of business at a meeting of the Association shall be determined in advance of the meeting by the President, who shall also prepare and mail an agenda to all members prior to the time of said meeting.
3. Program. In conjunction with the Annual Meeting, the Vice-President shall present a program on topics of interest to the members of the Association. Interested persons who are not members may attend these programs and meetings upon payment of any fee.
4. Robert's Rules of Order. "Robert's Rules of Order" shall govern the conduct of all meetings of the Association and Board of Directors whenever specific provisions of the Articles of Incorporation or Bylaws are not applicable.
5. Privileges of the Floor. Privileges of the floor at meetings of the Association shall be governed by the provisions of Article I of the Bylaws, but the presiding officer in his discretion may allow any person the courtesy of the floor.

B. Special Meetings.

1. Special meetings of the Association may be held upon the order of the Board of Directors. Telephonic or E-Mail notice of special meetings shall be given by the President at least five (5) days before the time of the meeting and all such notices shall, as far as practicable, specify the business to be brought to the attention of the meeting. Five (5) accredited representatives of voting members shall constitute a quorum at any meeting.
2. Whenever in the judgment of the Board of Directors it is advisable to submit any question to the membership for formal decision, without convening a special meeting for the purpose, the Board of Directors may direct the President to submit such question to the voting members of the Association by a mail or E-Mail ballot. A reasonable time of no less than five (5) days and at least a 25% response rate shall be given for the return of the ballots and a majority of the votes of the Association, cast in accordance with the provisions of Article I, shall

be decisive on any questions thus submitted, including an amendment to these Bylaws. The President shall certify to the Board of Directors at its next meeting the result of any such mail ballot and thereupon shall notify the voting members of the Association of the decision reached.

ARTICLE III

OFFICERS/BOARD OF DIRECTORS

A. Officers. Officers, who shall be elected by the regular members at the Annual Meeting and who shall serve terms of one year, shall be as follows:

1. President
2. Vice-President
3. Secretary-Treasurer

B. Board of Directors. The Board of Directors shall consist of the elected officers and at least thirteen other Directors, one representing each state, two at large, one representing a member State Department of Transportation, plus three representing business members. The state Directors shall be those persons currently serving as president of the statewide associations (or such other officer or person as the statewide association may designate from time to time) of the seven states. New State Association member directors may be added by vote of the membership. . The two Directors At Large shall be elected by the membership at the Annual Meeting. If at a particular time a statewide association is not organized and active for any particular state, the Director representing that state shall be elected by the membership at the Annual Meeting. In addition, the immediate Past President shall automatically serve as a Director, ex officio. The immediate Past President serving as a Director ex officio shall continue in that capacity until replaced by a more recent immediate Past President.

C. Qualification for Officers and Directors. Persons officially connected with transit system members in good standing with the Association shall be eligible to any elective office other than that of the State Departments of Transportation representative or those of the business member representatives. Persons officially connected with a state department of transportation member in good standing with the Association shall be eligible to represent State Departments of Transportation. Persons officially connected with a business member in good standing with the Association shall be eligible to represent the business members. Any person shall be eligible to an appointive office.

D. Successive Terms. Officers shall be eligible for re-election to a second one-year term, but after having served two successive terms shall be ineligible for re-election to their respective offices for a period of two years. Except as provided under Paragraph B of this Article III, Directors shall not be eligible for re-election.

E. Duties of Officers.

1. The President shall preside at the meetings of the Association and shall be an ex-officio member of all committees.
2. The Vice-President shall preside at the meetings in the absence of the President and is empowered to act on behalf of the President in all Association matters in the absence or disability of the President. The Vice-President will also serve as program chairman with the assistance of two members, if necessary.
3. The Secretary-Treasurer shall be in charge of all the records, books, and official documents and shall record and maintain a permanent record of the minutes and proceedings of all meetings. The Secretary-Treasurer shall also receive all monies of the Association and deposit them in a checking account in the name of the Association. He shall also be responsible for all funds of the Association. The Secretary-Treasurer shall prepare a financial report for presentation at each general meeting. These duties may be designated to the Executive Director

F. Duties of Board of Directors The governing body of the Association shall be a Board of Directors, which shall have full power to do any and all things necessary or desirable in conducting the business of the Association, within the limitations provided in the Articles of Incorporation and in the Bylaws. The statements of policy of the Association shall be formulated at the meetings of the Board of Directors, together with all other functions and duties brought before the membership at its regular meetings for adoption. The President shall serve as chairman of the Board of Directors.

G. Meetings of the Board of Directors.

1. A regular meeting of the Board of Directors shall be held immediately prior to, and at the same location as, the Annual Meeting of the Association.
2. Special meetings of the Board of Directors may be called by or at the request of the President or any two Directors. Notice of the special meeting shall be given to all Directors either by E-Mail, telephonically or in writing at least two days before the meeting.
3. A majority of the Board of Directors shall constitute a quorum for the

transaction of business at any meeting of the Board.

4. The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by law or these Bylaws.

5. Any other provision of these Bylaws to the contrary notwithstanding, any action required or permitted to be taken at a meeting of the Board of Directors or any committee thereof may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all members of the Board of Directors or such committee, as the case may be. Such consent shall have the same force and effect as a unanimous vote at a meeting, and may be stated as such in any document or instrument. This provision shall not operate, however, to relieve the Directors of the duty to convene in person for the first meeting of each newly-elected Board of Directors.

6. Subject to the provision of applicable statutes and these Bylaws, members of the Board of Directors or of any committee thereof may participate in and hold a meeting of the Board of Directors or any committee thereof by means of conference telephone or similar communications equipment by which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this section shall constitute presence in person at such meeting, except where a person participates in the 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. This provision shall not operate, however, to relieve the Directors of the duty to convene in person for the first meeting of each newly-elected Board of Directors.

7. Any Director who is not an officer of the Association may designate a permanent alternate to attend meetings of the Board of Directors when the regular Director is absent and to vote on all matters in his place and stead. In the case of a Director representing a state association, the alternate must be associated with a member of that state association or must be the executive director of that association. In the case of a Director elected at large, a business member representative, or a state DOT representative the alternate must be employed by the same organization that employs the Director. The presence of the alternate, in the absence of the regular Director, shall be counted as the presence of the regular Director, for purposes of determination of a quorum under Subsection 3 hereof.

8. For purposes of voting at specific meetings, proxies may be designated by any board member, provided that the proxy is a member of the Board of Directors. A member wishing to designate a proxy shall notify the President or the Executive Director. A proxy designation is valid only for the meeting specified at the time of designation.

H. Vacancies. Except as may otherwise be provided by amendment to these Bylaws, any vacancy occurring in the officers and/or the Board of Directors and any directorship to be filled by reason of an increase in the number of directors, shall be filled by the Board of Directors. An officer or Director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.

I. Compensation. Directors as such shall not receive any salaries for their services, but by majority vote of the regular members present at a regular or special meeting, a fixed sum for expenses of attendance, if any, may be allowed for attendance at each regular or special meeting of the Board.

J. Elections.

1. Election of officers and members of the Board of Directors shall be held at the Annual Meeting of the Association. If for any reason it becomes impossible or impractical to hold an Annual Meeting in any year, the Board of Directors may order an election by mail or E-Mail ballot of the members of the Association.

2. Prior to the Annual Meeting of the Association, the President, with the approval of the Board of Directors, shall appoint a nominating committee of three regular members which shall nominate for election at the next Annual Meeting a President, a Vice-President, a Secretary-Treasurer, and one Director at Large. Every Odd Numbered Year the nominating committee shall nominate a representative from a state department of transportation and one business member representative. Every Even numbered year, , the nominating committee shall nominate two business member representatives.

3. The aforesaid nominations shall be announced to the voting members by E-Mail at least one week prior to the opening day of the Annual Meeting of the Association. Individual nominations to any of these positions may be made by any voting member at any time before the actual election.

4. Election to office at the Annual Meeting may be voice vote or by written ballot. A majority of the votes cast shall constitute a binding election.

K. Contests. In the event more than one person is certified to the Association by an affiliated statewide transit association or splinter group thereof, as Director of the Association representing that state, the remaining Directors shall have the final right of determination with respect to what nominee shall be seated on the Board of Directors.

ARTICLE IV
COMMITTEES

Except as specifically provided in Article VIII, the President shall have the power and authority to appoint committees and delegate specifically to them such powers and authorities necessary and incidental to the performance of their duties and functions. Upon the appointment of such committees, they shall forthwith convene and elect one of their number as chairman, who shall report back to the President at or before the convening of a regular meeting, the progress of the deliberation and recommendations of said committee, in writing. The President shall place this report before the membership for action and/or consideration.

ARTICLE V
FINANCES

A. Fiscal Year. The fiscal year of the Association shall begin on October 1, but the Board of Directors shall have power to change this date.

B. Annual Budget. For all purposes of this provision of the Bylaws of the corporation, the term "budget" refers to one or more amounts of expenditure authorized in actions of the Board of Directors expressly establishing or amending the annual budget. The Board of Directors shall adopt a budget for each fiscal year prior to the beginning of that year. No expenditure of corporate funds shall be made by any officer or officers, or agent or agents, of the corporation unless the unexpended balance in the appropriate budget item exceeds the amount of the expenditure, except as follows: if the budget is insufficient for necessary expenditures, and if the necessary funds are available and unencumbered, the expenditure may be made after written consent by two officers, provided that the Board shall be requested to ratify the expenditure and amend the budget accordingly at its next meeting. The Board of Directors need not, however, establish a budget for any affiliated unincorporated statewide transit association related to or funded by assets which are the property of, or are restricted to the operations of, such unincorporated statewide transit association.

C. Expenditure of Funds. All monies and funds of the Association received by the Secretary-Treasurer or the Executive Director at the request of the Secretary-Treasurer shall be deposited in one or more commercial checking accounts and/or one or more savings accounts. An Executive Officer or the Executive Director shall be able to write checks for routine business expenses with electronic approval from a second Executive Officer. Checks drawn on funds which are the property of, or are restricted to the operations and exclusive purposes of, any standing or permanent committee may be disbursed according to the rules of, and authority given by, that committee, subject to prior approval of said rules and documented authority by the Board of Directors of South West Transit Association.

D. Surety Bonds. The President, Vice-President, Secretary-Treasurer, and any other officer or employee handling or having access to the funds of the Association shall be bonded in such amount and with such securities as the Board of Directors may from time to time describe.

E. Contracts. No contract may be entered into on behalf of the organization by anyone other than an Executive Officer or the Executive Director. No contract with a value of \$50,000 or more shall be executed or entered into on behalf of the corporation by any officer or officers, or the Executive Director, of the corporation unless the same has been authorized by the Board of Directors. No contract with a value of \$5,000 or more shall be entered into on behalf of the corporation by the Executive Director of the corporation unless the same has been authorized by two officers of the corporation or by the Board of Directors. These provisions as to authority to enter into contracts shall not apply, however, to contracts entered into by an affiliated unincorporated statewide transit association when, in the judgment of the Secretary-Treasurer of South West Transit Association, or in his absence the President, the affiliated unincorporated statewide transit association has or will have sufficient unencumbered funds related to, or restricted to, its own operations.

F. Loans. No loan or other instrument of indebtedness shall be contracted by or on behalf of the corporation by any officer or officers, or agent or agents, of the corporation unless the same has been authorized by the Board of Directors.

G. Operating Stabilization Fund. Upon authorization of the Board of Directors, a portion of monies of the Association may be designated to provide the funding for a stabilization fund. This fund will ensure maintenance of a prudent level of financial resources to protect against fluctuations in incoming funds due to fluctuations in membership or conference attendance, or due to other events which affect the Association's income. It shall be the goal of the association that

the amount of the fund will be equal to an amount not less than 50% and not more than 100% of the current annual operating budget. Monies may be transferred from the stabilization fund to the general operating fund as needed to meet expenses and as authorized by the Board of Directors.

H. Investments. The Board of Directors may authorize the investment of Association monies not needed to meet current cash requirements. Investments the Board of Directors may authorize are:

- ◆ Obligations of, or Guaranteed by, Governmental Entities
- ◆ Certificates of Deposit
- ◆ Repurchase Agreements
- ◆ Interest Bearing Demand Deposits

Investments authorized by the Board of Directors must be made with reputable institutions. The Board of Directors' primary objective in selecting a type of investment and an investing institution shall be the preservation and safety of the principal, with liquidity as a secondary objective.

ARTICLE VI

DUES

A. Dues.

1. The Board shall examine the dues structure annually and make adjustments as necessary based on inflation rates and industry conditions at the time.
2. The initial and regular dues for regular members, per year, shall be 0.0198% of the transit revenue, subject to a minimum of \$250. When applying the dues formula, if the result is \$8,500 or greater, the maximum dues will be \$8,500. "Transit revenue" shall mean "revenue" as defined in the National Transit Data Base Reporting System [Title 49 USC 5335 (a)] and shall include local taxes dedicated to or expended for transit, but shall exclude capital grants.
3. The initial and regular dues for professional members shall be \$250 per year.
4. The initial and regular dues for business members shall be \$600 per year for companies or firms with annual gross revenues of more than \$5 million, \$450 per year for those companies or firms with annual gross revenues between \$3 million and, \$300,000 and \$250 for those firms with annual gross revenues of less than \$300,000

B. Payment of Dues. Dues shall be payable on the first day of October in each

fiscal year. A new member joining up to Than 9 months into the membership year is considered a member for the current year. Members joining over nine months into the current year shall be considered paid for the next fiscal year

C. Registration Fees. The Association may charge registration fees for meetings.

D. Arrears.

1. Any member who shall become six (6) months in arrears in the payments of fees or dues shall be suspended and shall forfeit all right to vote and to the services of this Association until all such indebtedness has been paid, unless otherwise ordered by a two-thirds vote of the directors present at a meeting of the Board of Directors.

2. Any member in default of payment of fees or dues for two years after the same becomes due and payable shall be automatically dropped from membership unless express action to the contrary is taken by a two-thirds vote of the directors present at a meeting of the Board of Directors.

ARTICLE VII

AMENDMENT TO BYLAWS

Amendment by Membership. These Bylaws may be amended at any meeting of the Association, duly called, by a majority vote of the voting members present at such meeting; or by a majority vote in a letter ballot.

ARTICLE VIII

AFFILIATED UNINCORPORATED STATEWIDE TRANSIT ASSOCIATIONS

Affiliated unincorporated statewide transit associations may organize on a basis under which the entity is a standing and permanent committee of South West Transit Association, but having its own officers, rules and regulations and operations not inconsistent with the Articles of Incorporation and Bylaws of the Association. The Board of Directors of the Association shall review the

organizing documents and method of operation of the statewide group for compliance at the time the affiliated organization first makes application for committee status, and shall also satisfy itself that the applicant organization is not engaged, and does not intend to engage, in grassroots lobbying (i.e., lobbying the general public or a segment thereof as opposed to lobbying its own members and members of governmental executive and legislative bodies). The Board of Directors shall not cause its approval for this purpose to be unreasonably withheld.

ARTICLE IX

AFFILIATED INCORPORATED STATEWIDE TRANSIT ASSOCIATIONS

Affiliated incorporated statewide transit associations may request the Association to provide mechanical and ministerial services for them, including particularly functioning as a collecting and disbursing agency. Any funds which are the property of such statewide association shall not be commingled with the funds of South West Transit Association, but shall be deposited in one or more commercial checking and savings accounts in the name of the statewide association, in a bank which is a member of the Federal Deposit Insurance Corporation. Any such request for regular assistance shall initially be subject to the approval of the Board of Directors.