

## RESOLUTION

A resolution to establish a governmental nonprofit public benefit corporation to perform activities essential and helpful to the provision of public transportation in and around Los Angeles County, including planning, programming, administrative, operational management, construction, and security functions in furtherance of and consonant with the mission and purpose of the Los Angeles County Metropolitan Transportation Authority.

Whereas the Los Angeles County Metropolitan Transportation Authority has determined that it would be in the best interests of the Authority and of public transportation in Los Angeles County to establish the governmental nonprofit public benefit corporation provided for in this resolution;

Now, therefore, the Los Angeles County Metropolitan Transportation Authority resolves as follows:

### Article 1: Establishment of Corporation.

The Chief Executive Officer and his staff are authorized and directed to take the necessary steps to establish a governmental nonprofit public benefit corporation substantially in the form of the corporation described in the attached Articles of Incorporation and Bylaws. Such corporation shall be known as the Public Transportation Services Corporation and shall be formed as a California nonprofit public benefit corporation ("the Corporation").

### Article 2: Purpose of Corporation.

The purpose of this Corporation shall be to conduct activities essential and helpful to the provision of public transportation in and around Los Angeles County, including (without limitation) the planning, programming, administrative, operational management, construction, and security functions required in furtherance of the mission and purpose of the Los Angeles County Metropolitan Transportation Authority.

### Article 3: Transfer of Certain Functions to Corporation.

The Chief Executive Officer and his staff are authorized and directed to take the necessary steps to enter into one or more contracts or other arrangements with the Corporation under which the planning, programming, administrative, operational management, construction, and security functions of the Los Angeles County Metropolitan Transportation Authority shall be transferred to and acquired by the Corporation. Such contracts or arrangements may provide, *inter alia*, that the Authority shall indemnify and hold harmless the Corporation, its directors, officers, committee members, and employees from all

liability arising from their actions in furtherance of such contracts or arrangements.

Article 4: Statutory Authority.

The Authority has determined to establish the Corporation in accordance with the Nonprofit Public Benefit Corporation Law, *Cal. Corp. Code Section 5110 et seq.* and the Los Angeles County Metropolitan Transportation Authority Reform Act of 1992, as amended and pursuant to the Authority's powers to determine its organizational structure and to establish subsidiaries under *Cal. Pub. Util. Code section 130051.11*, and to take all actions necessary to carry out its mission under *Cal. Pub. Util. Code Section 30253*.

Article 5: Effective Date.

This resolution shall be effective upon adoption.

LOS ANGELES COUNTY  
METROPOLITAN TRANSPORTATION AUTHORITY

By \_\_\_\_\_  
CHAIR

ATTEST:

Chief Executive Officer,  
Los Angeles County  
Metropolitan Transportation Authority

\_\_\_\_\_  
Joseph E. Drew

I hereby certify that at its meeting of \_\_\_\_\_, 1996, the foregoing resolution was adopted by the Board of Directors of the Los Angeles County Metropolitan Transportation Authority.

\_\_\_\_\_  
BOARD SECRETARY, LOS ANGELES COUNTY  
METROPOLITAN TRANSPORTATION AUTHORITY

ARTICLES OF INCORPORATION  
OF  
PUBLIC TRANSPORTATION SERVICES CORPORATION

ARTICLE ONE

The name of this corporation is PUBLIC TRANSPORTATION SERVICES CORPORATION.

ARTICLE TWO

A. This Corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the California Nonprofit Public Benefit Corporation Law for public purposes.

B. The specific purposes of this Corporation are:

1. To coordinate multimodal multijurisdictional transportation planning; program federal, state and local funds for transportation projects within Los Angeles county; oversee construction of the county-wide rail system; provide certain administrative services to the Southern California Regional Rail Authority; provide administrative support and security services for the foregoing and to the operation of the Los Angeles County Metropolitan Transportation Authority bus and rail system; and to undertake such other activities and provide such other services as it deems necessary, appropriate and/or helpful to the provision of public transportation services and projects in and around Los Angeles County.

2. To receive gifts, donations, bequests and devises of all kinds and descriptions, and perform any and all legal acts in regard thereto as may be necessary or advisable to advance the objects and purposes of the corporation, and to apply the principal and interest of such gifts, donations, bequests, and devises as may be directed by the donor, or as the Board of Directors of this corporation may determine in the absence of such direction.

3. To purchase and otherwise acquire, by eminent domain or otherwise, sell, convey, lease, and otherwise dispose of, mortgage, pledge, hypothecate and otherwise encumber property, both real and personal, for the purpose of carrying on its objects and purposes.

4. To enter into contracts that may be necessary or expedient in furtherance of the purposes for which this corporation is formed.

5. To perform any other acts, within or without the State of California, necessary or expedient in furtherance of the purposes for which this corporation is organized to the same extent as natural persons.

### ARTICLE THREE

A. The name and address in the State of California of this corporation's initial agent for service of process is :

Helen Bolen  
Secretary, Public Transportation Services Corporation  
One Gateway Plaza  
Los Angeles, CA 90012

### ARTICLE FOUR

A. No substantial part of the activities of this corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate in or intervene in any political campaign (including the publishing or distribution of statements) on behalf of or in opposition to any candidate for public office.

### ARTICLE FIVE

A. The property of this corporation is irrevocably dedicated to the purposes set forth in Article Two above and no part of the net income or assets of this corporation shall ever inure to the benefit of any director, or officer or member thereof or to the benefit of any private person.

B. Upon the winding up and dissolution of the corporation, its assets remaining, after payment or provision for payment, of all debts and liabilities of the corporation, shall be distributed to an organization, organized and operated exclusively for public purposes. That organization shall be the Los Angeles County Metropolitan Transportation Authority if it qualifies as a distributee under the provisions of this Article.

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Terry Matsumoto, Incorporator

BYLAWS  
OF  
PUBLIC TRANSPORTATION SERVICES CORPORATION

ARTICLE I

OFFICE

Section 1. Principal Office. The principal office for the transaction of the business of the Corporation shall be located at 1 Gateway Plaza, Los Angeles CA, 90012 or at such other place as the Board of Directors shall from time to time fix and designate; provided, however, that said office shall be at all times located within the County of Los Angeles.

Section 2. Other Offices. Branch or subordinate offices may at any time be established by the Board of Directors at any place or places.

ARTICLE II

MEMBERSHIP

Section 1. The members of the Corporation are listed in Appendix A and shall be limited to political subdivisions of the State of California and instrumentalities thereof located in Los Angeles County. Each member shall act through its governing board in accordance with applicable local, state and federal laws. New members may be added by the majority vote of the then existing members.

Section 2. Meetings of Members. There shall be an annual meeting of the membership of this corporation held each year during the month of \_\_\_\_\_ at such time and place as may be determined by the Board of Directors. A special meeting of the members may be held upon call by any member or by the Chair or, if he is absent, unable or refuses to act, by a majority of Directors.

Subsection 1. Notice of Meetings. Written notice of each annual or special meeting shall be given to each member either personally or by mail or other means of written communication, charges prepaid, addressed to such member at its address as it shall appear on the books of the corporation or given by the member to the corporation for the purpose of notice. All such notices shall be sent in accordance with The Ralph M. Brown Act, Government Code Sections 54950 et seq. and shall state the general nature of the business or proposal to be considered or acted upon at such meeting. Such notice shall

also comply with Section 5511 of the California Nonprofit Public Benefit Corporation Law.

### ARTICLE III

#### DIRECTORS

Section 1. Composition of Board of Directors. The Board of Directors of the Corporation shall consist of the following members:

- (a) Five members of the Los Angeles County Board of Supervisors. The board of supervisors may appoint, as an alternate member to a supervisor, a mayor or member of a city council of any city, other than the City of Los Angeles, within Los Angeles County, or a member of the public.
- (b) The Mayor of the City of Los Angeles or an alternate appointed by the mayor.
- (c) Two public members and one member of the City Council of the City of Los Angeles appointed by the Mayor of the City of Los Angeles.
- (d) Four members, each of whom shall be a mayor or a member of a city council, appointed by the Los Angeles County City Selection Committee as provided for in Public Utilities Code Section 130051 (d).  
The members selected by the city selection committee shall serve four-year terms with no limitation on the number of terms that may be served by any individual. The city selection committee may shorten the initial four-year term for one or more of the members for the purpose of ensuring that the members will serve staggered terms.
- (e) One nonvoting member appointed by the Governor.

If a member appointed by the Mayor of the City of Los Angeles is not a member of the city council of that city, the person appointed may serve for 60 days without consent of the city council.

- (f) The appointing authorities specified in subdivisions (c ) and (d) above may each appoint alternate members to the Board of Directors to represent, at a meeting of the Corporation, a regular member it has appointed, but only if the regular member cannot attend the meeting. For purposes of this section, an alternate member shall be:
  - (1) In the case of the member appointed by the Los Angeles County City Selection Committee, the mayor or city council member of a city within the county, other than the City of Los Angeles or a city represented by a regular member.
- (g) Any alternate member appointed to the Board of Directors shall act for, and in the interests of, his or her appointing authority.
- (h) Notwithstanding the foregoing, until such time as the above Board is able to hold its first meeting, the members of the Board shall consist of three individuals elected by the membership in accordance with the Corporations Code.

Section 2. Powers. Subject to limitations of the Articles of Incorporation, of the Bylaws, and of the laws of the State of California as to action to be authorized and approved by the members, and subject to the duties of Directors as prescribed by the Bylaws, all corporate powers shall be exercised by or under the authority of, and the business and affairs of the corporation shall be controlled by, the Board of Directors, without prejudice to such general powers, but subject to the same limitations; it is hereby expressly declared that the Directors shall have the following powers, to wit:

Subsection 1. To select and remove all of the officers of the corporation, prescribe such powers and duties for them not inconsistent with law, with the Articles of Incorporation or the Bylaws, as they may deem best.

Subsection 2. To conduct, manage and control the affairs and business of the Corporation and make such rules and regulations therefor not inconsistent with law, with the Articles of Incorporation or the Bylaws, as they may deem best.

Subsection 3. To change the principal office for the transaction of the business of the Corporation from one location to another as provided in Article I hereof; to designate any place within the County of Los Angeles for the holding of any member's meeting; and to adopt, make and use a corporate seal.

Subsection 4. To borrow money and incur indebtedness for the purpose of the Corporation, and to cause to be executed and delivered therefor, in the corporate name, promissory notes, or other evidences of debt and instruments securing the payment of the same.

Subsection 5. To appoint (subject to the provisions of the Bylaws) committees, and consistent with applicable law, to delegate to any committee any of the powers and authority of the Board in the management of the business and affairs of the corporation, except the power to amend or repeal Bylaws.

Section 3. Number and Qualification of Directors. The authorized number of directors shall be not less than three, nor more than fourteen and shall be selected as provided in Section 1 above.

Section 4. Term of Office.

Subsection 1. Term of Office. A Director shall serve as provided for in Section 1 above.

## Section 5. Directors' Meetings

All meetings of the Board shall be called and conducted in accordance with the provisions of the Ralph M. Brown Act, Government Code Sections 54950 et seq. Meetings of the Board shall be held at any place within Los Angeles County that has been designated by resolution of the Board or in the notice of the meeting or if not so designated, at the principal office of the Corporation.

Once a year, the Board shall hold a regular meeting for purposes of organization, election of officers, and transaction of other business. Other regular meetings of the Board may be held at such time and place as the Board may fix from time to time. Special meetings of the Board for any purpose may be called at any time by the Chairman of the Board, or by a majority of the directors.

Notice of the time and place of special meetings shall be given to each director either by personal delivery of written notice, by first class or express mail postage prepaid. All such notices shall be given or sent to the director's address as shown on the records of the Corporation. Notices sent by mail shall be deposited in the United States mails at least four days before the time set for the meeting. All notices must be received twenty-four hours prior to the time set for the meeting. The notice shall state the time of the meeting, and the place if the place is other than the principal office of the Corporation.

A majority of the authorized directors shall constitute a quorum for the transaction of business.

Notice of meeting need not be given to any director who, either before or at the time the meeting convenes, signs a waiver of notice. The waiver of notice need not specify the purpose of the meeting. All such waivers shall be filed with the corporate records or made a part of the minutes of the meetings. Notice of a meeting need not be given to any director who is present at the meeting when it convenes and does not protest, before or at the Commencement of the meeting, the lack of notice to him or her.

A majority of the directors present may adjourn any meeting to another time and place.

## ARTICLE IV

### OFFICERS

Section 1. Designation, Elections, Vacancies. The officers of this corporation shall be a Chief Executive Officer, a Secretary and an Executive Officer, Finance. The officers of the corporation shall be chosen by the Board and shall serve at the pleasure of the Board. Any officer may resign at any time by giving written notice to the Corporation. The resignation shall take effect as of the date the notice is received or at any later time specified in the notice and, unless otherwise specified in the notice, the resignation need not be accepted to be effective. A vacancy in any office because of death, resignation, removal, disqualification or any other cause, shall be filled by the Board of Directors.

Section 2. Chief Executive Officer. The Chief Executive Officer of the corporation, subject to the control of the Board of Directors, shall have general supervision, direction and control of the business and officers of the corporation. He shall have the powers and duties which would normally be carried out by a chief executive officer of a corporation.

Section 3. Secretary. The Secretary shall keep, or cause to be kept, at the principal office or such other place as the Board of Directors may direct, a book or minutes of all meetings of Directors and members, with the time and place of holding, whether regular or special, and if special, how authorized, the number of members present or represented at members' meetings, the notice given thereof, the names of those present at directors' meetings and the proceedings thereof.

The Secretary shall give, or cause to be given, notice of all meetings of all the members of the Board of Directors required by the Bylaws or by law to be given, and shall keep the seal of the corporation in safe custody and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or the Bylaws.

Section 4. Executive Officer, Finance. The Executive Officer, Finance shall keep and maintain, or cause to be kept and maintained, adequate and correct books and accounts of the corporation, properties and transactions, including accounts of its assets, liabilities, receipts and disbursements. The books of account shall at all times be available for inspection by the members and the Board of Directors of the Corporation.

The Executive Officer, Finance shall deposit or cause to be deposited all monies and other valuables in the name and to the credit of the corporation with such depositaries as may be designated by the Board of Directors. The Executive Officer, Finance shall disburse the sums of the corporation as may be ordered by the Board of Directors, shall render to the Chief Executive Officer and Directors, whenever they request it, an account of all of his transactions as Executive Officer, Finance and the financial condition of the corporation and

shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or the Bylaws.

If required by the Board, the Executive Officer, Finance shall give the Corporation a bond in the amount and with the surety or sureties specified by the Board for faithful performance of the duties of the office and for restoration to the Corporation of all of its books, papers, vouchers, money, and other property of every kind in the possession or under the control of the Executive Officer, Finance on his or her death, resignation, retirement, or removal from office.

## ARTICLE V

### BOARD COMMITTEES

Section 1. Board Committees. The Board may appoint one or more committees, each consisting of two or more Board members, and delegate to such committees any of the authority of the Board except with respect to:

- (a) approval of any action for which the California Nonprofit Public Benefit Corporation Law also requires approval of the members or approval of a majority of all members;
- (b) filling vacancies on the Board or on committees which have the authority of the Board;
- (c) fixing compensation of the Board members;
- (d) amending or repealing Bylaws or adopting new Bylaws;
- (e) amending or repealing any resolution of the Board which by its express terms is not amendable or repealable;
- (f) appointing other committees of the Board or the members thereof;
- (g) approving any self-dealing transaction with respect to any assets held in charitable trust.

Section 2. Meetings and Actions of Board Committees. Meetings and actions of Board committees shall be governed by, held and taken in accordance with the Ralph M. Brown Act. The Board may adopt rules for the government of any Board committee not inconsistent with the provisions of these Bylaws.

## ARTICLE VI

### INDEMNIFICATION AND INSURANCE

To the fullest extent permitted by law, this Corporation shall indemnify its directors, officers, employees, and other persons described in Section 5238 (a ) of the California Corporations Code, including persons formerly occupying any

such position, against all expenses, judgments, fines, settlements and other amounts actually and reasonably incurred by them in connection with any "proceeding", as that term is used in that section, including an action by or in the right of the Corporation by reason of the fact that the person is or was a person described in that section. "Expenses," as used in these Bylaws, shall have the same meaning as in Section 5238 (a ) of the California Corporations Code.

On written request to the Board by any person seeking indemnification under Section 5238 (b) or Section 5238 (c ) of the California Corporations Code, the Board shall promptly determine under Section 5238 (e ) of the California Corporations Code whether the applicable standard of conduct set forth in Section 5238 (b) or Section 5238 (c ) has been met and, if so, the Board shall authorize indemnification.

To the fullest extent permitted by law and except as otherwise determined by the Board in a specific instance, expenses incurred by persons seeking indemnification under these Bylaws in defending any proceeding covered by these Bylaws shall be advanced by the Corporation before final disposition of the proceeding, on receipt by the Corporation of an undertaking by or on behalf of that person that the advance will be repaid unless it is ultimately determined that the person is entitled to be indemnified by the Corporation for those expenses.

The Corporation shall have the right to purchase and maintain insurance to the full extent permitted by law on behalf of its officers, directors, employees, and other agents, against any liability asserted against or incurred by any officer, director, employee, or agent in such capacity or arising out of the officers', directors', employees', or agents' status as such.

## ARTICLE VII

### RECORDS AND REPORTS

Section 1. Maintenance and Inspection The Corporation shall keep: (a) adequate books and records of accounts; (b) written minutes of the proceedings of its Board and committees of the Board; and (c ) a record of each director's name and address.

Every director shall have the absolute right at any reasonable time to inspect the Corporation's books, records, documents of every kind, and physical properties. The inspection may be made in person or by the director's agent or attorney. The right of inspection includes the right to copy and make extracts of documents.

## ARTICLE VIII

### ANNUAL REPORT AND SETTLEMENT

The Board shall cause an annual report to be sent to the directors and to each member within 120 days after the end of the Corporation's fiscal year. That report shall contain the following information, in appropriate detail, for the fiscal year:

- (1) The assets and liabilities, including the trust funds, of the Corporation as of the end of the fiscal year.
- (2) The principal changes in assets and liabilities, including trust funds.
- (3) The revenue or receipts of the Corporation, both unrestricted and restricted to particular purposes.
- (4) The expenses or disbursements of the Corporation for both general and restricted purposes.

The annual report shall be accompanied by any audit of it by independent accountants or, if there is no such audit, by the certificate of an authorized officer of the Corporation that such statements were prepared without audit from the Corporation's books and records.

This requirement of an annual report shall not apply if the Corporation received less than \$25, 000.00 in gross receipts during the fiscal year; provided, however, that information specified above for inclusion in an annual report must be furnished annually to all directors.

As part of the annual report to all directors, or as a separate document if no annual report is issued, the Corporation shall annually furnish to each director a statement of any transaction or indemnification of the following kind within 120 days after the end of the Corporations' fiscal year:

1. Any transaction (a) in which the Corporation was a party, (b) in which an "interested person" had a direct or indirect material financial interest, and (c ) which involved more than \$50,000.00, or was one of a number of transactions with the same interested person involving, in the aggregate, more than \$50,000.00. For this purpose, "interested person" is any director or officer of the Corporation.

The statement shall include a brief description of the transaction, the names of interested persons involved, their relationship to the Corporation, the nature of their interest in the transaction and, if practicable, the amount of that interest, provided that if the transaction was with a partnership with which the interested person is a partner, only the interest of the partnership need be stated.

2. Any indemnification or advances aggregating more than \$10,000 paid during the fiscal year to any officer or director of the Corporation, unless that indemnification has already been approved under Section 5238 (e) (2) of the California Corporations Code.

**ARTICLE IX**

**FISCAL YEAR**

The fiscal year of this corporation shall commence on July 1<sup>st</sup> and end on June 30<sup>th</sup> next following.

**ARTICLE X**

**AMENDMENTS**

Section 1. Powers of Active Members. New Bylaws may be adopted or the Bylaws may be amended or repealed by the members.

**CERTIFICATE OF SECRETARY OF CORPORATION**

I HEREBY CERTIFY THAT I AM THE DULY ELECTED AND ACTING Secretary of the \_\_\_\_\_, a California nonprofit public benefit corporation, that the above Bylaws, consisting of \_\_\_\_\_ pages, are the Bylaws of this corporation as adopted by the Board of Directors on \_\_\_\_\_ and that they have not been amended or modified since that date. Executed on \_\_\_\_\_ at \_\_\_\_\_, California.

\_\_\_\_\_  
**SECRETARY**

**Appendix A to Bylaws of the**  
**PUBLIC TRANSPORTATION SERVICES CORPORATION**

**MEMBERSHIP**

Los Angeles County Metropolitan Transportation Authority.