

SECOND AMENDED ARTICLES OF INCORPORATION OF THE OAKLAND COUNTY PUBLIC TRANSPORTATION AUTHORITY

These Second Amended Articles of Incorporation (these "Articles") are executed and adopted by the Oakland County Board of Commissioners pursuant to and in accordance with the provisions of Act 196, Public Acts of Michigan, 1986, as amended (the "Act"), for the purpose of maintaining a public body corporate as required by the Act.

ARTICLE I

Name

The name of the corporation and authority is the Oakland County Public Transportation Authority (the "Authority").

ARTICLE II

Incorporating Units

The incorporating unit of the Authority is the County of Oakland, State of Michigan, a municipal corporation of the State of Michigan. The County of Oakland; the Cities of Auburn Hills, Berkley, Birmingham, Clawson, Farmington, Farmington Hills, Ferndale, Hazel Park, Huntington Woods, Lathrup Village, Madison Heights, Oak Park, Pleasant Ridge, Pontiac, Royal Oak, Southfield, Troy and Walled Lake; the Townships of Bloomfield, West Bloomfield and Royal Oak; and the Villages of Beverly Hills, Bingham Farms and Franklin together with any political subdivision or portion of a city, village or township which may be added to the Authority after its incorporation, shall be "Members" of the Authority as defined in the Act.

ARTICLE III

Purposes

The purposes for which the Authority is organized are as follows:

- a. To operate a public transportation system providing public transportation services and public transportation facilities, as defined in the Act and to the extent authorized by these Articles.
- b. To plan, promote, finance, acquire, improve, enlarge, extend, own, construct, operate, maintain, replace, and contract for public transportation systems and public transportation facilities.
- c. To control, operate, administer, and exercise the franchise of the public transportation system and public transportation facilities, if any.
- d. To conduct any and all such activities and exercise any and all such

powers as are authorized by the Act and these Articles, which are necessary to the achievement of the foregoing and in furtherance of the purposes of the Authority.

ARTICLE IV Metropolitan Area

The territory encompassed by all Members of the Authority which has not been withdrawn and released from the Authority shall comprise the Metropolitan Area of the Authority.

ARTICLE V RELEASE OF POLITICAL SUBDIVISION FROM AUTHORITY

A political subdivision within the boundaries of Oakland County may be released from the Authority and withdraw from the Metropolitan Area of the Authority by utilizing the procedures set forth in Section 8 of the Act, MCL 124.458. The provisions of Section 8 of the Act shall apply to a political subdivision seeking release and withdrawal to the same extent they would apply to a political subdivision that is an incorporating member of a public authority.

ARTICLE VI POWERS, DUTIES AND LIMITATIONS

Section 1. The Authority, as provided in the Act, shall be a body corporate with power to sue and be sued in any court of the State of Michigan and shall be considered to be an agency and instrumentality of the State of Michigan.

Section 2. The Authority shall have all powers necessary to carry out the purposes of its formation and all prerogatives incident to carrying out the purpose of its formation, including those specific powers specified by the Act, except as limited herein, and the power to provide, or cause to be provided, public transportation service and public transportation facilities within or without the Metropolitan Area.

Section 3. The Authority shall have the power to enter into an agreement with the Regional Transportation Coordinating Council ("RTCC") created by Act 204, Public Acts of Michigan, 1967, as amended, or any successor agency thereto, conferring, to the extent RTCC or any successor agency thereto serves under law or by agreement with the Authority as the designated recipient to apply for federal and state transportation operating and capital on the Authority, as a subrecipient of federal and state transportation funds, the right to receive and dispense grant funds from RTCC or successor agency assistance grants.

Section 4. The Authority shall not utilize the provisions of Section 18 of the Act,

MCL 124.468 (Property Taxation), without first obtaining the approval, separately for each proposed occasion of utilization, of the Oakland County Board of Commissioners, by affirmative vote of a majority of the members elected to and serving on said County Board of Commissioners.

Section 5. The Authority shall not contract with Suburban Mobility Authority for Regional Transportation ("SMART") and/or any other transportation authority or political subdivision, agency or instrumentality of the State, or private entity, for all or part of the public transportation services it is entitled or required to provide under the Act and these Articles without first having received from SMART or such other authority:

- a. A certified financial audit for its fiscal year ending in the year preceding the year in which services to be provided under such contract are to begin, such audit to be provided not later than the December 31st following the end of the fiscal year being audited or such later date as shall be established by the Authority in its sole discretion; and
- b. Internally prepared financial statements of SMART or such other authority, including without limitation a balance sheet and income statement, for the first nine (9) months of the fiscal year ending immediately preceding the beginning of the period for which services are to be provided under such contract, prepared in accordance with generally accepted accounting principles (provided that any footnotes required thereunder may be omitted) and consistent with the past accounting practices of SMART or such other authority, such financial statements to be provided not later than sixty (60) days following the end of such nine (9) month period or such later date as shall be established by the Authority in its sole discretion; and
- c. A performance audit performed by the Internal Audit Division of Oakland County or third party acceptable to the Authority for the calendar year ending immediately preceding the beginning of the period for which services are to be provided under such contract with parameters to be set by the Authority, such audit to be provided not later than the April 30th following the calendar year being audited or such later date as shall be established by the Authority in its sole discretion. Provided, however, solely in the case of the contract to be entered into with SMART for services to be provided in the fiscal year beginning July 1, 1996, the period to be covered by such performance audit shall be SMART's fiscal year ending June 30, 1996.

The requirements of Section 5 of this Article VI shall apply only with respect to contracts with SMART or other such authority to be entered into by the Authority for services to be provided in fiscal years beginning on or after July 1, 1996. The Authority was not required to comply with the requirements of Section 5 of this Article VI (as originally enacted or as amended) with respect to contracts entered into with SMART for

services provided in any period ending prior to July 1, 1996.

Section 6. The Authority shall have the power to jointly exercise with any other public agency any power, privilege or authority which the Authority shares in common with such other public agency and may exercise separately. A joint exercise in power may be made by approval by the Board of a contract or contracts in the form of an interlocal agreement, which agreement may provide for the creation of separate legal or administrative entities to administer or execute the agreement. Members to the governing body of such a legal or administrative entity may be appointed in common with other public agencies party to the interlocal agreement.

Section 7. The Authority shall have the power to finance the cost of any election called by the Board or the governing body of any Member or constituent unit of the Authority for the purpose of authorizing a tax for the purpose of financing the public transportation services to be provided by, or caused to be provided by, the Authority from any funds available to the Authority for which such use is not prohibited by law.

Section 8. Unless provided otherwise by these Articles, no enumeration of powers in these Articles shall in any way limit or restrict the general power of the Authority as provided by law.

Section 9. Oakland County Transportation Authority shall not contribute or transfer its funds to SMART unless municipal credit amounts to all Oakland County municipalities will remain at not less than 1994 levels as adjusted for inflation, and these monies shall come from the SMART State and Federal funds. Said credits shall continue as long as State and Federal funds exist to support municipal credits.

Section 10. Any money raised in Oakland County will be used to benefit Oakland County.

Section 11. The public transportation authority created herein shall cease and desist all operations, it shall dissolve one week following the certification of the transportation millage election should that millage question fail in Oakland County.

ARTICLE VII

Members and Voting Rights

Section 1. Voting Members. The Board of the Authority (the "Board") shall be composed of the following voting members:

a. Five members who shall be appointed by the Chairperson of the Board of Commissioners, subject to the consent of the Board of Commissioners, who shall serve at the Board of Commissioner's sole pleasure. At least one appointee shall be a member of the party not in the majority.

b. The Chairperson of the Board of Commissioners shall also appoint persons to serve as an alternate member(s) for each of the members they have appointed pursuant to Section 1 of this Article. An alternate member appointed pursuant to this Section may serve as a voting member of the Board at any time the primary member is absent or when a vacancy exists in their seat on the Board.

c. Members and Alternate members appointed pursuant to this Section shall be persons who are residents of the Metropolitan Area.

Section 2. Terms of Office. Except upon resignation of the member or alternate member, each member or alternate member of the Board appointed pursuant to Section 1 of Article VII shall serve as a member or alternate member of the Board for a term commensurate with the term of County Commissioner, and that the terms of all currently serving Board members and alternates shall terminate on December 31, 1998.

Section 3. Adoption of Bylaws and Transaction of Business. Unless a different voting requirement is otherwise required by the Act, the Board may act to adopt or amend bylaws and rules of procedure governing its meetings and to transact any business of the Authority or take any action with an affirmative vote from a majority of all members of the Board serving as voting members of the Board pursuant to Section 1 of this Article VII.

Section 4. Amendments to the Articles of Incorporation. These Articles may be amended in the following manner:

a. By adoption of a resolution approving the amendment by the Board of Commissioners of the County of Oakland.

Section 5. Quorum. A majority of the members of the Board serving as voting members pursuant to Section 1 of this Article VII, or their alternates, shall constitute a quorum for the transaction of business.

Section 6. Non-Voting Member. The Oakland County Treasurer shall be a non-voting member of the Board and shall act as the treasurer of the Authority.

ARTICLE VIII

Officers and Chief Operating Officer

Section 1. The Board shall elect, by a vote of the majority of the Board serving as voting members pursuant to Section 1 of Article VII, a voting member of the Board to serve as Chairperson and a voting member of the Board to serve as Secretary of the Authority. Except as specifically set forth in these Articles, the qualifications, powers, duties and terms of office of the Chairperson, and Secretary shall be as set forth in the Bylaws of the Authority. At any time when Bylaws have not been adopted, officers shall serve a term of one year or until their successors are elected.

Section 2. The Chairperson of the Board shall preside at all meetings of the Board. The Chairperson shall, under the direction of the Board, have the power, on behalf of the Board, to perform all acts, execute and deliver all documents and take all steps that the Chairperson may deem necessary or advisable in order to effectuate the actions and policies of the Board.

Section 3. The Secretary shall keep the minutes of all meetings of the Board and committees thereof in books provided for that purpose. The Secretary shall do and perform such other duties as may be fixed by or incidental to these Articles or the Bylaws of the Authority, or as may be from time to time assigned by the Board.

Section 4. The Treasurer shall perform all acts incidental to the position of treasurer as fixed by or incidental to these Articles or the Bylaws of the Authority or as may be from time to time assigned by the Board as required by law.

Section 5. The Board may appoint a Chief Operating Officer of the Authority, who may sign and execute all bonds, contracts, checks and other obligations in the name of the Authority when so authorized by the Board. The Chief Operating Officer shall have power over the management of the properties and business of the Authority and employees thereof, and shall direct the enforcement of all resolutions, rules and regulations of the Board. The Chief Operating Officer shall have the authority to appoint such officers, employees and agents as necessary to carry-out the purposes of the Authority under the general policy direction of the Board. The Chief Operating Officer shall do and perform such other duties as may be fixed by or incidental to these Articles or the Bylaws of the Authority or as may be from time to time assigned by the Board. The Chief Operating Officer shall serve at the pleasure of the Board.

Section 6. The books and records of the Authority shall be open to inspection and audit by duly authorized representatives of each Member and the State of Michigan at all reasonable times.

ARTICLE IX

Publication and Printing of Articles of Incorporation

Upon execution by persons listed first above, the County Clerk of the County of Oakland (the "County Clerk") shall endorse these Articles in substantially the form required by the Act and cause a copy of these Articles of Incorporation to be published once in a newspaper of general circulation within the area to be served by the Authority, as provided by the Act. At the Clerk's discretion, these Articles may be published in any one of the following newspapers: The Detroit News, The Detroit Free Press, The Oakland Press, The Daily Tribune and the Eccentric Newspapers. The County Clerk shall be responsible for any other publications and filings required by the Act with the Secretary of State, the County Clerk and the State Department of Transportation.

ARTICLE X

Term and Effectiveness

The term of existence of the Authority shall be perpetual or until terminated in accordance with law.

These Articles shall become effective and the Authority shall become operative upon the publication of these Articles pursuant to Article IX by the County Clerk.

IN WITNESS WHEREOF, the Chairperson of the Oakland County Board of Commissioners has executed these Second Articles of Incorporation on the _____ day of _____ May, 1997.

THE COUNTY OF OAKLAND

By: _____

Larry P. Crake

Chairperson

Oakland County Board of Commissioners