

**RESOLUTION NO. 20160922-020**

**WHEREAS**, the Texas Transportation Corporation Act, Chapter 431 of the Texas Transportation Code (the "Act"), and Chapter 394 of the Texas Local Government Code ("Chapter 394") authorize the creation of a joint local government corporation to aid and act on behalf of local governments to accomplish a governmental purpose of the local governments; and

**WHEREAS**, Chapter 394 requires, as a condition to the creation of a joint local government corporation, that three residents of each sponsoring local government who are citizens of the state and at least 18 years of age submit a written application for the incorporation of the joint local government corporation with the Articles of Incorporation; and

**WHEREAS**, the City Council of the City of Austin, Texas ("City Council") and the Commissioners Court of Travis County, Texas (the "Commissioners Court") have determined that chronic inebriation can consume public resources, such as depleting law enforcement time and energy, judicial and medical resources, and also negatively impact individual health; and

**WHEREAS**, the City Council and Commissioners Court have recognized the benefits of providing a sobriety center and determined that the operation of a sobriety center would provide an alternative for the safe short-term treatment and management of

persons under the influence of alcohol, and divert intoxicated persons from the County Jail; and

**WHEREAS**, as reflected in an interlocal agreement executed earlier this year by both parties, the City of Austin ("City") and Travis County (the "County") desire to jointly create a local government corporation to aid and act on their behalf to accomplish the governmental purpose of staffing, operating and managing a sobriety center; and

**WHEREAS**, the City has received an application that meets the requirements of the Act and Chapter 394, requesting the creation of a joint local government corporation to be known as the Austin/Travis County Sobriety Center Local Government Corporation, and desires to grant the application, approve the proposed Articles of Incorporation of the joint corporation, approve its Bylaws, confirm the appointment of the joint corporation's members of the Board of Directors and of the Chair of the Board of Directors, and take such other actions as the City deems appropriate; **NOW, THEREFORE**,

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:**

- I. The recitals of facts contained in the preamble of this Resolution are found and declared to be true and correct and are adopted as part of this Resolution for all purposes.
- II. The City Council determines that it is wise, expedient, necessary and advisable that a local government corporation, to be named the Austin/Travis County Sobriety Center Local Government Corporation, be created to aid and

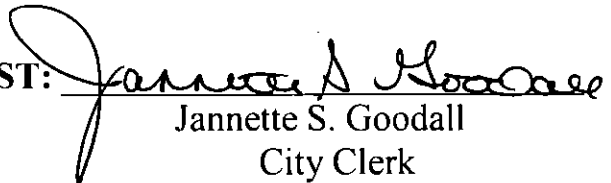
act on behalf of the City and County to accomplish the governmental purpose of staffing, managing, and operating a sobriety center for the safe short-term treatment and management of persons under the influence of alcohol, and to provide those persons with information on and referrals to community based outpatient services for the purposes of preservation of law enforcement, judicial and medical resources in the City.

- III. The City Council authorizes the creation and incorporation of the Austin/Travis County Sobriety Center Local Government Corporation (the "Corporation") under the Act and Chapter 394.
- IV. The City Council approves the Articles of Incorporation that are attached as **Exhibit A** and authorizes the incorporators of the Corporation to file the Articles of Incorporation with the Secretary of State of the State of Texas in the manner provided by law.
- V. The City Council confirms the appointment of the persons listed in the Articles of Incorporation to serve as the initial members of the Board of Directors of the Corporation.
- VI. The City Council confirms the appointment of Judge Nancy Hohengarten as the initial Chair of the Corporation's Board of Directors.

- VII. The City Council approves the Bylaws of the Corporation that are attached as **Exhibit B.**
- VIII. The City Council directs and declares that the Articles of Incorporation and the Bylaws of the Corporation may be amended from time to time by the Board of Directors of the Corporation as long as both the City Council and Commissioner's Court approve of such amendments and they are in accordance with the Act, Chapter 394 and other applicable law.
- IX. The City Council directs that the Corporation comply with the Open Meetings Act, Chapter 551, Texas Government Code, and the Public Information Act, Chapter 552, Texas Government Code as required by the Act.
- X. The City Council authorizes and directs the City Manager and all other City officials and employees to perform all such acts as may be necessary or desirable in order to carry out the terms and provisions of this Resolution.

ADOPTED: September 22, 2016

ATTEST:

  
Jannette S. Goodall  
City Clerk

## **EXHIBIT A**

### **ARTICLES OF INCORPORATION OF AUSTIN/TRAVIS COUNTY SOBRIETY CENTER LOCAL GOVERNMENT CORPORATION**

The undersigned natural persons, each of whom is at least eighteen (18) years of age or more, a resident of both the City of Austin, Texas (the "City") and Travis County, Texas (the "County") or solely of the County, and a citizen of the State of Texas, acting as incorporators of a corporation under the provisions of Subchapter D, Chapter 431, Texas Transportation Code ("Chapter 431"), Chapter 394, Texas Local Government Code. ("Chapter 394"), and Chapter 22, Business Organizations Code ("Chapter 22"), do hereby adopt the following Articles of Incorporation for such corporation:

#### **ARTICLE I. NAME**

The name of the corporation is the Austin/Travis County Sobriety Center Local Government Corporation (the "Corporation").

#### **ARTICLE II. PUBLIC, NON-PROFIT**

The Corporation is a public non-profit corporation.

#### **ARTICLE III. DURATION**

The period of duration of the Corporation shall be perpetual.

#### **ARTICLE IV. PURPOSES, ACTIVITIES**

The Corporation shall be incorporated to aid and to act on behalf of the City and the County to accomplish their governmental purpose; namely to staff, manage, and operate a sobriety center for the safe short-term treatment and management of persons under the influence of alcohol, and to provide those persons with information on and referrals to community-based outpatient services, for the purposes of preservation of law enforcement, judicial, and medical resources in the jurisdictional limits of the City and the County. To accomplish said purpose, the Corporation shall be authorized to:

1. Contract with persons, and with governmental, for-profit and non-profit entities for the procuring of services and supplies, the hiring of personnel, and the operation and maintenance of a sobriety center;
2. Acquire and hold title to real property and interests in real property;
3. Accept funds and property appropriated by the City and the County and by other entities;

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4. Apply for grants of funds, services, and things of value and to accept awards of such grants;
5. Accept donations of funds, services and things of value;
6. Issue bonds, notes, and other debt obligations as necessary for the accomplishment of the governmental purpose stated above, *provided that* the Corporation shall not incur debt without the consent of the City Council of the City (the "City Council") and the Commissioners Court of the County (the "Commissioners Court"), as evidenced by a resolution approved by a majority vote of both; and
7. Engage in other lawful activities to accomplish the governmental purpose stated above.

The Corporation is formed pursuant to the provisions of Chapter 431 as it now or may hereafter be amended and in the manner specified by Chapter 394, which authorize the Corporation to assist and act on behalf of the City and the County to accomplish any governmental purpose of the City and the County and to engage in activities in the furtherance of the purposes for its creation.

The Corporation shall have and exercise all of the rights, powers, privileges, authority, and functions given by the general laws of the State of Texas to non-profit corporations incorporated under Chapter 431, including, without limitation, the powers granted under Chapter 22.

The Corporation shall have all other powers of a like or different nature not prohibited by law which are available to non-profit corporations under Chapter 22 and which are necessary or useful to enable the Corporation to perform the purposes for which it is created.

The Corporation is created as a local government corporation pursuant to Chapter 431 and shall be a governmental unit within the meaning of Subdivision (2), Section 101.001, Texas Civil Practice and Remedies Code. The operations of the Corporation are governmental and not proprietary functions for purposes of the Texas Tort Claims Act, Section 101.001 *et seq.*, Texas Civil Practice and Remedies Code.

### **ARTICLE V. NO MEMBERS**

The Corporation shall have no members and shall have no stock.

### **ARTICLE VI. BOARD**

All powers of the Corporation shall be vested in a Board of Directors ("Board") consisting of eleven persons, one of whom shall be a member of City Council nominated by the City Council, one of whom shall be a member of Commissioners Court nominated by the Commissioners Court, four of whom shall be nominated by the City Council, four of whom shall be nominated

## **EXHIBIT A**

by the Commissioners Court, and one of whom shall be jointly nominated. The City Council and the Commissioners Court shall appoint all eleven initial Directors. The initial Directors, each of whom reside both in the City and the County or solely within the County, are identified by position in Article IX below and shall serve for the term expiring on the date set forth therein. The City Council shall appoint each Director who succeeds an initial Director nominated by City Council and the Commissioners Court shall appoint each Director who succeeds an initial Director nominated by the Commissioners Court. Each Director who succeeds the initial Council Member Director shall be a Council Member, and each Director who succeeds the initial Commissioners Court Director shall be a member of the Commissioners Court. The City Council and the Commissioners Court shall jointly nominate and appoint each Director who succeeds the initial Director who was jointly nominated and appointed. Each subsequent Council Member Director and Commissioners Court Director shall serve for a term of two years. Each other subsequent Director, each of whom must reside in the City and the County or solely within the County, shall serve for a term of four years or until his or her successor is appointed, unless such Director has been appointed to fill an unexpired term, in which case the term of such Director shall expire on the expiration date of the term of the Director who he or she was appointed to replace. Initial Directors and succeeding Directors may be reappointed. Each initial Director and each succeeding Director may serve for a maximum of eight years as a Director.

A Director may be removed from the Board by a resolution approved by a majority vote of the City Council and the Commissioners Court finding that the Director has committed one or more of the acts or omissions described in section 7.001(c) of the Business Organizations Code and described in Article XI, below.

A Director may be removed from the Board by a resolution approved by a majority vote of the City Council and Commissioners Court finding that the Director is derelict in his or her duties by failing to attend four consecutive, regularly scheduled meetings, including any combination of annual meetings, regular meetings, or special meetings, unless the Director can show good cause for the absences.

All other matters pertaining to the internal affairs of the Corporation shall be governed by the Bylaws of the Corporation, so long as such Bylaws are not inconsistent with these Articles of Incorporation or the laws of the State of Texas.

### **ARTICLE VII. REGISTERED OFFICE, AGENT**

The street address of the initial registered office of the Corporation is 301 W. 2nd Street, Austin, Texas 78701, which is within the city limits of the City and the corporate limits of the County, and the name of its initial registered agent at such address is Anne Morgan, City Attorney, or her successor.

### **ARTICLE VIII. INCORPORATORS**

The names and addresses of the incorporators, each of whom is more than 18 years of age and resides within both the City and the County or solely within the County, are:

## EXHIBIT A

NAME	ADDRESS
Rey Arellano	301 W. 2 <sup>nd</sup> Street, 3 <sup>rd</sup> Floor Austin, Texas 78701
Roger Jefferies	P.O. Box 1748 Austin, Texas 78767
Cary Grace	301 W. 2 <sup>nd</sup> Street, 4 <sup>th</sup> Floor Austin, Texas 78701
Jennifer Kraber	P.O. Box 1748 Austin, Texas 78767
Jason Dusterhoft	715 E. 8 <sup>th</sup> Street Austin, Texas 78701
David Escamilla	P.O. Box 1748 Austin, Texas 78767

## ARTICLE IX. INITIAL BOARD

The names and street addresses of the initial Directors, each of whom resides within both the City and the County or solely within the County, are:

POSITION (NOMINATOR)	NAME	ADDRESS	TERM EXPIRES
1 (City)	Stephen Strakowski	1812 W. 38 <sup>th</sup> Street Austin, Texas 78731	September 30, 2020
2 (County)	Nancy Hohengarten	P.O. Box 1748 Austin, Texas 78767	September 30, 2020
3 (City)	Christopher Ziebell	4014 Greystone Drive Austin, Texas 78731	September 30, 2020
4 (County)	Craig Moore	P.O. Box 1748 Austin, Texas 78767	September 30, 2020
5 (City)	Douglas Smith	4213 Ramsey Ave. Austin, Texas 78756	September 30, 2018
6 (County)	Jana Ortega	9404 B Solana Vista Loop Austin, Texas 78750	September 30, 2018



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<b>POSITION (NOMINATOR)</b>	<b>NAME</b>	<b>ADDRESS</b>	<b>TERM EXPIRES</b>
7 (City)	Deborah Hiser	5321 Western Hills Drive Austin, Texas 78731	September 30, 2018
8 (County)	William Brice	2502 Pinewood Terrace Austin, Texas 78757	September 30, 2018
9 (Joint)	Andy Brown	1403 East 2 <sup>nd</sup> Street Austin, Texas 78702	September 30, 2020
10 (Mayor Pro Tem)	Katheryne B. Tovo	301 W. 2nd Street, 4th Floor Austin, Texas 78701	September 30, 2018
11 (Commissioner)	Margaret Gomez	P.O. Box 1748 Austin, Texas 78767	September 30, 2018

Nancy Hohengarten is hereby appointed and confirmed as Chair of the Board.

The City Manager or his or her designee; the County Judge or his or her designee; the Chief of the City's Police Department or his or her designee; the Chief of the City's Emergency Medical Services Department or his or her designee; and the Director of the City's Health and Human Services Department or his or her designee shall each be non-voting ex-officio Directors of the Corporation.

### **ARTICLE X. ADOPTION OF APPROVING RESOLUTION**

Resolutions approving the form of these Articles of Incorporation have been adopted by the City Council on September 22, 2016, and by the Commissioners Court on September 20, 2016.

### **ARTICLE XI. LIMITED LIABILITY**

No Director shall be liable to the Corporation for monetary damages for an act or omission in the Director's capacity as a Director, except for liability (i) for any breach of the Director's duty of loyalty to the Corporation, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) for any transaction from which the Director received an improper benefit, whether the benefit resulted from an act taken within the scope of the Director's office, or (iv) for acts or omissions for which the liability of a Director is expressly provided by statute. Any repeal or amendment of this

## **EXHIBIT A**

Article by the Directors shall be prospective only, and shall not adversely affect any limitation on the personal liability of a Director existing at the time of such repeal or amendment. In addition to the circumstances in which a Director is not personally liable as set forth in the preceding sentences, a Director shall not be liable to the fullest extent permitted by any amendment to the Texas statutes hereafter enacted that further limits the liability of a Director. For purposes of this Article only, the ex-officio members of the Board shall be considered a "Director."

### **ARTICLE XII. TAX MATTERS; DISSOLUTION**

In accordance with the provisions of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code"), and regardless of any other provisions of these Articles of Incorporation or the laws of the State of Texas, the Corporation: (i) shall not permit any part of the net earnings of the Corporation to inure to the benefit of any private individual (except that reasonable compensation may be paid for personal services rendered to or for the Corporation in effecting one or more of its purposes); (ii) shall not direct any of its activities to attempting to influence legislation by propaganda or otherwise; (iii) shall not participate in or intervene in (including the publication or distribution of statements), any political campaign on behalf of (or in opposition to) any candidate for public office; and (iv) shall not attempt to influence the outcome of any election for public office or to carry on, directly or indirectly, any voter registration drives. Any income earned by the Corporation after payment of reasonable expenses, debt, other obligations, and such reserves as may be necessary as set forth in the authorizing documents related to the issuance of debt by the Corporation shall accrue to the City and the County as agreed to by the City and the County.

The City and County shall, at all times, have an unrestricted right to receive any income earned by the Corporation, exclusive of amounts needed to cover reasonable expenditures and reasonable reserves for future activities. Any income of the Corporation received by the City and the County shall be deposited into such accounts or funds as determined by the City Council of the City and the Commissioners Court of the County. No part of the Corporation's income shall inure to the benefit of any private interests.

If the Board of Directors determines by resolution that the purposes for which the Corporation was formed have been substantially met and all bonds issued by and all obligations incurred by the Corporation have been fully paid or provision made for such payment, the Board shall execute a certificate of dissolution which states those facts and declares the Corporation dissolved in accordance with the requirements of Section 394.026 of the Texas Local Government Code, or with applicable law then in existence. In the event of dissolution or liquidation of the Corporation, all assets will be turned over to the City and the County for deposit into such accounts or funds as the City Council and the Commissioners Court shall direct.

### **ARTICLE XIII. PRIVATE FOUNDATION**

If the Corporation is a private foundation within the meaning of Section 509(a) of the Internal Revenue Code, the Corporation (a) shall distribute its income for each taxable year at

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such time and in such manner as not to become subject to the tax on undistributed income imposed by Section 4942 of the Internal Revenue Code; (b) shall not engage in any act of self-dealing as defined in Section 4941(d) of the Internal Revenue Code; (c) shall not retain any excess business holdings as defined in Section 4943(c) of the Internal Revenue Code; (d) shall not make any investments in such manner as to subject it to tax under Section 4944 of the Internal Revenue Code; and (e) shall not make any taxable expenditures as defined in Section 4945(d) of the Internal Revenue Code.

### **ARTICLE XIV. DIRECTED DISSOLUTION**

The City Council and the Commissioners Court may at any time consider and approve resolutions directing the Board of Directors to proceed with the dissolution of the Corporation, at which time the Board of Directors shall proceed with the dissolution of the Corporation in accordance with applicable state law. The failure of the Board of Directors to proceed with the dissolution of the Corporation in accordance with this Section shall be deemed a cause for the removal from office of any or all of the Directors as permitted by Article VI of these Articles of Incorporation.

### **ARTICLE XV. PUBLIC INSTRUMENTALITY**

The Corporation is a constituted authority and a public or governmental instrumentality within the meaning of the regulations of the United States Treasury Department and the rulings of the Internal Revenue Service prescribed and promulgated pursuant to Section 103 of the Internal Revenue Code. Although the Corporation is authorized to act on behalf of one or more governmental entities as provided in these Articles, the Corporation is not a political subdivision or political authority of the State of Texas within the meaning of the Constitution and laws of the State of Texas, including, without limitation, Article III, Section 52 of the Texas Constitution, and no agreement, bond, debt, or obligation of the Corporation shall be deemed to be the agreement, bond, debt, or obligation, or the lending of credit, or a grant of public money or thing of value, of or by the City or County or any other political subdivision or authority or agency of the State of Texas, or a pledge of the faith and credit of any of them. No action of the Corporation shall be an action of the City or County or their agents or employees, and neither these Articles nor any action by the Board, the City Council, or the Commissioner's Court shall create a joint enterprise.

### **ARTICLE XVI. AMENDMENT**

These Articles of Incorporation may be amended in either of the following manners: (1) the Board may file with the City Council and the Commissioners Court an application in writing requesting permission to amend the Articles of Incorporation, specifying in the application the amendment proposed to be made, and the City Council and the Commissioners Court, after considering the application and each finding and determining that it is wise, expedient, necessary, or advisable that the proposed amendment be made, may authorize by resolution that the proposed amendment be made, and then the Board may amend the Articles of Incorporation by adopting the amendment by resolution at a meeting of the Board and filing the amendment

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with the Office of the Texas Secretary of State, or (2) the City Council and the Commissioners Court may jointly, at any time, alter or change the structure, organization, programs, activities, or duration of the Corporation, subject to any limitations on the impairment of contracts entered into by the Corporation, by adopting an amendment to the Articles of Incorporation of the Corporation at a meeting of the City Council and of the Commissioners Court and filing the amendment with the Office of the Texas Secretary of State.

### **ARTICLE XVII. EFFECTIVE DATE; AUTHORIZATION TO FILE**

These Articles of Incorporation shall be effective when fully executed and filed with the Office of the Texas Secretary of State. Each of the undersigned executes this instrument subject to the penalties imposed by law for the submission of a materially false or fraudulent instrument and certifies under penalty of perjury that he and she is authorized to execute this instrument.

**IN WITNESS WHEREOF**, we have hereunto set our hands this \_\_\_\_\_ day of \_\_\_\_\_, 2016.

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Rey Arellano, Incorporator  
Assistant City Manager  
City of Austin  
301 West 2<sup>nd</sup> Street  
Austin, Texas 78701

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Roger Jefferies, Incorporator  
County Executive, Justice Planning  
Travis County  
P.O. Box 1748  
Austin, Texas 78767

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Cary Grace, Incorporator  
Assistant City Attorney  
City of Austin  
301 West 2<sup>nd</sup> Street  
Austin, Texas 78701

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Jennifer Kraber, Incorporator  
Assistant County Attorney  
Travis County  
P.O. Box 1748  
Austin, Texas 78767

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Jason Dusterhoft, Incorporator  
Assistant Chief of Police  
Austin Police Department  
715 E. 8<sup>th</sup> Street  
Austin, Texas 78701

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David Escamilla, Incorporator  
Travis County Attorney  
Travis County  
P.O. Box 1748  
Austin, Texas 78767

**EXHIBIT B**  
**BYLAWS**  
**OF**  
**THE AUSTIN/TRAVIS COUNTY SOBRIETY CENTER LOCAL GOVERNMENT**  
**CORPORATION**

**ARTICLE 1**  
**Name, Offices, and Purposes**

**Section 1.1 Name.**

The name of the corporation is the Austin/Travis County Sobriety Center Local Government Corporation (the "Corporation").

**Section 1.2 Offices.**

The Corporation may have, in addition to its registered office, offices at such places as the Board of Directors may from time to time determine or as the activities of the Corporation may require.

**Section 1.3 Purposes.**

The Corporation shall be incorporated to aid and to act on behalf of the City of Austin (the "City") and Travis County (the "County") to accomplish their governmental purpose; namely to staff, manage, and operate a sobriety center for the safe short-term treatment and management of persons under the influence of alcohol, and to provide those persons with information on and referrals to community based outpatient services, for the purposes of preservation of law enforcement, judicial, and medical resources in the jurisdictional limits of the City and the County. To accomplish said purpose, the Corporation shall be authorized to:

1. Contract with persons and with governmental, for-profit and non-profit entities for the procuring of services and supplies, the hiring of personnel, and the operation and maintenance of a sobriety center;
2. Acquire and hold title to real property and interests in real property;
3. Accept funds and property appropriated by the City and the County and by other entities;
4. Apply for grants of funds, services, and things of value and accept awards of such grants;
5. Accept donations of funds, services and things of value;
6. Issue bonds, notes, and other debt obligations as necessary for the accomplishment of the governmental purpose stated above, *provided that* the Corporation shall not incur debt without the consent of the City Council of the City and the Commissioners Court of the County, as evidenced by a resolution approved by a majority vote of both; and

## **EXHIBIT B**

7. Engage in other lawful activities to accomplish the governmental purpose stated above.

### **ARTICLE 2 Board of Directors**

#### **2.1 Management.**

Subject to the Articles of Incorporation and these Bylaws, management of the affairs of the Corporation shall be vested in the directors, who together constitute the Board of Directors (the "Board").

#### **2.2 Qualifications, Appointment, and Removal.**

The qualifications of the directors, as well as the procedures for their appointment and removal, shall be prescribed by the Articles of Incorporation.

#### **2.3 Annual Meetings.**

The Board shall meet at least annually at a time and place in the City or County designated by resolution of the Board. Failure to hold an annual meeting at the designated time or place shall not work a dissolution of the Corporation nor impair the powers, rights, and duties of the Corporation's directors and officers.

#### **2.4 Regular Meetings.**

The Board may provide for regular meetings by resolution stating the time and place of such meetings.

#### **2.5 Special Meetings; Emergency Meetings.**

Special and emergency meetings of the Board shall be held whenever called by the Chair of the Board or by a majority of the directors who are serving duly appointed terms of office at the time the meeting is called.

The Secretary shall give notice of each special meeting in person, by telephone, electronic transmission (e.g., facsimile transmission or electronic mail), or mail at least three (3) days before the meeting to each director. Notice of each emergency meeting shall also be given in the manner required under Chapter 551, Texas Government Code (the "Open Meetings Act"). For purposes of these Bylaws, an "emergency meeting" is a meeting of the Board to consider a circumstance that, in the absence of immediate action by the Board, may have a material, adverse impact upon the Corporation or the operation of the Austin/Travis County Sobriety Center. The person(s) calling the special or emergency meeting shall provide the Secretary of the Corporation with a statement of the reason(s) for the meeting, which statement shall be included in the notice of the meeting.

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### **2.6 Notice of Meetings of the Board.**

The Board shall meet in accordance with and file notice of each meeting of the Board in the same manner as required of the City Council and the Commissioners Court of the County under the Open Meetings Act. Notice of each meeting shall be posted by the Travis County Clerk at the same location or locations notice of each Commissioners Court meeting is posted. Additional notice of each meeting may be posted at one or more other locations.

### **2.7 Manner of Conducting Meetings.**

All directors necessary to provide a quorum of the Board must be physically present at a meeting to conduct business.

At the meetings of the Board, matters pertaining to the purposes of the Corporation shall be considered in such order as from time to time the Board may determine.

At all meetings of the Board, the Chair shall preside, and in the absence of the Chair, the Vice Chair shall preside. In the absence of the Chair and the Vice Chair, an acting presiding officer shall be chosen by the Board from among the directors present.

The Secretary of the Corporation shall act as secretary of all meetings of the Board, but in the absence of the Secretary, the presiding officer may appoint any person to act as secretary of the meeting.

Except as provided herein, each director must vote in person at each meeting of the Board. The Council Member Director and Commissioners Court Director may vote in person or by proxy executed in writing by that Director.

### **2.8 Quorum.**

A majority of the Board shall constitute a quorum for the consideration of matters pertaining to the purposes of the Corporation. If at any meeting of the Board there is less than a quorum present, business of the Board shall not be conducted. The act of a majority of the directors present and voting at a meeting at which a quorum is in attendance shall constitute the act of the Board, unless the act of a greater number is required by law, by the Articles of Incorporation, or by these Bylaws.

### **2.9 Committees.**

The Board may, by resolution passed by a majority of the directors, designate three (3) or more directors to constitute an executive committee or other type of committee. To the extent provided in the authorizing resolution, a committee shall have and may exercise all of the authority of the Board in the management of the Corporation, except where action of the Board is specified by statute. A committee shall act in the manner provided in the authorizing resolution. Each committee so designated shall keep regular minutes of the transactions of its meetings and shall cause such minutes to be recorded in books kept for that purpose in the office



## **EXHIBIT B**

of the Corporation, and shall report the same to the Board from time to time. Committees authorized to exercise the powers of the Board shall give notice of any meeting in the manner required for a meeting of the Board.

### **2.10 Compensation.**

No part of the income or revenues of the Corporation shall ever be paid to or inure to the benefit of any director except for reimbursement of actual expenses incurred in connection with the business affairs of the Corporation, and no such reimbursement of expenses shall be made unless approved by the Board.

### **2.11 Disclosure of Conflicts of Interest.**

Each director shall comply with Chapter 171 of the Local Government Code ("Chapter 171") for purposes of disclosing a substantial interest, as defined by Chapter 171, in a business entity or in real property.

### **2.12 Duties.**

Directors shall discharge their duties with ordinary care and in a manner each director reasonably believes to be in the Corporation's best interests. In this context, "ordinary care" means the care that ordinarily prudent persons in similar positions would exercise under similar circumstances. In discharging their duties, directors may rely in good faith on information, opinions, reports, or analyses, including financial data, prepared or presented by persons reasonably appearing to be qualified in such matters. A director is not relying in good faith if he or she has knowledge that renders such reliance unwarranted or unreasonable. Directors are not deemed to have the duties of trustees of a trust with respect to the Corporation or with respect to property held or administered by the Corporation, including property subject to restrictions imposed by a donor or other transferor of the property.

## **ARTICLE 3 Officers**

### **3.1 Titles and Term of Office.**

The officers of the Corporation shall be the Chair, the Vice Chair, an Executive Director, a Secretary, a Treasurer, and such other officers as the Board may from time to time elect or appoint as described in section 3.7 below. One person may hold the position of one or more offices for the Corporation except that neither the Chair nor the Executive Director may also hold the office of Secretary. The term of office for each officer shall be two years commencing with the date of the annual meeting of the Board at which each such officer is elected. Officers may be re-elected.

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### **3.2 Chair.**

The initial Chair of the Board (the "Chair") shall be selected as provided by the Articles of Incorporation. The term of office for the initial Chair shall be two years commencing with the date of the first annual meeting of the Board, which shall be the Corporation's organization meeting for purposes of section 22.104 of the Business Organizations Code.

The Chair shall preside at all meetings of the Board. In furtherance of the purposes of the Corporation and subject to the limitations contained in the Articles of Incorporation, the Chair may, upon authorization by resolution of the Board, sign and execute all bonds, notes, deeds, conveyances, franchises, assignments, mortgages, contracts, and other instruments of any kind in the name of the Corporation.

### **3.3 Vice Chair.**

The Board shall appoint a Vice Chair of the Corporation. The Vice Chair shall perform the duties and exercise the powers of the Chair upon the Chair's death, absence, disability, or resignation, or upon the Chair's inability to perform the duties of his or her office. Any action taken by the Vice Chair in the performance of the duties of the Chair shall be conclusive evidence of the absence or inability to act of the Chair at the time such action was taken.

### **3.4 Executive Director**

The Board shall appoint the Executive Director of the Corporation, who shall be the chief executive officer of the Corporation and shall in general supervise and control all of the business and affairs of the Corporation. The Executive Director may sign, with the Secretary, the Chair, or any other proper officer of the Corporation authorized by the Board, all bonds, notes, deeds, conveyances, franchises, assignments, mortgages, contracts and other instruments of any kind in the name of the Corporation which the Board has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board, or by these Bylaws, or by statute, to some other officer or agent of the Corporation. In general, the Executive Director shall perform all duties prescribed by the Board from time to time. The Executive Director of the Corporation shall serve at the discretion of the Board, and may be removed by the board at any time, with or without cause.

### **3.5 Secretary**

The Board shall appoint the Secretary of the Corporation to keep the minutes of the meetings of the Board in one or more books provided for that purpose, see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law, be custodian of the Corporation records, and in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned by the Board or the Chair. The Secretary of the Corporation shall serve at the discretion of the Board, and may be removed as Secretary by the Board at any time, with or without cause.

## **EXHIBIT B**

### **3.6 Treasurer.**

The Board shall appoint the Treasurer of the Corporation, who shall have charge and custody of and be responsible for all funds and securities of the Corporation, receive and give receipts for monies due and payable to the Corporation for any source whatsoever, deposit all such monies in the name of the Corporation in such banks as shall be selected in accordance with the provisions of these Bylaws, and in general perform all duties incident to the office of Treasurer and such other duties as from time to time may be assigned by the Chair or by the Board. The Treasurer of the Corporation shall serve at the discretion of the Board, and may be removed as Treasurer by the Board at any time, with or without cause.

### **3.7 Other Officers.**

The Board may appoint other officers of the Corporation and other authorized representatives of the Corporation, who shall have the powers and duties as may be delegated by the Board. Such additional officers and authorized representatives shall serve at the discretion of the Board, and may be removed by the Board at any time, with or without cause.

## **ARTICLE 4**

### **Contracts; Financial Matters; Seal**

#### **4.1 Fiscal Year.**

The fiscal year of the Corporation shall commence on October 1 and end on September 30 each year.

#### **4.2 Contracts.**

The Board may authorize any officer or officers or agent or agents of the Corporation to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

#### **4.3 Deposits.**

All funds of the Corporation shall be deposited to the credit of the Corporation in a state or national bank or other federally insured depository institution selected by the Board, subject to and in accordance with the requirements of Chapter 105, Texas Local Government Code and, as applicable, the Public Funds Investment Act, Chapter 2256, Texas Government Code.

#### **4.4 Payment of Funds.**

All checks, drafts, or orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Corporation shall be signed by such officer or officers or agent or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board. In the absence of such determination by the Board, such instruments

## **EXHIBIT B**

shall be signed by the Secretary or Treasurer and countersigned by the Executive Director, or the Chair in the absence of the Executive Director.

### **4.5 Audits.**

The Board shall cause to be maintained a proper and complete system of records and accounts of all transactions, business, and affairs of the corporation. Within a reasonable time after the end of each fiscal year, the Board shall cause the preparation of a financial statement for the Corporation, which shall be audited by an independent certified public accountant or firm of independent certified public accountants retained by the Board for such purpose.

### **4.6 Books and Records.**

The Corporation shall keep correct and complete books and records of accounts and shall also keep minutes of the proceedings of its Board. All books and records may be inspected by representatives of the City and the County at any reasonable time.

### **4.7 Seal.**

The Board may but is not required to adopt a corporate seal in such form and to be used in such manner as may be approved by the Board.

## **ARTICLE 5 General Provisions**

### **6.1 Supremacy of Articles of Incorporation.**

These Bylaws are subject to and governed by the Articles of Incorporation.

### **6.2 Amendment.**

A proposal to alter, amend, or repeal these Bylaws may be made by the affirmative vote of a majority of the full Board at any annual or regular meeting, or at any special meeting if notice of the proposed amendment be contained in the notice of said special meeting. However, any proposed change or amendment to the Bylaws must be approved by the City Council of the City and Commissioners Court of the County to be effective.

### **6.3 Effective Date.**

These Bylaws shall be effective upon adoption by an affirmative vote of a majority of the directors at a meeting of the Board, provided that notice of the proposed adoption shall have been received by each director at least five business days before the said meeting.