

# **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

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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:

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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 Dusterhoff	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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POSITION (NOMINATOR)	NAME	ADDRESS	TERM EXPIRES
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)	Kathryne 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

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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 or 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 cConstitution, 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

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by adopting the amendment by resolution at a meeting of the Board and filing the amendment 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  
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