

**ARTICLES OF INCORPORATION
OF
THE NORTH TEXAS CLEAN AIR NETWORK
LOCAL GOVERNMENT CORPORATION**

The undersigned natural persons, 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

The name of the corporation is The North Texas Clean Air Network Local Government Corporation (the “Corporation”).

ARTICLE II

The Corporation is a public non-profit local government corporation.

ARTICLE III

The period of duration of the Corporation shall be perpetual.

ARTICLE IV

A. The Corporation is organized for the purpose of aiding, assisting, and acting on behalf of the City of Dallas, City of Plano, and Dallas County (collectively, the “Local Governments”) to accomplish their governmental purpose; namely to oversee the establishment and operation of a network of modern calibrated air quality sensors within member jurisdictions or in contracted jurisdictions, using such monitors to further advance understanding of local air quality, support local air quality education and research, and assist in responding to local public health threats caused by poor air quality.

B. The goals and purposes of the Corporation are as follows:

1. To supervise the implementation and maintenance of a publicly accessible, secure and scientifically credible regional air sensor network providing simultaneous real time air quality information from multiple locations within member or contracted jurisdictions via the World Wide Web;
2. To provide the best, most up-to-date factual information about local air quality;
3. To provide fact-based public education resources on local air quality;
4. To support scientific research on local air quality by local colleges, universities, hospitals and schools;
5. To work with regulatory agencies and entities to further local clean air goals;
6. To raise capital to support policy goals, as needed; and

7. To prepare annual written reports detailing progress to date and goals for the future.

C. To accomplish said goals and 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 and the hiring of personnel;
2. Acquire and hold title to and interests in real and personal property;
3. Accept funds and property appropriated by the Local Governments and by other entities;
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 governing bodies of the Local Governments, as evidenced by approval of an ordinance, order or resolution; and
7. Engage in other lawful activities to accomplish the governmental purpose stated above.

D. 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 Local Governments to accomplish any governmental purpose of the Local Governments and to engage in activities in the furtherance of the purposes for its creation.

E. 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.

F. The Corporation is created as a local government corporation pursuant to Chapter 431 and shall be a governmental unit within the meaning of Subdivision (3), 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.

G. In the exercise of its powers, the Corporation may enter into any loan, lease, or other agreements as authorized by Chapter 431 that are necessary and appropriate to the fulfillment of the public purpose of the Corporation. In connection with the issuance of bonds or other debt instruments, the Corporation shall select bond counsel and financial advisors acceptable to the Local Governments.

ARTICLE V

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

ARTICLE VI

A. All powers of the Corporation shall be vested in a Board of Directors (“Board”) consisting of the following eleven persons:

1. A current Dallas City Council Member;
2. A Dallas Office of Environmental Quality representative;
3. A City of Dallas Public Advocate representative;
4. A current Dallas County Commissioners Court member;
5. A Parkland Health and Hospital representative;
6. A Dallas County Public Advocate representative;
7. A Dallas County Medical Society representative;
8. A current City of Plano Council Member;
9. A Plano Sustainability & Environmental Education Division representative;
10. A Plano Public Advocate representative; and
11. A Dallas Independent School District representative.

B. Directors 1-3 (as numbered above) and their successors will be nominated by the Mayor of the City of Dallas (“Dallas Mayor”) and will be confirmed by the Dallas City Council. Directors 4-6 (as numbered above) and their successors will be nominated by the Dallas County Judge (“Dallas County Judge”) and confirmed by the Dallas County Commissioner’s Court. Directors 8-10 (as numbered above) and their successors will be nominated by the Mayor of the City of Plano (Plano Mayor”) and confirmed by the Plano City Council. Directors 7 and 11 (as numbered above) will be nominated by the Chair of the Board and confirmed by the Board.

ARTICLE VII

A. The initial Directors nominated by the Dallas Mayor, Plano Mayor, and County Judge are as follows. Approval of these Articles of Incorporation by the governing bodies of the Local Governments constitutes confirmation of such Directors.

| | NAME | ADDRESS | AGENCY |
|----|--------------------------------------|--|-------------------------------|
| 1. | Sandy Greyson | 1500 Marilla, Dallas, TX 75201 | Dallas City Council Member |
| 2. | James McQuire | 1500 Marilla, Dallas, TX 75201 | Director Dallas OEQ |
| 3. | Dallas Public Advocate Rep. | | |
| 4. | Theresa Daniel | 411 Elm Street, 2 nd Floor, Dallas, TX 75202 | Dallas County Commissioner |
| 5. | Parkland Health and Hospital Rep. | | |
| 6. | Dallas County Public Advocate | | |

- Rep.
- 7. Dallas County Medical Society
Rep.
- 8. Plano City Council Member
- 9. Plano S&EED Representative
- 10. Plano Public Advocate Rep.
- 11. Dallas ISD Rep.

B. Directors shall serve staggered terms of three (3) years. Directors 1-6 shall serve terms which will end on September 30 of each even-numbered year. Directors 7-11 shall serve terms which will end on September 30 of each odd-numbered year. The initial terms of Directors 1-6 named above will end on September 30, 2020. The initial terms of Directors 7-11 named above will end on September 30, 2021. Thereafter, each Director shall serve a three-year term 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 serve up to three consecutive terms.

C. Director 4 shall serve as chair of the Board until September 30, 2019. Annually thereafter, a chair and vice chair shall be elected by majority vote of the entire Board.

D. Directors 1-9 may be removed from the Board by a resolution, City Ordinance, or Court Order as appropriate approved by a majority vote of its appointing Local Government if such Local Government finds that (i) 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, and XIV, below, or (ii) the Director is derelict in his or her duties by failing to attend four (4) consecutive meetings, including any combination of annual meetings, regular meetings, or special meetings, unless the Director can show good cause for the absences. "Good cause" shall be determined by the Board by majority vote of the entire Board.

E. Directors 10 and 11 may be removed from the Board by vote of the Board if the Board finds that (i) 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, and XIV, below, or (ii) the Director is derelict in his or her duties by failing to attend four (4) consecutive meetings, including any combination of annual meetings, regular meetings, or special meetings unless the Director can show good cause for the absences. "Good cause" shall be determined by the Board by majority vote of the entire Board.

F. 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 VIII

The street address of the initial registered office of the Corporation is 1500 Marilla, 7DN, Dallas, TX 75201, which is within the city limits of the City of Dallas and the corporate limits of

Dallas County, and the name of its initial registered agent at such address is T.C. Broadnax, City Manager.

ARTICLE IX

The names and addresses of the incorporators, each of whom is more than eighteen (18) years of age and a resident of the state of Texas, and three (3) of whom are residents of each Local Government are:

NAME ADDRESS

City of Dallas

Michael Rawlings 1500 Marilla, Dallas, TX 75201
Sandy Greyson 1500 Marilla, Dallas, TX 75201

City of Plano

Dallas County

Clay Jenkins 411 Elm St., Dallas TX 75202
Theresa Daniel 411 Elm St., 2nd Floor, Dallas TX 75202

ARTICLE X

Resolutions approving the form of these Articles of Incorporation have been adopted by the Dallas City Council on _____, by the Plano City Council on _____ and by the Dallas County Commissioners Court on _____.

ARTICLE XI

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, regardless of 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 Article 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.

ARTICLE XII

In accordance with the provisions of Section 501(c)(J) 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 Local Governments as mutually agreed to by the Local Governments. The Local Governments 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 Local Governments shall be deposited into such accounts or funds as determined by the respective governing bodies of the Local Governments. No part of the Corporation's income shall inure to the benefit of any private interests.

ARTICLE XIII

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 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

A. If the Board of Directors determines by resolution that the purposes for which the Corporation was formed have been substantially met 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 applicable law then in existence.

B. Upon the dissolution of the Corporation, the title to all assets shall be transferred to the Local Governments that created the Corporation. The Board of Directors shall notify the Local Governments of such dissolution.

C. The Local Governments may at any withdraw from the Corporation in accordance with the Bylaws.

ARTICLE XV

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 Local Governments 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 Local Governments or their agents or employees, and neither these Articles nor any action by the Board or the Local Governments shall create a joint enterprise.

ARTICLE XVI

These Articles of Incorporation may be amended in either of the following manners: (i) the Board may file with the Local Governments an application in writing requesting permission to amend the Articles of Incorporation, specifying in the application the amendment proposed to be made, and the governing bodies of the Local Governments, 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, City Ordinance or Court Order 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 with the Office of the Texas Secretary of State, or (ii) the Local Governments 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 and filing the amendment with the Office of the Texas Secretary of State.

ARTICLE XVII

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.

CITY OF DALLAS

Incorporator

Incorporator

Incorporator

CITY OF PLANO

Incorporator

Incorporator

Incorporator

DALLAS COUNTY

Incorporator

Incorporator

Incorporator

ACKNOWLEDGMENTS

CITY OF DALLAS

This instrument was acknowledged before me on this _____ day of _____, 2018, by Michael Rawlings, being sworn on his oath that he is an individual residing in the City of Dallas, Dallas County, Texas.

Given under my hand and seal of office this ____ day of _____, 2018.

Notary Public
State of Texas

This instrument was acknowledged before me on this _____ day of _____, 2018, by Sandy Greyson, being sworn on her oath that she is an individual residing in the City of Dallas, Dallas County, Texas.

Given under my hand and seal of office this ____ day of _____, 2018.

Notary Public
State of Texas

This instrument was acknowledged before me on this _____ day of _____, 2018, by James McQuire being sworn on his oath that he is an individual residing in Dallas County, Texas.

Given under my hand and seal of office this ____ day of _____, 2018.

Notary Public
State of Texas

DALLAS COUNTY

This instrument was acknowledged before me on this _____ day of _____ 2018, by Theresa Daniel, being sworn on her oath that she is an individual residing in Dallas County, Texas.

Given under my hand and seal of office this ____ day of _____, 2018.

Notary Public
State of Texas

This instrument was acknowledged before me on this _____ day of _____ 2018, by Clay Jenkins, being sworn on his oath that he is an individual residing in Dallas County, Texas.

Given under my hand and seal of office this ____ day of _____, 2018.

Notary Public
State of Texas

This instrument was acknowledged before me on this _____ day of _____ 2017 by _____ Daniel, being sworn on his/her oath that he/she is an individual residing in Dallas County, Texas.

Given under my hand and seal of office this ____ day of _____, 2018.

Notary Public
State of Texas

CITY OF PLANO

This instrument was acknowledged before me on this _____ day of _____, 2018, by Yarkis Lewis, being sworn on his oath that he is an individual residing in the City of Plano, Collin County, Texas.

Given under my hand and seal of office this ____ day of _____, 2018.

Notary Public
State of Texas

This instrument was acknowledged before me on this _____ day of _____, 2018, by _____, being sworn on his/her oath that he/she is an individual residing in the City of Plano, Collin County, Texas.

Given under my hand and seal of office this ____ day of _____, 2018.

Notary Public
State of Texas

This instrument was acknowledged before me on this _____ day of _____, 2018, by _____, being sworn on his/her oath that he/she is an individual residing in the City of Plano, Collin County, Texas.

Given under my hand and seal of office this ____ day of _____, 2018.

Notary Public
State of Texas