

**RESTATEMENT OF THE
ARTICLES OF INCORPORATION
OF
DESERT WILLOW APARTMENTS**

ARTICLE I

- A. The name of the Corporation is Desert Willow Apartments (hereinafter referred to as the “Corporation”).
- B. The existence of the Corporation shall be perpetual.
- C. The county in the State of California where the principal office for the transaction of the business of this Corporation is located is the County of Kern.
- D. The name and address in this State of the Corporation’s initial agent for service of process is:

Fred A. Drew
300 – 19th Street
Bakersfield, California 93301

ARTICLE II

The Corporation is a non-profit public benefit corporation and is not organized for the private gain of any person. It is organized under the Non-Profit Public Benefit Corporation Law for charitable and public purposes. The charitable and public purposes for which the Corporation is formed, and the business and objects to be carried on and promoted by it, are as follows:

- A. To provide disabled persons with housing facilities and services specially designed to meet their physical, social and psychological needs and to promote their health, security, happiness and usefulness in longer living, the charges for such facilities and services to be predicated upon the provision, maintenance and operation thereof on a non-profit basis.
- B. The Corporation and its property are irrevocably dedicated to, and operated exclusively for, charitable purposes meeting the requirements for exemption provided by Sections 214 and 214.01 of the Revenue and Taxation Code, and no part of the net income or assets of the Corporation shall ever be distributed to, nor inure to the benefit of any director, officer or member of this Corporation, or to the benefit of any private individual.

ARTICLE III

The Corporation is empowered:

- A. To buy, own, sell, assign, mortgage or lease any interest in real estate and personal property and to construct, maintain and operate improvements thereon necessary or incident to the accomplishment of the purposes set forth in Article II (A) hereof, but solely in connection with the project assisted under Section 202 of the Housing Act of 1959, as amended, or Section 811 of the National Affordable Housing Act.
- B. To borrow money, accept capital advances and issue evidence of indebtedness in furtherance of any or all of the objects of its business, and to secure same by mortgage, pledge or other lien on the Corporation's property.
- C. To do or perform all acts necessary to accomplish the purposes of the Corporation, including the execution of a Regulatory Agreement with the Secretary of Housing and Urban Development (HUD), his successors in interest or assigns and of such other instruments and undertakings as may be necessary to enable the Corporation to secure the benefits of capital advances and project rental assistance under Section 202 or Section 811. Such Regulatory Agreement and other instruments and undertakings shall remain binding upon the Corporation, its successors and assigns, so long as a deed of trust on the Corporation's property is held by the Secretary of Housing and Urban Development (HUD).

ARTICLE IV

- A. The Corporation shall have a minimum of five (5) directors and no more than nine(9) directors.
- B. The officers of the Corporation, as provided by the Bylaws of the Corporation, shall be elected by the directors of the Corporation in the manner therein set out, and shall serve as set forth in the aforementioned Bylaws.
- C. The directors shall serve without compensation.
- D. This Corporation will have no members.

ARTICLE V

Bylaws of the Corporation may be adopted or amended by the directors at any regular meeting or at any special meeting called for that purpose so long as they are not inconsistent with the provisions of these Articles or the Regulatory Agreement between the Corporation and the Secretary of Housing and Urban Development pursuant to Articles II and III (C) hereof.

ARTICLE VI

In the event of the dissolution or the winding up of this Corporation, or other liquidation of its assets, the Corporation's property shall not be conveyed to any organization created or operated for profit or to any individual, and all assets remaining after paying or adequately providing for the debts and obligations of the Corporation shall be conveyed or distributed only to a non-profit fund, foundation or corporation that is organized and operated exclusively for charitable purposes and meeting the requirements for exemption provided by Section 214 and 214.01 of the California Revenue and Taxation Code, other than one created for religious purposes, and which has established its tax exempt status under Section 501 (c) (3) of the Internal Revenue Code and Section 23701 (d) of the California Revenue and Taxation Code, provided, however, that the Corporation shall at all times have the power to convey any or all of its property to the Secretary of Housing and Urban Development (HUD).

ARTICLE VII

- A. This Corporation is organized exclusively for charitable purposes within the meaning of Section 501 (c) (3) of the Internal Revenue Code. Notwithstanding any other provisions of these Articles, the Corporation shall not carry on any activities not permitted to be carried on (i) by a corporation exempt from Federal Income Tax under Section 501 (c) (3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Law); or (ii) by a corporation, contributions to which are deductible under 170 (c) (2) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Law).
- B. No substantial part of the activities of this Corporation shall consist of the carrying on of propaganda or otherwise attempting to influence legislation, nor shall this Corporation participate in, or intervene in (including the publishing or distributing of statements) any political campaign on behalf of any candidate for public office.

ARTICLE VIII

As long as a deed of trust on the Corporation's property is held by the Secretary of Housing and Urban Development, ("Secretary"), or the Use Agreement between this Corporation and the Secretary remains in effect, these Articles of Incorporation may not be amended without prior written approval of the Secretary.

