

BYLAWS  
OF  
Desert Willow Apartments  
A Non-Profit Corporation

EIN # 20-3271119

Revision 3  
Board Approved  
Date: 3/18/2011

Document Configuration Manager  
Board of Director Secretary

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## **Document Change History**

All changes to this document require a “Document Change History” entry along with a reference to Board of Director minutes approving the change. This process starts as soon as this document provided to the Board of Director Secretary.

Revision 2 dated 2/15/2011

Revision 2 was modified to separate the Secretary/Treasurer board position into two positions. This was accomplished to distribute the workload between two board members. The modification was approved at DWA board meeting dated 2/15/2011.

Revision 3 dated 3/18/2011

This revision creates a Board of Director position of “Vice President”.

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**ARTICLE I**

NAME

The name of this organization shall be Desert Willow Apartments (hereinafter referred to as the "Corporation").

**ARTICLE II**

OFFICES

The principal office for the transaction of the Business of the Corporation ("principal executive office") is located in the State of California, County of Kern.

The directors may change the principal office from one location to another. Any change of this location shall be noted by the secretary on these Bylaws opposite this Section, or this Section may be amended to state the new location.

OTHER OFFICES

The Board of Directors may at any time establish branch or subordinate offices at any place or places where the Corporation is qualified to do business.

**ARTICLE III**

NONPARTISAN ACTIVITIES

This Corporation has been formed under the California Corporation Law for the purposes described herein below at Article XII, and it shall be nonprofit and nonpartisan. No substantial part of the activities of the Corporation shall consist of the publication or dissemination of materials with the purpose of attempting to influence legislation, and the Corporation shall not participate or intervene in any political campaign on behalf of any candidate for public office or for or against any cause or measure being submitted to the people for a vote.

The Corporation shall not, except in an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the purposes described herein-below at Article XII.

## **ARTICLE IV**

### **DEDICATION OF ASSETS**

The properties and assets of this nonprofit Corporation are irrevocably dedicated to fulfillment of the Objectives and Purposes of this Corporation as set forth in Article XII hereof. No part of the net earnings, properties or assets of this Corporation, on dissolution or otherwise, shall inure to the benefit of any private person or individual, or any member or director of this Corporation, except in fulfillment of said Objectives and Purposes. On liquidation or dissolution, all remaining assets shall be distributed as provided in Article VI of the Articles of Incorporation of this Corporation and in accordance with the nonprofit provisions of the California Nonprofit Public Benefit Corporation law then in effect.

## **ARTICLE V**

### **MEMBERSHIP**

The Corporation shall have no members.

## **ARTICLE VI**

### **DIRECTORS**

#### **Section 1. Powers**

- A. **General Corporate Powers:** Subject to the provisions of the California Nonprofit Public Benefit Corporation Law, the business and affairs of the Corporation shall be managed, and all corporate powers shall be exercised, by or under the direction of the Board of Directors.
- B. **Specific Powers:** Without prejudice to these general powers, and to the same limitations, the directors shall have the power to:
  - (i) Select and remove all officers, agents and employees of the Corporation; prescribe any powers and duties for them that are consistent with law, with the Articles of Incorporation and with these By-Laws; and fix their compensation.
  - (ii) Change the principal executive office or the principal business office in the State of California from one location to another; cause the Corporation to be qualified to do business in any other state, territory, dependency or country and conduct business within or outside the State of California; and designate any place within the State of California for the holding of any meeting or meetings, including annual meetings.
  - (iii) Adopt, make and use a corporate seal; and alter the form of the seal and certificate.

- (iv) Borrow money and incur indebtedness on behalf of the Corporation and cause to be executed and delivered for the Corporation's purposes, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations and other evidences of debt and securities.

## Section 2. Number And Qualification Of Directors

The authorized number of directors shall be a minimum of five (5) no more than nine (9).

## Section 3. Election And Term Of Office Of Directors

Each director, including a director elected to fill a vacancy, shall hold office until a successor has been elected and qualified. The directors elected at the first meeting of the Board shall continue in office until a vacancy exists.

## Section 4. Vacancies

- A. Events causing vacancy: A vacancy or vacancies in the Board of Directors shall be deemed to exist on the occurrence of the following: (i) the death, resignation or removal of any director; (ii) the declaration by resolution of the Board of Directors of a vacancy of the office of a director who has been declared of unsound mind by an order of court or convicted of a felony or has been found by final order or judgment of any court to have breached a legally imposed duty under the California Nonprofit Corporation Law; or (iii) the increase of the authorized number of directors.
- B. Resignations: Except as provided in this paragraph, any director may resign, which resignation shall be effective on giving written notice to the President, or the Secretary of the Board of Directors, unless the notice specifies a later time for the resignation to become effective. If the resignation of a director is effective at a future time, the Board of Directors may elect a successor to take office when the resignation becomes effective. No director may resign when the Corporation would then be left without a duly elected director or directors in charge of its affairs.

## Section 5. Place Of Meetings; Meetings By Telephone

Regular meetings of the Board of Directors may be held at any place within the State of California that has been designated from time to time by resolution of the Board. In the absence of such designation, regular meetings shall be held at the principal executive office of the Corporation. Special meetings of the Board shall be held at any place within the State of California that has been designated in the notice of the meeting, or if not stated in the notice, or if there is no notice, at the principal executive office of the Corporation. Notwithstanding the above provisions of this Section 5, a regular or special meeting of the Board of Directors may be held at any place consented to in writing by all the Board members, either before or after the meeting. If consents are given, they shall be filed with the minutes of the meeting. Any meeting, regular or special, may be held by

conference telephone or similar communication equipment, so long as all directors participating in the meeting can hear one another, and all such directors shall be deemed to be present in person at such meeting.

### Section 6. Annual Meeting

The Board of Directors shall hold an annual meeting at 11:30am on the third Tuesday in the month of February in each year, beginning with the year 2005 for the purpose of organization, election of officers and the transaction of other business. Notice of this meeting shall not be required.

### Section 7. Other Regular Meetings

Other regular meetings of the Board of Directors shall be held at such time as shall from time to time be fixed by the Board of Directors. Such regular meetings may be held without notice.

### Section 8. Special Meetings

A. Authority to call. Special meetings of the Board of Directors for any purpose may be called at any time by the President, the Secretary, the Treasurer or any two directors.

B. Notice.

- (i) Manner of Giving. Notice of the time and place of special meetings shall be given to each director by one of the following methods; (a) by personal delivery or written notice; (b) by first-class mail, postage paid; (c) by telephone or facsimile communication, either directly to the director or to a person at the director's office who would reasonably be expected to communicate such notice promptly to the director; (d) by telegram, charges prepaid; or (e) by e-mail. All such notices shall be given or sent to the director's address or telephone/facsimile number as shown on the records of the Corporation.
- (ii) Time Requirements. Notice sent by first-class mail shall be deposited into a United States mail box at least four days before the time set for the meeting. Notices given by personal delivery, telephone or telegraph shall be delivered, telephoned or given to the telegraph company at least 48 hours before the time set for the meeting.
- (iii) Notice Contents. The notice shall state the time and place for the meeting. However, it need not specify the purpose of the meeting.

### Section 9. Quorum

A majority of the authorized number directors shall constitute a quorum for the transaction of business, except to adjourn as provided in Section 11 of this Article VI. Every act or

decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board of Directors, subject to the provisions of the California Nonprofit Corporation Law, especially those provisions relating to (i) approval of contracts or transactions in which a director has a direct or indirect material financial interest, (ii) appointment of committees, and (iii) indemnification of directors. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for the meeting.

#### Section 10. Waiver Of Notice

The transactions of any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice, if (a) a quorum is present, and (b) either before or after the meeting, each of the directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the Minutes. The waiver of notice or consent need not specify the purpose of the meeting. All waivers, consents and approvals shall be filed with the corporate records or made a part of the Minutes of the meeting. Notice of a meeting shall also be deemed given to any director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

#### Section 11. Adjournment

Any action required or permitted to be taken by the Board of Directors may be taken without a meeting, if all members of the Board, individually or collectively, consent in writing to that action. Such action by written consent shall have the same force and effect as a unanimous vote of the Board of Directors. Such written consent or consents shall be filed with the Minutes of the proceedings of the Board.

#### Section 12. Fees And Compensation Of Directors

Directors shall receive no compensation for their services; however, the Board, by resolution, may provide reimbursement of actual expenditures on behalf of the Corporation.

## **ARTICLE VII**

### **COMMITTEES**

#### **Section 1. Committees of Directors**

A. The Board of Directors, by resolution adopted by a majority of the Directors in office may designate one or more committees, each of which shall consist of two or more Directors, to serve at the pleasure of the Board.

#### **Section 2. Meetings and Action of Committees**

Special meetings of committees may be called by resolution of the Board of Directors. Notice of special meetings of committees shall also be given to any and all alternate members, who shall have the right to attend all meetings of the committee. Minutes shall be kept of each meeting of any committee and shall be filed with the corporate records. The Board of Directors may adopt rules for the government of any committee not inconsistent with the provisions of these By-Laws.

## **ARTICLE VIII**

### **OFFICERS**

#### **Section 1. Officers**

The Officer positions of the Corporation shall be President, Secretary, and Treasurer.

#### **Section 2. Election of Officers**

The Officers of the Corporation, except those appointed in accordance with the provisions of Section 3 of this Article VIII, shall be chosen by the Board of Directors, and each shall serve at the pleasure of the Board.

#### **Section 3. Subordinate Officers**

The Board of Directors may appoint, and may authorize the President or another officer to appoint, any other officers that the business of the Corporation may require, each of whom shall have the title, hold office for the period, have the authority and perform the duties specified in the By-Laws or determined from time to time by the Board of Directors.

#### **Section 4. Removal of Officers**

Subject to the rights, if any, of an officer under any contract of employment, any officer may be removed, with or without cause, by the Board of Directors, at any regular or special meeting of the Board.

#### **Section 5. Resignation of Officers**

Any officer may resign at any time by giving written notice to the Corporation. Any resignation shall take effect at the date of the receipt of that notice or at any later time specified in that notice; and, unless otherwise specified in that notice, the acceptance of the resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any, of the Corporation under any contract to which the officer is a party.

#### Section 6. Vacancies in Offices

A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled only in the manner prescribed in these By-Laws for regular appointments to that office.

#### Section 7. Responsibilities of Officers

- A. President. Subject to such supervisory powers as may be given by the Board of Directors to the President, if any, the President shall, subject to the control of the Board of Directors, generally supervise, direct and control the business and the officers of the Corporation. The President shall preside at all meetings of the Board of Directors and shall have such other powers and duties as may be prescribed by the Board of Directors or the By-Laws.
- B. Vice President. Subject to such supervisory powers as may be given by the Board of Directors to the Vice President, if any, the Vice President shall, subject to the control of the Board of Directors, generally supervise, direct and control the business and the officers of the Corporation when the President is absent. The Vice President shall preside at all meetings of the Board of Directors when the President is absent and shall have such other powers and duties as may be prescribed by the Board of Directors or the By-Laws.
- C. Secretary: The Secretary shall attend to the following:
  - (i) Book of Minutes. The Secretary shall keep or cause to be kept, at the principal executive office or such other place as the Board of Directors may direct, a Book of Minutes of all meetings and actions of directors, committees of directors, with the time and place of holding, whether regular or special and, if special, how authorized, the notice given, the names of those present at such meetings and the proceedings of such meetings.
  - (ii) Notices, Seal and other duties. The Secretary shall give, or cause to be given, notice of all meetings of the Board of Directors required by the By-Laws to be given. The Secretary shall keep the seal of the Corporation in safe custody and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors for the By-Laws.

*C. Treasurer: The Treasurer shall attend to the following:*

- (i) Books of Account. The Treasurer shall cause to be kept and maintained, adequate and correct books and records of accounts of the properties and business transactions of the Corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, retained earnings and other matters customarily included in financial statements. The books of account shall be open to inspection by any director at all reasonable times.
  - a. Deposit and Disbursement of Money and Valuables. The Treasurer shall cause to be deposited all money and other valuables in the name and to the credit of the Corporation with such depositories as may be designated by the Board of Directors; shall cause the funds of the Corporation to be disbursed as may be ordered by the Board of Directors; shall render to the President and directors, whenever they request it, an account of all transactions of the financial condition of the Corporation; and shall have other powers and perform such other duties as may be prescribed by the Board of Directors or the By-Laws.
  - b. Bond. The Treasurer shall ensure that the firm performing fiscal oversight of the Corporation is appropriately bonded.

## **ARTICLE IX**

### **RECORDS AND REPORTS**

**Section 1. Maintenance and Inspection of Other Corporate Records**

The Corporation shall keep at its principal executive office, or if its principal executive office is not in the State of California, at its principal business office in this State, the original or a copy of the Articles and By-Laws as amended to date.

**Section 2. Maintenance and Inspection of Other Corporate Records**

The accounting books, records and minutes of proceedings of the members and the Board of Directors and any committee(s) of the Board of Directors shall be kept at such place or places designated by the Board of Directors, or, in the absence of such designation, at the principal executive office of the Corporation. The minutes shall be kept in written or typed form and the accounting books and records shall be kept either in written or typed form or in any other form capable of being converted into written, typed or printed form.

**Section 3. Inspection by Directors**

Every director shall have the absolute right at any reasonable time to inspect all books, records and documents of every kind and the physical properties of the Corporation and each of its subsidiary corporations. This inspection by a director may be made in person or

by an agent or attorney, and the right of inspection includes the right to copy and make extracts of documents.

#### Section 4. Annual Report

The Corporation shall provide to the directors within 120 days of the close of its fiscal year, a report containing the following information in reasonable detail:

- A. The assets and liabilities, including the trust funds, of the Corporation as of the end of the fiscal year.
- B. The principal changes in assets and liabilities, including trust funds, during the fiscal year.
- C. The revenue or receipts of the Corporation, both unrestricted and restricted to particular purposes, for the fiscal year.
- D. The expenses or disbursements of the Corporation, for both general and restricted purposes, during the fiscal year.
- E. Any information required by California Corporations Code Section 6322.

### **ARTICLE X**

#### **CONSTRUCTION AND DEFINITIONS**

Unless the context requires otherwise, the general provisions, rules of construction and definitions in the California Nonprofit Public Benefit Corporation Law shall govern the construction of these By-Laws. Without limiting the generality of the above, the masculine gender includes the feminine neuter, the singular number includes the plural, the plural number includes the singular and the term "person" includes both the Corporation and a natural person.

### **ARTICLE XI**

#### **AMENDMENTS**

#### Section 1. Amendment by Directors

By-Laws, including a By-Law fixing or changing the authorized number of directors may be adopted, amended or repealed by the Board of Directors.

## Section 2. HUD Approval

During the period of any Department of Housing and Urban Development (“HUD”) Section 811 Regulatory Agreement, Use Agreement or Deed of Trust, these By-Laws shall not be amended without the prior written approval of HUD.

## ARTICLE XII

### OBJECTIVES AND PURPOSES

The objectives of this Corporation shall be:

- A. To provide housing for disabled persons on a nonprofit basis.
- B. To engage in any and all activities designated to assist low income disabled persons, including providing housing facilities and services relating thereto.
- C. To plan, construct, operate, maintain and improve housing and related facilities and services for disabled families as a nonprofit corporation.
- D. To acquire by gift or purchase, hold, sell, convey, assign, mortgage or lease any property, real or personal, necessary or incidental to the provision of housing and related facilities and services for disabled persons.
- E. To apply for, obtain and contract with any governmental agency for a direct loan or loans or other financial assistance for the provision of rental housing and related facilities and services for disabled persons.
- F. To engage in any and all activities designated to relieve the physical and financial distress of low income disabled persons, including, but not limited to, providing low cost housing, developing improved living amenities for disabled persons, to encourage independent living for ambulatory persons of limited income, to promote mental and emotional health for disabled persons by providing security in housing accommodations, and for advancement of research and education in the field of disabled housing.

## ARTICLE XIII

### INDEMNIFICATION AND INSURANCE

#### Section 1. Right of Indemnity

To the extent that an agent (including an officer or director or employee or any other person defined as an agent in Section 5238 (a) of the California Corporations Code) of this Corporation has been successful on the merits in defense of any “proceeding” as that term is used in Section 5238 (a) or (c) or in defense of any claim, issue or matter therein, the

agent shall be indemnified against expenses actually and reasonably incurred by the agent in connection therewith. "Expenses" as used in this By-Law shall have the same meaning as in Section 5238 (a).

## Section 2. Insurance

The Corporation shall have the right to purchase and maintain insurance to the full extent permitted by law on behalf of its officers, trustees, employees, and other agents, against any liability asserted against or incurred by an officer, trustee, employee, or agent in such capacity or arising out of the officer's, trustee's, employee's or agent's status as such.

## ARTICLE XIV

### HUD PROVISION

So long as a Deed of Trust on the Corporation's property is held by the Secretary of Housing and Urban Development ("Secretary"), should there be a conflict between these Bylaws and the Regulatory Agreement to be entered into between the Secretary and this Corporation, the terms of the Regulatory Agreement shall govern.

Notwithstanding anything herein to the contrary, as long as the Secretary or his successors or assigns is the holder of the deed of trust on Desert Willow Apartments Project No. 122-HD162, the following provision shall be effective:

"In the event any provision of these Bylaws conflicts with, modifies, or in any way changes a provision of the Cranston-Gonzales National Affordable Housing Act, HUD Regulations, the HUD deed of trust or Regulatory Agreement entered into between the Corporation and the Secretary, these Bylaws shall be deemed amended to comply with said Act, Regulations, deed of trust and the Regulatory Agreement."

### CERTIFICATE OF SECRETARY

I DO HEREBY CERTIFY AS FOLLOWS:

That I am the duly elected, qualified and acting Secretary of Desert Willow Apartments and that the foregoing Bylaws, consisting of 11 pages, were adopted as the Bylaws of said Corporation at a regularly scheduled meeting of the Board of Directors on February 15, 2005 in accordance with the Articles of Incorporation of said Corporation.

IN WITNESS WHEREOF, I have hereunto set my hand this 16th day of September 2010.

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*Forrest Lloyd, Secretary*