

**BYLAWS OF
SAN LUIS OBISPO COUNTY HOUSING TRUST FUND**

ARTICLE I. RECITALS

Section 1. Name of Corporation. The name of this corporation shall be San Luis Obispo County Housing Trust Fund and shall be referred to herein as the "Corporation."

Section 2. Corporation Is Nonprofit. This Corporation has been formed pursuant to the California Nonprofit Corporation Law as a public benefit corporation.

Section 3. Purpose and Objectives. The specific and primary purpose of this Corporation shall be to establish a fund from various local sources, including local governments, for the development of affordable housing for low and moderate income residents of San Luis Obispo County.

ARTICLE II. PRINCIPAL OFFICE

Section 1. Location of Principal Office. The principal office of the Corporation will be located at such place within the County of San Luis Obispo, California, as the Board may from time to time designate by resolution.

ARTICLE III. MEMBERSHIP

Section 1. Members. This Corporation shall have no members as that term is defined in Section 5056 of the California Nonprofit Corporation Law. Unless otherwise provided herein or in the California Nonprofit Corporation Law, any action which would otherwise require approval by a majority of all members or approval by the members shall require only approval of the Board of Directors. All rights which would otherwise vest in the members shall vest in the Board of Directors.

Section 2. Associates. Nothing in this Article III shall be construed as limiting the right of the Corporation to refer to persons associated with it, who participate in any activities of the Corporation, as "members" even though such persons are not members, as defined in Section 5056 of the California Nonprofit Corporation. Such persons shall be deemed to be associated persons with respect to the Corporation as that term is defined in Section 5332 of the California Nonprofit Corporation Law and no such reference shall constitute anyone a member of this Corporation.

ARTICLE IV. BOARD OF DIRECTORS

Section 1. General Corporation Powers. The business and affairs of the Corporation shall be vested in and exercised by, the Corporation's Board of Directors. Subject to the limitations expressed in Article VI, Section 1, the Board may delegate the management of the activities of the Corporation to any person or persons, or committee, including the Commission as described in Article VIII, Section 1, below, provided that notwithstanding any such delegation, the activities and affairs of the Corporation shall continue to be managed and all Corporate powers

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shall continue to be exercised under the ultimate direction of the Board. The specific powers of the Board, and the limitations thereon are set forth in Article V hereof.

Section 2. Number and Qualification of Directors. The Board of Directors shall consist of not less than five (5) nor more than nine (9) persons, with the exact number to be fixed from time to time by resolution of the Board. In the absence of a different determination of the number of directors, the number shall be five (5). The Board of Directors shall be comprised of representatives with individual expertise in the following or closely related areas:

- (a) affordable housing;
- (b) community-based programs;
- (c) the business community;
- (d) economic opportunity; and
- (e) a designee of the San Luis Obispo Supportive Housing Consortium for special needs populations.

A majority of Directors may not be elected or appointed government officials or employees of government entities as defined herein. This limitation does not apply to Directors who are appointed to a government advisory commission, advisory committee or advisory task force or are employees of a public school, college or university.

Section 3. Term of office. Directors shall be elected at the annual meeting of the Board. Each such director shall hold office for three (3) years and until a successor has been elected. No Director shall serve more than three (3) consecutive terms.

Section 4. Nomination and Election of Directors.

(a) Nominating Committee. At least ninety (90) days prior to the date of any election of directors, the Board shall appoint a nominating committee to select qualified candidates for election to those positions on the Board of Directors held by directors whose terms of office are then expiring. The nominating committee shall make its report to the Board at least thirty (30) days before the date of the election~ and shall nominate at least one candidate for each position to be filled.

(b) Election of Directors. The election of directors shall take place at the annual meeting of the Board, provided, however, that vacancies may be filled prior to the annual meeting date as provided in Section 5 below.

Section 5. Removal of Directors and Filling Vacancies on the Board of Directors.

(a) Vacancies & Generally. A vacancy or vacancies in the Board of Directors shall be deemed to exist on the occurrence of any of the following: (i) the death, resignation or removal of a director; or (ii) an increase of the authorized number of directors.

(b) Resignation of Directors. Except as provided in this subparagraph, any director may resign, which resignation shall be effective on giving written notice to the chairman, the secretary, or 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.

(c) Filling of Vacancies. Vacancies on the Board may be filled by the vote of a majority of a quorum of the Board, or if the number of directors then in office is less than a quorum, the vacancy may be filled by (i) the unanimous written consent of the remaining directors; (ii) the affirmative vote of a majority of the remaining members of the Board at a duly held meeting; or (iii) by the sole remaining director.

(d) Authority of the Board to Remove Directors For Cause. The Board of Directors shall have the power and authority to remove a director and declare his or her office vacant if he or she has (i) been declared of unsound mind by a final order of court; (ii) been convicted of a felony; or (iii) been found by a final order or judgment of any court to have breached any duty under Sections 5230 through 5237 or the California Nonprofit Corporation Law (relating to the standards of conduct of directors).

(e) Removal of Directors Without Cause. Except as otherwise provided in subparagraph (d) above, a director may only be removed from office prior to expiration of his or her term by the affirmative vote of a majority of the directors then in office.

(f) Reduction in Number of Directors. No reduction of the authorized number of directors shall have the effect of removing any director before the director's term of office expires.

ARTICLE V. DUTIES AND POWERS OF THE BOARD

Section 1. General Corporate Powers. Subject to the provisions and limitations of the California Nonprofit Corporation Law and any other applicable laws, the Corporation's activities and affairs shall be managed, and all corporate powers shall be exercised, by or under the direction of the Board.

Section 2. Specific Powers. Without prejudice to the general powers set forth in Section 1 above of these Bylaws, but subject to the same limitations, the directors shall have the power to:

(a) Appoint and remove, at the pleasure of the Board, all the corporation's officers, agents, and employees; prescribe powers and duties for them that are consistent with law, with the articles of incorporation, and with these Bylaws; and fix their compensation and require from them security for faithful performance of their duties.

(b) Change the principal office or the principal business office in California from one location to another; cause the Corporation to be qualified to conduct its activities in any other state, territory, dependency, or country and conduct its activities within or outside California; and designate any place within or outside California for holding any meeting of members.

(c) Adopt and use a corporate seal; and alter the form of the seal.

(d) Enter into contracts on behalf of the Corporation.

(e) 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 3. Limitations on Powers.

(a) Self-Dealing Transactions. Notwithstanding the powers conferred on the Board pursuant to Section 1 above, and Article X, Section 1 hereof, this Corporation shall not engage in any transaction which meets the definition of a "self-dealing transaction" as defined in Section 5233 of the California Nonprofit Corporation Law unless the transaction has been approved by one of the means specified in subparagraph (d) of said Section 5233.

(b) Transactions Between Corporations Having Common Directorships. Unless it is established that the contract or transaction is just and reasonable as to the Corporation at the time it is authorized, approved or ratified, this Corporation shall not enter into a contract or transaction with any other corporation, association or entity in which one or more of the Corporation's directors are directors unless the material facts as to the transaction and the director's common directorship are fully known or disclosed to the Board. The Board must

approve, authorize or ratify any such contract or transaction in good faith and by a vote sufficient without counting the vote of the common director(s).

(c) Loans to Directors or Officers. This Corporation shall not make any loan of money or property to, or guarantee the obligation of any director or officer, unless the transaction is first approved by the California Attorney General. This provision shall not apply to any reasonable advance on account of expenses anticipated to be incurred in the performance of the directors or officers duties.

(d) Standards for Investment. Except as provided in Sections 5240(c) and 5241 of the California Nonprofit Corporation Law, in the investment, reinvestment, purchase, acquisition, exchange, sale and management of the Corporation's investments, the Board shall do the following:

(i) Avoid speculation, looking instead to the permanent disposition of the funds, considering the probable income, as well as the probable safety of the Corporation's capital; and

(ii) Comply with additional standards, if any, imposed by the Articles of Incorporation, these Bylaws or the express terms of any instrument or agreement pursuant to which the invested assets were contributed to the Corporation.

ARTICLE VI. BOARD MEETINGS

Section 1. Place of Meetings. Regular and special meetings of the Board of Directors may be held at any place within the County of San Luis Obispo, California, that has been designated from time to time by resolution of the Board and stated in the notice of the meeting. In the absence of such designation, regular meetings shall be held at the principal office of the Corporation. Notwithstanding the above provisions of this Section 1, a regular or special meeting of the Board 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.

Section 2. Meetings by Telephone Conference or Other Communication Equipment. Members of the Board may participate in a meeting through use of conference telephone, electronic video screen communication, or other communications equipment. Participation in a meeting pursuant to this Section 2 constitutes presence in person at that meeting if all of the following apply:

(a) Each member participating in the meeting can communicate with all of the other members concurrently.

(b) Each member is provided the means of participating in all matters before the Board, including the capacity to propose, or to interpose an objection, to a specific action to be taken by the Corporation.

(c) The Corporation adopts and implements some means of verifying both of the following:

(i) A person communicating by telephone, electronic video screen, or other communications equipment is a director entitled to participate in the Board meeting; and

(ii) All statements, questions, actions, or votes were made by that director and not by another person not permitted to participate as a director.

Section 3. Annual Meeting of Directors. The annual meeting of directors shall be held on the third Friday of April of each year at 8:30 A.M. at the principal office of the Corporation or at such date, time and place set by a majority of the Board. Notice of the annual meeting shall be

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given to all Board members and posted on the corporation's website at least 10 days prior to the meeting date.

Section 4. Regular Meetings. Other regular meetings of the Board shall be held without notice at such time and place as may be fixed by the Board of Directors from time to time. Ordinarily, regular meetings shall be conducted at least quarterly; provided, however, that regular meetings can be held as infrequently as every six months if the Board's business does not justify more frequent meetings.

Section 5. Special Meetings of the Board. Special meetings of the Board of Directors for any purpose may be called at any time by the chairman of the Board, any vice chairman, the secretary or any two directors

Section 6. Notice of Meetings.

(a) Manner of Giving. Notice of the time and place of any special meetings of the Board shall be given to each director upon four (4) days' written notice delivered by first-class mail or forty-eight (48) hours' notice delivered personally or by telephone, including a voice messaging system or other system or technology designed to record and communicate messages, telegraph, facsimile, electronic mail, or other electronic means. All such notices shall be given or sent to the director's address or telephone number as shown on the records of the Corporation. Notice of a meeting need not be given to any director who signs a written waiver of notice or a written consent to holding the meeting or an approval of the minutes thereof, whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at commencement of the meeting, the lack of notice to such director. All such waivers, consents and approvals shall be filed with the Corporation records or made a part of the minutes.

(b) Notice Contents. The notice shall state the time of the meeting, and the place if the place is other than the principal office of the Corporation. It need not specify the purpose of the meeting.

Section 7. Quorum Requirements.

(a) The attendance of a majority of the authorized number of directors at any meeting of the directors shall constitute a quorum for the transaction of business, except to adjourn as provided in Section 9 of this Article VI.

(b) Except as otherwise provided herein or in the California Nonprofit Corporation Law, 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.

(c) A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of directors below a quorum, if any action taken is approved by at least a majority of the required quorum for that meeting or such greater number as is required by the Articles of Incorporation or these Bylaws.

Section 8. Waiver of Notice. The transaction 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 (i) a quorum is present, and (ii) either before or after the meeting, each of the directors not present, individually or collectively, signs a written waiver of notice, a consent to the holding of the meeting, or an approval of the minutes thereof. The waiver of notice or consent need not specify the purpose of the meeting. All waivers, consents and approvals shall be filed with the Corporation records or made apart of the minutes of the meeting

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and shall have the same force and effect as a unanimous vote of the Board. The requirement of notice of a meeting shall also be deemed to have been waived by any director who attends the meeting without protesting before or at its commencement about the lack of notice.

Section 9. Adjournment. A majority of the directors present, whether or not constituting a quorum, may adjourn any meeting to another time and place or may adjourn for purposes of reconvening in executive session to discuss and vote upon personnel matters, litigation in which the Corporation is or may become involved and orders of business of a similar nature. If the meeting is adjourned for more than twenty-four (24) hours, notice of adjournment to any other time or place shall be given prior to the time of the adjourned meeting to the directors who were not present at the time of the adjournment. Except as hereinabove provided, notice of adjournment need not be given.

Section 10. Action without a Meeting. 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 an unanimous vote of the Board of Directors. Such written consent or consents shall be filed with the minutes of the proceedings of the Board. For purposes of this Section 10, "all members of the Board" shall not include any "interested director", as defined in Section 5233 of the California Nonprofit Corporation Law.

Section 11. Compensation. Directors, officers and members of committees shall not be entitled to compensation for their services as such, although they may be reimbursed for such actual expenses as maybe determined by resolution of the Board of Directors to be just and reasonable. Expenses shall be supported by an invoice or voucher acceptable to the Board. This Section 11 shall not be construed to preclude any director from serving the Corporation in any other capacity, such as an officer, agent, employee, or otherwise, and receiving compensation for those services.

ARTICLE VII. COMMITTEES

Section 1. Committee(s) of Directors. In addition to the nominating committee appointed and constituted pursuant to Article IV, Section 4(a) of these Bylaws, other committees formed to carry out organizational tasks described in Section 3 below, and the Commission described in Article VIII of these Bylaws, the Board may, by resolution adopted by a majority of the directors then in office, provided that a quorum is present, designate one or more committees, each consisting of two or more directors, to serve at the pleasure of the Board. Committees of Directors shall have all the authority of the Board with respect to matters within their area of assigned responsibility, except that no committee, regardless of Board resolution, may.

(a) Take any final action on any matter which, under the California Nonprofit Corporation Law, also requires approval of the members.

(b) Fill vacancies on the Board of Directors or on any committee which has been delegated any authority of the Board.

(c) Amend or repeal these Bylaws or adopt new Bylaws.

(d) Amend or repeal any resolution of the Board of Directors which by its express terms is not so amendable or repealable.

(e) Appoint any other committees of the Board of Directors or the members of those committees.

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(f) Expend Corporation funds to support a nominee for director after there are more people nominated for director than can be elected.

(g) Approve any transaction (i) to which the Corporation is a party and in which one or more directors have a material financial interest; or (ii) between this Corporation and one or more of its directors or between the Corporation and any person in which one or more of its directors have a material financial interest.

Section 2. Meetings and Actions of Committee(s) of Directors. Meetings and actions of committees of directors shall be governed by, and held and taken in accordance with, the provisions of Article VII of these Bylaws, concerning meetings of directors, with such changes in the context of those Bylaws as are necessary to substitute the committee and its members for the Board of Directors and its members, except that the time for regular meetings of committees may be determined either by resolution of the Board of Directors or by resolution of the committee. Special meetings of committees may also be called by resolution of the Board of Directors. 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 not inconsistent with the provisions of these Bylaws for the government of any committee.

Section 3. Other Committees. The Board of Directors may appoint one or more other committees to serve at the pleasure of the Board with such responsibilities and duties and for such terms as the Board shall determine. Other committees shall determine their own meeting rules and whether minutes shall be kept.

ARTICLE VIII. COMMISSION

Section 1. Creation and Composition of the Commission. The Board may appoint a commission (the "Commission") which shall consist of not less than seven (7) nor more than eleven (11) persons. The Commission shall be comprised of one (1) person designated by each Participating Jurisdiction, one (1) person designated by SLO Supportive Housing Consortium and others who are knowledgeable of or represent one or more of the following interest groups: the low-income, special needs or disabled communities, economic development, construction, homebuilding, business, agriculture, banking and tourism. Except as set forth below, members of the Commission shall serve at the pleasure of the Board.

As used in these Bylaws, a Participating Jurisdiction shall mean the County of San Luis Obispo and any incorporated City in the County of San Luis Obispo; provided that to be a Participating Jurisdiction, the County or any such City must have made a contribution to the Corporation in the prior fiscal year from a dedicated revenue source or such other minimum contribution as may be determined by the Board from time to time. The representative from each Participating Jurisdiction shall be nominated by the Participating Jurisdiction and shall serve at the pleasure of the Participating Jurisdiction unless removed by a two-thirds majority vote of the Board which removal may be without cause.

Members of the Commission shall not be members of the Board.

Section 2. Duties of the Commission. Subject to the supervision and approval of the Board of Directors, the Commission shall be responsible for:

- (a) assessing local housing needs;
- (b) recommending eligibility guidelines;
- (c) recommending loan and grant policies and procedures;

- (d) reviewing applications for loans and grants;
 - (f) recommending loan and grant approvals and conditions;
 - (d) monitoring projects that receive funds from the Corporation;
 - (e) monitoring the allocation and use of the Corporation's loan and grant funds to ensure that at least 40% of these funds are used to benefit low income households with special needs and that no funds are used to benefit households with incomes above 160% of the County median income; and
 - (f) reporting on the Corporation's loan and grant activities and progress.
- The Commission may not take any action which a Committee of Directors would be prohibited from taking under Article VII, Section 1.

Section 3. Meetings of the Commission. The Commission shall determine its own meeting rules. Minutes shall be kept of each meeting of the Commission and shall be filed with the Corporate records.

ARTICLE IX. OFFICERS

Section 1. Officers. The officers of the Corporation shall be a: (1) chairman, (2) vice chairman, (3) secretary, and (4) treasurer. The Corporation may also have, at the discretion of the Board, one or more assistant secretaries, one or more assistant treasurers, and such other officers as may be appointed in accordance with the provisions of Section 3 following. One person may hold two or more offices, except that neither the secretary nor the treasurer may serve concurrently as chairman.

Section 2. Election of Officers. The officers of the Corporation, except such officers as may be appointed in accordance with the provisions of Sections 3 and 5 following, shall be chosen annually by majority vote of the Board at its annual meeting and each shall hold his or her office for one year or until he or she shall resign or shall be removed or otherwise disqualified to serve or his or her successor shall be elected and qualified.

Section 3. Subordinate officers. The Board may appoint, and may empower the chairman to appoint, such other officers as the affairs of the Corporation may require, each of whom shall hold office for such period, have such authority and perform such duties as are provided in these Bylaws and as the Board may from time to time determine.

Section 4. Removal of officers. Subject to the rights, if any, of an officer under any contract of employment, any officer may be removed, either with or without cause, by the Board at any regular or special meeting, or by any officer upon whom such power of removal may be conferred by the Board; provided, however, that no such officer shall remove an officer chosen by the Board,

Section 5. Resignation of officers. Any officer may resign at any time by giving notice to the Board or to the chairman or to the secretary. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein; and unless otherwise specified therein, the acceptance of such 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.

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Section 6. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled in the manner prescribed in these Bylaws for regular appointments to that office.

Section 7. Chairman. The chairman shall be elected by the Board from among the directors. He or she shall, subject to the control of the Board, have general supervision, direction and control of the affairs and officers of the Corporation, including the Executive Director. He or she shall preside at all meetings of the Board, and shall have the general power and duties of management usually vested in the office of chairman of a corporation, together with such other powers and duties as may be prescribed by the Board or these Bylaws.

Section 8. Vice Chairman. The vice chairman shall be elected by the Board from among the directors. In the absence or disability of the chairman, the vice chairman shall perform all the duties of the chairman and when so acting shall have all the powers of and be subject to all the restriction upon, the chairman. He or she shall have such other powers and perform such other duties as from time to time may be prescribed by the Board or these Bylaws.

Section 9. Secretary. The secretary shall keep or cause to be kept at the principal office, or such other place as the Board may order, a book of minutes of all meetings of directors and the Executive Committee with the time and place of holding same, whether regular or special and if special, how authorized, the notice thereof given, the names of those present at such meetings and the proceedings thereof. The secretary shall keep, or cause to be kept appropriate current records showing the names and mailing addresses of any persons designated as members of the Corporation. He or she shall give, or cause to be given, notice of all meetings of the Board required by these Bylaws or by law to be given, and he or she 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 or by these Bylaws.

Section 10. Treasurer. The chief financial officer, who shall be known as the treasurer, shall keep and maintain, or cause to be kept and maintained, adequate and correct 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 statement. The books and records shall at all reasonable times be open to inspection by any director. The treasurer shall provide for the deposit all monies and other valuables in the name and to the credit of the Corporation with such depositaries as may be designated by the Board. He or she shall provide for the disbursement of the funds of the Corporation as maybe ordered by the Board, shall render to the chairman and directors whenever they request it, an account of all of his or her transactions as treasurer and of the financial condition of the Corporation, and shall have such other powers and perform such other duties as may be prescribed by the Board or these Bylaws. If required by the Board, the treasurer shall give the Corporation a bond in the amount and with the surety or sureties specified by the Board for faithful performance of the duties of his or her office and for restoration to the Corporation of all its books, papers, vouchers, money, and other property of every kind in his or her possession or under his or her control on his or her death, resignation, retirement, or removal from office.

Section 11. Executive Director. The Board of Directors may appoint an executive director who shall manage, under the direction of the Board, the activities and projects of the Corporation on a day-to-day basis and serve as staff to the Commission. The executive director shall be

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entitled to such compensation for services rendered to the Corporation as the Board of Directors shall determine. The executive director shall also supervise any paid support staff.

Section 12. Support Staff. The Board of Directors may appoint a support staff person who shall serve under the direction of the Board and the executive director. The support staff person shall be entitled to such compensation for services rendered to the Corporation as the Board of Directors shall determine.

ARTICLE X. FINANCIAL MATTERS AND REPORTS

Section 1. Checks. All checks or demands for money and notes of the Corporation shall be signed by the chairman and treasurer, or by such other officer or officers or such other person or persons as the Board of Directors may from time to time designate

Section 2. Books and Records. This Corporation shall keep adequate and correct books and records of account; minutes of the proceedings of its Board of Directors and committees of the Board of Directors; and a record of the members of the Board of Directors showing their names and addresses.

Section 3. Budgets and Financial Statements. The following financial statements and related information for the Corporation shall be regularly prepared and copies thereof shall be distributed to each director of the Corporation:

(a) Budget. A budget for each fiscal year consisting of at least the following information shall be distributed to the directors not less than forty-five (45) nor more than sixty (60) days prior to the beginning of the fiscal year:

(i) Estimated revenue and expenses on an accrual basis; and

(ii) The amount of the total cash reserves of the Corporation currently available for replacement or major repair of the Corporation's capital assets and for contingencies

(b) Year End Report. Within one hundred twenty (120) days after the close of the fiscal year, a year-end report consisting of at least the following shall be distributed to the directors:

(i) A balance sheet as of the end of the fiscal year;

(ii) An operating (income) statement for the fiscal year;

(iii) A statement of changes in financial position for the fiscal year; and

(iv) Any information required to be reported under Section 6322 of the California Nonprofit Public Benefit Corporation Law requiring the disclosure of certain transactions in excess of Fifty Thousand Dollars (\$50,000) per year between the Corporation and any director or officer of the Corporation and indemnifications and advances to officers or directors in excess of Ten Thousand Dollars (\$10,000) per year.

c) The annual report shall be accompanied by any report on it of independent accountants, or if there is no such report, by the certificate of an authorized officer of this Corporation that such statements were prepared without audit from this Corporation's books and records.

(d) This requirement of an annual report shall not apply if this Corporation receives less than Twenty-five Thousand Dollars (\$25,000.00) in gross receipts during the fiscal year; provided, however, that the information specified above for inclusion in an annual report must be furnished annually to all directors who request it in writing.

ARTICLE XI. MISCELLANEOUS

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Section 1. Inspection of Books and Records. In accordance with Section 6334 of the California Nonprofit Corporation Law, every director shall have an absolute right at any reasonable time to inspect all books, records, documents and minutes of the Corporation and the physical properties owned by the Corporation. The right of inspection by a director includes the right to make extracts and copies of documents.

Section 2. Amendment or Repeal of Bylaws. Except as otherwise expressly provided herein, these Bylaws may only be amended or repealed and new Bylaws adopted by the affirmative vote of a majority of a quorum of the Board.

Section 3. Notice Requirements. Any notice or other document permitted or required to be delivered as provided herein shall be delivered either personally or by first class mail in accordance with the notice requirements of Article VI, Section 6 hereof.

Section 4. Annual Statement of Central Information. As and when required by Section 6210 of the California Nonprofit Corporation Law, the Corporation shall file with the Secretary of State of the State of California, on the prescribed form, a statement setting forth the authorized number of directors, the names and complete business or residence addresses of all incumbent directors, the names and complete business or residence addresses of all incumbent directors, the names and complete business or residence addresses of the chairman, secretary and treasurer, the street address of its principal office in this state, together with a designation of the agent of the Corporation for the purpose of service of process.

Section 5. Construction and Definitions. Unless the context requires otherwise or a term is specifically defined herein, the general provisions, rules of construction, and definitions in the California Nonprofit Corporation Law shall govern the construction of these Bylaws. Without limiting the generality of the foregoing, the masculine gender includes the feminine and neuter, and singular number includes the plural and the plural number includes the singular.

Section 6. Indemnification of Corporate Agents

(a) Any person who was or is a director, officer, employee or other agent of the Corporation (collectively "Agents") may be indemnified by the Corporation for any claims, demands, causes of action, expenses or liabilities arising out of, or pertaining to, the Agent's service to or on behalf of the Corporation to the full extent permitted by California Nonprofit Corporation Law, Section 5238.

(b) The Corporation shall have power to purchase and maintain insurance on behalf of any agent of the Corporation against any liability asserted against or incurred by the agent in such capacity or arising out of the agent's status as such whether or not the Corporation would have the power to indemnify the agent against such liability under Section 5238 of the California Nonprofit Corporation Law; provided, however, that the Corporation shall have no power to purchase and maintain such insurance to indemnify any agent of the Corporation for a violation of Section 5233 of the California Nonprofit Corporation Law.

Section 7. Nonpaid Directors: Alleged Failure to Discharge Duties; No Monetary Liability.

Except as provided in Section 5233 or 5237 of the California Nonprofit Corporation Law, there is no monetary liability on the part of, and no cause of action for damages shall arise against, any nonpaid director, including any nonpaid director who is also a nonpaid officer, of

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this Corporation based upon any alleged failure to discharge the person's duties as director or officer if the duties are performed in a manner that meets all of the following criteria:

- (a) The duties are performed in good faith.
- (b) The duties are performed in a manner such director believes to be in the best interests of the Corporation.
- (c) The duties are performed with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances.

Section 8. Personal Liability of Volunteer Director or Officer for Negligence.

(a) Except as provided in subparagraph (c), below, there shall be no personal liability to a third party on the part of a volunteer director or volunteer executive committee officer of this Corporation caused by the director's or officer's negligent act or omission in the performance of that person's duties as a director or officer, if all of the following conditions are met:

- (i) The act or omission was within the scope of the director's or executive committee officer's duties;
- (ii) The act or omission was performed in good faith;
- (iii) The act or omission was not reckless, wanton, intentional, or grossly negligent; and
- (iv) Damages caused by the act or omission are covered pursuant to a liability insurance policy issued to the Corporation, either in the form of a general liability policy or a director's and officer's liability policy, or personally to the director or executive committee officer. In the event that the damages are not covered by liability insurance policy, the volunteer director or volunteer executive committee officer shall not be personally liable for the damages if the Board of

Directors and the person had made all reasonable efforts in good faith to obtain available liability insurance,

(b) For purposes of this Section 9, "volunteer" means the rendering or services without compensation. "Compensation" means remuneration whether by the way of salary, fee, or other consideration for services rendered. However, the payment of per diem, mileage, or other reimbursement expenses to a director or executive committee officer does not affect that person's status as a volunteer within the meaning of this section.

(c) This section does not eliminate or limit the ability of the director or officer for any of the following:

- (i) As provided in Section 5233 or 5237 of the California Nonprofit Corporation Law; or
- (ii) In any action or proceeding brought by the California Attorney General.

Section 9. Gifts. The Board of Directors may accept on behalf of the Corporation any contribution, gift, bequest, or devise for the general purpose of the Corporation.

Bylaws of San Luis Obispo County Housing Trust Fund