



AGENDA
HYBRID REGULAR BOARD MEETING FOR
THE HOUSING AUTHORITY OF THE COUNTY OF MONTEREY
BOARD OF COMMISSIONERS

DATE: MONDAY, JUNE 22, 2026

TIME: 5:00 P.M.

QR CODE:



LINK: https://us02web.zoom.us/j/3501891938?pwd=N3d4QWM3MjRQQUtnYnYwZ3dtekxDdz09

Phone: (669) 900-6833 (*9 to raise hand, *6 to unmute)

Meeting ID: 350 189 1938

Passcode: 438419

LOCATION: Housing Authority of the County of Monterey
Central Office, 123 Rico Street, Salinas, CA 93907

1. CALL TO ORDER (Pledge of Allegiance)

2. ROLL CALL

PRESENT

ABSENT

Chair Kathleen Ballesteros

Vice Chair Maria Orozco

Commissioner Francine Goodwin

Commissioner Kevin Healy

Commissioner Yuri Anderson

_____ x _____

Commissioner Eleanor Elliott

Commissioner Joseph Hertlein

ADDITIONS AND CORRECTIONS BY THE EXECUTIVE DIRECTOR

The Executive Director will announce agenda corrections and proposed additions, which may be acted on by the Board in accordance with Section 54954.2 of the California Government Code.

3. COMMENTS FROM THE PUBLIC

4. PRESENTATION

A. Novogradac Presentation on the FY 2026-2027 Operating Budget

5. MINUTES

A. Approval of Minutes of the Regular Board Meeting – March 23, 2026

6. REPORTS OF COMMITTEES

Policy Ad Hoc Committee

Commissioners Ballesteros & Goodwin

7. REPORT OF SECRETARY

- A. Executive Report

8. OLD BUSINESS

- A. Resolution 3161: Resolution Approving WISH Monterey County, Inc. Governance Documents, Shared Services Agreement, and Appointment of Directors

9. INFORMATION

- A. Human Resource Report
- B. Property Management Report
- C. Housing Programs Report
- D. Development Report
- E. Finance Report

10. CLOSED SESSION

- A. CONFERENCE WITH REAL PROPERTY NEGOTIATORS:

Pursuant to Government Code Section 54956.8:

Property: 3043 MacArthur Drive, Marina, CA 93933

Agency Negotiator: Zulieka Boykin, Executive Director

Negotiating Parties: Housing Authority of the County of Monterey and Current Occupant/Tenant

Under Negotiation: Lease Terms and Conditions of Occupancy

11. COMMISSIONER COMMENTS

12. ADJOURNMENT

This agenda was posted on the Housing Authority’s Bulletin Boards at 123 Rico Street, Salinas, CA.

The Board of Commissioners will meet next at the Regular Board Meeting on **July 27, 2026, at 5:00 p.m.**

THE PLEDGE OF ALLEGIANCE

I pledge allegiance to the flag of the United States of America

And to the Republic for which it stands

One nation, under God

Indivisible with liberty and justice for all





COMMENTS FROM THE PUBLIC



California's Brown Act mandates public comment periods in government meetings, but it's crucial to understand that these sessions aren't intended for dialogue. Instead, they provide citizens with a platform to express their views or concerns, while officials typically refrain from engaging in discussion or debate during this time.

For inquiries regarding specific items in the report, please send questions to grivero@hamonterey.org



Presenting:

HACM Audit

FY2026





REPORTS OF COMMITTEES

Policy Ad Hoc Committee

Commissioners: Ballesteros & Goodwin

MEMORANDUM

TO: Board of Commissioners

FROM: Zulieka Boykin, Executive Director

RE: Executive Director Report

DATE: June 17, 2026



The following are some of the highlights of accomplishments or pending projects in process:

INFORMATIONAL UPDATE FEDERAL GOVERNMENT

CHSP – Coalition of Homeless Service Providers

- No new updates

San Francisco HUD Field Office

- Continuing efforts to clean up HUD related databases and potential changes for potential changes.

City of Salinas

- The City of Salinas approved our Conditional Use Permit 2025-025 for 200 Casentini Street. This is for Parcel B development which creates 88 affordable housing units with a daycare on site.

County of Monterey

- Working with the County on potential development projects and funding opportunities.

HACM/HDC

PROPERTY MANAGEMENT

- Beginning project to review all leases and property ownership structure for necessary corrections and/or updates. (Ongoing)

FINANCE DEPARTMENT

- Novogradac is presenting audit results for HACM and HDC.

DEVELOPMENT DEPARTMENT

- Working on Pacific Meadows transition closeout and property plan (*In Progress*)

HCV DEPARTMENT - UPDATED FIGURES

- Beginning a project for agency FY25-26 audit preparation (Ongoing)

HUMAN RESOURCES DEPARTMENT

- Working on policies to create an employee handbook (*In Progress*)

MISCELLANEOUS

- Refer to attached board memo and resolution for establishment of WISH MC to be utilized as a holding company for HACM.

MEMORANDUM

TO: Board of Commissioners

FROM: Zulieka Boykin, Executive Director

RE: **Resolution 3161 – Formation of and Participation as the Sole Member of WISH Monterey County, Inc.**

DATE: June 22, 2026



Resolution 3161 (the "**Resolution**") approves the Housing Authority of the County of Monterey's (the "**Authority**") formation of and participation as the sole member of WISH Monterey County, Inc. (the "**Corporation**"), a California nonprofit public benefit corporation established for purposes of creating, owning, developing, constructing, purchasing and/or managing affordable and low-income housing in Monterey County, California, providing community and social services to residents of such housing, and making distributions for charitable purposes.

BACKGROUND:

The Corporation will serve as the Authority's holding company, and the Authority will at all times maintain control over the Corporation as its sole member. The Resolution ratifies and approves the Authority's participation in the incorporation and operation of the Corporation as the sole member, and authorizes the Authority's Executive Director and other authorized officers to enter into certain documents and take all actions to effectuate the transactions contemplated in the Resolution, on behalf of the Authority, as further described below.

AUTHORIZED DOCUMENTS AND ACTIONS:

The Resolution ratifies and approves the Authority's participation in the incorporation and operation of the Corporation as the sole member, and authorizes the Authority's Executive Director and other authorized officers to enter into the following documents and take all actions to effectuate the transactions contemplated in this Resolution, on behalf of the Authority:

1. The Amended and Restated Articles of Incorporation of the Corporation, to be filed with the California Secretary of State, which establish the Corporation as a nonprofit public benefit corporation under the laws of California, set forth its charitable purposes, designate the Authority as the sole member, and provide that upon dissolution, all of

the Corporation's assets will be distributed to the Authority or another qualifying organization;

2. The Bylaws of the Corporation, which govern the Corporation's internal operations, including membership, board composition and governance, officer appointments, committee structure, meeting procedures, indemnification provisions, and a Signatory and Disbursement Policy setting authorization limits for contracts, debt, disbursements, and government filings;
3. The Consulting and Shared Services Agreement between the Authority and the Corporation, pursuant to which the Authority will provide personnel, accounting, recordkeeping, purchasing, office, information, legal compliance, and other services on behalf of the Corporation in connection with the development and operation of low-income affordable rental communities, in exchange for a monthly fee to be agreed upon by the Authority and the Corporation;
4. The Conflict of Interest Policy of the Corporation, which establishes standards and procedures governing the identification, disclosure, and management of actual and potential conflicts of interest involving the Corporation's directors, officers, and other interested persons;
5. The California Statement of Information (Form SI-100), to be filed with the California Secretary of State, identifying the Corporation's principal office, officers, and agent for service of process;
6. The election of Kathleen Ballesteros, Maria Orozco, Kevin Healy, Francine Goodwin, Yuri Anderson, and Eleanor Elliott as directors on the Board of Directors of the Corporation, each of whom is a current commissioner of the Authority, to serve in accordance with the Bylaws until their successors are elected or until their earlier death, resignation, or removal;
7. The Corporation's application for tax exemption with the Internal Revenue Service under Section 501(c)(3) of the Internal Revenue Code of 1986 and state and local tax exemption; and
8. All other documents and actions that are necessary, advisable, or appropriate in connection with the incorporation of the Corporation and the Authority acting as the sole member of the Corporation.

BOARD APPROVAL REQUEST

Please approve the Resolution authorizing the formation of and participation as sole member of WISH Monterey County, Inc., including execution of all documents and actions described above. As the Executive Director of the Housing Authority County of Monterey, I highly recommend the board approve this action.

RESOLUTION 3161

A RESOLUTION APPROVING THE HOUSING AUTHORITY OF THE COUNTY OF MONTEREY'S FORMATION OF AND PARTICIPATION AS SOLE MEMBER OF A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION KNOWN AS WISH MONTEREY COUNTY, INC.

WHEREAS, the Housing Authority of the County of Monterey (the "**Authority**") formed a California nonprofit public benefit corporation named WISH Monterey County, Inc. (the "**Corporation**"), which will, among other things, endeavor to: (a) create, own, develop, construct, purchase and/or manage and otherwise foster affordable and/or low-income and/or moderate-income housing in Monterey County, California and surrounding areas permitted under California law; (b) provide community and social services to the residents of such affordable housing; (c) purchase, build, acquire and redevelop property for affordable housing; (d) finance affordable housing projects; and (e) make distributions for charitable purposes.

WHEREAS, the Board of Commissioners previously approved those certain Articles of Incorporation of the Corporation as filed with the California Secretary of State on January 27, 2025, and the Board of Commissioners deems it to be in the Authority's best interest to approve, accept and ratify those certain Amended and Restated Articles of Incorporation attached hereto as Exhibit A (the "**Articles**") to be filed with the California Secretary of State;

WHEREAS, the Board of Commissioners deems it to be in the Authority's best interest to participate as the sole member of the Corporation pursuant to the Articles and the Bylaws of the Corporation attached hereto as Exhibit B (the "**Bylaws**");

WHEREAS, the Board of Commissioners deems it to be in the Authority's best interest to enter into a Consulting and Shared Services Agreement with the Corporation, in a form substantially similar to the one attached hereto as Exhibit C (the "**Consulting Agreement**");

WHEREAS, the Authority, as sole member of the Corporation, desires to elect the following six (6) individuals to the Board of Directors of the Corporation, to serve in accordance with the Bylaws until their successors are elected or until their earlier death, resignation or removal:

1. Kathleen Ballesteros
2. Maria Orozco
3. Kevin Healy
4. Francine Goodwin
5. Yuri Anderson
6. Eleanor Elliott

WHEREAS, the Authority desires that the Corporation be exempt from (i) state and local taxation under the laws of the State of California; and (ii) Federal income taxation under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or the corresponding section of any future United States Internal Revenue law.

NOW THEREFORE BE IT RESOLVED by the Board of Commissioners of the Authority:

Section 1. The foregoing "WHEREAS" clauses and the actions referenced therein are hereby ratified and confirmed as being true and correct and hereby incorporated herein.

Section 2. The Board of Commissioners of the Authority hereby ratifies, confirms and approves in all respects the Authority's participation in the incorporation and operation of the Corporation as sole member thereof.

Section 3. The Board of Commissioners of the Authority hereby approves and adopts the Corporation's Articles and Bylaws and hereby authorizes the Executive Director of the Authority and such officers and employees of the Authority as the Executive Director shall designate (each, an "**Authorized Officer**" and, together, the "**Authorized Officers**") to execute such documents and take such action as may be necessary, desirable or appropriate to file or cause to be filed the Articles with the California Secretary of State, including the payment of any taxes, assessments, costs or fees in connection therewith.

Section 4. Kathleen Ballesteros, Maria Orozco, Kevin Healy, Francine Goodwin, Yuri Anderson and Eleanor Elliott be and they hereby are elected as the Board of Directors of the Corporation, effective immediately, to serve in accordance with the Bylaws until their successors are elected or until their earlier death, resignation or removal.

Section 5. The Authorized Officers, are hereby authorized and directed to execute and deliver on behalf of the Authority such other documents, instruments, assignments, certificates, affidavits and agreements in the name of or on behalf of the Authority that may, in the reasonable discretion of the Authorized Officers, be necessary, advisable or appropriate in connection with the incorporation of the Corporation and the Authority acting as sole member of the Corporation.

Section 6. The Authorized Officers are hereby authorized and directed to take on behalf of the Authority all further actions that may, in the reasonable discretion of the Authorized Officers, be necessary, advisable or appropriate in connection with the incorporation of the Corporation and the Authority acting as sole member of the Corporation.

Section 7. The Authorized Officers are hereby authorized and directed to take such actions and to execute such documents as may be necessary, advisable or appropriate in connection with the Corporation applying for a tax exemption ruling with the Internal Revenue Service under Section 501(c)(3) of the Internal Revenue Code of 1986 and seeking state and local tax exemption for the Corporation, including payment of any taxes, fees or other charges that may be due in connection with the foregoing.

Section 8. The Board of Commissioners of the Authority hereby ratifies, confirms and approves all lawful actions taken by the Executive Director or other officers, employees or commissioners of the Authority, and all lawful papers and documents executed by any of the foregoing on behalf of the Authority where such actions, papers or documents effectuate the intent of this Resolution and the consummation of the transactions and matters set forth herein.

Chairperson

ATTEST:

Secretary

Date

PASSED AND ADOPTED, this 22ND day of June 2026, upon motion of _____, seconded by _____, and carried by the following vote-to-wit:

AYES:

NOES:

ABSENT:

ARTICLES

(See Attached.)

AMENDED AND RESTATED ARTICLES OF INCORPORATION
OF
WISH MONTEREY COUNTY, INC.

ARTICLE I.

The name of the Corporation is: WISH MONTEREY COUNTY, INC. (the "Corporation").

ARTICLE II.

A. This Corporation is a nonprofit public benefit corporation and is not incorporated for the private gain of any person. It is incorporated under the Nonprofit Public Benefit Corporation Law of the State of California (the "NPBCL") for charitable purposes.

B. The Corporation is incorporated under the NPBCL for exclusively charitable, educational, religious, literary and/or scientific purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (or the corresponding provision of any successor United States Internal Revenue Law) (the "Code"). In furtherance of this purpose, the Corporation will engage in the following charitable activities, including, but not limited to: (a) creating, owning, developing, constructing, purchasing and/or managing and otherwise fostering affordable and/or low-income and/or moderate-income housing in Monterey County, California and surrounding areas permitted under California law; (b) providing community and social services to the residents of such affordable housing; (c) purchasing, building, acquiring and redeveloping property for affordable housing; (d) financing affordable housing projects and (e) making distributions for charitable purposes.

ARTICLE III.

The name and street address of the Corporation's registered agent for service of process in the State of California is:

Name: Zulieka Boykin
Address: 123 Rico Street
City: Salinas
State: California
County: Monterey
Zip Code: 93907

ARTICLE IV.

The street address and mailing address of the Corporation is:

Address: 123 Rico Street
City: Salinas
State: California

County: Monterey
Zip Code: 93907

ARTICLE V.

All activities of the Corporation shall be subject to the following restrictions:

A. Except as otherwise provided herein, no substantial part of the activities of the Corporation shall be the carrying on of propaganda or attempting to influence legislation.

B. The Corporation shall not participate in or intervene in (including the publishing or distributing of statements), any political campaign on behalf of (or in opposition to) any candidate for public office.

C. The Corporation shall neither have nor exercise any power, nor shall it engage directly or indirectly in any activity that would invalidate its status as a corporation (a) that is exempt from federal income tax and described in Code Section 501(c)(3), or (b) that's contributions to which are deductible under Code Section 170(c)(2).

D. The Corporation does not contemplate pecuniary gain or profit, incidental or otherwise, to its directors, officers, members or other private persons or enterprises organized for profit, and no part of the net earnings of the Corporation shall inure to the benefit of, or be distributed to, any such person or enterprise, except that the Corporation shall be authorized and empowered to pay reasonable compensation for goods and services rendered and make payments and distributions in furtherance of the purposes set forth in Article II.

E. It is intended that the Corporation shall have and continue to have the status of an organization, which is exempt from federal income tax under Code Section 501(a) and described in Code Section 501(c)(3). All terms and provisions of these Articles of Incorporation and the Bylaws of the Corporation, and all operations of the Corporation, shall be construed, applied and carried out in accordance with this intent. If the Corporation is subject, or ever becomes subject, to the private foundation rules of the Code, the Corporation shall: (a) distribute its income for each tax year at such time and in such manner so that it will not become subject to the tax on undistributed income imposed by Code Section 4942; (b) not engage in any act of self-dealing as defined in Code Section 4941(d); (c) not retain any excess business holdings as defined in Code Section 4943(c); (d) not make any investments in a manner that would subject it to tax under Code Section 4944 and (e) not make any taxable expenditures as defined in Code Section 4945(d).

ARTICLE VI.

The term for which the Corporation is to exist is perpetual.

ARTICLE VII.

The Corporation is organized upon a nonstock basis.

ARTICLE VIII.

The Corporation shall have a member. The sole member of the Corporation shall be the Housing Authority of the County of Monterey (the "Member").

ARTICLE IX.

Upon the dissolution of the Corporation, the Corporation's Board of Directors (the "Board of Directors"), after paying or making provisions for the payment of all the liabilities and obligations of the Corporation, shall distribute all of the assets of the Corporation to the Member provided that the Member qualifies at such time as a Qualified Organization (as defined herein). A "Qualified Organization" is an organization exempt from federal income tax under Code Section 501(a) and described in Code Section 501(c)(3), an organization described in Code Section 170(c)(1), or a government instrumentality described in Code Section 115. In the event that the Member does not exist at such time or fails to qualify at such time as a Qualified Organization, the Corporation's Board of Directors shall distribute the assets of the Corporation to such organization or organizations organized and operated exclusively for charitable, religious, educational, literary and/or scientific purposes as shall at the time qualify as a Qualified Organization or Qualified Organizations, as the Corporation's Board of Directors shall determine, or to the federal government or a state or local government for a public purpose. No portion of the assets shall inure to the benefit of any director or officer of the Corporation, any other private person or any enterprise organized for profit.

IN WITNESS WHEREOF, the undersigned has signed these Articles this 22nd day of June, 2026.

By: _____
Zulieka Boykin, President

BYLAWS

(See Attached.)

BYLAWS
OF
WISH MONTEREY COUNTY, INC.

(a California nonprofit public benefit corporation)

ARTICLE I.

PURPOSE AND ACTIVITIES

Section 1.01. WISH Monterey County, Inc. (the "Corporation") is a nonprofit public benefit corporation and is not incorporated for the private gain of any person. The Corporation is incorporated under the Nonprofit Public Benefit Corporation Law of the State of California (the "NPBCL") for charitable purposes.

Section 1.02. PURPOSE AND ACTIVITIES. The Corporation is incorporated under the NPBCL for exclusively charitable, educational, religious, literary and/or scientific purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (or the corresponding provision of any successor United States Internal Revenue Law) (the "Code"). In furtherance of this purpose, the Corporation will engage in the following charitable activities, including, but not limited to: (a) creating, owning, developing, constructing, purchasing and/or managing and otherwise fostering affordable and/or low-income and/or moderate-income housing in Monterey County, California and surrounding areas permitted under California law; (b) providing community and social services to the residents of such affordable housing; (c) purchasing, building, acquiring and redeveloping property for affordable housing; (d) financing affordable housing projects and (e) making distributions for charitable purposes.

ARTICLE II.

OFFICES AND FISCAL YEAR

Section 2.01. REGISTERED AGENT AND REGISTERED OFFICE. The initial registered agent of the Corporation is Zulieka Boykin. The location and mailing address of the initial registered office of the Corporation in the State of California is 123 Rico Street, Salinas, Monterey County, California 93907.

Section 2.02. PRINCIPAL PLACE OF BUSINESS, MAILING ADDRESS AND OTHER OFFICES. The principal place of business and mailing address of the Corporation shall be located at 123 Rico Street, Salinas, Monterey County, California 93907. The Corporation may also have offices at such other places, within or outside of California, as the Board of Directors of the Corporation (the "Board of Directors") may from time to time determine or the business of the Corporation may require.

Section 2.03. FISCAL YEAR. The fiscal year of the Corporation shall end on the last day of December.

ARTICLE III.

NOTICE - WAIVERS - MEETINGS GENERALLY

Section 3.01. MANNER OF GIVING NOTICE.

(a) General Rule. Whenever notice is required to be given to any person under the provisions of the NPBCL, the Corporation's Amended and Restated Articles of Incorporation (the "Articles") or these Bylaws (these "Bylaws"), it may be given to such person, either personally, by telephone or by sending a copy thereof by first class mail, postage prepaid, by recognized national or international courier service, by facsimile with transmittal confirmation, or by electronic mail ("e-mail") provided no delivery failure notification is generated, to his or her address (including his or her e-mail address) or telephone or facsimile number appearing on the books of the Corporation or, in the case of the Member (as defined herein) of the Corporation or a member of the Board of Directors (each, a "Director" and collectively, the "Directors"), supplied by it, him or her to the Corporation for the purpose of notice. If the notice is sent by first class mail or recognized national or international courier service, it shall be deemed to have been given to the person entitled thereto when deposited in the United States mail or with such courier service. If notice is given by e-mail, it shall be deemed to have been given to the person entitled thereto on the date of transmission, so long as no delivery failure notification is generated. If the notice is sent by facsimile transmission, it shall be deemed to have been given to the person entitled thereto upon transmittal confirmation.

(b) Adjourned Meetings. When a meeting is adjourned, it shall not be necessary to give any notice of the adjourned meeting or of the business to be transacted at an adjourned meeting, other than by announcement at the meeting at which such adjournment is taken.

Section 3.02. NOTICE OF MEETINGS OF THE MEMBER.

(a) Notice. Whenever the Member is required or permitted to take any action at a meeting, a written notice of the meeting shall be given to the Member not less than ten (10) nor more than ninety (90) days before the date of the meeting; provided, however, that if notice is given by mail, and the notice is not mailed by first-class, registered, or certified mail, that notice shall be given not less than twenty (20) days before the meeting.

(b) Content. Every required notice of a meeting of the Member shall state the place, date and time of the meeting, the means of electronic transmission by and to the Corporation, if any, electronic video screen communication, conference telephone, or other means of remote communication, if any, by which the Member may participate in that meeting, and (1) in the case of a special meeting, the general nature of the business to be transacted, and no other business may be transacted, or (2) in the case of a regular meeting, those matters which the Board of Directors, at the time the notice is given, intends to present for action by the Member, but, any

proper matter may be presented at the meeting for such action. The notice of any meeting at which Directors are to be elected shall include the names of all those who are nominees at the time the notice is given to the Member.

Section 3.03. NOTICE OF MEETINGS OF BOARD OF DIRECTORS.

(a) Notice.

(1) Notice of any regular meeting of the Board of Directors shall be given to each Director not less than five (5) days before the date of the meeting.

(2) Notice of a special meeting of the Board of Directors, unless waived, shall be given to each Director not less than two (2) days prior to the day on which such meeting is to be held if such notice is in person, by e-mail or facsimile, and not less than four (4) days prior to the day on which the meeting is to be held if such notice is by first class mail or recognized national or international courier service.

(b) Content. Every required notice of a meeting of the Board of Directors shall state the place, date and time of the meeting. Unless otherwise provided by the NPBCL or these Bylaws, neither the business to be transacted at, nor the purpose of, any regular or special meetings of the Board of Directors need be specified in a notice of such meeting.

Section 3.04. WAIVER OF NOTICE.

(a) Written Waiver. Whenever any written notice is required to be given pursuant to the provisions of the NPBCL, the Articles or these Bylaws, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Neither the business to be transacted at, nor the purpose of, a meeting need be specified in the waiver of notice of such meeting.

(b) Waiver by Attendance. Attendance of a person at any meeting shall constitute a waiver of notice of such meeting, except where a person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting was not lawfully called or convened.

Section 3.05. MODIFICATION OF PROPOSAL CONTAINED IN NOTICE. Whenever the language of a proposed resolution is included in a written notice of a meeting, the meeting considering the resolution may, without further notice, adopt it with such clarifying or other amendments as do not materially enlarge its original purpose.

Section 3.06. EXCEPTION TO REQUIREMENT OF NOTICE. Whenever any notice or communication is required to be given to any person under the provisions of the NPBCL, the Articles or these Bylaws, or by the terms of any agreement or other instrument or as a condition precedent to taking any corporate action, and communication with such person is then unlawful, the giving of such notice or communication to such person shall not be required.

Section 3.07. USE OF CONFERENCE TELEPHONE AND SIMILAR EQUIPMENT. One or more persons may participate in a meeting of the Member or a meeting of the Board of Directors, or any committee thereof, by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, including, without limitation, by audio and/or audio/visual communications equipment. Participation in a meeting pursuant to this Section 3.07 hereof shall constitute presence in person at such meeting.

ARTICLE IV.

MEMBERSHIP

Section 4.01. MEMBERSHIP. The Housing Authority of the County of Monterey (referred to above and herein as the "Member"), shall be the sole member of the Corporation.

Section 4.02. MEMBERSHIP MEETINGS.

(a) Annual Meetings. The annual meeting of the Member shall be held on such day and at such time and place as the Board of Directors shall designate.

(b) Special Meetings. Unless otherwise prescribed by the NPBCL or by the Articles, special meetings of the Member may be held for any purpose or purposes and at any time on the call of the Chair of the Board of Directors (the "Chair") or the President of the Corporation (the "President"), at the request in writing of a majority of the Board of Directors, or at the request in writing of the Member. Such request shall state the purpose or purposes of the proposed meeting. If the Secretary of the Corporation (the "Secretary") shall fail or refuse to give notice of such meeting, then the notice may be given by the Officer (as such term is defined herein) making the call or the Directors or the Member making the request. The special meeting must be held at a time fixed by the Board of Directors, not less than thirty-five (35) nor more than ninety (90) days after the receipt of the written request.

(c) Place of Meetings. All meetings of the Member, whether annual or special, shall be held at the offices of the Corporation, or at such other place as may be fixed from time to time by the Board of Directors and included in the notice of such meeting.

(d) Action by Unanimous Written Consent. Any action which may be taken at a meeting of the Member may be taken without a meeting and without prior notice if a consent or consents in writing setting forth the action so taken shall be signed on behalf of the Member. The written consent(s) shall be filed with the Secretary.

Section 4.03. MEMBER VOTING RIGHTS.

(a) Voting. The Member shall be entitled to one (1) vote upon each matter submitted to a vote at a meeting of the Member. In addition to any voting rights provided in these Bylaws, the Member shall be entitled to vote upon any matter with respect to which the NPBCL requires a vote of the Member. Unless otherwise required by these Bylaws, the manner of voting

on any matter, including changes to the Articles or Bylaws, may be by voice vote, show of hands or by ballot.

(b) Vote of the Member. Unless otherwise expressly provided herein, the Member may not take any action hereunder unless such action is approved by the Board of Commissioners of the Member in accordance with the bylaws of the Member. Following such action by the Board of Commissioners of the Member, the Board of Commissioners of the Member, the chair of the Board of Commissioners of the Member, the Executive Director of the Member or any other representative designated by the Board of Commissioners of the Member may cast such vote on behalf of the Member.

(c) Fundamental Transactions. All "Fundamental Transactions" as defined in Section 5.10(b) hereof, must be approved in accordance with Section 5.10(b) hereof.

Section 4.04. TRANSFER OF MEMBERSHIP. Membership in the Corporation may be transferred or assigned in accordance with Section 5.10(b) hereof.

Section 4.05. ADDITION OF MEMBER(S). The Corporation may admit an additional member or additional members as long as such additional member(s) is(are) approved in accordance with Section 5.10(b) hereof. In the event such additional member(s) is(are) admitted, these Bylaws must be revised to account for more than one (1) Member.

Section 4.06. ADDITIONAL MEMBERSHIP CLASSES. Additional membership classes may be established in accordance with Section 5.10(b) hereof.

ARTICLE V.

BOARD OF DIRECTORS

Section 5.01. POWERS; STANDARD OF CARE.

(a) General Rule. Unless otherwise provided by the NPBCL or these Bylaws, all powers vested by law in the Corporation shall be exercised by or under the authority of, and the business and affairs of the Corporation shall be managed under the direction of, the Board of Directors.

(b) Standard of Care; Justifiable Reliance. A Director shall stand in a fiduciary relation to the Corporation and shall perform his or her duties as a Director, including duties as a member of any committee of the Board of Directors upon which the Director may serve, in good faith, in a manner the Director reasonably believes to be in the best interests of the Corporation and with such care, including reasonable inquiry, skill and diligence, as a person of ordinary prudence would use under similar circumstances. In performing his or her duties, a Director shall be entitled to rely in good faith on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by any of the following:

(1) One or more Officers or employees of the Corporation whom the Director reasonably believes to be reliable and competent in the matters presented;

(2) Counsel, public accountants or other persons or entities as to matters which the Director reasonably believes to be within the professional or expert competence of such person or entity; and

(3) A committee of the Board of Directors upon which the Director does not serve, duly designated in accordance with law, as to matters within its designated authority, which committee the Director reasonably believes to merit confidence.

A Director shall not be considered to be acting in good faith if the Director has knowledge concerning the matter in question that would cause his or her reliance to be unwarranted.

(c) Consideration of Factors. In discharging the duties of their respective positions, the Board of Directors, committees of the Board of Directors and individual Directors may, in considering the best interests of the Corporation, consider the effects of any action upon communities in which offices or other establishments of the Corporation are located or in which it conducts charitable work or other work, and all other pertinent factors. The consideration of those factors shall not constitute a violation of Section 5.01(b) hereof.

(d) Presumption. Absent breach of fiduciary duty, lack of good faith or self-dealing, any action taken as a Director or any failure to take any action shall be presumed to be in the best interests of the Corporation.

(e) Notation of Dissent. A Director who is present (in person, by telephone, by video or by other similar means) at a meeting of the Board of Directors, or of a committee of the Board of Directors, at which action on any corporate matter is taken, shall be presumed to have assented to the action taken unless his or her dissent is entered in the minutes of the meeting or unless the Director files a written dissent to the action with the secretary of the meeting before the adjournment thereof or transmits the dissent in writing to the Secretary of the Corporation (the "Secretary") immediately after the adjournment of the meeting. The right to dissent shall not apply to a Director who voted in favor of the action. Nothing in this Section 5.01(e) hereof shall bar a Director from asserting that minutes of the meeting incorrectly omitted his or her dissent if, promptly upon receipt of a copy of such minutes, the Director notifies the Secretary in writing of the asserted omission or inaccuracy.

Section 5.02. QUALIFICATION, NUMBER AND ELECTION OF DIRECTORS.

(a) Qualifications. Each Director shall be a natural person eighteen (18) years of age or older. Each Director shall be either (i) a member of the board of commissioners of the Member, (ii) an officer of the Member or (iii) the Executive Director of the Member.

(b) Number. The Board of Directors shall consist of not less than five (5) nor more than nine (9) Directors.

(c) Election of Directors. Except as otherwise provided herein, Directors shall be appointed by the Member.

Section 5.03. COMPOSITION AND TERM OF OFFICE.

(a) Composition. The Board of Directors shall be made up of Director(s) appointed by the Member, each of whom shall be then serving as a member of the board of commissioners of the Member or as an officer of the Member. The number of Directors shall be determined by the Member at their annual meeting, but in no event shall the number of Directors be less than five (5) nor more than nine (9) Directors. Unless there is a vacancy on the Member's Board of Commissioners, the number of Directors shall always be an odd number. In elections for the Directors, voting need not be by ballot, except upon demand made by a person entitled to vote at the election and before the voting begins. The candidates receiving the highest number of votes cast shall be elected. For the purposes of these Bylaws, a "ballot" shall be defined as any written documentation, whether a formal ballot or otherwise and whether signed or unsigned, on which a Director, committee member or the Member, as applicable, entitled to vote on a particular action or issue reflects his or her vote on such action or issue. A Director whose term will expire upon the election and qualification of his/her successor shall be eligible to vote in the election for his/her successor and may cast a vote for himself/herself to serve an additional term as a Director without such vote constituting a conflict of interest.

(b) Interested Persons as Directors. In accordance with the NPBCL, no more than forty-nine percent (49%) of the persons serving on the Board of Directors may be "interested persons." An interested person is: (i) any person compensated by the Corporation for services rendered to it within the previous twelve (12) months, whether as a full-time or part-time employee, independent contractor or otherwise, excluding any reasonable compensation paid to a Director in his/her capacity as a director; and (ii) any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law or father-in-law of such person. However, any violation of this Section 5.03(b) shall not affect the validity or enforceability of transactions entered into by the Corporation.

(c) Term of Office. Except as otherwise provided herein, the term of office for each Director shall be as follows:

(1) Each Director shall serve as a Director for a period of three (3) years or until his or her earlier death, resignation or removal. An individual's term of office as a Director shall begin at such time as he or she is appointed by the Member. Each Director shall hold office until the expiration of the term for which he or she is appointed and until a successor shall be appointed and shall qualify or until his or her earlier death, resignation or removal. In the event that a Director no longer serves as a member of the board of commissioners of the Member or as an officer of the Member, as applicable, he or she will be treated as having resigned as a Director, effective as of such individual's last day of serving in said position.

(3) A decrease in the number of Directors shall not have the effect of shortening the term of any incumbent Director.

(4) There shall be no limitation on the number of terms of office for the Directors.

(d) Resignation. Any Director may resign at any time by giving written notice to the Board of Directors. The resignation shall take effect on the later of: (i) the date the notice is received or (ii) at any other time specified in the notice. Unless otherwise specified in the notice, the resignation need not be accepted to be effective. Except on notice to the California Attorney General, no Director may resign if the Corporation would be left without a duly elected Director or Directors. Any resignation shall be without prejudice to any rights of the Corporation under any contract to which the Director is a party. To the extent a Director experiences a change of circumstances that causes the Corporation to violate the composition requirements set forth in Section 5.03(b) hereof, such Director shall be treated as having automatically resigned as a Director, effective as of the date such change of circumstances occurred.

Section 5.04. VACANCIES. If a vacancy occurs in the office of a Director for any reason, including an increase in the number of Directors, an individual shall be appointed to the vacant position by the Member, and such successor Director shall hold office for the unexpired term for which the vacancy occurred, if applicable, and until a successor shall be appointed or until his or her earlier death, resignation or removal.

Section 5.05. REMOVAL OF DIRECTORS. A Director may be removed from office at any time, with or without cause, in accordance with Section 5.10(b) hereof, provided that written notice of the intention to consider the removal of such Director has been included in the notice of the meeting at which such removal will be considered and to the Director being considered for expulsion. A Director who is being considered for removal shall not be eligible to vote with respect to his or her removal. A Director may be removed from office at any time, with or without cause, by the Member's Board of Commissioners. The Member's Board of Commissioners shall be the sole removal authority for each Director.

Section 5.06. PLACE OF MEETINGS. Meetings of the Board of Directors may be held at such place, within or outside of California, as the Board of Directors may from time to time designate, or as may be designated in the notice of the meeting. If the Board of Directors has not so designated the location of the meeting, the meeting shall be held at the principal office of the Corporation.

Section 5.07. ORGANIZATION OF MEETINGS. The Chair of the Board of Directors (the "Chair") shall preside at all meetings of the Board of Directors. If no individual is currently serving as the Chair, then the members of the Board of Directors shall appoint a person to serve as the Chair. If there is a Chair but he or she is unable to attend a Board of Directors meeting, then the members of the Board of Directors shall appoint a person to preside at that Board of Directors meeting. The Secretary, or, in the absence of the Secretary, any person appointed by the Chair or the person presiding at that particular meeting, shall act as the Secretary of that meeting.

Section 5.08. ANNUAL MEETING AND REGULAR MEETINGS. The annual meeting of the Board of Directors shall be held on such day and at such time and place as the Board of Directors shall designate. Regular meetings of the Board of Directors shall be held at such places, dates and times as shall be designated from time to time by resolution of the Board of Directors.

Section 5.09. SPECIAL MEETINGS. Special meetings of the Board of Directors may be held at any time on the call of the Chair or the President of the Corporation (the "President") or at the request in writing of at least two (2) Directors. Any such meeting may be held at such place as the Board of Directors may fix from time to time or as may be specified or fixed in such notice or waiver thereof. Any meeting of the Board of Directors shall be a legal meeting without any notice thereof having been given, if all the Directors shall be present thereat, and no notice of a meeting shall be required to be given to any Director who shall attend such meeting. If the Secretary shall fail or refuse to give such notice, then the notice may be given by the Officer making the call or any one of the Directors making the request.

Section 5.10. QUORUM OF AND ACTION BY DIRECTORS.

(a) General Rule. A majority of the Directors in office must be present (in person, by telephone, by video or by other similar means) at a duly called meeting of the Board of Directors in order for there to be a quorum for the transaction of business. Except as otherwise provided herein, the acts of a majority of the Directors eligible to vote and present at a duly called meeting of the Board of Directors where a quorum is present shall be the acts of the Board of Directors.

(b) Fundamental Transactions. Any "Fundamental Transaction" (as defined herein), except a "Self-Dealing Transaction" subject to Section 9.02(a) hereof, shall require: (i) the affirmative vote of two-thirds (2/3) or more of the Directors then in office and eligible to vote, *and* (ii) the affirmative vote of a majority or more of the commissioners of the Member who are present at a duly called meeting of the board of commissioners of the Member where a quorum is present and who are eligible to vote.

A "Fundamental Transaction" shall include the following:

- (1) any amendment to, or the repeal and subsequent adoption of, any provision of the Articles or these Bylaws;
- (2) the increase or decrease in the authorized number of members of the Board of Directors;
- (3) the removal of a member of the Board of Directors;
- (4) the transfer or assignment of the Member's membership interest or a portion of the Member's membership interest;
- (5) the adoption of any plan for the merger, consolidation or reorganization of the Corporation;
- (6) the adoption of any plan for the division or conversion of the Corporation;
- (7) the sale, lease or transfer of all or substantially all of the assets of the Corporation;

- (8) the formation of a subsidiary of the Corporation;
- (9) the adoption of any plan for the dissolution or liquidation of the Corporation;
- (10) the creation of an additional membership class of the Corporation;
- (11) the admission of an additional member or additional members of the Corporation;
- (12) the approval, modification or termination of the Signatory and Disbursement Policy of the Corporation (the "Signatory and Disbursement Policy");
- (13) the establishment of, increase in or decrease in, compensation for any management personnel of the Corporation; and
- (14) a special assessment of dues upon the Member.

(c) Voting Rights. Each Director shall be entitled to one (1) vote.

(d) Action by Unanimous Written Consent. Any action which may be taken at a meeting of the Directors may be taken without a meeting and without prior notice if a consent or consents in writing setting forth the action so taken shall be signed by all of the Directors then in office and shall be filed with the Secretary.

(e) Absence of Quorum. In the absence of a quorum, a majority of the Directors present (in person, by telephone, by video or by other similar means) may adjourn the meeting from time to time until a quorum shall be present. Notice of any adjourned meeting need not be given, except that notice shall be given to all Directors if the adjournment is for more than thirty (30) days.

Section 5.11. COMPENSATION. No Director shall receive compensation for services performed in his or her capacity as a member of the Board of Directors. A Director may be reimbursed by the Corporation, at the Board of Directors' discretion, for reasonable expenses incurred by such Director, including any expenses incurred by such Director in connection with such Director's attendance at regular or special meetings of the Board of Directors or committees thereof.

Section 5.12. INVITED GUESTS. The Board of Directors shall be permitted to invite individuals to observe any regular or special meetings of the Board of Directors or committees thereof; provided, however, that such individuals must leave any such meeting if and when directed by the Board of Directors or the members of the applicable committee thereof.

Section 5.13. ROBERTS' RULES OF ORDER. The rules contained in the current edition of *Roberts' Rules of Order, Newly Revised* shall govern Board of Directors meetings in all cases to which they are applicable, unless such rules are inconsistent with these Bylaws and/or any special rules of order the Board of Directors may duly adopt.

ARTICLE VI.

COMMITTEES

Section 6.01. COMMITTEES.

(a) Establishment. The Board of Directors may establish one (1) or more committees to consist of one (1) or more Directors and/or such other individuals who may be interested in serving on such committee(s). A committee exercising any authority of the Board of Directors shall not include as members any persons who are not Directors.

(b) Powers. Each committee shall have such authority as delegated by resolution of the Board of Directors. Notwithstanding any other provision, herein to the contrary, no committee shall have any power or authority:

(1) to act on matters committed by resolution of the Board of Directors to another committee of the Board of Directors; or

(2) to approve Fundamental Transactions.

(c) Committee Quorum and Action. Except as otherwise provided in the resolution of the Board of Directors establishing any committee, a majority of the members of such committee shall be necessary to constitute a quorum for the transaction of business, and the acts of a majority of the committee members present at a meeting at which a quorum is present shall be the acts of such committee.

(d) Alternate Committee Members. The Board of Directors may designate one or more individuals as alternate members of any committee who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member or alternate member of a committee, the regular or alternate member or members thereof present at any meeting and not disqualified from voting, whether or not constituting a quorum, may unanimously appoint another individual to act at the meeting in the place of the absent or disqualified member or alternate member.

(e) Term. Each committee of the Board of Directors shall serve at the pleasure of the Board of Directors.

(f) Meetings. Regular and special meetings of a committee shall be held at such time and place, and in such manner as the members of such committee shall determine.

(g) Notice of Committee Meetings. Notice of a regular meeting of any committee under the Board of Directors need not be given, except by the adoption of a resolution by such committee establishing the places, dates and times of regular meetings. Notice of a special meeting of any committee under the Board of Directors shall be given to each member of such committee by telephone or in writing (including, without limitation, by facsimile or e-mail) at least twenty-four (24) hours before the time at which the meeting is to be held. Every required notice of a meeting shall state the place, date and time of the meeting. Unless otherwise

provided by the NPBCL, neither the business to be transacted at, nor the purpose of, any special meeting need be specified in a notice of such meeting.

(h) Resignation. Any committee member may resign at any time by giving written notice to the chair of that particular committee. The resignation shall take effect on the later of (i) the date the notice is received or (ii) at any other time specified in the notice. Unless otherwise specified in the notice, the resignation need not be accepted to be effective. Any resignation shall be without prejudice to any rights of the Corporation under any contract to which the committee member is a party.

(i) Vacancies. If a vacancy occurs in the office of a committee member for any reason, including an increase in the number of committee members of a particular committee, such vacancy shall be filled pursuant to the rules of that particular committee, and the successor committee member shall hold office for the unexpired term for which the vacancy occurred, if applicable.

(j) Removal of Committee Members. A committee member may be removed from office at any time, with or without cause, (i) upon the affirmative vote of two-thirds (2/3) or more of the other members of such committee then in office and voting, or (ii) by the Board of Directors, provided that written notice of the intention to consider the removal of such committee member has been included in the notice of the meeting at which such removal will be considered.

(k) Voting Rights. Each committee member shall be entitled to one (1) vote.

(l) Action by Unanimous Written Consent. Any action which may be taken at a meeting of a committee may be taken without a meeting and without prior notice if a consent or consents in writing setting forth the action so taken shall be signed by all the committee members then in office and shall be filed with the Secretary.

(m) Roberts' Rules of Order. The rules contained in the current edition of *Roberts' Rules of Order, Newly Revised* shall govern committee meetings in all cases to which they are applicable, unless such rules are inconsistent with these Bylaws and/or any special rules of order that a committee may duly adopt.

(n) Compensation. No committee member shall receive compensation for services performed in his or her capacity as a member of any committee of the Board of Directors. A committee member may be reimbursed by the Corporation, at the Board of Directors' discretion, for reasonable expenses incurred by such committee member, including any expenses incurred by such committee member in connection with such committee member's attendance at regular or special meetings of the Board of Directors or committees thereof.

Section 6.02. AUDIT COMMITTEE. Pursuant to Section 12586(e) of the California Government Code, the Corporation shall have a financial audit for any tax year in which it receives or accrues gross revenue of Two Million Dollars (\$2,000,000) or more, excluding grant or contract income from any governmental entity for which the governmental entity requires an accounting. The audit committee shall be composed of at least one (1) Director and may include nonvoting advisors. Directors or individuals who are employees or Officers or who receive,

directly or indirectly, any consulting, advisory, or other compensatory fees from the Corporation (other than for service as a Director) may not serve on the audit committee. The audit committee's duties shall include, but are not limited to:

- (a) assisting the Board of Directors in choosing an independent auditor and recommending termination of the auditor, if necessary;
 - (b) negotiating the auditor's compensation;
 - (c) conferring with the auditor regarding the Corporation's financial affairs;
- and
- (d) reviewing and accepting or rejecting the audit.

Members of the audit committee shall not receive compensation for their service on the audit committee in excess of that provided to Directors for their service on the Board of Directors. If the Corporation has a finance committee, a majority of the members of the audit committee may not concurrently serve as members of the finance committee, and the chair of the audit committee may not serve on the finance committee.

ARTICLE VII.

OFFICERS

Section 7.01. OFFICERS GENERALLY.

(a) Number, Qualifications and Designation. The officers of the Corporation shall be the President, the Secretary, a treasurer, and such other officers as may be designated in accordance with the provisions of this Article VII. The President shall be the Executive Director of the Member. In addition to the aforementioned officers of the Corporation, the Board of Directors shall elect the Chair from among the members of the Board of Directors. The Chair shall be an officer of the Board of Directors. The officers of the Corporation and the officers of the Board of Directors shall be referred to individually as an "Officer" and collectively, as the "Officers". The Officers shall be natural persons eighteen (18) years of age or older. Any number of offices may be held by the same person, except that no person serving as the Secretary or the Treasurer may serve concurrently as the President.

(b) Resignation. Any Officer may resign at any time by giving written notice to the Board of Directors. The resignation shall take effect on the later of: (i) the date the notice is received or (ii) at any other time specified in the notice. Unless otherwise specified in the notice, the resignation need not be accepted to be effective. Any resignation shall be without prejudice to any rights of the Corporation under any contract to which the Officer is a party. If the President is no longer the Executive Director of the Member, he or she shall be treated as having resigned as President, effective as of such individual's last day serving as the Executive Director of the Member.

(c) Bonding. The Corporation may secure the fidelity of any or all of its Officers by bond or otherwise. Alternatively, or in addition thereto, the Corporation may obtain fiduciary insurance on behalf of its Officers.

(d) Standard of Care. An Officer shall perform his or her duties as an Officer in good faith, in a manner he or she reasonably believes to be in the best interests of the Corporation and with such care, including reasonable inquiry, skill and diligence, as a person of ordinary prudence would use under similar circumstances.

(e) Compensation. No Officer shall receive compensation for services performed in his or her capacity as an Officer. An Officer may be reimbursed by the Corporation, at the Board of Directors' discretion, for reasonable expenses incurred by such Officer, including any expenses incurred by such Officer in connection with such Officer's attendance at regular or special meetings of the Officers and/or the Board of Directors.

Section 7.02. ELECTION AND TERM OF OFFICE. The Officers, except those elected by delegated authority pursuant to Section 7.03, shall be elected by the Board of Directors, and each Officer shall hold office for a term of one (1) year and until a successor shall be selected and shall qualify, or until his or her earlier death, resignation or removal. There shall be no limitations on the number of terms of office for the Officers.

Section 7.03. SUBORDINATE OFFICERS, COMMITTEES AND AGENTS. The Board of Directors may from time to time elect such other Officers and appoint such committees or other agents as the business of the Corporation may require, including one or more assistant vice presidents, one or more assistant secretaries and one or more assistant treasurers, each of whom shall hold office for such period, have such authority, and perform such duties as are provided in these Bylaws or as the Board of Directors may from time to time determine. The Board of Directors may delegate to any Officer or committee the power to elect subordinate Officers and to retain or appoint other agents or committees thereof, and to prescribe the authority and duties of such subordinate Officers, committees, or other agents.

Section 7.04. NO CONTRACT RIGHTS. Election or appointment of an Officer or agent shall not of itself create any contract rights in the Officer or agent.

Section 7.05. REMOVAL OF OFFICERS AND AGENTS. Officers or any agent of the Corporation may be removed from office at any time, with or without cause, by (i) the Board of Directors or (ii) the affirmative vote of the Member, provided that written notice of the intention to consider the removal of such Officer or agent has been included in the notice of the meeting at which such removal will be considered. Any such removal shall be without prejudice to the contract rights, if any, of any person so removed.

Section 7.06. VACANCIES.

(a) General Rule. A vacancy in any office because of death, resignation, removal, disqualification, or any other cause, shall be filled by the Board of Directors, or by the Officer or committee to which the power to fill such office has been delegated pursuant to Section 7.03 hereof, as the case may be, and if the office is one for which these Bylaws prescribe a term,

shall be filled for the unexpired portion of the term, and until a successor shall be appointed or until his or her earlier death, resignation or removal.

(b) Special Rule. If a vacancy occurs in the office of the President because the individual who was serving as the President no longer serves as the Executive Director of the Member, then such office shall remain vacant until a new individual is named the Executive Director of the Member, and such individual is appointed to serve as the President. If a vacancy occurs in the office of the President for any other reason, then the Board of Directors shall appoint an individual to serve as the President until a new individual assumes the applicable position at the Member and such individual desires to serve as the President.

Section 7.07. AUTHORITY. All Officers, as between themselves and the Corporation, shall respectively have such authority and perform such duties in the management of the property and affairs of the Corporation as are provided in these Bylaws or may be provided by or pursuant to resolutions, consents or orders of the Board of Directors.

Section 7.08. THE CHAIR. The Chair shall preside at all meetings of the Board of Directors. The Chair shall have such other duties and responsibilities as shall be delegated to him or her by these Bylaws and by the Board of Directors from time to time.

Section 7.09. THE PRESIDENT. The President shall have general supervision over the business and operations of the Corporation, subject, however, to the control of the Board of Directors. The President shall perform all duties incident to the office of President, and such other duties as from time to time may be assigned by the Board of Directors.

Section 7.10. THE VICE PRESIDENT. At any time when the President is unable to act, the Vice President of the Corporation (the "Vice President"), if one has been elected/appointed, shall, subject to the limitations set forth in these Bylaws, (a) perform all duties of the President, and (b) have all authority given to the President pursuant to Section 7.09 of these Bylaws. The Vice President shall have such other duties and authority as from time to time may be assigned by the Board of Directors.

Section 7.11. THE SECRETARY. The Secretary shall attend all meetings of the Board of Directors (or committees of the Board of Directors) and shall record all votes of the Directors (or committees persons) and the minutes of the meetings of the Board of Directors (or committees) in a book or books to be kept for that purpose; shall see that notices are given and records and reports properly kept and filed by the Corporation as required by law; shall be the custodian of the seal of the Corporation and see that it is affixed to all documents which are to be executed on behalf of the Corporation under its seal; and, in general, shall perform all duties incident to the office of Secretary, and such other duties as may from time to time be assigned by the Board of Directors or the President. In addition, the Secretary shall annually present a report to the Board of Directors no later than March 31 of each year summarizing all resolutions of the Board of Directors during the preceding fiscal year and certifying the accuracy of the resolutions of the Corporation for such year.

Section 7.12. THE TREASURER. The Treasurer of the Corporation (the "Treasurer") shall have or provide for the custody of the funds or other property of the

Corporation; shall collect and receive or provide for the collection and receipt of moneys earned by or in any manner due to or received by the Corporation; shall deposit all funds in his or her custody as the Treasurer in such banks or other places of deposit as the Treasurer or the Board of Directors may from time to time designate; shall, whenever so required by the Board of Directors, render an account showing all transactions as the Treasurer and the financial condition of the Corporation; and, in general, shall discharge such other duties as may from time to time be assigned by the Board of Directors or the President.

ARTICLE VIII.

LIMITATION OF DIRECTORS' AND OFFICERS' LIABILITIES AND INDEMNIFICATION

Section 8.01. **LIMITATION OF LIABILITY.** Pursuant to Section 5239 of the NPBCL, no person who is now, or who later becomes, a volunteer Director or Officer shall be personally liable to a third party for monetary damages resulting from such volunteer Director's or Officer's negligent act or omission in the performance of his/her duties as a volunteer Director or Officer if all the following conditions are met:

- (a) the duties were performed in good faith;
- (b) the duties were performed in such a manner such volunteer Director or Officer believes to be in the best interest of the Corporation; and
- (c) the duties were performed with such care, including reasonable inquiry, as an ordinary prudent person in a like position would use under similar circumstances.

This limitation on the personal liability of a volunteer Director or Officer does not limit the liability of the Corporation for any damages caused by acts or omissions of a volunteer Director or Officer, nor does it eliminate the liability of a Director or Officer provided in Section 5233 or 5237 of the NPBCL or in any action or proceeding brought by the Attorney General.

In order to obtain the full benefit of the limitation of liability set forth above, the Board of Directors and the volunteer Director or Officer shall make all reasonable efforts in good faith to obtain liability insurance in the form of a general liability policy for the Corporation or a director and officers' liability policy.

"Volunteer" as used in this Section 8.01 means the rendering of services without compensation, where "compensation" means remuneration whether by way of salary, fee, or consideration for services rendered. For purposes of this Section 8.01, the payment of actual expenses incurred in attending meetings or otherwise in the execution of the duties of a Director or Officer shall not constitute compensation.

Section 8.02. **INDEMNIFICATION.**

(a) **Indemnification.** To the fullest extent permitted by California law, the Corporation shall indemnify its Directors and Officers, and may indemnify committee members,

employees and other persons described in Section 5238(a) of the NPBCL including persons formerly occupying any such positions, against all expenses (including attorneys' fees), judgments, fines, settlements, and other amounts actually and reasonably incurred by them in connection with any "proceeding," as that term is used in that section, and including an action by or in the right of the Corporation, by reason of the fact that the person is or was a person described in that section. On written request to the Board of Directors by any person seeking indemnification under Section 5238(b) or 5238(c) of the NPBCL, the Board of Directors shall promptly decide under Section 5238(e) of the NPBCL whether the applicable standard of conduct has been met and, if so, the Board of Directors shall authorize indemnification.

(b) Advance of Expenses. Expenses (including attorneys' fees) incurred in defending a civil or criminal action, suit or proceeding shall be paid by the Corporation in advance of the final disposition of such action, suit or proceeding, upon receipt of an undertaking by or on behalf of the Director, Officer, employee, committee member, secondee, contractor, representative or agent to repay such amount if it shall be ultimately determined that he or she is not entitled to be indemnified by the Corporation as authorized in this Article VIII hereof.

(c) Indemnification Not Exclusive. The indemnification and advancement of expenses provided by Article VIII hereof shall not be deemed exclusive of any other right to which persons seeking indemnification and advancement of expenses may be entitled under any agreement, vote of the Board of Directors, or otherwise, both as to actions in such persons' official capacity and as to their actions in another capacity while holding office, and shall continue as to a person who has ceased to be a Director, Officer, employee, committee member, secondee, contractor, representative or agent and shall inure to the benefit of the heirs, executors, and administrators of any such person, provided, however, that such indemnification obligations shall in no event create rights in any third parties, provided, however, that such indemnification obligations shall in no event create rights in any third parties.

(d) Insurance, Contracts, Security. The Corporation may purchase and maintain insurance on behalf of any person, may enter into contracts of indemnification with any person, and may create a fund of any nature which may, but need not be, under the control of a trustee for the benefit of any person, and may otherwise secure, in any manner, its obligations with respect to indemnification and advancement of expenses, whether arising under this Article VIII hereof or otherwise, whether or not the Corporation would have the power to indemnify such person against such liability under the provisions of this Article VIII hereof.

Section 8.03. EFFECT OF AMENDMENT. Any amendment, repeal or modification of this Article VIII hereof shall be prospective only and shall not adversely affect any limitation on the personal liability of a Director, Officer or employee of the Corporation or any right of any person to indemnification from the Corporation with respect to any action or failure to take any action occurring prior to the time of such amendment, repeal or modification.

ARTICLE IX.

MISCELLANEOUS

Section 9.01. SEAL. The corporate seal shall have inscribed thereon the name of the Corporation, the year of its organization, and the words "Corporate Seal, California." Except as otherwise required by the NPBCL, the affixation of the corporate seal shall not be necessary to the valid execution, assignment or endorsement by the Corporation of any instrument in writing.

Section 9.02. INTERESTED PARTY TRANSACTIONS.

(a) Self-Dealing Transactions under California Law. The NPBCL prohibits a transaction to which the Corporation is a party and in which one or more of the Directors has a material financial interest unless:

(1) The Attorney General of the State of California or a court of competent jurisdiction approves the transaction before or after it is consummated;

(2) The following facts are established:

- i. The Corporation entered into the transaction for its own benefit;
- ii. The transaction was fair and reasonable as to the Corporation at the time the Corporation entered into the transaction;
- iii. Prior to consummating the transaction, the Board of Directors approved the transaction in good faith by a vote of at least a majority of the Directors then in office without counting the vote of the interested Director(s) and with knowledge of the material facts concerning the transaction and the interested Director's(s') interest(s) in the transaction; and
- iv. Either (i) prior to approving the transaction, the Board of Directors considered, and in good faith determined after reasonable investigation under the circumstances, that the Corporation could not have obtained a more advantageous arrangement with reasonable effort under the circumstances or (ii) the Corporation in fact could not have obtained a more advantageous arrangement with reasonable effort under the circumstances; or

(3) The following facts are established:

- i. A committee or person authorized by the Board of Directors approved the transaction in a manner consistent with the standards set forth in subsection (a)(2);

- ii. It was not reasonably practicable to obtain approval from the Board of Directors prior to entering into the transaction; and
- iii. The Board of Directors, after determining in good faith that the conditions of subparagraphs (3)(i) and (3)(ii) hereof were satisfied, ratified the transaction at its next meeting by a vote of the majority of the Directors then in office without counting the interested Director(s).

This subsection 9.02(a) shall not apply to any transaction listed in Section 5233(b) of the NPBCL. Nothing in subsection 9.02(a) shall be interpreted as overriding or supplanting any self-dealing rules applicable to the Corporation under the Code.

(b) Common Directorship Transactions under California Law. A contract or transaction between the Corporation and any domestic or foreign corporation, firm, or association of which one or more of the Directors is a director is not void or voidable because such Director is present at the meeting of the Board of Directors that authorizes, approves or ratifies such contract or transaction, if:

(1) the material facts as to the relationship or interest and as to the contract or transaction are fully disclosed or are known to the Board of Directors, and the disinterested members of the Board of Directors in good faith authorize the contract or transaction (in accordance with Section 5.10(a) or (b)(1), as applicable), even though the disinterested Directors are less than a quorum;

(2) the material facts as to the relationship or interest and as to the contract or transaction are disclosed or are known to the Member, and the contract or transaction is specifically approved upon the affirmative vote of the Member (in accordance with Section 5.10(b)(1) or (2), as applicable); or

(3) the contract or transaction is just and reasonable as to the Corporation as of the time it is authorized, approved, or ratified by the Board of Directors (in accordance with Section 5.10(a) or (b), as applicable).

Interested Directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors which authorizes a contract or transaction specified in this Section 9.02(b). This Section 9.02(b) shall not apply to transactions described in Section 9.02(a) above.

(c) Presumption of Reasonableness. If the Corporation wishes to establish the "Presumption of Reasonableness" in connection with Code Section 4958 and the regulations thereunder, a contract, transaction or arrangement between the Corporation and one or more disqualified persons (as defined in Code Section 4958) shall be: (i) approved by a vote of only those Directors (or the Member, as applicable) unrelated to and not subject to the control of the disqualified person(s) involved in the contract, transaction or arrangement (provided that such disqualified person(s) may respond to questions from such Directors (or the Member, as applicable) but otherwise must recuse himself or herself from such vote and any portion of the meetings or discussions of such Directors regarding such contract, transaction or arrangement);

(ii) based on appropriate data as to the comparability of such contract, transaction or arrangement with similar contracts, transactions or arrangements and (iii) documented in the Corporation's minutes as to the basis the disinterested Board of Directors (or the Member, as applicable) relied upon to make its determination regarding such contract, transaction or arrangement.

Section 9.03. DEPOSITS. All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Treasurer or the Board of Directors may approve or designate.

Section 9.04. SIGNATORY AND DISBURSEMENT AUTHORITY. Unless otherwise set forth in the Signatory and Disbursement Policy, the Member, a Director, an Officer and/or an employee or representative of the Corporation shall have no authority, on behalf of and/or in the name of the Corporation, to: (a) sign, execute, acknowledge, modify and/or terminate any tax document, deed, mortgage, contract, employment agreement, grant agreement, lease agreement, license agreement, plan of merger, agreement of sale, letter of intent or other agreement or instrument; (b) incur any debt, obligation, guaranty or lien; (c) sign, execute and/or approve any check, transfer, withdrawal, disbursement, note, bill of exchange, purchase, gift or other order in writing and/or (d) sign, execute and/or file any government filing.

Section 9.05. CORPORATE RECORDS. The Corporation shall keep appropriate, complete and accurate books or records of account in accordance with generally accepted accounting principles consistently applied (except that the financial records of the Corporation may be kept on the cash receipts and disbursements method if permitted by law and deemed appropriate by the Board of Directors), minutes of the proceedings of the Directors and a copy of these Bylaws, including all amendments thereto to date, certified by the Secretary. All such records shall be kept at the registered office of the Corporation in California or at its principal place of business (if different). Any books, minutes or other records may be in written form or any other form capable of being converted into written form within a reasonable time. The books, accounts and records of the Corporation shall be open to inspection by the Member and any Director at all times.

Section 9.06. ANNUAL REPORT.

(a) Contents. The President and Treasurer shall present a written report at the annual meeting of the Board of Directors and the Board of Directors shall present a written report at the annual meeting of the Member, showing in appropriate detail the following:

(1) The assets and liabilities, including the trust funds, of the Corporation as of the end of the fiscal year immediately preceding the date of the report.

(2) The principal changes in assets and liabilities, including trust funds, during the year immediately preceding the date of the report.

(3) The revenue or receipts of the Corporation, both unrestricted and restricted to particular purposes, for the year immediately preceding the date of the report, including separate data with respect to each trust fund held by or for the Corporation.

(4) The expenses or disbursements of the Corporation, for both general and restricted purposes, during the year immediately preceding the date of the report, including separate data with respect to each trust fund held by or for the Corporation.

(5) An independent accountants' report or, if none, the certificate of an authorized Officer that such statements were prepared without audit from the Corporation's books and records.

(b) Certification. The annual report shall be accompanied by an independent accountant's report or, if none, the certificate of an authorized Officer that such statements were prepared without audit from the Corporation's books and records.

(c) Place of Filing. The annual report of the President and Treasurer shall be filed with the minutes of the meetings of the Board of Directors. The annual report of the Board of Directors shall be filed with the minutes of the meeting of the Member.

Section 9.07. AMENDMENT OF BYLAWS. These Bylaws may be amended or repealed in accordance with Section 5.10(b) hereof. Any change in these Bylaws shall take effect when adopted, unless otherwise provided in the resolution effecting the change.

Section 9.08. ANNUAL STATEMENT.

(a) Contents. As part of the Annual Report, or as a separate document if no Annual Report is issued, the President and the Treasurer shall, within one hundred twenty (120) days after the end of the Corporation's fiscal year, annually prepare and furnish to each Director a statement of any transaction or indemnification of the following kind (the "Annual Statement"):

(1) Any transaction: (i) in which the Corporation, or its parent or subsidiary, was a party; (ii) in which an "interested person" had a direct or indirect material financial interest; and (iii) that involved more than Fifty Thousand Dollars (\$50,000) or was one of several transactions with the same interested person involving, in the aggregate, more than Fifty Thousand Dollars (\$50,000). For this purpose, an "interested person" is any Director or Officer of the Corporation, its parent, or subsidiary (but mere common directorship shall not be considered such an interest). The Annual Statement shall include a brief description of the transaction, the names of interested persons involved, their relationship to the Corporation, the nature of their interest in the transaction, and, if practicable, the amount of that interest, provided that if the transaction was with a partnership in which the interested person is a partner, only the interest of the partnership need be stated.

(2) Any indemnifications or advances aggregating more than ten Thousand Dollars (\$10,000) paid during the fiscal year to any Officer or Director under Article VIII of these Bylaws.

(b) Place of Filing. The Annual Statement of the President and the Treasurer shall be filed with the minutes of the meetings of the Board of Directors.

Section 9.09. BIENNIAL FILING. The Board of Directors shall cause to be filed, within ninety (90) days after the filing of the Articles and biennially thereafter during the five (5) calendar months preceding the month the Articles were filed, on a form prescribed by the Secretary of State of California, a statement containing: (i) the names and complete business or residential addresses of the President, Secretary and Treasurer; (ii) the street address of the Corporation's principal place of business in California, if any; and (iii) the mailing address of the Corporation, if different from the street address of the principal place of business, or if the Corporation has no principal place of business in California, the agent of the Corporation for the purpose of service of process within California.

Section 9.10. FINANCIAL AUDIT. Pursuant to Section 12586(e) of the California Government Code, the Corporation shall obtain a financial audit for any tax year in which it receives or accrues gross revenue of Two Million Dollars (\$2,000,000) or more, excluding grant or contract income from any governmental entity for which the governmental entity requires an accounting. Any audited financial statements obtained by the Corporation, whether or not required by law, shall be made available for inspection by the Attorney General of California and by the general public within nine (9) months after the close of the fiscal year to which the statements relate. For three (3) years, such statements shall (i) be available at the Corporation's principal, regional and district offices during regular business hours and (ii) be made available either by mailing a copy to any person who so requests in person or in writing, or by posting them on the Corporation's website.

ARTICLE X.

CODE SECTION 501(c)(3) PROVISIONS

Section 10.01. LIMITATION ON ACTIVITIES. Except as otherwise provided herein, no substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation. The Corporation shall not participate in, or intervene in (including the publishing or distribution of statements), any political campaign on behalf of, or in opposition to, any candidate for public office. Further, notwithstanding any other provision herein to the contrary, the Corporation shall not carry on any activities not permitted to be carried on (i) by an organization exempt from federal income tax under Code Section 501(a) and described in Code Section 501(c)(3); or (ii) by an organization whose contributions to which are deductible under Code Section 170(c)(2).

Section 10.02. PROHIBITION AGAINST PRIVATE INUREMENT. No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to its Directors, Officers or other private persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered, and goods received, and to make payments and distributions in furtherance of the purposes of the Corporation.

Section 10.03. PRIVATE FOUNDATION REQUIREMENTS AND RESTRICTIONS. Notwithstanding any other provision herein to the contrary, if the Corporation is subject, or ever becomes subject, to the private foundation rules of the Code, then the Corporation shall: (i) distribute its income for said period at such time and manner as not to subject it to tax under

Code Section 4942; (ii) not engage in any act of self-dealing as defined in Code Section 4941(d); (iii) not retain any excess business holdings as defined in Code Section 4943(c); (iv) not make any investments in such manner as to subject the organization to tax under Code Section 4944 and (v) not make any taxable expenditure as defined in Code Section 4945(d).

ARTICLE XI.

DISSOLUTION AND LIQUIDATION

Section 11.01. DISSOLUTION AND LIQUIDATION. Upon the dissolution of the Corporation, the Board of Directors, after paying or making provisions for the payment of all the liabilities and obligations of the Corporation, shall distribute all of the assets of the Corporation to the Member, provided that the Member qualifies at such time as Qualified Organization (as defined herein) or to the federal government or a state or local government for a public purpose. A "Qualified Organization" is an organization exempt from federal income tax under Code Section 501(a) and described in Code Section 501(c)(3), an organization described in Code Section 170(c)(1), or a government instrumentality described in Code Section 115. In the event that the Member does not exist at such time or fails to qualify at such time as a Qualified Organization, the Board of Directors shall distribute the assets of the Corporation to such organization or organizations organized and operated exclusively for charitable, religious, educational, literary and/or scientific purposes as shall at the time qualify as a Qualified Organization or Qualified Organizations, as the Board of Directors shall determine, or to the federal government or a state or local government for a public purpose. No portion of the assets shall inure to the benefit of any Director or Officer, any other private person or any enterprise organized for profit.

Signatory and Disbursement Policy

Purpose

The purpose of this Signatory and Disbursement Policy of WISH Monterey County, Inc. (the "Corporation") (this "Policy"), is to expedite payments to the Corporation's vendors, partners and beneficiaries; to ensure the proper accrual and/or payment of the expenses and liabilities of the Corporation; to ensure significant purchases are included in the Corporation's financial plans and to set forth the agents of the Corporation that shall have the power to sign and execute contracts, checks and other documents and thereby bind the Corporation.

Scope

This Policy applies to all directors, officers, employees and other agents of the Corporation ("Covered Persons"). It is the responsibility of all Covered Persons to comply with this Policy. Pursuant to Section 5.10(b) of the Corporation's bylaws (the "Bylaws"), the board of directors of the Corporation (the "Board of Directors") is responsible for setting and changing the authorization limits set forth in this Policy.

Contracts and Agreements

The signing, execution, acknowledgment, approval, modification or termination of any tax document, deed, mortgage, contract, employment agreement, grant agreement, lease agreement, license agreement, plan of merger, agreement of sale, letter of intent or other agreement or instrument to which the Corporation is a party (each, an "Agreement"), or a series of related Agreements, shall not be effective unless the Agreement(s) is (are) signed and/or approved by the parties as set forth in Table 1, as applicable. Only the signature and/or approval of the required parties listed in Table 1, as applicable, shall act to bind the Corporation. All authorization limits are listed in US Dollars and represent the total value of the Agreement or related Agreements or the total value of the assets and/or liabilities of the Corporation affected by the Agreement or related Agreements, as applicable.

Table 1:

Total Value of Agreement(s)	Signature Required	Approval Required
\$50,000 and up	Any Covered Person designated by the Board of Directors	Affirmative vote of two-thirds (2/3) or more of the members of the Board of Directors (the " <u>Directors</u> ") then in office and eligible to vote <i>and</i> the affirmative vote of the member of the Corporation (the " <u>Member</u> "), or the affirmative vote of the Member
\$10,000 to \$49,999	Any Covered Person designated by the Board of Directors	Affirmative vote of a majority or more of the Directors who are present ¹ at a duly called meeting of the Board of Directors where a quorum exists and who are eligible to vote

¹ For the purposes of this Policy, the term "present" when used in relation to a Director shall mean those Directors who are present in person, by telephone, by video or by other similar means at a meeting of the Board of Directors.

\$2,500 to \$9,999	President of the Corporation, <u>or</u> Any Covered Person designated by the Board of Directors	No Board of Directors approval is required Affirmative vote of a majority or more of the Directors who are present at a duly called meeting of the Board of Directors where a quorum exists and who are eligible to vote
Up to \$2,499	Any Officer ² or employee of the Corporation	No Board of Directors approval is required

Incurrence of Debt

The incurrence of any debt, obligation, guaranty or lien (each, an "Obligation"), or series of related Obligations, shall not be effective unless the Obligation(s) is (are) signed and/or approved by the parties as set forth in Table 2, as applicable. Only the signature and/or approval of the required parties listed in Table 2, as applicable, shall act to bind the Corporation. All authorization limits are listed in US Dollars and represent the total value of the Obligation or related Obligations or the total value of the assets and/or liabilities of the Corporation affected by the Obligation or related Obligations, as applicable.

Table 2:

Total Value of Obligation(s)	Signature Required	Approval Required
\$50,000 and up	Any Covered Person designated by the Board of Directors	Affirmative vote of two-thirds (2/3) or more of the Directors then in office and eligible to vote <i>and</i> the affirmative vote of the Member, or the affirmative vote of the Member
\$10,000 to \$49,999	Any Covered Person designated by the Board of Directors	Affirmative vote of a majority or more of the Directors who are present at a duly called meeting of the Board of Directors where a quorum exists and who are eligible to vote
\$2,500 to \$9,999	President of the Corporation, <u>or</u> Any Covered Person designated by the Board of Directors	No Board of Directors approval is required Affirmative vote of a majority or more of the Directors who are present at a duly called meeting of the Board of Directors where a quorum exists and who are eligible to vote
Up to \$2,499	Any Officer or employee of the Corporation	No Board of Directors approval is required

Disbursement Authorization Limits

The signing, execution or approval of any check, transfer, withdrawal, disbursement, note, bill of exchange, purchase, gift or other instrument (each, a "Disbursement"), or related series of Disbursements, shall not be effective unless the Disbursement(s) is (are) signed and/or approved by the parties as set forth in Table 3, as applicable. Only the signature and/or approval of the

² For the purposes of this Policy, the term "Officer" shall mean an officer of the Corporation and the chair of the Board of Directors.

required parties listed in Table 3, as applicable, shall act to bind the Corporation. All authorization limits are listed in US Dollars and represent the total value of the Disbursement or related Disbursements or the total value of the assets and/or liabilities of the Corporation affected by the Disbursement or related Disbursements, as applicable.

Table 3:

Total Value of Disbursement(s)	Signature Required	Approval Required
\$50,000 and up	Any Covered Person designated by the Board of Directors	Affirmative vote of two-thirds (2/3) or more of the Directors then in office and eligible to vote <i>and</i> the affirmative vote of the Member, or the affirmative vote of the Member
\$10,000 to \$49,999	Any Covered Person designated by the Board of Directors	Affirmative vote of a majority or more of the Directors who are present at a duly called meeting of the Board of Directors where a quorum exists and who are eligible to vote
\$2,500 to \$9,999	President of the Corporation, <u>or</u> Any Covered Person designated by the Board of Directors	No Board of Directors approval is required Affirmative vote of a majority or more of the Directors who are present at a duly called meeting of the Board of Directors where a quorum exists and who are eligible to vote
Up to \$2,499	Any Officer or employee of the Corporation	No Board of Directors approval is required

Government Filings

The preparation, execution or filing of *any* filing, form or document (each a "Document") with any federal, state or local government agency, government unit, government entity, government-affiliated department, federal or state court, district justice or other local court, tax collector, state, political subdivision or integral part of a state or political subdivision, including but not limited to, the Internal Revenue Service, the Department of State, the Department of Revenue, the Agency for Workplace Innovations, the Division of Worker's Compensation and/or the Department of Agriculture and Consumer Services, shall not be effective unless the Documents(s) is (are) signed and approved by the parties as set forth in Table 4, as applicable. Only the signature and/or approval of the required parties listed in Table 4, as applicable, shall act to bind the Corporation. The required signature and/or approval shall be determined by the nature of the underlying transaction that necessitates the preparation, execution or filing of the Document.

Table 4:

Underlying Transaction	Signature Required	Approval Required
A "Fundamental Transaction" as that term is defined in Section 5.10(b) of the Bylaws	Any Covered Person designated by the Board of Directors	Affirmative vote of two-thirds (2/3) or more of the Directors then in office and eligible to vote <i>and</i> the affirmative vote of the Member
Any transaction (other than a Fundamental Transaction) that	Any Covered Person designated by the Board of	Affirmative vote of a majority or more of the Directors who are present at a duly called meeting

requires the approval of the Board of Directors	Directors	of the Board of Directors where a quorum exists and who are eligible to vote
Any other transaction	President of the Corporation	No Board of Directors approval is required

CONSULTING AGREEMENT

(See Attached.)

CONSULTING AND SHARED SERVICES AGREEMENT

This Consulting and Shared Services Agreement (this "**Agreement**") is made as of this 22nd day of June, 2026, by and between HOUSING AUTHORITY OF THE COUNTY OF MONTEREY, a public body corporate and politic organized and existing under the laws of California (the "**Authority**"), and WISH MONTEREY COUNTY, INC., a California nonprofit public benefit corporation ("**WISH**").

PREAMBLE

A. WISH is a nonprofit public benefit corporation established for purposes including fostering low-income housing in and around Monterey County, California and the surrounding area served by the Authority.

B. WISH intends to participate in the development, ownership, operation, financing, funding and/or management of low-income affordable rental communities located in and around Monterey County, California (collectively, the "**Developments**").

C. WISH, or an affiliate of WISH, may be appointed as the developer, operator and/or manager for the Authority on its future low-income and affordable housing development efforts.

D. The Authority employs skilled individuals involved in the provision of accounting, legal, housing and tenant services, project management, construction and development, insurance and other services.

E. WISH requires that skilled individuals perform the services that WISH will perform: (i) for itself, (ii) on behalf of the owners of the Developments (collectively, the "**Owners**") and (iii) to further the Authority's low-income and affordable housing development efforts.

F. WISH and the Authority recognize the value to be derived from the Developments and the Authority's low-income and affordable housing development efforts (collectively, the "**Projects**") through this Agreement under which the Authority will make available certain employees to provide services to WISH, all upon the terms and subject to the conditions set forth herein.

AGREEMENT

In consideration of the mutual promises set forth herein and with the foregoing recitals hereby incorporated, the parties hereto, intending to be legally bound hereby, agree as follows:

1. Services to be Provided by the Authority. The Authority shall provide the following services on behalf of WISH (collectively, the "**Services**"), provided, however, that if the performance of any of the Services is outside the scope of experience or expertise of the Authority's personnel, the Authority shall promptly notify WISH of its lack of ability and capacity to complete those specific Services.

(a) Personnel Services: Activity Reports. The Authority shall provide qualified personnel, including property management and maintenance personnel, to perform all of the Services required by this Agreement, including any Specialized Services (as defined in Section 2). The Authority shall be responsible for hiring such employees, directing work of employees, maintaining employee records, payment of employee compensation (including, as applicable and without limitation, withholding of income taxes and payment and withholding of social security and other payroll taxes, unemployment

insurance, workers' compensation insurance payments and disability benefits), and complying with all applicable employment laws. The Authority shall cause its personnel to maintain activity reports or such other documentation necessary to account for all time and resources spent in performance of the Services and any Specialized Services, including the nature of the task and Project name and type.

(b) Accounting and Recordkeeping Services. The Authority shall provide accounting and recordkeeping services including, but not limited to:

(i) establishing and maintaining the books and records for the operations of WISH and of the Projects, including accounts receivable, accounts payable, bank accounts, payroll processing, budgeting, tax filings and returns and state and local filings and returns;

(ii) preparing reports, including rent collection, rent delinquency, financial statements, budget variances and operating reports; and

(iii) assembling and retaining all contracts, agreements, accurate as-built plans and other records and data as may be necessary to carry out WISH's and/or the Owners' functions. Without limiting the foregoing, the Authority will prepare, accumulate and furnish to WISH and the appropriate governmental authorities, as necessary, data and information sufficient to identify the market value of improvements in place as of each real property tax lien date, and will apply for appropriate exclusions from the capital costs of the Projects for purposes of real property ad valorem taxes.

(c) Purchasing Services. The Authority shall provide account services including coordination of the acquisition and maintenance of necessary supplies, equipment and materials needed for the day-to-day operation of WISH and the Projects.

(d) Office Services. The Authority shall provide office services including clerical, mailroom, copy, facsimile and e-communication services. Such office services shall further include the provision of office space, utilities, telephone, paper and other materials needed by WISH.

(e) Information Services. The Authority shall provide information services including computer and information processing services.

(f) Legal Compliance Services. The Authority shall take all reasonable steps to enable WISH, the Projects and the Owners to comply with all applicable present and future laws, ordinances, orders, rules, regulations and requirements (hereinafter, the "**Applicable Laws**") of all applicable federal, state and municipal governments, courts, departments, commissions, boards and offices, any national or local Board of Fire Underwriters or Insurance Services Offices having jurisdiction in the county in which the Projects are located or any other body exercising functions similar to those of any of the foregoing, or any insurance carriers providing any insurance coverage.

2. Specialized Services to be Provided by the Authority upon Request and Mutual Agreement. Upon reasonable notice and at the request of WISH, the Authority from time to time may agree to provide any of the following services (the "**Specialized Services**") on behalf of WISH, provided, however, that if the performance of any of the Specialized Services is outside the scope of experience or expertise of the Authority's personnel, or is otherwise impracticable, the Authority shall promptly notify WISH of its lack of ability and capacity to complete those Specialized Services, and the Authority shall have no obligation to provide such Specialized Services.

(a) Maintenance Services. The Authority may provide maintenance services including maintenance and preventative maintenance on both the interior and exterior areas of the Projects.

(b) Procurement Services. The Authority may procure co-developers, engineers, architects, consultants and all other professional services necessary to manage or develop the Projects.

(c) Financing Services. The Authority may advise WISH as to federal, state and local subsidy programs available for the development of the Projects; assist WISH in identifying sources of construction, modernization, rehabilitation and/or renovation financing for the Projects and negotiate the terms of such financing with lenders.

(d) Project Development Services. The Authority may establish and implement appropriate administrative and financial controls for the design, construction, modernization, rehabilitation and/or renovation of the Projects, including but not limited to:

(i) negotiation and administration of any contracts on behalf of WISH, the Owners and/or the Authority, as the case may be;

(ii) coordination and administration of the Projects' co-developer, architect, the general contractor and other contractors, professionals and consultants employed in connection with the design, construction, modernization, rehabilitation and/or renovation of the Projects;

(iii) participation in conferences and the rendering of such advice and assistance as will aid in developing economical, efficient and desirable design, construction, modernization, rehabilitation and/or renovation procedures;

(iv) rendering the advice and recommendations as to the selection of subcontractors and suppliers;

(v) reviewing and submitting to WISH for approval all requests for payments including, but not limited to: architectural agreements, general contractor agreements, construction management agreements or any loan agreements providing funds for the benefit of the Projects for the design, construction, modernization, rehabilitation and/or renovation of any improvements;

(vi) inspecting the progress of the course of construction, modernization, rehabilitation and/or renovation of the Projects, including verifying the materials and labor being furnished to and on such construction, modernization, rehabilitation and/or renovation, so as to be fully competent to enable WISH to approve or disapprove requests for payment certified by the architect, the general contractor and/or any other parties with respect to the design, construction, modernization, rehabilitation and/or renovation of the Projects;

(vii) verifying that construction, modernization, rehabilitation and/or renovation is being carried out in accordance with the documents governing the Project (the "**Project Documents**") or, in the event construction, modernization, rehabilitation and/or renovation is not being so carried out, promptly notifying WISH;

(viii) keeping WISH fully informed on a regular basis of the progress of the design, construction, modernization, rehabilitation and/or renovation of the Projects, including the

preparation of such reports as are provided for herein or as may reasonably be requested by WISH and which are of a nature generally requested or expected on similar Projects;

(ix) reviewing and submitting to WISH for approval any notices of completion required or permitted to be filed upon the completion of any improvement(s), and taking such actions as may be required to obtain any certificates of occupancy or equivalent documents required to permit the occupancy of the Projects;

(x) submitting any suggestions or requests for changes which could in any reasonable manner improve the design, efficiency or cost of the Projects;

(xi) applying for and maintaining in full force and effect any and all governmental permits and approvals required for the lawful construction, modernization, rehabilitation and/or renovation of the Projects, and complying with all terms and conditions applicable to the Projects contained in any governmental permit or approval required or obtained for the lawful construction, modernization, rehabilitation and/or renovation of the Projects, or in any insurance policy affecting or covering the Projects, or in any surety bond obtained in connection with the Projects;

(xii) providing low-income housing tax credit services for the Projects, including tenant employment verification, income verification, tax credit certifications, tax credit reporting, maximum rent calculations and tax credit record maintenance;

(xiii) furnishing such consultation and advice relating to the Projects as may be reasonably requested from time to time by WISH;

(xiv) performing on behalf of WISH all obligations of WISH with respect to the design, construction, modernization, rehabilitation and/or renovation of the Projects contained in any loan agreement or security agreement in connection with the Projects, or in any agreement entered into with any third party, governmental body or agency relating to the Projects;

(xv) preparing and distributing a critical path schedule and periodic updates thereto as necessary to reflect any material changes, but in any event not less frequently than quarterly, and other design, construction, modernization, rehabilitation and/or renovation cost estimates as required;

(xvi) obtaining and maintaining insurance coverage for the Projects, the Owners and WISH in accordance with the insurance requirements and liability amounts set forth in the Project Documents, including general public liability insurance covering claims for personal injury (including but not limited to bodily injury) or property damage (occurring in or upon the property or the streets, passageways, curbs and vaults adjoining the Projects);

(xvii) accomplishing the timely completion of the Projects in accordance with the construction contract, the plans and specifications and the other Project Documents;

(xviii) coordinating and administering the design, construction, modernization, rehabilitation and/or renovation of all interior tenant improvements, to the extent required under any leases or other occupancy agreements, to be constructed or furnished by WISH with respect to the initial leasing of space in the Projects, whether involving building standard or non-building standard work; and

(xix) implementing any decisions of WISH in connection with the design, development, construction, modernization, rehabilitation and/or renovation of the Projects or any policies and procedures relating thereto.

(e) Tenant Services. The Authority may provide tenant services for the Projects, including without limitation application intake, applicant interviewing and screening, verification procedures, determination of eligibility for admission, qualification for preferential admission, tenant records and file maintenance, unit assignment, preparation and enforcement of leases and tenant counseling.

(f) Other Services. The Authority may perform and administer all other services and responsibilities of WISH, which are set forth in any other provisions of this Agreement, or which are requested to be performed by WISH and are within the general scope of the Services and/or Specialized Services described herein. Such services may include, without limitation, management, executive services, personnel and staffing, marketing of units, maintaining a site-based waiting list, applicant rejections, collecting and accounting for rents, collecting, depositing and reimbursing security deposits, conducting unit inspections, conducting orientation sessions, performing re-determinations of eligibility and income re-certifications, administering the tenant grievance procedure and complying with income tiering requirements.

3. Fee. Except as otherwise provided herein, WISH shall pay to the Authority a fee in the amount of [\$] (the "Fee") per month for all Services and Specialized Services. The parties shall revisit the Fee annually to adjust the same based on the use of the Services and Specialized Services.

4. Limitations and Restrictions. Notwithstanding any provisions of this Agreement, the Authority shall not take any action, expend any sum, make any decision, give any consent, approval or authorization or incur any obligation with respect to any of the following matters unless and until the same has been approved by WISH:

(a) Approval of all construction, modernization, rehabilitation, renovation and architectural contracts and all architectural plans, specifications and drawings prior to the construction and/or alteration of any improvements contemplated thereby, except for such matters as may be expressly delegated in writing to the Authority by WISH;

(b) Any proposed change in the work of the construction, modernization, rehabilitation, renovation of a Project, or in the plans and specifications therefor as previously approved by WISH (including any addenda thereto), or in the cost thereof, or the time schedule for construction, modernization, rehabilitation, and/or renovation or any other change which would affect the design, cost, value or quality of a Project, except for such matters as may be expressly delegated in writing to the Authority by WISH;

(c) Making any expenditure or incurring any obligation by or on behalf of each respective Project involving a sum in excess of \$25,000, or involving a sum of more than \$5,000 where the same relates to a component part of any work the combined cost of which exceeds \$25,000, except for such matters as may be otherwise expressly delegated to the Authority by WISH; or

(d) Expending more than what the Authority in good faith believes to be the fair and reasonable market value at the time and place of contracting for any goods purchased or leased or services engaged on behalf of, or otherwise in connection with, the Projects.

5. Accounts and Records.

(a) The Authority shall keep such books of account and other records as may be required and approved by WISH, including, but not limited to, records relating to the expenditures of

WISH funds. The Authority shall keep vouchers, statements, receipted bills and invoices and all other records, in the form approved by WISH, covering all collections, if any, disbursements and other data in connection with the Projects prior to completion. All accounts and records relating to the Projects, including all correspondence, shall be surrendered to WISH upon demand without charge therefor.

(b) The Authority shall cooperate with the Owners to facilitate the timely preparation by the Owners of such reports and financial statements as the Owners are required to furnish pursuant to their respective Operating Agreements or Agreements of Limited Partnership.

(c) All books and records prepared or maintained by the Authority shall be kept and maintained at all times at the place or places approved by WISH, and shall be available for and subject to audit, inspection and copying by the Owners, WISH or any representative or auditor thereof or supervisory or regulatory authority.

6. Representations and Warranties.

(a) Each party represents and warrants to the other party that:

(i) it is duly organized, validly existing and in good standing as a corporation or other entity as represented herein under the laws and regulations of the State of California;

(ii) it has the full right, power and authority to enter into this Agreement, to grant the rights granted hereunder and to perform its obligations hereunder;

(iii) the execution of this Agreement by its representative whose signature is set forth at the end hereof has been duly authorized by all necessary corporate action of the party; and

(iv) when executed and delivered by such party, this Agreement will constitute the legal, valid and binding obligation of such party, enforceable against such party in accordance with its terms.

(b) The Authority represents and warrants to WISH that:

(i) it shall perform the Services and any Specialized Services using personnel of required skill, experience and qualifications and in a professional and workmanlike manner in accordance with commercially reasonable industry standards for similar services and shall devote adequate resources to meet its obligations under this Agreement; and

(ii) it is in compliance with and shall perform the Services and any Specialized Services in compliance with, all Applicable Laws.

7. Default and Remedies. If either party shall default in any material respect in the performance of any of its covenants or obligations under this Agreement and such default shall continue unremedied for a period of 60 days after written notice thereof from the non-defaulting party, the non-defaulting party may terminate this Agreement.

8. Notices. All notices, consents, requests, demands and other communications required or permitted under this Agreement: (a) will be in writing; (b) will be sent by messenger, certified or registered U.S. mail, a reliable express delivery service or telefacsimile or e-mail (with a copy sent by one of the foregoing means), charges prepaid as applicable, to the appropriate address(es) or number(s) set forth below and (c) will be deemed to have been given on the date of receipt by the addressee (or, if the

date of receipt is not a business day, on the first business day after the date of receipt), as evidenced by (i) a receipt executed by the addressee (or a responsible person in his or her office), the records of the person delivering such communication or a notice to the effect that such addressee refused to claim or accept such communication, if sent by messenger, U.S. mail or express delivery service, or (ii) a receipt generated by the sender's telecopier or computer showing that such communication was sent to the appropriate number or e-mail address on a specified date, if sent by telefacsimile or e-mail. All such communications will be sent to the following addresses or numbers, or to such other addresses or numbers as any party may inform the others by giving five business days' prior notice:

If to the Authority:

Housing Authority of the County of Monterey
123 Rico Street, Salinas, CA 93907
Attn: Zulieka Boykin, Executive Director
Phone: (831) 775-5000

If to WISH:

WISH Monterey County, Inc.
123 Rico Street, Salinas, CA
Attn: Zulieka Boykin, President
Phone: (831) 775-5000

9. Term; Termination. This Agreement shall be effective as of the date first written above and shall continue until either party terminates this Agreement, upon ten days written notice to the other party.

10. Independent Contractor. The parties agree that the Authority is an independent contractor, and its personnel are employees of the Authority and shall not be deemed to be and shall not hold itself out as an agent, joint venturer, legal representative or employee of WISH.

11. Miscellaneous. This Agreement: (a) may be amended only by a writing signed by each of the parties; (b) may be executed in several counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument; (c) contains the entire agreement of the parties with respect to the transactions contemplated hereby and supersedes all prior written and oral agreements, and all contemporaneous oral agreements, relating to such transactions; (d) shall be governed by, and construed and enforced in accordance with, the internal substantive laws of California, without regard to its conflict of laws principles and (e) shall be binding upon, and inure to the benefit of, the parties and their respective successors and permitted assigns. The waiver by a party of any breach or violation of any provision of this Agreement shall not operate or be construed a waiver of any subsequent breach or violation hereof.

[SIGNATURE PAGE FOLLOWS]

SIGNATURE PAGE
TO
CONSULTING AND SHARED SERVICES AGREEMENT

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the date first written above.

**HOUSING AUTHORITY OF THE COUNTY
OF MONTEREY**, a public body corporate and
politic established under the laws of California

By: _____
Zulieka Boykin, Executive Director

WISH MONTEREY COUNTY, INC., a
California nonprofit public benefit corporation

By: _____
Zulieka Boykin, President

MEMORANDUM

TO: Board of Commissioners

THRU: Zulieka Boykin
Executive Director/CEO

FROM: James Maynard-Cabrera
Director of Human Resources

RE: **Human Resources Report**

DATE: June 17, 2026



Executive Summary

During the month of June, Human Resources continued supporting agency operations through workforce planning, organizational development, labor relations coordination, employee benefits administration, and several agency-wide initiatives focused on improving efficiency and long-term organizational sustainability.

A significant portion of the month's efforts focused on preparing the agency for future workforce needs, supporting leadership through organizational transitions, evaluating staffing structures, and advancing projects intended to strengthen operational effectiveness across HACM. Human Resources also continued working closely with Executive Leadership and department directors on matters involving workforce planning, labor relations, compliance, employee benefits, and organizational development.

As HACM continues moving forward, Human Resources remains focused on providing practical solutions, strengthening internal processes, supporting leadership, and helping ensure the agency has the tools, structure, and workforce necessary to meet both current and future operational needs.

Organizational Continuity and Succession Planning

One area of focus this month involved workforce planning and ensuring the agency is prepared for future staffing and operational needs. Human Resources worked with Executive Leadership and department management to evaluate staffing needs, review workforce trends, and identify opportunities to strengthen organizational support functions across the agency.

As part of these efforts, HR continued reviewing recruitment needs, succession planning opportunities, and workforce considerations that may impact future operations. Particular attention was placed on ensuring continuity of services, preserving institutional knowledge, and identifying strategies that support long-term workforce stability.

While HACM continues benefiting from a dedicated and experienced workforce, Human Resources recognizes the importance of planning ahead and working proactively with leadership to address future staffing needs before they become operational challenges.

Labor Relations and Organizational Readiness

Human Resources continued maintaining an active role in labor relations administration and labor-management coordination throughout the reporting period.

During the reporting period, HACM and SEIU Local 521 held their initial collective bargaining session for the successor Memorandum of Understanding. The meeting focused on introductions, establishing ground rules, exchanging initial proposals, and discussing the overall negotiations process. Additional bargaining sessions have been scheduled as both parties continue discussions toward reaching a successor Memorandum of Understanding.

In preparation for ongoing negotiations, Human Resources continued reviewing internal processes, evaluating operational considerations, and coordinating with Executive Leadership and legal counsel to support informed decision-making and organizational readiness throughout the bargaining process.

In addition to collective bargaining activities, Human Resources continued providing guidance and support to supervisors and department leadership regarding workplace issues, personnel matters, policy interpretation, and employee relations concerns. These efforts help promote consistency, support effective communication, and contribute to maintaining positive labor-management relationships throughout the agency.

Employee Benefits and Retirement Program Review

Human Resources participated in discussions with retirement plan advisors regarding potential administrative enhancements, employee education opportunities, and operational efficiencies associated with HACM's retirement programs.

Topics reviewed included retirement plan administration, employee participation processes, communication strategies, and potential opportunities to streamline certain administrative functions. These discussions were intended to identify ways to improve the employee experience while ensuring retirement programs continue operating efficiently and effectively.

Providing competitive and well-administered employee benefits remains an important component of HACM's workforce strategy. Human Resources will continue working with agency partners and benefit providers to evaluate opportunities that support employee education, benefit awareness, and overall program effectiveness.

Digital Records Management Initiative

During the reporting period, Human Resources developed and distributed a draft framework for a proposed Digital Records Management Initiative for Executive Leadership review and feedback.

The proposed initiative is intended to evaluate opportunities to modernize records retention practices, improve document accessibility, strengthen compliance with applicable records retention requirements, and support long-term operational efficiency across the agency. Initial discussions have focused on assessing current document management practices, identifying organizational needs, and exploring potential solutions that may support a more centralized and consistent approach to records management.

As the initiative remains in its early planning stages, Executive Leadership feedback will help guide future recommendations, implementation considerations, and overall project direction.

Human Resources will continue working with Executive Leadership and department representatives to evaluate the proposed framework, gather feedback, and determine next steps regarding the potential implementation of a comprehensive digital records management strategy for HACM.

Workforce Snapshot

As of June 2026, HACM employs 83 employees across its various programs and departments. Workforce activity during the reporting period remained relatively stable, with limited staffing movement and low vacancy levels. Human Resources continues monitoring recruitment needs, workforce trends, and organizational staffing requirements to support operational continuity and long-term workforce planning efforts.

Workforce Overview

- **New Hires:** 0
- **Separations:** 0
- **Vacancies:** 2
- **Total Employees:** 83
- **Turnover Rate:** 13.5% (*January – June 2026*)
- **Average Employee Tenure:** 8.1 years
 < 3 Months: **(10)** | 3-12 Months: **(16)** | 1-3 Years: **(13)** | 3-5 Years: **(13)** | 5-10 Years: **(9)** | 10+ Years: **(22)**

The agency continues maintaining relatively low vacancy levels and a strong average tenure, reflecting overall workforce stability and employee retention. More than one-quarter of HACM employees have over ten years of service with the agency, providing valuable institutional knowledge and operational experience that support continuity across departments. At the same time, newer employees continue integrating into the workforce, helping support future succession planning efforts and long-term organizational sustainability.

Workforce Demographics

- **Employment Type**
 - 56 Regular Hourly Employees
 - 21 Regular Salary Employees
 - 6 Temporary Employees

- **Gender Representation**
 - 54.2% Female
 - 45.8% Male

- **Generational Breakdown**
 - **Baby Boomers:** 4.8%
 - **Generation X:** 43.4%
 - **Millennials:** 34.9%
 - **Generation Z:** 16.9%

Generation X and Millennials continue representing the majority of HACM's workforce, providing a balance of institutional experience and emerging leadership potential. This demographic distribution supports both operational continuity and future workforce development opportunities.

➤ **Ethnicity Breakdown**

- **Hispanic:** 39.8%
- **Black:** 2.4%
- **White:** 8.4%
- **Asian:** 6%
- **Native Hawaiian or Pacific Islander:** 1.2%
- **Two or More Races:** 2.4%
- **Not Defined:** 38.6%
- **Unknown:** 1.2%

Human Resources will continue monitoring workforce demographics, turnover trends, recruitment activity, and succession planning considerations to support informed workforce planning and long-term organizational effectiveness.

Risk Management, Workers' Compensation and Safety

Human Resources continued supporting agency-wide risk management efforts through oversight of workers' compensation activity, workplace safety initiatives, and collaboration with internal and external partners responsible for claims administration and loss prevention.

During the reporting period, HACM received a dividend distribution from the California Housing Workers' Compensation Authority (CHWCA) in the amount of **\$24,181**. Dividend distributions are periodically issued when actuarially appropriate and reflect the overall financial performance of the pooled workers' compensation program. The distribution provides a direct financial benefit to HACM and reinforces the value of participating in a collaborative risk management program designed specifically for public housing agencies.

Current workers' compensation activity remains stable overall. As of May 31, 2026, HACM maintains 11 open workers' compensation claims. One new workers' compensation claim was reported during the current reporting period involving a maintenance employee who sustained a lower back injury while performing maintenance-related duties.

In addition, Human Resources continued supporting HACM's Safety Committee and workplace safety initiatives designed to promote employee well-being, strengthen accountability, and reduce organizational exposure to workplace injuries. These efforts remain important components of HACM's broader risk management strategy and support the agency's commitment to maintaining safe and healthy work environments.

Based on the most recent CHWCA reporting data received through **May 31, 2026**, HACM's workers' compensation program currently reflects:

- **485** total historical workers' compensation claims
- **11** open claims
- **474** closed claims

- Approximately **\$9.53 million** in total incurred claim costs
- Approximately **\$211,677** in recoveries received
- Approximately **\$9.31 million** in net incurred costs
- One new workers' compensation claim reported in 2026
- Temporary disability payments during May totaled **\$152.95**
- CHWCA dividend distribution received: **\$24,181**

For general reference:

- *Open claims represent cases that remain active and may involve ongoing medical treatment, claim administration, or future medical obligations.*
- *Closed claims represent cases that have been fully resolved and are no longer active.*
- *Incurred costs include both claim payments already made and projected future costs associated with ongoing claims.*
- *Net incurred costs reflect total claim costs after recoveries and reimbursements have been applied.*

The financial figures reflected above represent cumulative workers' compensation activity spanning several decades and are not solely attributable to workplace injuries occurring during the current reporting year.

Human Resources remains committed to supporting workplace safety initiatives, effective claims management practices, and proactive risk reduction efforts that help protect employees, reduce organizational exposure, and contribute to the long-term financial stability of HACM.

Focus Moving Forward

Over the coming months, Human Resources will continue focusing on several key priorities, including organizational continuity and succession planning initiatives, ongoing collective bargaining negotiations, implementation planning for the Digital Records Management Initiative, recruitment and retention strategies, retirement program evaluation, policy modernization efforts, and ongoing workplace safety and risk management activities.

Human Resources remains committed to supporting HACM's mission by providing responsive service, strengthening organizational infrastructure, supporting leadership development, and implementing practical solutions that position the agency for long-term operational success.

Building Engagement. Strengthening Leadership. Supporting People.

MEMORANDUM

To: Board of Commissioners
Thru: Zulieka Boykin, Executive Director
From: Mayra Zesati, Director of Property Management
Date: June 8, 2026
Re: Property Management Report

Occupancy

Occupancy Rate (Goal: 98%)

Property	Total Units	Offline/Excluded Units	Available	Vacant Units	Total Occupied Units	Occupancy Rate
One Parkside	80	1	79	0	79	100.0%
Single Family Homes	9	0	9	0	9	100.0%
Rippling River	79	0	79	0	79	100.0%
Haciendas 1	52	0	52	1	51	98.1%
Haciendas 2	46	0	46	1	45	97.8%
Haciendas 3	50	0	50	0	50	100.0%
Haciendas Senior	41	0	41	0	41	100.0%
South County RAD	70	0	70	0	70	100.0%
Salinas Family RAD	170	0	170	4	166	97.6%
East Salinas Family RAD	202	0	202	5	197	97.5%
Gonzales Family RAD	30	0	30	2	28	93.3%
Montecito Watson	13	0	13	0	13	100.0%
Oak Grove	5	0	5	0	5	100.0%
Portola Vista	64	0	64	0	64	100.0%
Pueblo Del Mar	56	0	56	0	56	100.0%
Salinas FLC	57	0	57	0	57	100.0%
Chualar FLC	29	0	29	0	29	100.0%
Castroville FLC	54	0	54	0	54	100.0%
King City Migrant Center	82	0	82	0	82	100.0%
Casanova Plaza	86	86	0	0	0	0.0%
Fairview	46	0	46	16	30	65.2%
Casa de Esperanza	46	0	46	34	12	26.1%
Total	1367	87	1280	63	1217	95.1%

Vacancy Status Update

One Parkside

fire in unit; offline & under renovation

Haciendas 1

unit turning & calling applicants from waitlist

Haciendas 2

unit turning & calling applicants from waitlist

Salinas Family RAD

4 units turning; 1 RA transfer; 2 over housed transfers;
1 processing from waitlist

1 Reasonable Accommodation transfer

2 transfers due to over housed

Gonzales Family RAD

1 unit under eviction

calling applicants from waitlist

East Salinas Family RAD

calling applicants from waitlist

Gonzales Family RAD

1 unit under eviction; 1 unit calling applicants from waitlist

Casanova Plaza

all units completely offline due to fire

Fairview & Casa de Esperanza

requesting referrals & processing current applicants

Evictions in process:	3
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Wait List

Waitlist (Goal: 5x Total Units)

Property	Total Units	Total Number on Waitlist	Waitlist Goal	Performance to Goal
One Parkside	79	Managed by Section 8	N/A	N/A
Single Family Homes	9	Managed by Section 8	N/A	N/A
Rippling River	79	Managed by Section 8	N/A	N/A
Haciendas 1	52	1979	260	761%
Haciendas 2	46	1810	230	787%
Haciendas 3	50	774	250	310%
Haciendas Senior	41	Managed by Section 8	N/A	N/A
South County RAD	70	534	350	153%
Salinas Family RAD	170	865	850	102%
East Salinas Family RAD	202	261	1010	26%
Gonzales Family RAD	30	1465	150	977%
Montecito Watson	13	121	65	186%
Oak Grove	5	Section 8 listing	N/A	N/A
Portola Vista	64	64	320	20%
Pueblo Del Mar	67	Coordinated Entry; MCBH	N/A	N/A
Salinas FLC	157	157	785	20%
Chualar FLC	29	114	145	79%
Castroville FLC	54	277	270	103%
King City Migrant Center	82	Closed for season	N/A	N/A
Fairview	46	Coordinated Entry	N/A	N/A
Casa de Esperanza	46	Coordinated Entry	N/A	N/A
Total	1,477	8,447	5,115	165%

Rent Collection

Tenant Payments (Goal: 95% Rent Collection)

Property	Rent Billed	Variance	Rent Collected	Collection Rate	Total Arrears
One Parkside	\$ 30,911	\$ 2,806	\$ 33,717	109%	\$ (3,665)
Single Family Homes	\$ 11,668	\$ (2,831)	\$ 8,837	76%	\$ (996)
Rippling River	\$ 31,369	\$ 8,718	\$ 40,087	128%	\$ (1,153)
Haciendas 1	\$ 44,969	\$ (2,708)	\$ 42,261	94%	\$ 20,185
Haciendas 2	\$ 53,132	\$ 1,991	\$ 55,123	104%	\$ 10,778
Haciendas 3	\$ 47,062	\$ 12,514	\$ 59,576	127%	\$ 28,562
Haciendas Senior	\$ 14,435	\$ (920)	\$ 13,515	94%	\$ (4,285)
South County RAD	\$ 24,119	\$ (250)	\$ 23,869	99%	\$ 9,737
Salinas Family RAD	\$ 128,145	\$ 3,094	\$ 131,239	102%	\$ (1,079)
East Salinas Family RAD	\$ 166,750	\$ (2,342)	\$ 164,408	99%	\$ 3,545
Gonzales Family RAD	\$ 30,593	\$ (1,848)	\$ 28,745	94%	\$ 16,964
Montecito Watson	\$ 8,575	\$ (39)	\$ 8,536	100%	\$ (15,874)
Oak Grove	\$ 5,837	\$ (81)	\$ 5,756	99%	\$ 764
Portola Vista	\$ 25,553	\$ (1,345)	\$ 24,208	95%	\$ (7,023)
Pueblo Del Mar	\$ 64,184	\$ (64,184)	\$ -	0.0%	\$ 64,184
Salinas FLC	\$ 59,027	\$ 3,522	\$ 62,549	106%	\$ 710
Chualar FLC	\$ 31,485	\$ 125	\$ 31,610	100%	\$ (1,232)
Castroville FLC	\$ 54,766	\$ (112)	\$ 54,654	99.8%	\$ (4,809)
King City Migrant Center	\$ 26,831	\$ 11,898	\$ 38,729	144.3%	\$ -
Fairview	\$ 2,360	\$ -	\$ -	0.0%	\$ 2,360
Casa de Esperanza	\$ 1,310	\$ -	\$ -	0.0%	\$ 1,310
Total	\$ 863,081	\$ (31,993)	\$ 827,418	95.9%	\$ 202,802

Collections Comments

Rent Collection Notes:

Single Family Homes: 1 unit paid in June and 1 unit paid in April for May 2026

Rippling River: collected rent for 4 units from previous month billing

Haciendas 1: 2 units not paid, financial assistance from MCOS received in June 2026

Haciendas 4: 4 units underpaid, leasing office assisting with changing the auto pay in Rent Café

Gonzales Family RAD: 1 unit processing for eviction

Pueblo Del Mar: payment not received for May 2026

Fairview: residents submitted payment in June for May others working with resident services for payment

Casa de Esperanza: residents submitted payment in June for May others working with resident services for payment

HAP Collection

Housing Assistance Payments (HAP) (Goal: 100% Collection)

Property	HAP Billed	HAP Adj.	HAP Collected	Collection Rate	Total Arrears
One Parkside	\$ 136,798	\$ (9,017)	\$ 127,781	93.4%	\$ (9,207)
Single Family Homes	\$ 19,681	\$ -	\$ 19,681	100.0%	\$ (200)
Rippling River	\$ 150,052	\$ 10,524	\$ 160,576	107.0%	\$ 661
Haciendas 1	\$ 74,539	\$ 302	\$ 74,841	100.4%	\$ (128,413)
Haciendas 2	\$ 39,930	\$ 1,707	\$ 41,637	104.3%	\$ (60,047)
Haciendas 3	\$ 67,791	\$ (8,215)	\$ 59,576	87.9%	\$ (89,411)
Haciendas Senior	\$ 75,160	\$ 1,902	\$ 77,062	102.5%	\$ (101,488)
South County RAD	\$ 25,477	\$ -	\$ 25,477	100.0%	\$ -
Salinas Family RAD	\$ 51,147	\$ -	\$ 51,147	100.0%	\$ 1,701
East Salinas Family RAD	\$ 59,839	\$ -	\$ 59,839	100.0%	\$ 8,210
Gonzales Family RAD	\$ 9,018	\$ (9,018)	\$ -	0.0%	\$ 9,276
Montecito Watson	\$ 6,327	\$ -	\$ 6,327	100.0%	\$ -
Oak Grove	\$ 3,267	\$ 85	\$ 3,352	102.6%	\$ 839
Portola Vista	\$ 123,962	\$ -	\$ 123,962	100.0%	\$ 242
Salinas FLC	\$ 13,034	\$ -	\$ 13,034	100.0%	\$ 96,596
Chualar FLC	\$ 4,556	\$ -	\$ 4,556	100.0%	\$ 33,795
Castroville FLC	\$ 46,054	\$ -	\$ 46,054	100.0%	\$ 9,525
King City Migrant Center	N/A	N/A		N/A	
Fairview	\$ -	\$ -	\$ -	0.0%	\$ 52,762
Casa de Esperanza	\$ -	\$ -	\$ -	0.0%	\$ 21,550
Total	\$ 906,632	\$ (11,730)	\$ 894,902	99%	\$ (132,701)

Collections Comments

HAP Collection Notes:

One Parkside: pro-rated HAP adjustment recapture, 3 vacancies

Haciendas 3: HAP adjustment, recaptured 4 months, abandoned unit

Gonzales Family RAD: manual review of voucher due to non-compliance in certifications (88%)

HUD releases funds once review is concluded or property is at 90% or above

Arrears:

reviewing arrears from Jan- April for next steps

Recertifications

Recertifications (Goal = 0 Late)

Property	Total Units	Prior Months Past Due	Current Month Due on 1st of Month	Completed for Current/ Past Due	YTD Late
One Parkside	79	0	0	0	0
Single Family Homes	9	0	0	0	0
Rippling River	79	0	0	0	0
Haciendas 1	52	0	0	0	0
Haciendas 2	46	3	0	0	0
Haciendas 3	50	0	0	0	0
Haciendas Senior	41	0	0	0	0
South County RAD	70	0	0	0	0
Salinas Family RAD	170	0	0	0	0
East Salinas Family RAD	202	0	0	0	0
Gonzales Family RAD	30	0	0	0	0
Montecito Watson	13	0	0	0	0
Portola Vista	64	0	0	0	0
Pueblo Del Mar	56	46	0	0	46
Salinas FLC	57	0	0	0	0
Chualar FLC	29	0	0	0	0
Castroville FLC	54	0	0	0	0
Fairview	46	0	0	0	0
Casa de Esperanza	46	0	0	0	0
Total	1366	49	0	0	46

Pueblo Del Mar

August, September, October, November, December, January, Feb, March, April & May

Pueblo Del Mar is administering the Hope Housing Program and it is the programs responsibility to perform these AR's, MCBH has informed they are working on providing these AR's.

Haciendas 2

residents delay

Work Orders

Routine																					
Work Order Detail	One Parkside	Single Family Homes	Rippling River	One Haciendas	Haciendas 2	Haciendas 3	Haciendas Senior	South County RAD	Salinas Family RAD	East Salinas Family RAD	Gonzales Family RAD	Montecitio Watson	Oak Grove	Portola Vista	Pueblo Del Mar	Salinas FLC	Chualar FLC	Castroville FLC	King City Migrant Center	Fairview	Casa De Esperanza
Balance Forward	5	2	4	3	3	4	1	1	9	3	3	0	1	12	1	0	0	1	1	0	0
Created	9	3	11	27	10	9	8	16	40	59	3	7	0	16	15	13	10	17	36	0	0
Closed	13	4	10	23	13	10	7	16	46	61	5	7	0	21	6	12	10	17	35	0	0
Balance End	1	1	5	7	0	3	2	1	3	1	1	0	1	7	10	1	0	1	2	0	0
Average Days	13	29	1	1	1	2	7	2	7	3	4	1	0	12	11	2	1	1	1	0	0

Emergency																					
Balance Forward	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0
Created	2	0	1	7	1	1	2	0	4	5	0	0	0	0	0	0	0	0	0	0	0
Closed	2	0	1	7	1	1	2	0	4	5	0	0	0	0	0	0	0	0	0	0	0
Balance End	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0
Average Days	1	0	1	1	1	1	1	0	1	1	0	0	0	0	0	0	0	0	0	0	0

Preventative																					
Balance Forward	3	1	1	3	0	0	0	1	4	0	0	1	2	9	0	1	0	3	1	0	0
Created	0	1	12	0	0	0	0	3	8	0	0	0	0	3	1	1	3	4	0	0	0
Closed	3	2	12	3	0	0	0	3	6	0	0	0	0	4	1	2	3	6	0	0	0
Balance End	0	0	1	0	0	0	0	1	6	0	0	1	2	8	0	0	0	1	1	0	0
Average Days	95	36	1	11	0	0	0	2	1	0	0	0	0	38	16	5	1	2	0	0	0

Routine Notes:
One Parkside 13-day average -tech. on vacation, coverage provided weekly in coordination w/ other site
Single Family Homes 29- day average, paint in unit delayed due to pet left alone
Salinas Family RAD 7-day average - installation of pet station delayed as it was not urgent
Portola Vista 12-day average driven by appliance arrival date
Pueblo del Mar 11-day average driven by pest control vendor, coordinating service

Preventative Notes:
One Parkside : closed prior month work orders
Single Family Homes: closed prior month work orders

Audit & Inspection Updates

Agency & Property	Scheduled Date	Findings	Status
City of Salinas Audit	2021, 2022 & 2023	Corrections submitted for internal review	Pending action plan approval
City of Salinas Audit: One Parkside	July 23, 2025 2022, 2023, and 2024	N/A	Submission under review
City of Salinas Audit: Haciendas 1-4	July 23, 2025	N/A	Submission under review
USDA – Castroville FLC	March 5, 2026	Corrections submitted	Pending review
HUD NSPIRE- East Salinas Fam. RAD	April 2- April 3, 2026	N/A	Cancelled - pending new notice
CTCAC- East Salinas Family RAD	April 7, 2026	Pending NCL	Audit/ Inspection completed. Open, under review
CTCAC – Salinas Family RAD	June 3, 2026	Pending NCL	Audit/ Inspection completed. Open, under review
CTCAC – Gonzales Family RAD	On calendar for 2026	N/A	N/A
CTCAC – South County RAD	On calendar for 2026	N/A	N/A
CTCAC – Haciendas 3	On calendar for 2026	N/A	N/A
HUD NSPIRE- East Salinas Family RAD	Scheduled for July 15-July 16	N/A	N/A

Rent Café

Property	Total Units	Registered Units	% Registered	Paying Online	% Paying Online	Paid Online
1 Haciendas	52	48	96.00%	10	20.80%	\$9,747.71
2 Haciendas	46	40	88.90%	6	15.00%	\$9,417.70
Castroville FLC	54	53	98.10%	23	43.40%	\$25,169.15
Chualar FLC	29	19	65.50%	8	42.10%	\$8,498.00
Dai-Ichi Village	41	37	90.20%	4	10.80%	\$1,507.85
East Salinas Family RAD	202	164	83.70%	38	23.20%	\$38,551.19
Gonzales Family RAD	30	14	48.30%	0	0.00%	\$0.00
Haciendas 3	50	45	91.80%	19	42.20%	\$22,245.23
Montecito/Watson	14	6	46.20%	2	33.30%	\$1,700.90
Oak Grove	5	2	40.00%	0	0.00%	\$0.00
One Parkside	80	74	92.50%	10	13.50%	\$3,902.05
Portola Vista	64	30	46.90%	5	16.70%	\$2,976.95
Rippling River Apartments	79	66	88.00%	18	27.30%	\$7,639.65
Salinas Family RAD	170	151	89.30%	54	35.80%	\$45,368.00
Salinas FLC	57	46	80.70%	28	60.90%	\$33,658.94
Single Family Homes	9	6	66.70%	0	0.00%	\$0.00
South County RAD	70	22	32.40%	0	0.00%	\$0.00
Totals:	1052	823	78%	225.00	27%	\$210,383.32

Fairview: in the process of getting set up

Casa De Esperanza: in process of getting set up

MEMORANDUM

TO: Board of Commissioners
FROM: Lucila Vera, Housing Programs Director
THRU: Zulieka Boykin, Executive Director/CEO
SUBJECT: Housing Programs Report – May 2026
DATE: June 22, 2026



Executive Summary

HUD Happenings

The agency remains in communication with HUD's Shortfall Prevention Team regarding funding. HUD continues to advise the agency to maintain its current cost-saving measures.

The agency will continue to monitor funding levels closely and implement HUD's recommendations to ensure the long-term financial sustainability of the program.

Housing Programs Updates/Concerns

In May 2026, staff completed 268 annual certifications. There are currently 45 annual certifications pending. Because HUD regulations require tenants to receive at least 30 days' notice of any rent changes resulting from the certification process, all certifications with effective dates in August 2026 must be completed by July 1, 2026. Staff continue to prioritize this effort and are working to complete the remaining certifications by the end of the month to ensure timely processing and compliance with program requirements.

A total of 484 late annual recertification submissions, dating from 2019 through early 2025, remain outstanding in the PIC system. The department has identified the primary issue affecting these records and has begun correcting and resubmitting transactions that were not successfully processed during the prior submission cycles. These unresolved transactions impact the processing of current submissions and are contributing to the backlog in PIC. Staff are actively working to resolve the stalled records to improve the accuracy and timeliness of PIC reporting moving forward.

Since October 2025, the department has completed 956 backlogged HQS inspections. The remaining 510 inspections will be prioritized and integrated into upcoming annual recertification cycles to eliminate the backlog and bring the agency into full compliance with HQS inspection requirements. Staff will continue focusing on this effort to ensure inspections are completed in a timely manner and that program requirements remain current.

Staff Training

Management and staff continue to refine internal processes, identify training needs, and develop standardized workflows to provide consistent guidance for day-to-day operations. These efforts help ensure compliance with HUD requirements and program changes, improve efficiency, and support the effective and uniform administration of agency programs.

Professionalism (Repeated Action)

Customer service is a recurring focus in staff meetings, where management and staff review interactions and implement changes to improve service to clients.

Areas of Concern: HUD PIC Data Cleanup

Annual Recertifications – There are currently 484 annual recertifications in PIC that require review, correction, and resubmission to clear overdue records. Staff are prioritizing these corrections, as the unresolved submissions are affecting the accuracy of current record data and overall PIC reporting.

HQS Annual Inspections – There are currently 1,500 annual HQS inspections due in PIC. This number may be impacted by prior annual recertification submissions that remain stalled due to system errors associated with previous submissions. Staff are actively working to correct these issues and update these records to ensure the inspection data accurately reflects current program reporting.

Housing Authority of the County of Monterey HCV Report 2026

HCV Annual Budget Authority	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Monthly HUD HAP Disbursements	\$9,042,431	9,530,529	\$8,824,971	\$9,554,243	\$9,177,950							
Monthly HAP Payments	\$8,679,224	\$8,673,151	\$8,605,451	\$8,407,784	\$8,636,488							
YTD HAP Expenditure	\$8,796,177	\$17,352,375	\$25,957,826	\$34,365,610	\$43,002,098							
Monthly HAP Difference	\$246,254	\$857,378	\$219,520	\$1,146,459	\$541,462							
FMC Additional Payments	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00							
Initial 2026 Budget Authority Funding	\$96,999,983	\$96,999,983	\$96,999,983	\$96,999,983	96,999,983							
Voucher Utilization (Includes Mainstream and EHV)												
Voucher Allocation	5112	5112	5112	5112	5112	5112	5112	5112	5112	5112	5112	5112
Vouchers Leased Up	4568	4584	4563	4,510	4,519							
Per Unit Cost	\$1,899	\$1892	\$1,886	\$1,864	\$1,911							
Eligibility												
Vouchers Issued	11	4	0	3	0							
Annual Reexaminations												
Completed	279	286	372	257	268							
Late Reexaminations	177	120	105	212	45							
Watchlist Programs (Utilization Under 90%)												
PBV	776	774	780	760	774							
FYI – this will not increase due to shortfall	17	17	17	16	16							
Family Self-Sufficiency Program												
Total Participating Families	170	189	177	179	193							
Monthly Escrow Accrued	\$40,649	\$41,385	\$42,475	\$47,146	\$46,812							
Escrow Balance	\$745,169.84	\$739,126.56	\$736,482.86	\$765,476.10	\$804,936.82							
Reasonable Accommodation	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Reasonable Accommodation Requests	25	31	30	33	28							
Requests Approved	10	14	16	15	15							
Requests Denied	15	17	14	18	13							

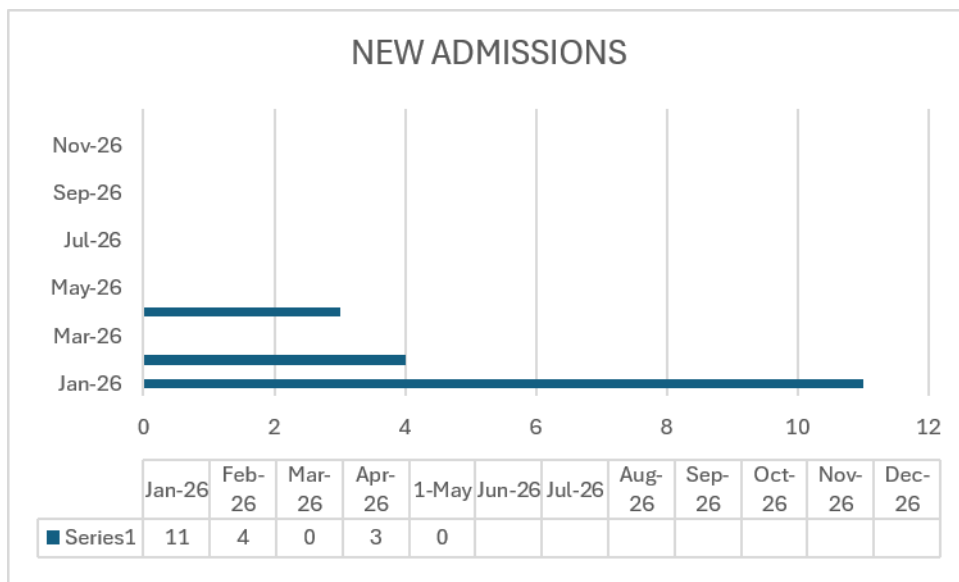
SEMAP Report January 2026

SEMAP Indicator	Possible Points	Maximum Score	FY2025 Score	Q1 FY2026 Score	Score Notes
1. Selection from the Waiting List (QC)	0 or 15	15	15	15	
2. Reasonable Rent (QC)	0, 15 or 20	20	20	20	
3. Determination of Adjusted Income (QC)	0, 15 or 20	20	20	20	
4. Utility Allowance Schedule (QC)	0 or 5	5	5	5	
5. HQS Quality Control Inspections (QC)	0 or 5	5	5	5	
6. HQS Enforcement (QC)	0 or 10	10	10	5	
7. Expanding Housing Opportunities (QC)	0 or 5	5	5	5	
8. Payment Standards (QC)	0 or 5	5	5	5	
9. Annual Reexaminations (PIC)	0, 5 or 10	10	10	-10	PIC Corrections and Submission need completion timely
10. Correct Tenant Rent Calculations (PIC)	0 or 5	5	5	5	
11. Pre-Contract HQS Inspections (PIC)	0 or 5	5	5	5	
12. Annual HQS Inspections (PIC)	0, 5 or 10	10	0	-10	Backlogged inspections need to be processed and reported timely
13. Lease-up (VMS)	0, 15 or 20	20	20	20	
14. Family Self-Sufficiency (PIC)	0, 3, 5, 8 or 10	10	N/A	N/A	We are discussing mandatory versus non-mandatory slots with our HUD Representative. If slots are mandatory, we may receive SEMAP points.
15. Bonus Indicator - Deconcentrating (QC)	0 or 5	N/A	N/A	N/A	
	Total	145	125	125	
		Percentage	93%	82%	

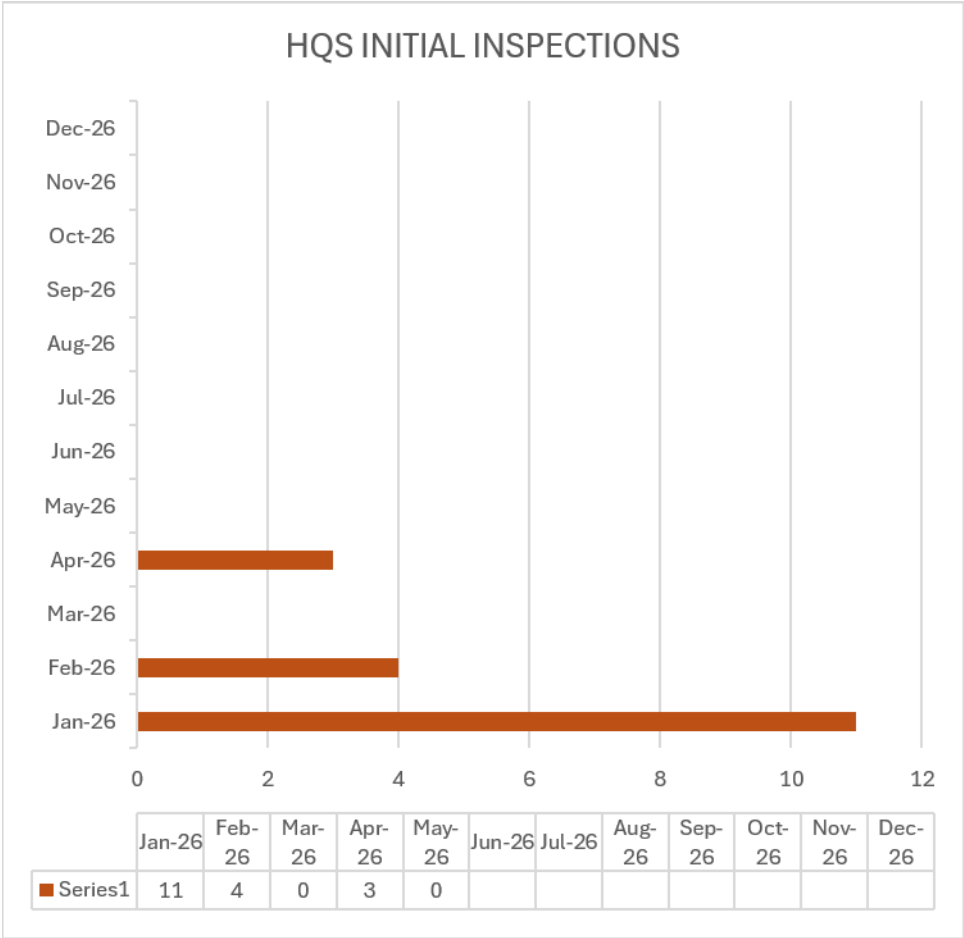
We received 125 points out of 135 for the 2025CY.

*Voucher Issuance is the number of new vouchers issued to new program participants. The Department of Housing Programs is not issuing any vouchers until the agency is no longer under Shortfall, and funding is available. The graph will be included and updated once new vouchers can be issued. The number of new vouchers will be zero except for VASH and preauthorized project-based units.

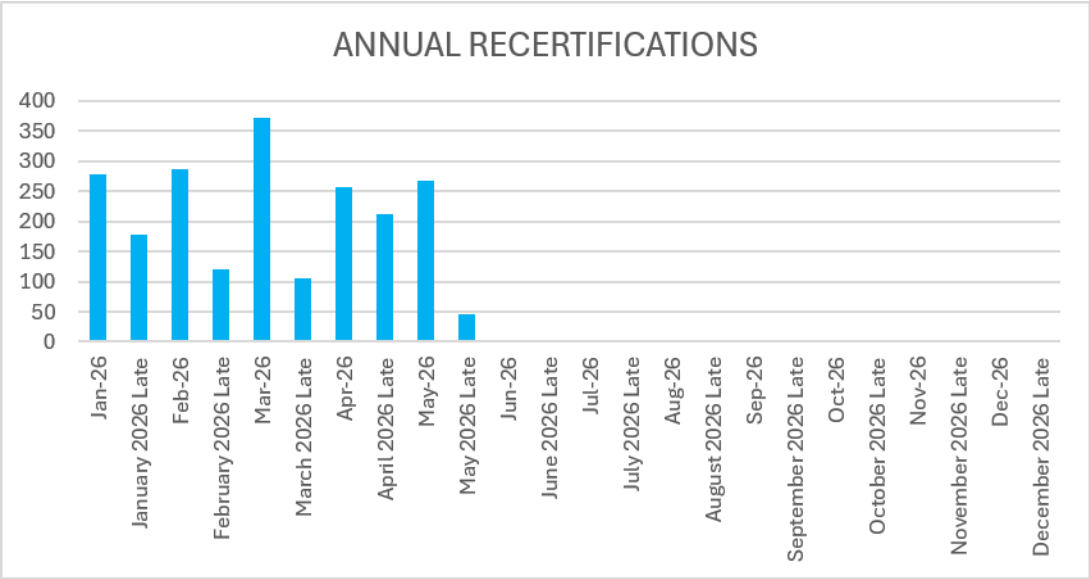
New admissions are clients that previously were issued a new voucher and have been leased in units. This is the number of new participants in the program. The numbers will not match the month issued because there is a 120-day window possible for searching.



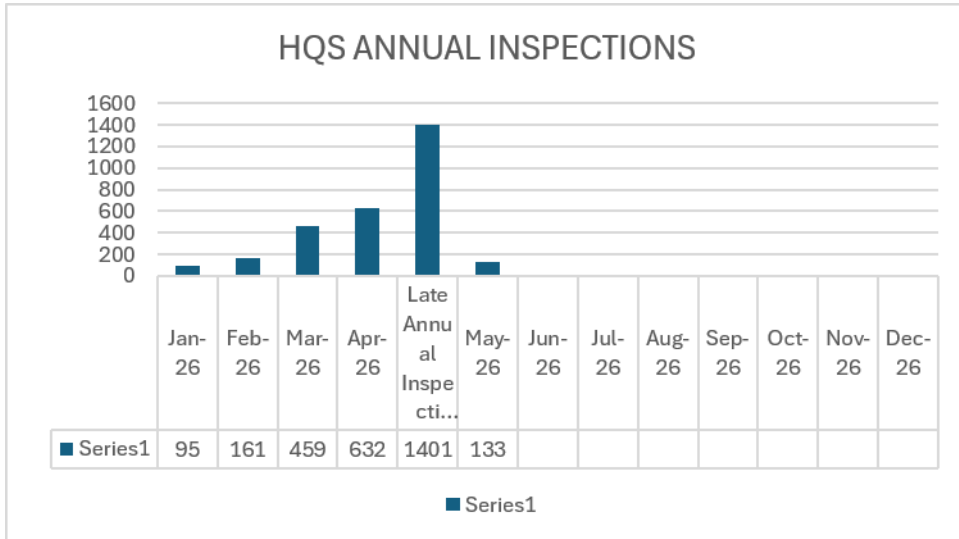
HQS Initial Inspections are the inspections performed for the newly housed participants. This number will match the number of new admissions.



Annual recertifications are processed every 12 months to ensure continued eligibility. Each annual recertification is required to have a matching inspection before the HAP contract is executed. These numbers do include past tenants. Our goal is to complete certification 60 days in advance to eliminate late inspections.



The HQS Annual Inspections are directly related to the number of annual recertifications processed; however, HACM is on a biennial cycle for annual inspections (every two years). The number is increasing as new inspections are due; however, once the late inspections are concluded it should decrease.



MEMORANDUM

To: Board of Commissioners
From: Nora Ruvalcaba, Director of Development
Thru: Zulieka Boykin, Executive Director/President/CEO
Date: June 8, 2026
Re: MONTHLY DEVELOPMENT DEPARTMENT REPORT



Development Department Highlights

Funding/Financing/Acquisition

1. Parcel B Funding – Salinas

The project obtained a funding commitment on 11/8/2025 in the amount of \$3,837,000.00 from the City of Salinas from the 2025 Multifamily program.

There have been preliminary discussions regarding the potential for additional funds to be requested and available to the site to support the construction of the daycare center out of the 2026-2027 funding allocations.

At the June 16th City Council Meeting, the Council unanimously approved the projects' Planned Unit Development Permit (PUD) and Conditional Use Permit (CUP).

Staff will be moving forward with the Tax Credit application in the month of September 2026.

If successful in obtaining the award, we will be notified by November 2026 and will be able to move forward with the construction start in May 2027.

2. Senior Project – City of Greenfield

Staff continue to explore funding opportunities to support the project and its operations until we can move forward with applying to CDLAC, which is projected to be in 2027-2028 once the Moratorium has ended.

3. Rippling River & Benito FLC – Refinancing with JPMorgan Chase

We are finalizing due diligence for the refinancing of existing debt on Rippling River and Benito FLC.

Upon closing of the transactions, the original loans will be paid off, and the remaining funds will be available to perform the priority capital improvements needed.

The target closing dates have been revised due to third-party approvals pending.

For Rippling River Affordable Housing LP, the revised target closing date is June 22, 2026, and for Benito Street Affordable Housing LP, the revised target closing date is July 8, 2026.

The transaction proceeds from the refinancing of the projects will support infrastructure improvements to include work necessary to stabilize the erosion of the cliff that runs along the back of the Rippling River Affordable Housing LP project.

4. **One Parkside LP – Placed-In-Service & Developer Fee**

We are working with the Investor to complete final due diligence for the release of the remaining Developer Fee of \$240,117.

5. **Haciendas 1 LP and Haciendas 2 LP – Equity Pay-in**

We are working with the Lender, US Bank Corp, to obtain final equity pay-ins for these projects for outstanding project costs and Developer Fee. The final amounts are pending finalization.

6. **City of Salinas - Family Homeless Challenge Funds**

We are working with the City of Salinas staff to secure funds in the amount of \$1,450,000.00 to support the acquisition of 1-2 units to operate a Permanent Supportive Housing (PSH) for families experiencing homelessness within the City of Salinas.

7. **Division Street – Funding**

The City of Salinas has revised the original commitment of funds to support the acquisition of the site and provide funding for the construction of the site. This is a deviation from the original commitment to support the acquisition and predevelopment remediation of the site.

The City staff has committed to securing additional funding to support the original intent through the available Housing Successor Agency funds. These funds are crucial given the expected high cost associated with clearing the site to be able to successfully satisfy environmental requirements.

Total commitment to date to support this project is \$1,380,000 in appraised land value and \$1,700,000 for construction costs. We are seeking an additional \$1,700,000 to support the predevelopment remediation costs of the site.

8. **Casa de Esperanza - Construction Contracts & RFP Awards**

Interior work is approximately 100% complete in buildings A& B.

The installation of horns and bells for the fire system is in process and is scheduled for completion by end of June. All other exterior work has been completed. Once this work is completed, we will be requesting the final Certificate of Occupancy.

Step-up and HACM Property Management/HCV staff have moved in thirteen families and continue to work to finalize tenant selections to house families and fill vacancies.

To date, the project has received for renovations \$5,875,399.06 and is pending \$1,537,169.94 in additional renovation funds. For Developer Fees, \$465,056.95 has been received to date, and we are pending an additional \$572,702.71 in Developer Fees, which we expect to receive by the end of June 2026.

9. **Fairview Home key – Acquisition**

Step-up and HACM Property Management/HCV staff have moved in thirty families and continue to work to finalize tenant selections to house families and fill vacancies. Staff is working on additional families to complete the lease-up process.

In addition to the Project-Based Vouchers committed to the site, the project has received a commitment from the City of Salinas in the amount of \$1,190,337.00 from the California Opioid Settlement Funds to support the operations of the project.

Ownership Interest Transfers/Updates

1. Pacific Meadows GP Interest Transfer

The acquisition closing took place on February 20, 2026. The team has been hired, and we are working on getting all systems transferred to HACM.

2. Soledad Transitional Age Youth Housing (TAY) Project

The project is at a standstill until a viable location is identified for the project.

Confirmation was received that the funds that were committed by the County of Monterey are still available.

Active Development Projects

Division Street (One Eleven Division)

Location: Salinas

Project Type: Affordable/Workforce Housing

Units: 60

Estimated Cost: \$30.2M

Financing: Local funds, debt, land donation

Next Steps: City of Salinas ENRA approval, site plan development

Projected Operating Pro-Forma (Year 1):

Revenue: \$2,719,812.00

Expense: \$2,304,836.00

Projected Net Income: \$414,976.00

Funds secured to support this project to date:

Donation of Land Value: \$1,380,000.00

Local Housing Trust Funds: \$1,700,000.00

Total Funds Secured (to date): \$3,080,000.00

1030 Fairview

Location: Salinas

Project Type: Permanent Supportive Housing

Units: 45

Estimated Cost: \$8M.

Financing: Local funds, County funds, State funds

Projected Net Income:

Next Steps: Purchase closing, securing operating funding.

Projected Operating Pro-Forma (Year 1):

Revenue (assumes PBV): \$1,000,350.00

Expense: \$968,971.00

Projected Net Income: \$31,379.00

Funds secured to support this project to date:

City HOME Funds:	\$2,500,000.00
County Funds:	\$2,500,000.00
State of California Funds (estimated):	\$3,000,000.00
Total Funds Secured:	\$8,000,000.00

Casa de Esperanza

Location: King City
 Project Type: Permanent Support Housing
 Units: 46 Units
 Estimated Cost: \$15.5M

Next Steps: RFP release and contractor selection**Projected Operating Pro-Forma (Year 1):**

Revenue (assumes PBV):	\$1,418,550.00
Expense:	\$1,314,875.00
Projected Net Income:	\$103,675.00

Funds secured to support this project to date:

Encampment Resolution Funding Grant:	\$6,134,596.50
CCAH Grant:	\$5,178,680.21
CAL AIM Funding:	\$450,000.000
City Commitment of Fee Waivers:	\$420,000.00
City PLHA/General Funds:	\$510,000.00
County Health Department Construction Grant Funds:	\$300,000.00
HCD Funding:	\$2,100,000.00
COC HHAP 3 Grant for Construction:	\$465,056.95
Total Funds:	\$15,558,333.66

Las Viviendas

Location: Soledad
 Project Type: Foster Youth Housing
 Units: 4 Units
 Estimated Cost: \$2M.

Next Steps: Identify new location for the project.**Projected Operating Pro-Forma (Year 1):**

Revenue (assumed PBV):	\$100,440.00
Expense:	\$90,396.00
Projected Net Income:	\$10,044

Funds secured to support the project to date:

Community Project Funding:	\$2,000,000.00
HHAP Round 4 Funding:	\$225,292.00
HHAP Round 5 Funding:	\$225,506.00
Youth Homelessness Demonstration Program:	\$2,119,000.00
Total Funds:	\$4,569,798.00

****Note, we are awaiting confirmation from the County that the funds committed by the Youth Homelessness Demonstration Program are still available.***

Parcel B New Construction (Partnership with Milestone Development)

Location: Salinas

Project Type: Family Housing

Units: 88

Estimated Cost: \$45.8M

Financing: LIHTC, State/local funding

Next Steps: Submission of LIHTC application to HCD

Projected Operating Pro-Forma (Year 1):

Revenue:	\$2,046,196.00
Expense:	<u>\$1,970,315.00</u>
Projected Net Income:	\$75,881.00

Elm Street New Construction (Partnership with Milestone Development)

Location: Greenfield

Project Type: Senior Housing

Units: 65

Estimated Cost: \$33.3M

Financing: LIHTC, State/local funding

Next Steps: Submission of LIHTC application to HCD

Projected Operating Pro-Forma (Year 1):

Revenue:	\$1,556,037.00
Expense:	<u>\$1,485,798.00</u>
Projected Net Income:	\$70,239

MEMORANDUM

TO: Board of Commissioners
THRU: Zulieka Boykin, Executive Director
FROM: Jin Lu, Director of Finance
RE: **April 2026 Finance Report**
DATE: Jun 15, 2026



Highlights:

HACM/HDC - Non-Quarterly Financial Reports

- Regular HAP, MS, EHV subsidies and related admin fees will be booked separately retro-effective from Jan 2026, both reflected in their own bank statements and Yardi general ledgers.
- Department Transactions Statistics
- Revenue Sources by Property (HACM, HDC & S8)
- Balance Sheets - HACM/HDC
- HACM & HDC Actual vs Budget Comparisons-high level
- Property YTD Actual vs Budget Comparison – detail high level
- Cash Analysis will be present on quarterly basis, Jun 30, Sep 30, Dec 31 and Mar31.

Audit Status Summary

- CY 2025 Single Audits – All Audit work & Tax returns have started. 4 Audits pending finalization. 19 Audits Finalized and 10 TR filed.
- Working on HDC fiscal year change request from 6.30 to 12.31.

Key Departmental Activities:

- HACM FY26-27 budget is available in Yardi.
- Accounting for HACM yearend close starts.
- Will discuss and identify issues that delay AP payment on time
- Yardi training videos for construction and job costing are available in Yardi Client Portal.
- Draft of Casanova fire loss claim is under review; will follow up until final claim amount is confirmed.
- Loan to Fairview \$400k from HDC was completed
- On going: Review Section 8 HAP contract price vs property revenue both tenant pay and HAP subsidy, to make sure property receives full amount of contract price.
- On going: Review USDA loan payment to make sure the loan is paid on time especially when there is no rent revenue but scheduled loan payment is requested.
- On going plan to review and analyze cash flow distribution.
- On going plan to review cost allocation.
- In the department meeting on Jun3, Director to do list issued on May 14, 2026, by ED was discussed.

HOUSING AUTHORITY BALANCE SHEET SUMMARY APR 2026

(thousands of \$)

	<u>HDC</u>	<u>HACM</u>	<u>TOTAL</u>
CASH	\$ 4,051	\$ 27,662	\$ 31,713
INVESTMENTS	\$ -	\$ 1,152	\$ 1,152
TOTAL CASH	\$ 4,051	\$ 28,814	\$ 32,865
RECEIVABLES	\$ 11,436	\$ 22,721	\$ 34,157
DEFERRED CHARGES	\$ (190)	\$ 1,685	\$ 1,495
TOTAL CURRENT ASSETS	\$ 15,297	\$ 53,220	\$ 68,517
FIXED ASSETS (NET)	\$ 21,500	\$ 10,395	\$ 31,895
CONSTRUCTION IN PROGRESS	\$ 4,297	\$ 2,975	\$ 7,272
NOTE RECEIVABLE	\$ 36,072	\$ 72,360	\$ 108,432
OTHER NONCURRENT ASSETS	\$ 11	\$ 3,423	\$ 3,434
TOTAL ASSETS	\$ 77,177	\$ 142,373	\$ 219,550
CURRENT LIABILITIES	\$ 3,144	\$ 2,961	\$ 6,105
LONG TERM LIABILITIES	\$ 22,781	\$ 5,746	\$ 28,527
TOTAL LIABILITIES	\$ 25,925	\$ 8,707	\$ 34,632
RETAINED EARNINGS			
PRIOR YEAR	\$ 32,565	\$ 96,535	\$ 129,100
CURRENT YEAR	\$ 18,687	\$ 37,131	\$ 55,818
TOTAL EQUITY	\$ 51,252	\$ 133,666	\$ 184,918
TOTAL LIABILITIES & EQUITY	\$ 77,177	\$ 142,373	\$ 219,550

Hi-Level Explanation of Financial Results APR 2026 (FY2026)

(thousands of \$)

HACM Results	Apr					HACM Results				
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>%</u>		<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>%</u>	
Revenue	\$ 10,288	\$ 9,655	\$ 633	6.6%	Revenue	\$ 100,767	\$ 96,552	\$ 4,215	4.4%	
Operating Expenses	\$ 9,138	\$ 6,995	\$ (2,143)	-30.6%	Operating Expenses	\$ 94,264	\$ 69,949	\$ (24,315)	-34.8%	
Other Inc/Expense	\$ 21	\$ 62	\$ 41	66.0%	Other Inc/Expense	\$ 202	\$ 617	\$ 415	67.3%	
Net Income	\$ 1,129	\$ 2,599	\$ (1,470)	-56.6% *	Net Income	\$ 6,302	\$ 25,987	\$ (19,685)	-75.8% *	

* YTD Apr 26 HAP subsidies \$86.5M received, actual expense \$87.4M. Adj budget with exp short YTD Apr \$23M. Bottom line actual and budget were equal

HDC Results	Apr					HDC Results				
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>%</u>		<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>%</u>	
Revenue	\$ 1,154	\$ 445	\$ 709	159.4%	Revenue	\$ 3,794	\$ 4,275	\$ (480)	-11.2%	
Operating Expenses	\$ 314	\$ 353	\$ 39	11.1%	Operating Expenses	\$ 2,319	\$ 3,487	\$ 1,168	33.5%	
Other Inc/Expense	\$ 83	\$ 27	\$ (56)	-212.0%	Other Inc/Expense	\$ 617	\$ 111	\$ (506)	-458.1%	
Net Income	\$ 757	\$ 66	\$ 692	1052.8% *	Net Income	\$ 858	\$ 677	\$ 181	26.7% *	

YTD Apr budgeted developer fee revenue \$1.5M but only \$957K received; admin cost and other expense \$1.2M less than budget; interest exp budget \$515k less than actual.

Total Entity	Apr					Total Entity				
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>%</u>		<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>%</u>	
Revenue	\$ 11,442	\$ 10,100	\$ 1,342	13.3%	Revenue	\$ 104,562	\$ 100,827	\$ 3,735	3.7%	
Operating Expenses	\$ 9,452	\$ 7,348	\$ (2,104)	-28.6%	Operating Expenses	\$ 96,583	\$ 73,436	\$ (23,148)	-31.5%	
Other Inc/Expense	\$ 104	\$ 88	\$ (16)	-17.8%	Other Inc/Expense	\$ 818	\$ 727	\$ (91)	-12.5%	
Net Income	\$ 1,886	\$ 2,664	\$ (778)	-29.2% *	Net Income	\$ 7,160	\$ 26,664	\$ (19,504)	-73.1% *	

* YTD Apr 26 HAP subsidies \$86.5M received, actual expense \$87.4M. Adj budget with exp short YTD Apr \$23M. Bottom line actual and budget were equal

Attached is a table that shows what each property produces in revenue, expenses and bottomline for Apr 2026

UNAUDITED-YTD PERFORMANCE SUMMARY FOR AGENCY APR.2026

	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	before		before		before		before	
															Excl Depr/Amort	Excl Depr/Amort	Excl Depr & Int	Excl Depr & Int	Actual	Actual	Actual	Actual
															ADJ- Actual	ADJ-Budget	ADJ- Actual	ADJ-Budget	Faring bef Dep/Amort	ADJ- Actual	ADJ-Budget	ADJ- Actual
REVENUE	REVENUE	EXPENSES	EXPENSES	BOTTOM LINE	BOTTOM LINE	DEPR/AMORT	DEPR/AMORT	INTEREST	INTEREST	Dep/Amort	BOTTOM LINE	BOTTOM LINE	BOTTOM LINE	BOTTOM LINE								
Starting January-LP property																						
801	\$ 212,502.24	\$ 222,160.00	\$ 353,938.10	\$ 194,984.00	\$ (141,435.86)	\$ 27,176.00	\$ 97,958.20	\$ 784.00	\$ 71,785.40	\$ -	\$ (43,477.66)	\$ (43,477.66)	\$ 27,960.00	\$ 28,307.74	\$ 27,960.00							
802	\$ 745,496.90	\$ 1,000,872.00	\$ 1,013,772.65	\$ 500,424.00	\$ (268,275.75)	\$ 500,448.00	\$ 270,775.96	\$ 2,784.00	\$ 267,711.53	\$ -	\$ 2,500.21	\$ 2,500.21	\$ 503,232.00	\$ 270,211.74	\$ 503,232.00							
803	\$ 965,273.10	\$ 988,100.00	\$ 1,178,856.78	\$ 599,628.00	\$ (213,583.68)	\$ 388,472.00	\$ 282,072.16	\$ 2,092.00	\$ 260,983.49	\$ -	\$ 68,488.48	\$ 68,488.48	\$ 390,564.00	\$ 329,471.97	\$ 390,564.00							
804	\$ 183,787.97	\$ 226,900.00	\$ 213,145.23	\$ 145,228.00	\$ (29,357.26)	\$ 81,672.00	\$ 63,741.52	\$ -	\$ 65,379.49	\$ -	\$ 34,384.26	\$ 34,384.26	\$ 81,672.00	\$ 99,763.75	\$ 81,672.00							
970*960	\$ 743,870.60	\$ 751,380.00	\$ 843,203.39	\$ 428,588.00	\$ (99,332.79)	\$ 322,792.00	\$ 128,273.84	\$ -	\$ 341,899.48	\$ -	\$ 28,941.05	\$ 28,941.05	\$ 322,792.00	\$ 370,840.53	\$ 322,792.00							
915*965	\$ 1,585,439.11	\$ 1,698,864.00	\$ 1,363,022.59	\$ 1,073,408.00	\$ 222,416.52	\$ 625,456.00	\$ 439,153.40	\$ -	\$ 478,925.20	\$ 420,288.00	\$ 661,569.92	\$ 661,569.92	\$ 625,456.00	\$ 1,140,495.12	\$ 1,045,744.00							
925*972	\$ 357,110.50	\$ 446,324.68	\$ 539,891.82	\$ 341,036.00	\$ (182,781.32)	\$ 105,288.68	\$ 219,092.48	\$ -	\$ 82,277.50	\$ 27,800.00	\$ 36,311.16	\$ 36,311.16	\$ 105,288.68	\$ 118,588.66	\$ 133,088.68							
950*973	\$ 354,204.90	\$ 365,224.00	\$ 371,099.38	\$ 327,212.00	\$ (16,894.48)	\$ 38,012.00	\$ 138,986.36	\$ 1,240.00	\$ 83,446.83	\$ 73,692.00	\$ 122,091.88	\$ 122,091.88	\$ 39,252.00	\$ 205,538.71	\$ 112,944.00							
920*974	\$ 577,800.07	\$ 572,124.00	\$ 534,275.30	\$ 414,328.00	\$ 43,524.77	\$ 157,796.00	\$ 248,640.00	\$ 416.00	\$ 109,839.28	\$ 85,656.00	\$ 292,164.77	\$ 292,164.77	\$ 158,212.00	\$ 402,004.05	\$ 243,868.00							
955*980	\$ 490,407.59	\$ 521,360.00	\$ 269,483.28	\$ 308,912.00	\$ 220,924.31	\$ 212,448.00	\$ 106,633.08	\$ -	\$ 104.80	\$ -	\$ 327,557.39	\$ 327,557.39	\$ 212,448.00	\$ 327,662.19	\$ 212,448.00							
984	\$ 404,222.44	\$ 436,224.00	\$ 364,434.49	\$ 329,976.00	\$ 39,787.95	\$ 106,248.00	\$ -	\$ -	\$ 219,427.44	\$ 98,828.00	\$ 39,787.95	\$ 39,787.95	\$ 106,248.00	\$ 259,215.39	\$ 205,076.00							
985	\$ 501,270.98	\$ 509,480.00	\$ 431,959.30	\$ 328,324.00	\$ 69,311.68	\$ 181,156.00	\$ 132,318.96	\$ 4,356.00	\$ 68,288.13	\$ 26,848.00	\$ 201,630.64	\$ 201,630.64	\$ 185,512.00	\$ 269,918.77	\$ 212,360.00							
986*987	\$ 357,993.49	\$ 378,052.00	\$ 487,064.64	\$ 328,688.00	\$ (129,071.15)	\$ 49,364.00	\$ 151,382.64	\$ 1,132.00	\$ 96,082.18	\$ 81,544.00	\$ 22,311.49	\$ 22,311.49	\$ 50,496.00	\$ 118,393.67	\$ 132,040.00							
988	\$ 391,549.72	\$ 353,216.00	\$ 284,333.03	\$ 190,024.00	\$ 107,216.69	\$ 163,192.00	\$ 113,146.32	\$ 1,188.00	\$ 41,103.76	\$ 25,048.00	\$ 220,363.01	\$ 220,363.01	\$ 164,380.00	\$ 261,466.77	\$ 189,428.00							
989	\$ 455,634.69	\$ 459,364.00	\$ 622,689.42	\$ 334,850.00	\$ (167,054.73)	\$ 124,514.00	\$ 263,601.32	\$ 1,776.00	\$ 180,304.06	\$ 130,540.00	\$ 96,546.59	\$ 96,546.59	\$ 126,290.00	\$ 276,850.65	\$ 256,830.00							
990	\$ 512,727.84	\$ 510,416.00	\$ 343,434.13	\$ 300,376.00	\$ 169,293.71	\$ 210,040.00	\$ -	\$ -	\$ 14,468.56	\$ 13,592.00	\$ 169,293.71	\$ 169,293.71	\$ 130,040.00	\$ 183,762.27	\$ 223,632.00							
991	\$ 397,420.81	\$ 525,220.00	\$ 350,435.86	\$ 398,908.00	\$ 46,984.95	\$ 126,312.00	\$ -	\$ 4,028.00	\$ 47,012.88	\$ 80,764.00	\$ 46,984.95	\$ 46,984.95	\$ 130,340.00	\$ 93,997.83	\$ 211,104.00							
992	\$ 679,628.78	\$ 700,976.00	\$ 586,111.66	\$ 287,212.00	\$ 93,517.12	\$ 413,764.00	\$ -	\$ 3,322.00	\$ 396,272.22	\$ -	\$ 93,517.12	\$ 93,517.12	\$ 417,096.00	\$ 489,789.34	\$ 417,096.00							
TOTAL LIMITED PARTNERS	\$ 9,916,341.73	\$ 10,666,256.68	\$ 10,151,151.05	\$ 6,832,106.00	\$ (234,809.32)	\$ 3,834,150.68	\$ 2,655,776.24	\$ 23,128.00	\$ 2,825,312.23	\$ 1,064,600.00	\$ 2,420,966.92	\$ 2,420,966.92	\$ 3,857,278.68	\$ 5,246,279.15	\$ 4,921,878.68							
Starting July-HACM property																						
204	\$ 91,065.00	\$ 91,040.00	\$ 34,138.30	\$ 87,650.00	\$ 56,926.70	\$ 3,390.00	\$ -	\$ 6,660.00	\$ -	\$ 56,926.70	\$ 56,926.70	\$ 56,926.70	\$ 10,050.00	\$ 56,926.70	\$ 10,050.00							
205*206	\$ 605,358.70	\$ 741,480.00	\$ 264,209.43	\$ 741,390.00	\$ 341,149.27	\$ 90.00	\$ -	\$ 90,790.00	\$ 23,810.70	\$ 23,810.00	\$ 341,149.27	\$ 341,149.27	\$ 90,880.00	\$ 364,959.97	\$ 114,690.00							
212	\$ 1,301,598.43	\$ 1,374,970.00	\$ 601,634.27	\$ 831,430.00	\$ 699,964.16	\$ 543,540.00	\$ -	\$ 40,590.00	\$ 106,634.43	\$ 93,330.00	\$ 699,964.16	\$ 699,964.16	\$ 584,130.00	\$ 806,598.59	\$ 677,460.00							
214	\$ 122,631.10	\$ 130,020.00	\$ 130,795.04	\$ 156,070.00	\$ (8,163.94)	\$ (26,050.00)	\$ -	\$ 31,080.00	\$ -	\$ (8,163.94)	\$ (8,163.94)	\$ 5,030.00	\$ (8,163.94)	\$ 5,030.00								
904	\$ 385,546.58	\$ 353,210.00	\$ 253,351.12	\$ 353,180.00	\$ 132,195.46	\$ 30.00	\$ -	\$ 15,850.00	\$ 568.84	\$ 670.00	\$ 132,195.46	\$ 132,195.46	\$ 15,880.00	\$ 132,764.30	\$ 16,550.00							
906	\$ 832,072.50	\$ 673,130.00	\$ 428,473.61	\$ 672,830.00	\$ 403,598.89	\$ 300.00	\$ -	\$ 96,100.00	\$ 726.50	\$ 850.00	\$ 403,598.89	\$ 403,598.89	\$ 96,400.00	\$ 404,325.39	\$ 97,250.00							
TOTAL HACM PROPERTIES	\$ 3,338,272.31	\$ 3,363,850.00	\$ 1,712,601.77	\$ 2,842,550.00	\$ 1,625,670.54	\$ 521,300.00	\$ -	\$ 281,070.00	\$ 131,740.47	\$ 118,660.00	\$ 1,625,670.54	\$ 1,625,670.54	\$ 802,370.00	\$ 1,757,411.01	\$ 921,030.00							
Starting July-HDC property																						
400	\$ 1,975,469.09	\$ 2,571,280.00	\$ 1,119,909.66	\$ 2,433,350.00	\$ 855,559.43	\$ 137,930.00	\$ -	\$ -	\$ -	\$ 7,080.00	\$ 855,559.43	\$ 855,559.43	\$ 137,930.00	\$ 855,559.43	\$ 145,010.00							
552	\$ 310,514.00	\$ -	\$ 97,978.39	\$ -	\$ 212,535.61	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 212,535.61	\$ 212,535.61	\$ -	\$ 212,535.61	\$ -							
555	\$ 1,508,373.75	\$ 1,703,306.00	\$ 1,718,292.71	\$ 1,164,012.00	\$ (209,918.96)	\$ 539,294.00	\$ -	\$ 8,608.00	\$ 616,742.29	\$ 94,772.00	\$ (209,918.96)	\$ (209,918.96)	\$ 547,902.00	\$ (218,526.96)	\$ 642,674.00							
TOTAL HDC	\$ 3,794,356.84	\$ 4,274,586.00	\$ 2,936,180.76	\$ 3,597,362.00	\$ 858,176.08	\$ 677,224.00	\$ -	\$ 8,608.00	\$ 616,742.29	\$ 101,852.00	\$ 858,176.08	\$ 858,176.08	\$ 685,832.00	\$ 849,568.08	\$ 787,684.00							
Starting July -HACM admin																						
602	\$ 86.50	\$ -	\$ 316,917.77	\$ 268,000.00	\$ (316,831.27)	\$ (268,000.00)	\$ -	\$ -	\$ -	\$ -	\$ (316,831.27)	\$ (316,831.27)	\$ -	\$ (316,831.27)	\$ -							
604	\$ 5,172.98	\$ -	\$ 1,107,539.56	\$ 1,167,990.00	\$ (1,102,366.58)	\$ (1,167,990.00)	\$ -	\$ -	\$ -	\$ -	\$ (1,102,366.58)	\$ (1,102,366.58)	\$ -	\$ (1,102,366.58)	\$ -							
601	\$ 1,926,844.07	\$ 3,376,560.00	\$ 418,535.25	\$ 448,750.00	\$ 1,508,308.82	\$ 2,927,810.00	\$ -	\$ -	\$ -	\$ -	\$ 1,508,308.82	\$ 1,508,308.82	\$ -	\$ 1,508,308.82	\$ -							
670	\$ -	\$ -	\$ 128,297.62	\$ 100,740.00	\$ (128,297.62)	\$ (100,740.00)	\$ -	\$ -	\$ -	\$ -	\$ (128,297.62)	\$ (128,297.62)	\$ -	\$ (128,297.62)	\$ -							
660	\$ -	\$ -	\$ 170,487.95	\$ 64,930.00	\$ (170,487.95)	\$ (64,930.00)	\$ -	\$ -	\$ -	\$ -	\$ (170,487.95)	\$ (170,487.95)	\$ -	\$ (170,487.95)	\$ -							
TOTAL OVERHEAD	\$ 1,932,103.55	\$ 3,376,560.00	\$ 2,141,778.15	\$ 2,050,410.00	\$ (209,674.60)	\$ 1,326,150.00	\$ -	\$ -	\$ -	\$ -	\$ (209,674.60)	\$ (209,674.60)	\$ -	\$ (209,674.60)	\$ -							
Starting July- Section 8																						
059	\$ 159,719.13	\$ 202,360.00	\$ 199,270.51	\$ 223,960.00	\$ (39,551.38)	\$ (21,600.00)	\$ -	\$ -	\$ -	\$ -	\$ (39,551.38)	\$ (39,551.38)	\$ -	\$ (39,551.38)	\$ -							
078	\$ 1,067,371.00	\$ 1,167,170.00	\$ 1,104,918.00	\$ 1,186,780.00	\$ (37,547.00)	\$ (19,610.00)	\$ -	\$ -	\$ -	\$ -	\$ (37,547.00)	\$ (37,547.00)	\$ -	\$ (37,547.00)	\$ -							
080	\$ 5,894,849.00	\$ 5,923,720.00	\$ 5,531,779.63	\$ 5,973,520.00	\$ 363,069.37	\$ (49,800.00)	\$ -	\$ -	\$ -	\$ -	\$ 363,069.37	\$ 363,069.37	\$ -	\$ 363,069.37	\$ -							
PLUG	\$ 85,754,088.26	\$ 83,316,930.00	\$ 82,754,967.34	\$ 56,867,040.00	\$ 2,999,120.92	\$ 26,449,890.00	\$ -	\$ -	\$ -	\$ -	\$ 2,999,120.92	\$ 2,999,120.92	\$ -	\$ 2,999,120.92	\$ -							
TOTAL SECTION 8	\$ 92,876,027.39	\$ 90,610,180.00	\$ 89,590,935.48	\$ 64,251,300.00	\$ 3,285,091.91	\$ 26,358,880.00	\$ -	\$ -	\$ -	\$ -	\$ 3,285,091.91	\$ 3,285,091.91	\$ -	\$ 3,285,091.91	\$ -							
TOTAL S8	\$ 92,876,027.39	\$ 90,610,180.00	\$ 89,590,935.48	\$ 64,251,300.00	\$ 3,285,091.91	\$ 26,358,880.00	\$ -	\$ -	\$ -	\$ -	\$ 3,285,091.91	\$ 3,285,091.91	\$ -	\$ 3,285,091.91	\$ -							
TOTAL HACM OTHER	\$ 7,891,211.12	\$ 5,942,150.00	\$ 4,874,692.27	\$ 6,314,300.00	\$ 3,016,518.85	\$ (372,150.00)	\$ -	\$ -	\$ -	\$ -	\$ 3,016,518.85	\$ 3,016,518.85	\$ -	\$ 3,016,518.85	\$ -							
TOTAL HACM	\$ 100,767,238.51	\$ 96,552,330.00	\$ 94,465,627.75	\$ 70,565,600.00	\$ 6,301,610.76	\$ 25,986,730.00	\$ -	\$ -	\$ -	\$ -	\$ 6,301,610.76	\$ 6,301,610.76	\$ -	\$ 6,301,610.76	\$ -							
TOTAL HDC	\$ 3,794,356.84	\$																				

Note: * all properties should have its depreciation, some are booked monthly, some at YE, the annual depreciation is consistant, no big variance.
as annual depreciation is consistant and it is non cash expense and not required by operating budget, so sometimes there is no budge prepared for it, but at year end, annual depreciation has to be booked.

*Property financial comparasion focuses on ADJ-Actual and ADJ-budget bottom lines. 2 scenarios are "excluding depreciation/Amortization" and "excluding both Depr and Interest"
Depreciation /Amortization is a no cash expense. Interest expense includes cash paid portion due to hard loans and no cash paid due to soft loans

*HACM property: 214 Montecito Watson had a YTD Mar loss \$8k, all else looks good. Chular and Salinas FLC remianed sames expense copared to YTD April 2025, which increased net surplus.

* 555 Casanova was fire burend down on Mar 9, 2026, tenant rent \$30,548 and HAP subsidy \$96,574 were reimbursed for the period Mar10-31
Additional incurred cost \$308k until May 4 2026 included tenants hotel stays until a new place is found, security deposit refuned and surpotive service.
City of Monterey grant 105k and insuracne for rent loss \$50k and building loss indemnity \$100k were received

*LP properties look ok.

*HACM admin department: YTD Apr unbooked management fee and book keeping fee \$1.3M until YE, after adjustment as if the \$1.3M was booked, adjusted actual net income would be \$1.1M vs budget \$1.3M

*HACM section8 program: YTD Apr 26 HAP subsidies \$86.5M received, actual expense \$87.4M

section 8 program payment expense annual budget is short \$27.7M, average \$2.3M/month, ie. YTD Apr, expense budget short \$23M,
after adjustment as if \$23M expense was included in budget, actual HAP expense was \$4.3M higer than adjusted budget expense
adjusted bottom line variance: actual and budget almost equal.

REVENUE SOURCES BY PROPERTY

Apr-26

		Tenant Rental Revenue		Non Dwelling Rent		Subsidy		Type of Subsidy
		CY - 2026	FY 2025-2026	CY - 2026	FY 2025-2026	CY - 2026	FY 2025-2026	
440	Tynan Land Lease	8,000.00		5,184.51		0.00		Bakery / HDC Office Rental Income
		\$ 8,000.00	\$ -	\$ 5,184.51	\$ -	\$ -	\$ -	
205	Pueblo Del Mar		64,184.45		0.00		0.00	Grant Income OMS
903	King City Migrant		0.00		0.00		0.00	
		\$ -	\$ 64,184.45	\$ -	\$ -	\$ -	\$ -	
204	Oak Grove		9,104.00		0.00		0.00	HCV
552	Single Family Homes		31,349.00		0.00		0.00	HCV
555	Casanova		-19,620.00		0.00		0.00	HCV
934	Jardines		0.00		0.00		0.00	HCV
970	Rippling River - New	185,496.00		0.00		-3,604.00		HCV
960	Rippling River	0.00		0.00		0.00		HCV
915	Tynan Affordable - NEW	408,719.03		0.00		-5,888.03		HCV
965	Tynan Affordable	0.00		0.00		0.00		HCV
950	Monterey Aff. - NEW	91,847.40		0.00		-1,013.40		HCV
973	Monterey Affordable	0.00		0.00		0.00		HCV
920	Benito Affordable - NEW	143,202.00		0.00		0.00		HCV
974	Benito Affordable	0.00		0.00		0.00		HCV
955	Fanoe Vista - NEW	125,120.60		0.00		-6,503.60		HCV
980	Fanoe Vista	0.00		0.00		0.00		HCV
985	Haciendas 1	124,791.13		0.00		-2,993.13		HCV
986	Haciendas 2	87,465.00		0.00		-2,065.00		HCV
988	Haciendas Senior	92,781.00		0.00		0.00		HCV
989	Haciendas 3	115,780.00		0.00		-1,241.00		HCV
990	Oak Park 1	124,510.22		0.00		5,426.00		HCV
991	Oak Park 2	49,457.25		-1,205.00		0.00		HCV / USDA
		\$ 1,549,169.63	\$ 20,833.00	\$ (1,205.00)	\$ -	\$ (17,882.16)	\$ -	
212	Portola Vista		23,527.00		0.00		114,365.00	PBRA
214	Montecito Watson		8,575.00		0.00		5,345.00	PBRA
801	South County RAD	30,812.67		0.00		23,590.33		PBRA
802	Salinas Family RAD	137,547.33		0.00		49,182.67		PBRA
803	East Salinas Family RAD	175,101.00		0.00		53,196.00		PBRA
804	Gonzales Family RAD	38,985.00		0.00		6,411.00		PBRA
		\$ 382,446.00	\$ 32,102.00	\$ -	\$ -	\$ 132,380.00	\$ 119,710.00	
992	One Parkside	167,483.40		0.00		-1,208.40		PBV
		\$ 167,483.40	\$ -	\$ -	\$ -	\$ (1,208.40)	\$ -	
904	Chualar FLC		31,674.00		0.00		7,891.00	USDA
906	Salinas FLC		59,444.00		0.00		26,460.00	USDA
972	Benito FLC	0.00		0.00		0.00		USDA
925	Benito FLC - NEW	70,634.40		0.00		17,473.60		USDA
984	Castroville FLC	55,787.00		0.00		45,036.00		USDA
		\$ 126,421.40	\$ 91,118.00	\$ -	\$ -	\$ 62,509.60	\$ 34,351.00	
TOTAL		\$ 2,233,520.43	\$ 208,237.45	\$ 3,979.51	\$ -	\$ 175,799.04	\$ 154,061.00	
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

Note:

Tynan Land Lease	\$ 8,000.00
Tenant Rev FY Total	\$ 208,237.45
Subsidy FY Total	\$ 154,061.00
Total:	\$ 370,298.45

HACM Tenant Revenue	\$ 201,241.45
HACM Tenant Subsidy	\$ 157,328.00
HDC Tenant Revenue	\$ (5,041.00)
HDC Tenant Subsidy	\$ 16,770.00
Total:	\$ 370,298.45

Variance:	\$ -
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2026

April

	HAP	AF	Total
HCV	\$ 8,394,087.00	\$ 7,157.00	\$ 8,401,244.00
HCV 2nd	\$ 112,741.00	\$ 515,671.00	\$ 628,412.00
EHV	\$ 491,652.00	\$ 32,935.00	\$ 524,587.00
			\$ -
	\$ 8,998,480.00	\$ 555,763.00	\$ 9,554,243.00



Voucher Funding and HCV Payments

	28-Feb	31-Mar	30-Apr	Total
HUD Grant - HAP Payments	\$ 8,978,172	\$ 8,275,210	\$ 8,998,480	\$ 26,251,862
Total Housing Assistance Payments	\$ 8,717,263	\$ 8,785,124	\$ 8,446,223	\$ 25,948,610

Finance Transactional Statistics April 2026	HCV		AP		TOTALS	
	Transactions	Amounts	Transactions	Amounts	Transactions	Amounts
Receipts	64	\$ 39,707	3014	\$ 3,736,959	3078	\$ 3,776,666
Charges	151	\$ (183,552)	2876	\$ 2,714,816	3027	\$ 2,531,263
Journal Entries	388	\$ 206,941	479	\$ 27,272,051	867	\$ 27,478,992
Payables	5181	\$ 8,685,311	982	\$ 2,492,307	6163	\$ 11,177,618
Checks	1656	\$ 8,613,201	297	\$ 2,724,496	1953	\$ 11,337,697
Transaction Amts Processed*	7440	\$ 17,361,608	7648	\$ 38,940,628	15088	\$ 56,302,236

**Housing Authority of the County of Monterey
Statement (12 months)**

Period = Jul 2025-Apr 2026

	Jul 2025	Aug 2025	Sep 2025	Oct 2025	Nov 2025	Dec 2025	Jan 2026	Feb 2026	Mar 2026	Apr 2026	Total	
7000	REVENUE:											
7031	Tenant Rents	116,938.00	143,443.00	346,822.00	129,866.00	240,851.00	133,984.00	201,841.00	198,564.45	203,296.06	201,241.45	1,916,846.96
7037	Tenant Subsidies	111,214.00	162,265.00	131,770.00	137,226.00	154,680.00	151,637.00	144,265.00	149,797.00	154,254.00	157,328.00	1,454,436.00
7041	Other Tenant Income	21.00	949.75	1,015.73	0.00	2,125.00	44.00	-338.00	103.00	0.00	0.00	3,920.48
7050	Total Tenant Revenue	228,173.00	306,657.75	479,607.73	267,092.00	397,656.00	285,665.00	345,768.00	348,464.45	357,550.06	358,569.45	3,375,203.44
7071	Section 8 HAP Subsidies	9,036,189.00	9,190,473.00	2,886,925.00	9,043,151.00	12,054,772.00	8,991,131.00	9,042,431.00	8,978,172.00	8,275,210.00	8,998,480.00	86,496,934.00
7081	Section 8 Administrative Fees	488,895.97	486,550.50	954,704.00	474,547.00	907,476.00	588,261.00	747,747.00	611,396.66	549,761.00	555,763.00	6,365,102.13
7095	Operating Grants (Non-HUD)	32,210.72	45,539.00	62,806.22	49,951.69	44,515.01	53,730.03	34,454.11	26,885.52	61,272.53	13,090.88	424,455.71
7151	Other Income	130,566.02	117,914.13	156,257.64	142,011.80	134,164.84	589,007.95	162,078.36	189,670.10	177,753.77	154,862.40	1,954,287.01
7152	Interest Income	197,047.11	207,212.47	207,210.49	207,200.46	207,193.30	274,582.13	222,486.29	207,202.15	213,866.25	207,255.57	2,151,256.22
7999	Total Revenue	10,113,081.82	10,354,346.85	4,747,511.08	10,183,953.95	13,745,777.15	10,782,377.11	10,554,964.76	10,361,790.88	9,635,413.61	10,288,021.30	100,767,238.51
	EXPENSES:											
9051	Administrative	347,524.74	387,920.59	489,492.35	549,800.81	390,550.68	560,776.84	447,954.90	495,742.52	543,455.23	475,097.00	4,688,315.66
9101	Administrative Fees	11,012.04	11,012.04	34,779.54	18,934.54	18,934.54	18,934.21	18,934.21	18,934.21	19,000.13	19,000.13	189,475.59
9201	Tenant Services	13,049.97	14,046.51	16,732.95	24,912.20	18,453.24	22,101.89	22,630.09	19,511.16	20,883.24	21,180.46	193,501.71
9301	Utilities	27,837.37	53,948.90	52,156.14	48,951.41	29,696.33	37,400.91	31,528.38	15,875.90	36,381.74	27,013.70	360,790.78
9401	Maintenance	108,509.92	59,243.71	155,712.57	135,674.07	152,880.27	138,201.04	100,967.64	101,947.32	97,774.25	80,458.68	1,131,369.47
9501	Protective Services	2,163.00	1,938.00	0.00	3,301.00	0.00	3,141.50	232.74	0.00	0.00	355.00	11,131.24
9611	Insurance	28,695.46	28,251.65	36,169.63	35,428.98	29,572.83	30,916.91	29,659.73	26,220.42	26,797.06	26,852.23	298,564.90
9621	Other General Expenses	24,470.34	18,234.00	18,234.00	18,234.00	18,234.00	18,234.00	18,234.00	18,233.98	18,234.00	18,234.00	188,576.32
9631	Payments in Lieu of Taxes	0.00	84,968.25	800.00	459.87	12,790.60	600.00	0.00	0.00	13,250.47	0.00	112,869.19
9661	Bad Debts	10,152.66	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-1,605.91	0.00	8,546.75
9671	Housing Assistance Payments	8,919,620.44	8,627,131.80	8,774,762.32	8,652,266.46	8,550,810.35	8,647,305.40	8,595,445.14	8,689,766.06	8,757,476.84	8,420,229.77	86,634,814.58
9681	FSS Escrows	37,648.00	38,528.00	40,278.00	42,411.00	49,201.00	47,317.00	45,793.00	46,505.00	48,408.00	49,951.00	446,040.00
9691	Total Operating Expenses	9,530,683.94	9,325,223.45	9,619,117.50	9,530,374.34	9,271,123.84	9,524,929.70	9,311,379.83	9,432,736.57	9,580,055.05	9,138,371.97	94,263,996.19
9702	Interest Expense	38,584.23	11,950.49	11,922.28	11,902.68	11,874.39	11,854.57	11,830.41	45,617.88	25,116.14	20,978.49	201,631.56
9999	NET INCOME	543,813.65	1,017,172.91	-4,883,528.70	641,676.93	4,462,778.92	1,245,592.84	1,231,754.52	883,436.43	30,242.42	1,128,670.84	6,301,610.76

**Monterey County Housing Development Corp.
Statement (12 months)**

Period = Jul 2025-Apr 2026

	Jul 2025	Aug 2025	Sep 2025	Oct 2025	Nov 2025	Dec 2025	Jan 2026	Feb 2026	Mar 2026	Apr 2026	Total
7000	REVENUE:										
7031	Tenant Rents	58,185.00	59,650.00	58,510.00	58,791.00	58,791.00	58,791.00	58,803.00	57,765.00	-5,041.00	523,036.00
7037	Tenant Subsidies	159,990.00	160,056.00	159,917.00	160,805.00	160,805.00	160,805.00	160,793.00	64,436.90	16,770.00	1,365,182.90
7041	Other Tenant Income	135.00	387.00	441.00	416.00	366.00	391.00	386.00	366.00	-76,263.38	-73,009.38
7050	Total Tenant Revenue	218,310.00	220,093.00	218,868.00	220,012.00	219,962.00	219,987.00	219,962.00	122,567.90	-64,534.38	1,815,209.52
7151	Other Income	2,403.48	2,248.80	2,614.28	1,871.12	2,297.02	88,304.54	2,032.36	2,443.22	2,285.52	1,165,677.02
7152	Interest Income	45,120.33	52,782.35	52,783.55	52,783.43	52,782.82	239,579.50	52,783.93	52,784.02	52,786.09	706,969.96
7999	Total Revenue	265,833.81	275,124.15	274,265.83	274,666.55	275,041.84	547,871.04	274,798.29	275,189.24	177,639.51	1,153,926.58
	EXPENSES:										
9051	Administrative	60,213.86	82,761.89	94,625.97	118,675.66	81,138.65	224,004.02	84,421.78	90,239.50	111,288.65	227,366.50
9101	Administrative Fees	21,451.31	21,514.05	21,470.71	21,511.63	21,532.90	21,545.57	21,513.06	21,536.32	21,497.44	205,769.52
9201	Tenant Services	517.87	0.00	0.00	0.00	0.00	0.00	0.00	0.00	175,602.81	176,120.68
9301	Utilities	19,225.62	20,916.76	31,157.17	21,940.17	25,102.87	37,177.73	24,486.53	17,806.02	32,760.12	243,415.87
9401	Maintenance	31,997.68	2,584.88	28,807.04	58,278.88	36,158.54	15,381.91	27,553.03	26,056.63	28,094.73	306,174.02
9501	Protective Services	577.50	105.00	0.00	1,357.53	0.00	577.50	0.00	0.00	0.00	2,722.53
9611	Insurance	2,353.80	16,615.17	12,009.28	11,947.35	9,777.34	10,643.06	11,386.66	9,777.77	78,023.36	172,291.12
9621	Other General Expenses	0.00	0.00	0.00	0.00	0.00	235.00	0.00	0.00	0.00	235.00
9631	Payments in Lieu of Taxes	-996.46	56.38	11,200.00	3,523.57	26.15	672.00	0.00	0.00	349.72	14,831.36
9661	Bad Debts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	23,141.89	23,141.89
9691	Total Operating Expenses	135,341.18	144,554.13	199,270.17	237,234.79	173,736.45	310,236.79	169,361.06	165,416.24	470,758.72	2,319,438.47
9702	Interest Expense	59,232.38	59,979.10	59,929.95	59,087.59	59,829.10	58,989.73	59,727.71	59,677.88	57,273.16	616,742.29
9999	NET INCOME	71,260.25	70,590.92	15,065.71	-21,655.83	41,476.29	178,644.52	45,709.52	50,095.12	-350,392.37	858,176.08

**Voucher Program Only
Statement (12 months)**

Period = Jul 2025-Apr 2026

	Jul 2025	Aug 2025	Sep 2025	Oct 2025	Nov 2025	Dec 2025	Jan 2026	Feb 2026	Mar 2026	Apr 2026	Total	
7000	REVENUE:											
7071	Section 8 HAP Subsidies	9,036,189.00	9,190,473.00	2,886,925.00	9,043,151.00	12,054,772.00	8,991,131.00	9,042,431.00	8,978,172.00	8,275,210.00	8,998,480.00	86,496,934.00
7081	Section 8 Administrative Fees	488,895.97	486,550.50	954,704.00	474,547.00	907,476.00	588,261.00	747,747.00	611,396.66	549,761.00	555,763.00	6,365,102.13
7151	Other Income	0.00	0.00	1,369.25	0.00	2,149.52	1,276.34	1,498.59	2,833.08	1,784.78	1,820.41	12,731.97
7152	Interest Income	138.93	125.74	98.31	92.97	109.86	138.56	132.91	124.50	145.85	151.66	1,259.29
7999	Total Revenue	9,525,223.90	9,677,149.24	3,843,096.56	9,517,790.97	12,964,507.38	9,580,806.90	9,791,809.50	9,592,526.24	8,826,901.63	9,556,215.07	92,876,027.39
	EXPENSES:											
9051	Administrative	189,642.95	166,387.46	198,307.36	227,032.41	182,413.98	204,954.72	204,607.73	198,830.23	193,795.56	190,457.77	1,956,430.17
9201	Tenant Services	13,049.97	14,046.51	16,732.95	24,912.20	18,453.24	22,101.89	22,630.09	19,511.16	20,883.24	21,180.46	193,501.71
9401	Maintenance	2,835.50	1,155.11	1,808.39	2,009.38	1,566.25	2,939.43	2,351.96	944.34	1,629.05	2,229.41	19,468.82
9611	Insurance	5,820.88	6,055.04	5,974.67	7,208.74	5,710.20	6,162.88	6,313.27	6,270.98	6,291.39	6,526.15	62,334.20
9671	Housing Assistance Payments	8,946,531.44	8,654,070.80	8,806,639.32	8,680,859.46	8,579,840.35	8,674,247.40	8,622,362.14	8,717,263.06	8,785,123.84	8,446,222.77	86,913,160.58
9681	FSS Escrows	37,648.00	38,528.00	40,278.00	42,411.00	49,201.00	47,317.00	45,793.00	46,505.00	48,408.00	49,951.00	446,040.00
9691	Total Operating Expenses	9,195,528.74	8,880,242.92	9,069,740.69	8,984,433.19	8,837,185.02	8,957,723.32	8,904,058.19	8,989,324.77	9,056,131.08	8,716,567.56	89,590,935.48
9999	NET INCOME	329,695.16	796,906.32	-5,226,644.13	533,357.78	4,127,322.36	623,083.58	887,751.31	603,201.47	-229,229.45	839,647.51	3,285,091.91



CLOSED SESSION



COMMISSIONER COMMENTS

&

ADJOURNMENT



**AGENDA
REGULAR BOARD MEETING FOR
WISH MONTEREY COUNTY
BOARD OF DIRECTORS**

DATE: MONDAY, JUNE 22, 2026

TIME: (Follows Immediately After HACM Meeting)

QR CODE:



LINK: <https://us02web.zoom.us/j/3501891938?pwd=N3d4QWM3MjRQQUtnYnYwZ3dtekxDdz09>

Phone: (669) 900-6833 (*9 to raise hand, *6 to unmute)

Meeting ID: 350 189 1938

Passcode: 438419

LOCATION: Housing Authority of the County of Monterey
Central Office 123 Rico Street, Salinas, CA 93907

1. CALL TO ORDER

2. ROLL CALL

PRESENT ABSENT

- Director Kathleen Ballesteros, Chair
- Director Maria Orozco
- Director Francine Goodwin
- Director Kevin Healy
- Director Yuri Anderson
- Director Eleanor Elliott
- Director Joseph Hertlein

ADDITIONS AND CORRECTIONS BY THE PRESIDENT/CEO

The President/CEO will announce agenda corrections and proposed additions, which may be acted on by the Board in accordance with Section 54954.2 of the California Government Code.

3. COMMENTS FROM THE PUBLIC

4. NEW BUSINESS

- A. RESOLUTION NO. WISH-2026-01: Resolution Approving the Organizational Actions of WISH Monterey County, Inc., Including Approval of the Amended and Restated Articles of Incorporation, Bylaws, Consulting and Shared Services Agreement, Conflict of Interest Policy, Approval of the Housing Authority of the County of Monterey as Sole Member, Adoption of Fiscal Year, Appointment of Officers, Adoption of Banking Resolutions, Authorization to Apply for Tax-Exempt Status, and Ratification of Prior Organizational Actions

5. DIRECTOR COMMENTS

6. ADJOURNMENT

This agenda was posted on the Housing Authority's Bulletin Boards at 123 Rico Street, Salinas, CA.
The Board of Directors will next meet at the Regular Board Meeting on **July 27, 2026, at Immediately After
HACM/HDC Meeting 6:00 p.m.**

RESOLUTIONS OF
THE BOARD OF DIRECTORS OF
WISH MONTEREY COUNTY, INC.

June 22, 2026

The Board of Directors (the "**Board**") of WISH Monterey County, Inc., a California nonprofit public benefit corporation (the "**Corporation**"), does hereby adopt the following resolutions at a duly called and convened meeting of the Board of the Corporation held on the above date:

Approval of Amended and Restated Articles of Incorporation

WHEREAS, those certain Articles of Incorporation of the Corporation were filed with the California Secretary of State on January 27, 2025; and

WHEREAS, the Board desires to approve those certain Amended and Restated Articles of Incorporation attached hereto as Exhibit A (the "**Articles**") to be filed with the California Secretary of State.

RESOLVED, that the Articles be and hereby are approved, accepted and ratified, and the secretary of the Corporation be and hereby is directed to file the Articles of Incorporation in the Corporation's minute book.

Approval of Bylaws

RESOLVED, that the form of Bylaws attached hereto as Exhibit B, be and hereby are approved as the Bylaws of the Corporation.

Approval of Consulting and Shared Services Agreement

WHEREAS, the Corporation intends to enter into a Consulting and Shared Services Agreement with the Housing Authority of the County of Monterey (the "**Authority**"), attached hereto as Exhibit C, for the provision of certain services by the Authority's staff on behalf of the Corporation (the "**Consulting Agreement**");

RESOLVED, that the Board hereby approves in all respects the Corporation entering into the Consulting Agreement with the Authority, and authorizes the Corporation's officers to take such actions, on behalf of the Corporation, in connection with the Consulting Agreement and the transactions contemplated thereby as the Corporation's officers deem necessary, advisable or appropriate.

Approval of Conflict of Interest Policy

RESOLVED, that the form of Conflict of Interest Policy attached hereto as Exhibit D, be and hereby is approved as the Conflict of Interest Policy of the Corporation.

Approval of the Housing Authority as Sole Member

RESOLVED, that the Housing Authority of the County of Monterey (the "**Authority**") be and hereby is authorized to be admitted and is hereby approved as the sole member of the Corporation.

Adoption of Fiscal Year

RESOLVED, that the Corporation's fiscal year will end on December 31st of each year.

Appointment of Officers

WHEREAS, the Board wishes to elect the following individuals as officers of the Corporation, effective immediately:

1. Kathleen Ballesteros, Chair
2. Zulieka Boykin, President
3. [REDACTED], Vice President
4. Jin Lu, Treasurer
5. [REDACTED], Secretary

RESOLVED, that Kathleen Ballesteros, Zulieka Boykin, [REDACTED], Jin Lu, and [REDACTED] be and they hereby are elected as: (i) Chair, (ii) President, (iii) Vice President, (iv) Treasurer and (v) Secretary, respectively, of the Corporation to serve in such capacity until their successors are duly elected and approved.

Adoption of Bank Resolutions

RESOLVED, that the officers of the Corporation are hereby authorized and directed to open one or more bank accounts with such financial institutions, and at such offices, as is deemed necessary or desirable.

Approval of Applications for State and Local and Federal Tax Exemption

RESOLVED, that the Corporation shall apply for a tax exemption ruling with the Internal Revenue Service under Section 501(c)(3) of the Internal Revenue Code of 1986 and seek state and local tax exemption for the Corporation.

FURTHER RESOLVED, that each of the officers of the Corporation be and hereby are authorized to execute such contracts, agreements, instruments or documents by and on behalf of the Corporation and to take such actions, make such filings and to pay such fees, costs, expenses, assessments and/or taxes, in each case as may be necessary to apply for a tax exemption ruling with the Internal Revenue Service under Section 501(c)(3) of the Internal Revenue Code of 1986 and to seek state and local tax exemption for the Corporation.

Approval of Prior Lawful Actions

RESOLVED, that all lawful actions taken on behalf of the Corporation by the officers and directors of the Corporation and the Incorporator of the Corporation in connection with incorporating the Corporation, in each case, that are in the best interest of the Corporation are hereby ratified and approved in all respects.

PASSED AND ADOPTED BY A VOTE OF THE BOARD OF DIRECTORS OF WISH MONTEREY COUNTY, INC., THIS 22nd DAY OF JUNE, 2026, AS FOLLOWS:

<u>DIRECTOR</u>	<u>AYE</u>	<u>NAY</u>	<u>ABSTAIN</u>	<u>ABSENT</u>
Kathleen Ballesteros				
Maria Orozco				
Kevin Healy				
Yuri Anderson				
Eleanor Elliott				
Francine Goodwin				

ARTICLES

(See Attached.)

BYLAWS

(See Attached.)

CONSULTING AGREEMENT

(See Attached.)

CONFLICT OF INTEREST POLICY

(See Attached.)



COMMENTS FROM THE PUBLIC



California's Brown Act mandates public comment periods in government meetings, but it's crucial to understand that these sessions aren't intended for dialogue. Instead, they provide citizens with a platform to express their views or concerns, while officials typically refrain from engaging in discussion or debate during this time.

For inquiries regarding specific items in the report, please send questions to grivero@hamonterey.org

MEMORANDUM

TO: Board of Directors
FROM: Zulieka Boykin, President
RE: **Organizational Resolutions – WISH Monterey County, Inc.**
DATE: June 22, 2026



Resolution No. WISH-2026-01 (the "**Resolution**") approves the organizational resolutions of WISH Monterey County, Inc. (the "**Corporation**"), a California nonprofit public benefit corporation established for purposes of creating, owning, developing, constructing, purchasing and/or managing affordable and low-income housing in Monterey County, California, providing community and social services to residents of such housing, and making distributions for charitable purposes. The Housing Authority of the County of Monterey (the "**Authority**") is the sole member of the Corporation.

BACKGROUND:

The Corporation will serve as the Authority's holding company, and the Authority will at all times maintain control over the Corporation as its sole member. The Resolution ratifies and approves certain organizational actions of the Corporation, and authorizes the Corporation's officers to enter into certain documents and take all actions to effectuate the transactions contemplated in the Resolution, on behalf of the Corporation, as further described below.

AUTHORIZED DOCUMENTS AND ACTIONS:

The Resolution ratifies and approves certain organizational actions of the Corporation, and authorizes the Corporation's officers to take the following actions, enter into the following documents and take all other actions necessary to effectuate the transactions contemplated in this Resolution, on behalf of the Corporation:

1. The Amended and Restated Articles of Incorporation of the Corporation, to be filed with the California Secretary of State, which establish the Corporation as a nonprofit public benefit corporation under the laws of California, set forth its charitable purposes, designate the Authority as the sole member, and provide that upon dissolution, all of the Corporation's assets will be distributed to the Authority or another qualifying organization;
2. The Bylaws of the Corporation, which govern the Corporation's internal operations, including membership, board composition and governance, officer appointments, committee structure, meeting procedures, indemnification provisions, and a Signatory

and Disbursement Policy setting authorization limits for contracts, debt, disbursements, and government filings;

3. The Consulting and Shared Services Agreement between the Authority and the Corporation, pursuant to which the Authority will provide personnel, accounting, recordkeeping, purchasing, office, information, legal compliance, and other services on behalf of the Corporation in connection with the development and operation of low-income affordable rental communities, in exchange for a monthly fee to be agreed upon by the Authority and the Corporation;
4. The Conflict of Interest Policy of the Corporation, which establishes standards and procedures governing the identification, disclosure, and management of actual and potential conflicts of interest involving the Corporation's directors, officers, and other interested persons;
5. The California Statement of Information (Form SI-100), to be filed with the California Secretary of State, identifying the Corporation's principal office, officers, and agent for service of process;
6. The approval of the Authority as the sole member of the Corporation;
7. The adoption of a fiscal year ending December 31st of each year;
8. The appointment of officers of the Corporation, including Kathleen Ballesteros as Chair, Zulieka Boykin as President, Jin Lu as Treasurer, [REDACTED] as Vice President and [REDACTED] as Secretary;
9. The adoption of bank resolutions authorizing the Corporation's officers to open bank accounts with such financial institutions as deemed necessary or desirable;
10. The Corporation's application for tax exemption with the Internal Revenue Service under Section 501(c)(3) of the Internal Revenue Code of 1986 and state and local tax exemption;
11. The ratification and approval of all prior lawful actions taken on behalf of the Corporation by the officers, directors, and the Incorporator of the Corporation in connection with incorporating the Corporation; and
12. All other documents and actions that are necessary, advisable, or appropriate in connection with the organizational matters of the Corporation.

BOARD APPROVAL REQUEST

Please approve the Resolution authorizing the organizational resolutions of the Corporation, including execution of all documents and actions described above. As the President of the Corporation, I highly recommend the board approve this action.

BYLAWS
OF
WISH MONTEREY COUNTY, INC.

(a California nonprofit public benefit corporation)

ARTICLE I.

PURPOSE AND ACTIVITIES

Section 1.01. WISH Monterey County, Inc. (the "Corporation") is a nonprofit public benefit corporation and is not incorporated for the private gain of any person. The Corporation is incorporated under the Nonprofit Public Benefit Corporation Law of the State of California (the "NPBCL") for charitable purposes.

Section 1.02. PURPOSE AND ACTIVITIES. The Corporation is incorporated under the NPBCL for exclusively charitable, educational, religious, literary and/or scientific purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (or the corresponding provision of any successor United States Internal Revenue Law) (the "Code"). In furtherance of this purpose, the Corporation will engage in the following charitable activities, including, but not limited to: (a) creating, owning, developing, constructing, purchasing and/or managing and otherwise fostering affordable and/or low-income and/or moderate-income housing in Monterey County, California and surrounding areas permitted under California law; (b) providing community and social services to the residents of such affordable housing; (c) purchasing, building, acquiring and redeveloping property for affordable housing; (d) financing affordable housing projects and (e) making distributions for charitable purposes.

ARTICLE II.

OFFICES AND FISCAL YEAR

Section 2.01. REGISTERED AGENT AND REGISTERED OFFICE. The initial registered agent of the Corporation is Zulieka Boykin. The location and mailing address of the initial registered office of the Corporation in the State of California is 123 Rico Street, Salinas, Monterey County, California 93907.

Section 2.02. PRINCIPAL PLACE OF BUSINESS, MAILING ADDRESS AND OTHER OFFICES. The principal place of business and mailing address of the Corporation shall be located at 123 Rico Street, Salinas, Monterey County, California 93907. The Corporation may also have offices at such other places, within or outside of California, as the Board of Directors of the Corporation (the "Board of Directors") may from time to time determine or the business of the Corporation may require.

Section 2.03. FISCAL YEAR. The fiscal year of the Corporation shall end on the last day of December.

ARTICLE III.

NOTICE - WAIVERS - MEETINGS GENERALLY

Section 3.01. MANNER OF GIVING NOTICE.

(a) General Rule. Whenever notice is required to be given to any person under the provisions of the NPBCL, the Corporation's Amended and Restated Articles of Incorporation (the "Articles") or these Bylaws (these "Bylaws"), it may be given to such person, either personally, by telephone or by sending a copy thereof by first class mail, postage prepaid, by recognized national or international courier service, by facsimile with transmittal confirmation, or by electronic mail ("e-mail") provided no delivery failure notification is generated, to his or her address (including his or her e-mail address) or telephone or facsimile number appearing on the books of the Corporation or, in the case of the Member (as defined herein) of the Corporation or a member of the Board of Directors (each, a "Director" and collectively, the "Directors"), supplied by it, him or her to the Corporation for the purpose of notice. If the notice is sent by first class mail or recognized national or international courier service, it shall be deemed to have been given to the person entitled thereto when deposited in the United States mail or with such courier service. If notice is given by e-mail, it shall be deemed to have been given to the person entitled thereto on the date of transmission, so long as no delivery failure notification is generated. If the notice is sent by facsimile transmission, it shall be deemed to have been given to the person entitled thereto upon transmittal confirmation.

(b) Adjourned Meetings. When a meeting is adjourned, it shall not be necessary to give any notice of the adjourned meeting or of the business to be transacted at an adjourned meeting, other than by announcement at the meeting at which such adjournment is taken.

Section 3.02. NOTICE OF MEETINGS OF THE MEMBER.

(a) Notice. Whenever the Member is required or permitted to take any action at a meeting, a written notice of the meeting shall be given to the Member not less than ten (10) nor more than ninety (90) days before the date of the meeting; provided, however, that if notice is given by mail, and the notice is not mailed by first-class, registered, or certified mail, that notice shall be given not less than twenty (20) days before the meeting.

(b) Content. Every required notice of a meeting of the Member shall state the place, date and time of the meeting, the means of electronic transmission by and to the Corporation, if any, electronic video screen communication, conference telephone, or other means of remote communication, if any, by which the Member may participate in that meeting, and (1) in the case of a special meeting, the general nature of the business to be transacted, and no other business may be transacted, or (2) in the case of a regular meeting, those matters which the Board of Directors, at the time the notice is given, intends to present for action by the Member, but, any

proper matter may be presented at the meeting for such action. The notice of any meeting at which Directors are to be elected shall include the names of all those who are nominees at the time the notice is given to the Member.

Section 3.03. NOTICE OF MEETINGS OF BOARD OF DIRECTORS.

(a) Notice.

(1) Notice of any regular meeting of the Board of Directors shall be given to each Director not less than five (5) days before the date of the meeting.

(2) Notice of a special meeting of the Board of Directors, unless waived, shall be given to each Director not less than two (2) days prior to the day on which such meeting is to be held if such notice is in person, by e-mail or facsimile, and not less than four (4) days prior to the day on which the meeting is to be held if such notice is by first class mail or recognized national or international courier service.

(b) Content. Every required notice of a meeting of the Board of Directors shall state the place, date and time of the meeting. Unless otherwise provided by the NPBCL or these Bylaws, neither the business to be transacted at, nor the purpose of, any regular or special meetings of the Board of Directors need be specified in a notice of such meeting.

Section 3.04. WAIVER OF NOTICE.

(a) Written Waiver. Whenever any written notice is required to be given pursuant to the provisions of the NPBCL, the Articles or these Bylaws, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Neither the business to be transacted at, nor the purpose of, a meeting need be specified in the waiver of notice of such meeting.

(b) Waiver by Attendance. Attendance of a person at any meeting shall constitute a waiver of notice of such meeting, except where a person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting was not lawfully called or convened.

Section 3.05. MODIFICATION OF PROPOSAL CONTAINED IN NOTICE. Whenever the language of a proposed resolution is included in a written notice of a meeting, the meeting considering the resolution may, without further notice, adopt it with such clarifying or other amendments as do not materially enlarge its original purpose.

Section 3.06. EXCEPTION TO REQUIREMENT OF NOTICE. Whenever any notice or communication is required to be given to any person under the provisions of the NPBCL, the Articles or these Bylaws, or by the terms of any agreement or other instrument or as a condition precedent to taking any corporate action, and communication with such person is then unlawful, the giving of such notice or communication to such person shall not be required.

Section 3.07. USE OF CONFERENCE TELEPHONE AND SIMILAR EQUIPMENT. One or more persons may participate in a meeting of the Member or a meeting of the Board of Directors, or any committee thereof, by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, including, without limitation, by audio and/or audio/visual communications equipment. Participation in a meeting pursuant to this Section 3.07 hereof shall constitute presence in person at such meeting.

ARTICLE IV.

MEMBERSHIP

Section 4.01. MEMBERSHIP. The Housing Authority of the County of Monterey (referred to above and herein as the "Member"), shall be the sole member of the Corporation.

Section 4.02. MEMBERSHIP MEETINGS.

(a) Annual Meetings. The annual meeting of the Member shall be held on such day and at such time and place as the Board of Directors shall designate.

(b) Special Meetings. Unless otherwise prescribed by the NPBCL or by the Articles, special meetings of the Member may be held for any purpose or purposes and at any time on the call of the Chair of the Board of Directors (the "Chair") or the President of the Corporation (the "President"), at the request in writing of a majority of the Board of Directors, or at the request in writing of the Member. Such request shall state the purpose or purposes of the proposed meeting. If the Secretary of the Corporation (the "Secretary") shall fail or refuse to give notice of such meeting, then the notice may be given by the Officer (as such term is defined herein) making the call or the Directors or the Member making the request. The special meeting must be held at a time fixed by the Board of Directors, not less than thirty-five (35) nor more than ninety (90) days after the receipt of the written request.

(c) Place of Meetings. All meetings of the Member, whether annual or special, shall be held at the offices of the Corporation, or at such other place as may be fixed from time to time by the Board of Directors and included in the notice of such meeting.

(d) Action by Unanimous Written Consent. Any action which may be taken at a meeting of the Member may be taken without a meeting and without prior notice if a consent or consents in writing setting forth the action so taken shall be signed on behalf of the Member. The written consent(s) shall be filed with the Secretary.

Section 4.03. MEMBER VOTING RIGHTS.

(a) Voting. The Member shall be entitled to one (1) vote upon each matter submitted to a vote at a meeting of the Member. In addition to any voting rights provided in these Bylaws, the Member shall be entitled to vote upon any matter with respect to which the NPBCL requires a vote of the Member. Unless otherwise required by these Bylaws, the manner of voting

on any matter, including changes to the Articles or Bylaws, may be by voice vote, show of hands or by ballot.

(b) Vote of the Member. Unless otherwise expressly provided herein, the Member may not take any action hereunder unless such action is approved by the Board of Commissioners of the Member in accordance with the bylaws of the Member. Following such action by the Board of Commissioners of the Member, the Board of Commissioners of the Member, the chair of the Board of Commissioners of the Member, the Executive Director of the Member or any other representative designated by the Board of Commissioners of the Member may cast such vote on behalf of the Member.

(c) Fundamental Transactions. All "Fundamental Transactions" as defined in Section 5.10(b) hereof, must be approved in accordance with Section 5.10(b) hereof.

Section 4.04. TRANSFER OF MEMBERSHIP. Membership in the Corporation may be transferred or assigned in accordance with Section 5.10(b) hereof.

Section 4.05. ADDITION OF MEMBER(S). The Corporation may admit an additional member or additional members as long as such additional member(s) is(are) approved in accordance with Section 5.10(b) hereof. In the event such additional member(s) is(are) admitted, these Bylaws must be revised to account for more than one (1) Member.

Section 4.06. ADDITIONAL MEMBERSHIP CLASSES. Additional membership classes may be established in accordance with Section 5.10(b) hereof.

ARTICLE V.

BOARD OF DIRECTORS

Section 5.01. POWERS; STANDARD OF CARE.

(a) General Rule. Unless otherwise provided by the NPBCL or these Bylaws, all powers vested by law in the Corporation shall be exercised by or under the authority of, and the business and affairs of the Corporation shall be managed under the direction of, the Board of Directors.

(b) Standard of Care; Justifiable Reliance. A Director shall stand in a fiduciary relation to the Corporation and shall perform his or her duties as a Director, including duties as a member of any committee of the Board of Directors upon which the Director may serve, in good faith, in a manner the Director reasonably believes to be in the best interests of the Corporation and with such care, including reasonable inquiry, skill and diligence, as a person of ordinary prudence would use under similar circumstances. In performing his or her duties, a Director shall be entitled to rely in good faith on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by any of the following:

(1) One or more Officers or employees of the Corporation whom the Director reasonably believes to be reliable and competent in the matters presented;

(2) Counsel, public accountants or other persons or entities as to matters which the Director reasonably believes to be within the professional or expert competence of such person or entity; and

(3) A committee of the Board of Directors upon which the Director does not serve, duly designated in accordance with law, as to matters within its designated authority, which committee the Director reasonably believes to merit confidence.

A Director shall not be considered to be acting in good faith if the Director has knowledge concerning the matter in question that would cause his or her reliance to be unwarranted.

(c) Consideration of Factors. In discharging the duties of their respective positions, the Board of Directors, committees of the Board of Directors and individual Directors may, in considering the best interests of the Corporation, consider the effects of any action upon communities in which offices or other establishments of the Corporation are located or in which it conducts charitable work or other work, and all other pertinent factors. The consideration of those factors shall not constitute a violation of Section 5.01(b) hereof.

(d) Presumption. Absent breach of fiduciary duty, lack of good faith or self-dealing, any action taken as a Director or any failure to take any action shall be presumed to be in the best interests of the Corporation.

(e) Notation of Dissent. A Director who is present (in person, by telephone, by video or by other similar means) at a meeting of the Board of Directors, or of a committee of the Board of Directors, at which action on any corporate matter is taken, shall be presumed to have assented to the action taken unless his or her dissent is entered in the minutes of the meeting or unless the Director files a written dissent to the action with the secretary of the meeting before the adjournment thereof or transmits the dissent in writing to the Secretary of the Corporation (the "Secretary") immediately after the adjournment of the meeting. The right to dissent shall not apply to a Director who voted in favor of the action. Nothing in this Section 5.01(e) hereof shall bar a Director from asserting that minutes of the meeting incorrectly omitted his or her dissent if, promptly upon receipt of a copy of such minutes, the Director notifies the Secretary in writing of the asserted omission or inaccuracy.

Section 5.02. QUALIFICATION, NUMBER AND ELECTION OF DIRECTORS.

(a) Qualifications. Each Director shall be a natural person eighteen (18) years of age or older. Each Director shall be either (i) a member of the board of commissioners of the Member, (ii) an officer of the Member or (iii) the Executive Director of the Member.

(b) Number. The Board of Directors shall consist of not less than five (5) nor more than nine (9) Directors.

(c) Election of Directors. Except as otherwise provided herein, Directors shall be appointed by the Member.

Section 5.03. COMPOSITION AND TERM OF OFFICE.

(a) Composition. The Board of Directors shall be made up of Director(s) appointed by the Member, each of whom shall be then serving as a member of the board of commissioners of the Member or as an officer of the Member. The number of Directors shall be determined by the Member at their annual meeting, but in no event shall the number of Directors be less than five (5) nor more than nine (9) Directors. Unless there is a vacancy on the Member's Board of Commissioners, the number of Directors shall always be an odd number. In elections for the Directors, voting need not be by ballot, except upon demand made by a person entitled to vote at the election and before the voting begins. The candidates receiving the highest number of votes cast shall be elected. For the purposes of these Bylaws, a "ballot" shall be defined as any written documentation, whether a formal ballot or otherwise and whether signed or unsigned, on which a Director, committee member or the Member, as applicable, entitled to vote on a particular action or issue reflects his or her vote on such action or issue. A Director whose term will expire upon the election and qualification of his/her successor shall be eligible to vote in the election for his/her successor and may cast a vote for himself/herself to serve an additional term as a Director without such vote constituting a conflict of interest.

(b) Interested Persons as Directors. In accordance with the NPBCL, no more than forty-nine percent (49%) of the persons serving on the Board of Directors may be "interested persons." An interested person is: (i) any person compensated by the Corporation for services rendered to it within the previous twelve (12) months, whether as a full-time or part-time employee, independent contractor or otherwise, excluding any reasonable compensation paid to a Director in his/her capacity as a director; and (ii) any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law or father-in-law of such person. However, any violation of this Section 5.03(b) shall not affect the validity or enforceability of transactions entered into by the Corporation.

(c) Term of Office. Except as otherwise provided herein, the term of office for each Director shall be as follows:

(1) Each Director shall serve as a Director for a period of three (3) years or until his or her earlier death, resignation or removal. An individual's term of office as a Director shall begin at such time as he or she is appointed by the Member. Each Director shall hold office until the expiration of the term for which he or she is appointed and until a successor shall be appointed and shall qualify or until his or her earlier death, resignation or removal. In the event that a Director no longer serves as a member of the board of commissioners of the Member or as an officer of the Member, as applicable, he or she will be treated as having resigned as a Director, effective as of such individual's last day of serving in said position.

(3) A decrease in the number of Directors shall not have the effect of shortening the term of any incumbent Director.

(4) There shall be no limitation on the number of terms of office for the Directors.

(d) Resignation. Any Director may resign at any time by giving written notice to the Board of Directors. The resignation shall take effect on the later of: (i) the date the notice is received or (ii) at any other time specified in the notice. Unless otherwise specified in the notice, the resignation need not be accepted to be effective. Except on notice to the California Attorney General, no Director may resign if the Corporation would be left without a duly elected Director or Directors. Any resignation shall be without prejudice to any rights of the Corporation under any contract to which the Director is a party. To the extent a Director experiences a change of circumstances that causes the Corporation to violate the composition requirements set forth in Section 5.03(b) hereof, such Director shall be treated as having automatically resigned as a Director, effective as of the date such change of circumstances occurred.

Section 5.04. VACANCIES. If a vacancy occurs in the office of a Director for any reason, including an increase in the number of Directors, an individual shall be appointed to the vacant position by the Member, and such successor Director shall hold office for the unexpired term for which the vacancy occurred, if applicable, and until a successor shall be appointed or until his or her earlier death, resignation or removal.

Section 5.05. REMOVAL OF DIRECTORS. A Director may be removed from office at any time, with or without cause, in accordance with Section 5.10(b) hereof, provided that written notice of the intention to consider the removal of such Director has been included in the notice of the meeting at which such removal will be considered and to the Director being considered for expulsion. A Director who is being considered for removal shall not be eligible to vote with respect to his or her removal. A Director may be removed from office at any time, with or without cause, by the Member's Board of Commissioners. The Member's Board of Commissioners shall be the sole removal authority for each Director.

Section 5.06. PLACE OF MEETINGS. Meetings of the Board of Directors may be held at such place, within or outside of California, as the Board of Directors may from time to time designate, or as may be designated in the notice of the meeting. If the Board of Directors has not so designated the location of the meeting, the meeting shall be held at the principal office of the Corporation.

Section 5.07. ORGANIZATION OF MEETINGS. The Chair of the Board of Directors (the "Chair") shall preside at all meetings of the Board of Directors. If no individual is currently serving as the Chair, then the members of the Board of Directors shall appoint a person to serve as the Chair. If there is a Chair but he or she is unable to attend a Board of Directors meeting, then the members of the Board of Directors shall appoint a person to preside at that Board of Directors meeting. The Secretary, or, in the absence of the Secretary, any person appointed by the Chair or the person presiding at that particular meeting, shall act as the Secretary of that meeting.

Section 5.08. ANNUAL MEETING AND REGULAR MEETINGS. The annual meeting of the Board of Directors shall be held on such day and at such time and place as the Board of Directors shall designate. Regular meetings of the Board of Directors shall be held at such places, dates and times as shall be designated from time to time by resolution of the Board of Directors.

Section 5.09. SPECIAL MEETINGS. Special meetings of the Board of Directors may be held at any time on the call of the Chair or the President of the Corporation (the "President") or at the request in writing of at least two (2) Directors. Any such meeting may be held at such place as the Board of Directors may fix from time to time or as may be specified or fixed in such notice or waiver thereof. Any meeting of the Board of Directors shall be a legal meeting without any notice thereof having been given, if all the Directors shall be present thereat, and no notice of a meeting shall be required to be given to any Director who shall attend such meeting. If the Secretary shall fail or refuse to give such notice, then the notice may be given by the Officer making the call or any one of the Directors making the request.

Section 5.10. QUORUM OF AND ACTION BY DIRECTORS.

(a) General Rule. A majority of the Directors in office must be present (in person, by telephone, by video or by other similar means) at a duly called meeting of the Board of Directors in order for there to be a quorum for the transaction of business. Except as otherwise provided herein, the acts of a majority of the Directors eligible to vote and present at a duly called meeting of the Board of Directors where a quorum is present shall be the acts of the Board of Directors.

(b) Fundamental Transactions. Any "Fundamental Transaction" (as defined herein), except a "Self-Dealing Transaction" subject to Section 9.02(a) hereof, shall require: (i) the affirmative vote of two-thirds (2/3) or more of the Directors then in office and eligible to vote, *and* (ii) the affirmative vote of a majority or more of the commissioners of the Member who are present at a duly called meeting of the board of commissioners of the Member where a quorum is present and who are eligible to vote.

A "Fundamental Transaction" shall include the following:

- (1) any amendment to, or the repeal and subsequent adoption of, any provision of the Articles or these Bylaws;
- (2) the increase or decrease in the authorized number of members of the Board of Directors;
- (3) the removal of a member of the Board of Directors;
- (4) the transfer or assignment of the Member's membership interest or a portion of the Member's membership interest;
- (5) the adoption of any plan for the merger, consolidation or reorganization of the Corporation;
- (6) the adoption of any plan for the division or conversion of the Corporation;
- (7) the sale, lease or transfer of all or substantially all of the assets of the Corporation;

- (8) the formation of a subsidiary of the Corporation;
- (9) the adoption of any plan for the dissolution or liquidation of the Corporation;
- (10) the creation of an additional membership class of the Corporation;
- (11) the admission of an additional member or additional members of the Corporation;
- (12) the approval, modification or termination of the Signatory and Disbursement Policy of the Corporation (the "Signatory and Disbursement Policy");
- (13) the establishment of, increase in or decrease in, compensation for any management personnel of the Corporation; and
- (14) a special assessment of dues upon the Member.

(c) Voting Rights. Each Director shall be entitled to one (1) vote.

(d) Action by Unanimous Written Consent. Any action which may be taken at a meeting of the Directors may be taken without a meeting and without prior notice if a consent or consents in writing setting forth the action so taken shall be signed by all of the Directors then in office and shall be filed with the Secretary.

(e) Absence of Quorum. In the absence of a quorum, a majority of the Directors present (in person, by telephone, by video or by other similar means) may adjourn the meeting from time to time until a quorum shall be present. Notice of any adjourned meeting need not be given, except that notice shall be given to all Directors if the adjournment is for more than thirty (30) days.

Section 5.11. COMPENSATION. No Director shall receive compensation for services performed in his or her capacity as a member of the Board of Directors. A Director may be reimbursed by the Corporation, at the Board of Directors' discretion, for reasonable expenses incurred by such Director, including any expenses incurred by such Director in connection with such Director's attendance at regular or special meetings of the Board of Directors or committees thereof.

Section 5.12. INVITED GUESTS. The Board of Directors shall be permitted to invite individuals to observe any regular or special meetings of the Board of Directors or committees thereof; provided, however, that such individuals must leave any such meeting if and when directed by the Board of Directors or the members of the applicable committee thereof.

Section 5.13. ROBERTS' RULES OF ORDER. The rules contained in the current edition of *Roberts' Rules of Order, Newly Revised* shall govern Board of Directors meetings in all cases to which they are applicable, unless such rules are inconsistent with these Bylaws and/or any special rules of order the Board of Directors may duly adopt.

ARTICLE VI.

COMMITTEES

Section 6.01. COMMITTEES.

(a) Establishment. The Board of Directors may establish one (1) or more committees to consist of one (1) or more Directors and/or such other individuals who may be interested in serving on such committee(s). A committee exercising any authority of the Board of Directors shall not include as members any persons who are not Directors.

(b) Powers. Each committee shall have such authority as delegated by resolution of the Board of Directors. Notwithstanding any other provision, herein to the contrary, no committee shall have any power or authority:

(1) to act on matters committed by resolution of the Board of Directors to another committee of the Board of Directors; or

(2) to approve Fundamental Transactions.

(c) Committee Quorum and Action. Except as otherwise provided in the resolution of the Board of Directors establishing any committee, a majority of the members of such committee shall be necessary to constitute a quorum for the transaction of business, and the acts of a majority of the committee members present at a meeting at which a quorum is present shall be the acts of such committee.

(d) Alternate Committee Members. The Board of Directors may designate one or more individuals as alternate members of any committee who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member or alternate member of a committee, the regular or alternate member or members thereof present at any meeting and not disqualified from voting, whether or not constituting a quorum, may unanimously appoint another individual to act at the meeting in the place of the absent or disqualified member or alternate member.

(e) Term. Each committee of the Board of Directors shall serve at the pleasure of the Board of Directors.

(f) Meetings. Regular and special meetings of a committee shall be held at such time and place, and in such manner as the members of such committee shall determine.

(g) Notice of Committee Meetings. Notice of a regular meeting of any committee under the Board of Directors need not be given, except by the adoption of a resolution by such committee establishing the places, dates and times of regular meetings. Notice of a special meeting of any committee under the Board of Directors shall be given to each member of such committee by telephone or in writing (including, without limitation, by facsimile or e-mail) at least twenty-four (24) hours before the time at which the meeting is to be held. Every required notice of a meeting shall state the place, date and time of the meeting. Unless otherwise

provided by the NPBCL, neither the business to be transacted at, nor the purpose of, any special meeting need be specified in a notice of such meeting.

(h) Resignation. Any committee member may resign at any time by giving written notice to the chair of that particular committee. The resignation shall take effect on the later of (i) the date the notice is received or (ii) at any other time specified in the notice. Unless otherwise specified in the notice, the resignation need not be accepted to be effective. Any resignation shall be without prejudice to any rights of the Corporation under any contract to which the committee member is a party.

(i) Vacancies. If a vacancy occurs in the office of a committee member for any reason, including an increase in the number of committee members of a particular committee, such vacancy shall be filled pursuant to the rules of that particular committee, and the successor committee member shall hold office for the unexpired term for which the vacancy occurred, if applicable.

(j) Removal of Committee Members. A committee member may be removed from office at any time, with or without cause, (i) upon the affirmative vote of two-thirds (2/3) or more of the other members of such committee then in office and voting, or (ii) by the Board of Directors, provided that written notice of the intention to consider the removal of such committee member has been included in the notice of the meeting at which such removal will be considered.

(k) Voting Rights. Each committee member shall be entitled to one (1) vote.

(l) Action by Unanimous Written Consent. Any action which may be taken at a meeting of a committee may be taken without a meeting and without prior notice if a consent or consents in writing setting forth the action so taken shall be signed by all the committee members then in office and shall be filed with the Secretary.

(m) Roberts' Rules of Order. The rules contained in the current edition of *Roberts' Rules of Order, Newly Revised* shall govern committee meetings in all cases to which they are applicable, unless such rules are inconsistent with these Bylaws and/or any special rules of order that a committee may duly adopt.

(n) Compensation. No committee member shall receive compensation for services performed in his or her capacity as a member of any committee of the Board of Directors. A committee member may be reimbursed by the Corporation, at the Board of Directors' discretion, for reasonable expenses incurred by such committee member, including any expenses incurred by such committee member in connection with such committee member's attendance at regular or special meetings of the Board of Directors or committees thereof.

Section 6.02. AUDIT COMMITTEE. Pursuant to Section 12586(e) of the California Government Code, the Corporation shall have a financial audit for any tax year in which it receives or accrues gross revenue of Two Million Dollars (\$2,000,000) or more, excluding grant or contract income from any governmental entity for which the governmental entity requires an accounting. The audit committee shall be composed of at least one (1) Director and may include nonvoting advisors. Directors or individuals who are employees or Officers or who receive,

directly or indirectly, any consulting, advisory, or other compensatory fees from the Corporation (other than for service as a Director) may not serve on the audit committee. The audit committee's duties shall include, but are not limited to:

- (a) assisting the Board of Directors in choosing an independent auditor and recommending termination of the auditor, if necessary;
 - (b) negotiating the auditor's compensation;
 - (c) conferring with the auditor regarding the Corporation's financial affairs;
- and
- (d) reviewing and accepting or rejecting the audit.

Members of the audit committee shall not receive compensation for their service on the audit committee in excess of that provided to Directors for their service on the Board of Directors. If the Corporation has a finance committee, a majority of the members of the audit committee may not concurrently serve as members of the finance committee, and the chair of the audit committee may not serve on the finance committee.

ARTICLE VII.

OFFICERS

Section 7.01. OFFICERS GENERALLY.

(a) Number, Qualifications and Designation. The officers of the Corporation shall be the President, the Secretary, a treasurer, and such other officers as may be designated in accordance with the provisions of this Article VII. The President shall be the Executive Director of the Member. In addition to the aforementioned officers of the Corporation, the Board of Directors shall elect the Chair from among the members of the Board of Directors. The Chair shall be an officer of the Board of Directors. The officers of the Corporation and the officers of the Board of Directors shall be referred to individually as an "Officer" and collectively, as the "Officers". The Officers shall be natural persons eighteen (18) years of age or older. Any number of offices may be held by the same person, except that no person serving as the Secretary or the Treasurer may serve concurrently as the President.

(b) Resignation. Any Officer may resign at any time by giving written notice to the Board of Directors. The resignation shall take effect on the later of: (i) the date the notice is received or (ii) at any other time specified in the notice. Unless otherwise specified in the notice, the resignation need not be accepted to be effective. Any resignation shall be without prejudice to any rights of the Corporation under any contract to which the Officer is a party. If the President is no longer the Executive Director of the Member, he or she shall be treated as having resigned as President, effective as of such individual's last day serving as the Executive Director of the Member.

(c) Bonding. The Corporation may secure the fidelity of any or all of its Officers by bond or otherwise. Alternatively, or in addition thereto, the Corporation may obtain fiduciary insurance on behalf of its Officers.

(d) Standard of Care. An Officer shall perform his or her duties as an Officer in good faith, in a manner he or she reasonably believes to be in the best interests of the Corporation and with such care, including reasonable inquiry, skill and diligence, as a person of ordinary prudence would use under similar circumstances.

(e) Compensation. No Officer shall receive compensation for services performed in his or her capacity as an Officer. An Officer may be reimbursed by the Corporation, at the Board of Directors' discretion, for reasonable expenses incurred by such Officer, including any expenses incurred by such Officer in connection with such Officer's attendance at regular or special meetings of the Officers and/or the Board of Directors.

Section 7.02. ELECTION AND TERM OF OFFICE. The Officers, except those elected by delegated authority pursuant to Section 7.03, shall be elected by the Board of Directors, and each Officer shall hold office for a term of one (1) year and until a successor shall be selected and shall qualify, or until his or her earlier death, resignation or removal. There shall be no limitations on the number of terms of office for the Officers.

Section 7.03. SUBORDINATE OFFICERS, COMMITTEES AND AGENTS. The Board of Directors may from time to time elect such other Officers and appoint such committees or other agents as the business of the Corporation may require, including one or more assistant vice presidents, one or more assistant secretaries and one or more assistant treasurers, each of whom shall hold office for such period, have such authority, and perform such duties as are provided in these Bylaws or as the Board of Directors may from time to time determine. The Board of Directors may delegate to any Officer or committee the power to elect subordinate Officers and to retain or appoint other agents or committees thereof, and to prescribe the authority and duties of such subordinate Officers, committees, or other agents.

Section 7.04. NO CONTRACT RIGHTS. Election or appointment of an Officer or agent shall not of itself create any contract rights in the Officer or agent.

Section 7.05. REMOVAL OF OFFICERS AND AGENTS. Officers or any agent of the Corporation may be removed from office at any time, with or without cause, by (i) the Board of Directors or (ii) the affirmative vote of the Member, provided that written notice of the intention to consider the removal of such Officer or agent has been included in the notice of the meeting at which such removal will be considered. Any such removal shall be without prejudice to the contract rights, if any, of any person so removed.

Section 7.06. VACANCIES.

(a) General Rule. A vacancy in any office because of death, resignation, removal, disqualification, or any other cause, shall be filled by the Board of Directors, or by the Officer or committee to which the power to fill such office has been delegated pursuant to Section 7.03 hereof, as the case may be, and if the office is one for which these Bylaws prescribe a term,

shall be filled for the unexpired portion of the term, and until a successor shall be appointed or until his or her earlier death, resignation or removal.

(b) Special Rule. If a vacancy occurs in the office of the President because the individual who was serving as the President no longer serves as the Executive Director of the Member, then such office shall remain vacant until a new individual is named the Executive Director of the Member, and such individual is appointed to serve as the President. If a vacancy occurs in the office of the President for any other reason, then the Board of Directors shall appoint an individual to serve as the President until a new individual assumes the applicable position at the Member and such individual desires to serve as the President.

Section 7.07. AUTHORITY. All Officers, as between themselves and the Corporation, shall respectively have such authority and perform such duties in the management of the property and affairs of the Corporation as are provided in these Bylaws or may be provided by or pursuant to resolutions, consents or orders of the Board of Directors.

Section 7.08. THE CHAIR. The Chair shall preside at all meetings of the Board of Directors. The Chair shall have such other duties and responsibilities as shall be delegated to him or her by these Bylaws and by the Board of Directors from time to time.

Section 7.09. THE PRESIDENT. The President shall have general supervision over the business and operations of the Corporation, subject, however, to the control of the Board of Directors. The President shall perform all duties incident to the office of President, and such other duties as from time to time may be assigned by the Board of Directors.

Section 7.10. THE VICE PRESIDENT. At any time when the President is unable to act, the Vice President of the Corporation (the "Vice President"), if one has been elected/appointed, shall, subject to the limitations set forth in these Bylaws, (a) perform all duties of the President, and (b) have all authority given to the President pursuant to Section 7.09 of these Bylaws. The Vice President shall have such other duties and authority as from time to time may be assigned by the Board of Directors.

Section 7.11. THE SECRETARY. The Secretary shall attend all meetings of the Board of Directors (or committees of the Board of Directors) and shall record all votes of the Directors (or committees persons) and the minutes of the meetings of the Board of Directors (or committees) in a book or books to be kept for that purpose; shall see that notices are given and records and reports properly kept and filed by the Corporation as required by law; shall be the custodian of the seal of the Corporation and see that it is affixed to all documents which are to be executed on behalf of the Corporation under its seal; and, in general, shall perform all duties incident to the office of Secretary, and such other duties as may from time to time be assigned by the Board of Directors or the President. In addition, the Secretary shall annually present a report to the Board of Directors no later than March 31 of each year summarizing all resolutions of the Board of Directors during the preceding fiscal year and certifying the accuracy of the resolutions of the Corporation for such year.

Section 7.12. THE TREASURER. The Treasurer of the Corporation (the "Treasurer") shall have or provide for the custody of the funds or other property of the

Corporation; shall collect and receive or provide for the collection and receipt of moneys earned by or in any manner due to or received by the Corporation; shall deposit all funds in his or her custody as the Treasurer in such banks or other places of deposit as the Treasurer or the Board of Directors may from time to time designate; shall, whenever so required by the Board of Directors, render an account showing all transactions as the Treasurer and the financial condition of the Corporation; and, in general, shall discharge such other duties as may from time to time be assigned by the Board of Directors or the President.

ARTICLE VIII.

LIMITATION OF DIRECTORS' AND OFFICERS' LIABILITIES AND INDEMNIFICATION

Section 8.01. LIMITATION OF LIABILITY. Pursuant to Section 5239 of the NPBCL, no person who is now, or who later becomes, a volunteer Director or Officer shall be personally liable to a third party for monetary damages resulting from such volunteer Director's or Officer's negligent act or omission in the performance of his/her duties as a volunteer Director or Officer if all the following conditions are met:

- (a) the duties were performed in good faith;
- (b) the duties were performed in such a manner such volunteer Director or Officer believes to be in the best interest of the Corporation; and
- (c) the duties were performed with such care, including reasonable inquiry, as an ordinary prudent person in a like position would use under similar circumstances.

This limitation on the personal liability of a volunteer Director or Officer does not limit the liability of the Corporation for any damages caused by acts or omissions of a volunteer Director or Officer, nor does it eliminate the liability of a Director or Officer provided in Section 5233 or 5237 of the NPBCL or in any action or proceeding brought by the Attorney General.

In order to obtain the full benefit of the limitation of liability set forth above, the Board of Directors and the volunteer Director or Officer shall make all reasonable efforts in good faith to obtain liability insurance in the form of a general liability policy for the Corporation or a director and officers' liability policy.

"Volunteer" as used in this Section 8.01 means the rendering of services without compensation, where "compensation" means remuneration whether by way of salary, fee, or consideration for services rendered. For purposes of this Section 8.01, the payment of actual expenses incurred in attending meetings or otherwise in the execution of the duties of a Director or Officer shall not constitute compensation.

Section 8.02. INDEMNIFICATION.

(a) Indemnification. To the fullest extent permitted by California law, the Corporation shall indemnify its Directors and Officers, and may indemnify committee members,

employees and other persons described in Section 5238(a) of the NPBCL including persons formerly occupying any such positions, against all expenses (including attorneys' fees), judgments, fines, settlements, and other amounts actually and reasonably incurred by them in connection with any "proceeding," as that term is used in that section, and including an action by or in the right of the Corporation, by reason of the fact that the person is or was a person described in that section. On written request to the Board of Directors by any person seeking indemnification under Section 5238(b) or 5238(c) of the NPBCL, the Board of Directors shall promptly decide under Section 5238(e) of the NPBCL whether the applicable standard of conduct has been met and, if so, the Board of Directors shall authorize indemnification.

(b) Advance of Expenses. Expenses (including attorneys' fees) incurred in defending a civil or criminal action, suit or proceeding shall be paid by the Corporation in advance of the final disposition of such action, suit or proceeding, upon receipt of an undertaking by or on behalf of the Director, Officer, employee, committee member, secondee, contractor, representative or agent to repay such amount if it shall be ultimately determined that he or she is not entitled to be indemnified by the Corporation as authorized in this Article VIII hereof.

(c) Indemnification Not Exclusive. The indemnification and advancement of expenses provided by Article VIII hereof shall not be deemed exclusive of any other right to which persons seeking indemnification and advancement of expenses may be entitled under any agreement, vote of the Board of Directors, or otherwise, both as to actions in such persons' official capacity and as to their actions in another capacity while holding office, and shall continue as to a person who has ceased to be a Director, Officer, employee, committee member, secondee, contractor, representative or agent and shall inure to the benefit of the heirs, executors, and administrators of any such person, provided, however, that such indemnification obligations shall in no event create rights in any third parties, provided, however, that such indemnification obligations shall in no event create rights in any third parties.

(d) Insurance, Contracts, Security. The Corporation may purchase and maintain insurance on behalf of any person, may enter into contracts of indemnification with any person, and may create a fund of any nature which may, but need not be, under the control of a trustee for the benefit of any person, and may otherwise secure, in any manner, its obligations with respect to indemnification and advancement of expenses, whether arising under this Article VIII hereof or otherwise, whether or not the Corporation would have the power to indemnify such person against such liability under the provisions of this Article VIII hereof.

Section 8.03. EFFECT OF AMENDMENT. Any amendment, repeal or modification of this Article VIII hereof shall be prospective only and shall not adversely affect any limitation on the personal liability of a Director, Officer or employee of the Corporation or any right of any person to indemnification from the Corporation with respect to any action or failure to take any action occurring prior to the time of such amendment, repeal or modification.

ARTICLE IX.

MISCELLANEOUS

Section 9.01. SEAL. The corporate seal shall have inscribed thereon the name of the Corporation, the year of its organization, and the words "Corporate Seal, California." Except as otherwise required by the NPBCL, the affixation of the corporate seal shall not be necessary to the valid execution, assignment or endorsement by the Corporation of any instrument in writing.

Section 9.02. INTERESTED PARTY TRANSACTIONS.

(a) Self-Dealing Transactions under California Law. The NPBCL prohibits a transaction to which the Corporation is a party and in which one or more of the Directors has a material financial interest unless:

(1) The Attorney General of the State of California or a court of competent jurisdiction approves the transaction before or after it is consummated;

(2) The following facts are established:

- i. The Corporation entered into the transaction for its own benefit;
- ii. The transaction was fair and reasonable as to the Corporation at the time the Corporation entered into the transaction;
- iii. Prior to consummating the transaction, the Board of Directors approved the transaction in good faith by a vote of at least a majority of the Directors then in office without counting the vote of the interested Director(s) and with knowledge of the material facts concerning the transaction and the interested Director's(s') interest(s) in the transaction; and
- iv. Either (i) prior to approving the transaction, the Board of Directors considered, and in good faith determined after reasonable investigation under the circumstances, that the Corporation could not have obtained a more advantageous arrangement with reasonable effort under the circumstances or (ii) the Corporation in fact could not have obtained a more advantageous arrangement with reasonable effort under the circumstances; or

(3) The following facts are established:

- i. A committee or person authorized by the Board of Directors approved the transaction in a manner consistent with the standards set forth in subsection (a)(2);

- ii. It was not reasonably practicable to obtain approval from the Board of Directors prior to entering into the transaction; and
- iii. The Board of Directors, after determining in good faith that the conditions of subparagraphs (3)(i) and (3)(ii) hereof were satisfied, ratified the transaction at its next meeting by a vote of the majority of the Directors then in office without counting the interested Director(s).

This subsection 9.02(a) shall not apply to any transaction listed in Section 5233(b) of the NPBCL. Nothing in subsection 9.02(a) shall be interpreted as overriding or supplanting any self-dealing rules applicable to the Corporation under the Code.

(b) Common Directorship Transactions under California Law. A contract or transaction between the Corporation and any domestic or foreign corporation, firm, or association of which one or more of the Directors is a director is not void or voidable because such Director is present at the meeting of the Board of Directors that authorizes, approves or ratifies such contract or transaction, if:

(1) the material facts as to the relationship or interest and as to the contract or transaction are fully disclosed or are known to the Board of Directors, and the disinterested members of the Board of Directors in good faith authorize the contract or transaction (in accordance with Section 5.10(a) or (b)(1), as applicable), even though the disinterested Directors are less than a quorum;

(2) the material facts as to the relationship or interest and as to the contract or transaction are disclosed or are known to the Member, and the contract or transaction is specifically approved upon the affirmative vote of the Member (in accordance with Section 5.10(b)(1) or (2), as applicable); or

(3) the contract or transaction is just and reasonable as to the Corporation as of the time it is authorized, approved, or ratified by the Board of Directors (in accordance with Section 5.10(a) or (b), as applicable).

Interested Directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors which authorizes a contract or transaction specified in this Section 9.02(b). This Section 9.02(b) shall not apply to transactions described in Section 9.02(a) above.

(c) Presumption of Reasonableness. If the Corporation wishes to establish the "Presumption of Reasonableness" in connection with Code Section 4958 and the regulations thereunder, a contract, transaction or arrangement between the Corporation and one or more disqualified persons (as defined in Code Section 4958) shall be: (i) approved by a vote of only those Directors (or the Member, as applicable) unrelated to and not subject to the control of the disqualified person(s) involved in the contract, transaction or arrangement (provided that such disqualified person(s) may respond to questions from such Directors (or the Member, as applicable) but otherwise must recuse himself or herself from such vote and any portion of the meetings or discussions of such Directors regarding such contract, transaction or arrangement);

(ii) based on appropriate data as to the comparability of such contract, transaction or arrangement with similar contracts, transactions or arrangements and (iii) documented in the Corporation's minutes as to the basis the disinterested Board of Directors (or the Member, as applicable) relied upon to make its determination regarding such contract, transaction or arrangement.

Section 9.03. DEPOSITS. All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Treasurer or the Board of Directors may approve or designate.

Section 9.04. SIGNATORY AND DISBURSEMENT AUTHORITY. Unless otherwise set forth in the Signatory and Disbursement Policy, the Member, a Director, an Officer and/or an employee or representative of the Corporation shall have no authority, on behalf of and/or in the name of the Corporation, to: (a) sign, execute, acknowledge, modify and/or terminate any tax document, deed, mortgage, contract, employment agreement, grant agreement, lease agreement, license agreement, plan of merger, agreement of sale, letter of intent or other agreement or instrument; (b) incur any debt, obligation, guaranty or lien; (c) sign, execute and/or approve any check, transfer, withdrawal, disbursement, note, bill of exchange, purchase, gift or other order in writing and/or (d) sign, execute and/or file any government filing.

Section 9.05. CORPORATE RECORDS. The Corporation shall keep appropriate, complete and accurate books or records of account in accordance with generally accepted accounting principles consistently applied (except that the financial records of the Corporation may be kept on the cash receipts and disbursements method if permitted by law and deemed appropriate by the Board of Directors), minutes of the proceedings of the Directors and a copy of these Bylaws, including all amendments thereto to date, certified by the Secretary. All such records shall be kept at the registered office of the Corporation in California or at its principal place of business (if different). Any books, minutes or other records may be in written form or any other form capable of being converted into written form within a reasonable time. The books, accounts and records of the Corporation shall be open to inspection by the Member and any Director at all times.

Section 9.06. ANNUAL REPORT.

(a) Contents. The President and Treasurer shall present a written report at the annual meeting of the Board of Directors and the Board of Directors shall present a written report at the annual meeting of the Member, showing in appropriate detail the following:

(1) The assets and liabilities, including the trust funds, of the Corporation as of the end of the fiscal year immediately preceding the date of the report.

(2) The principal changes in assets and liabilities, including trust funds, during the year immediately preceding the date of the report.

(3) The revenue or receipts of the Corporation, both unrestricted and restricted to particular purposes, for the year immediately preceding the date of the report, including separate data with respect to each trust fund held by or for the Corporation.

(4) The expenses or disbursements of the Corporation, for both general and restricted purposes, during the year immediately preceding the date of the report, including separate data with respect to each trust fund held by or for the Corporation.

(5) An independent accountants' report or, if none, the certificate of an authorized Officer that such statements were prepared without audit from the Corporation's books and records.

(b) Certification. The annual report shall be accompanied by an independent accountant's report or, if none, the certificate of an authorized Officer that such statements were prepared without audit from the Corporation's books and records.

(c) Place of Filing. The annual report of the President and Treasurer shall be filed with the minutes of the meetings of the Board of Directors. The annual report of the Board of Directors shall be filed with the minutes of the meeting of the Member.

Section 9.07. AMENDMENT OF BYLAWS. These Bylaws may be amended or repealed in accordance with Section 5.10(b) hereof. Any change in these Bylaws shall take effect when adopted, unless otherwise provided in the resolution effecting the change.

Section 9.08. ANNUAL STATEMENT.

(a) Contents. As part of the Annual Report, or as a separate document if no Annual Report is issued, the President and the Treasurer shall, within one hundred twenty (120) days after the end of the Corporation's fiscal year, annually prepare and furnish to each Director a statement of any transaction or indemnification of the following kind (the "Annual Statement"):

(1) Any transaction: (i) in which the Corporation, or its parent or subsidiary, was a party; (ii) in which an "interested person" had a direct or indirect material financial interest; and (iii) that involved more than Fifty Thousand Dollars (\$50,000) or was one of several transactions with the same interested person involving, in the aggregate, more than Fifty Thousand Dollars (\$50,000). For this purpose, an "interested person" is any Director or Officer of the Corporation, its parent, or subsidiary (but mere common directorship shall not be considered such an interest). The Annual Statement shall include a brief description of the transaction, the names of interested persons involved, their relationship to the Corporation, the nature of their interest in the transaction, and, if practicable, the amount of that interest, provided that if the transaction was with a partnership in which the interested person is a partner, only the interest of the partnership need be stated.

(2) Any indemnifications or advances aggregating more than ten Thousand Dollars (\$10,000) paid during the fiscal year to any Officer or Director under Article VIII of these Bylaws.

(b) Place of Filing. The Annual Statement of the President and the Treasurer shall be filed with the minutes of the meetings of the Board of Directors.

Section 9.09. BIENNIAL FILING. The Board of Directors shall cause to be filed, within ninety (90) days after the filing of the Articles and biennially thereafter during the five (5) calendar months preceding the month the Articles were filed, on a form prescribed by the Secretary of State of California, a statement containing: (i) the names and complete business or residential addresses of the President, Secretary and Treasurer; (ii) the street address of the Corporation's principal place of business in California, if any; and (iii) the mailing address of the Corporation, if different from the street address of the principal place of business, or if the Corporation has no principal place of business in California, the agent of the Corporation for the purpose of service of process within California.

Section 9.10. FINANCIAL AUDIT. Pursuant to Section 12586(e) of the California Government Code, the Corporation shall obtain a financial audit for any tax year in which it receives or accrues gross revenue of Two Million Dollars (\$2,000,000) or more, excluding grant or contract income from any governmental entity for which the governmental entity requires an accounting. Any audited financial statements obtained by the Corporation, whether or not required by law, shall be made available for inspection by the Attorney General of California and by the general public within nine (9) months after the close of the fiscal year to which the statements relate. For three (3) years, such statements shall (i) be available at the Corporation's principal, regional and district offices during regular business hours and (ii) be made available either by mailing a copy to any person who so requests in person or in writing, or by posting them on the Corporation's website.

ARTICLE X.

CODE SECTION 501(c)(3) PROVISIONS

Section 10.01. LIMITATION ON ACTIVITIES. Except as otherwise provided herein, no substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation. The Corporation shall not participate in, or intervene in (including the publishing or distribution of statements), any political campaign on behalf of, or in opposition to, any candidate for public office. Further, notwithstanding any other provision herein to the contrary, the Corporation shall not carry on any activities not permitted to be carried on (i) by an organization exempt from federal income tax under Code Section 501(a) and described in Code Section 501(c)(3); or (ii) by an organization whose contributions to which are deductible under Code Section 170(c)(2).

Section 10.02. PROHIBITION AGAINST PRIVATE INUREMENT. No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to its Directors, Officers or other private persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered, and goods received, and to make payments and distributions in furtherance of the purposes of the Corporation.

Section 10.03. PRIVATE FOUNDATION REQUIREMENTS AND RESTRICTIONS. Notwithstanding any other provision herein to the contrary, if the Corporation is subject, or ever becomes subject, to the private foundation rules of the Code, then the Corporation shall: (i) distribute its income for said period at such time and manner as not to subject it to tax under

Code Section 4942; (ii) not engage in any act of self-dealing as defined in Code Section 4941(d); (iii) not retain any excess business holdings as defined in Code Section 4943(c); (iv) not make any investments in such manner as to subject the organization to tax under Code Section 4944 and (v) not make any taxable expenditure as defined in Code Section 4945(d).

ARTICLE XI.

DISSOLUTION AND LIQUIDATION

Section 11.01. DISSOLUTION AND LIQUIDATION. Upon the dissolution of the Corporation, the Board of Directors, after paying or making provisions for the payment of all the liabilities and obligations of the Corporation, shall distribute all of the assets of the Corporation to the Member, provided that the Member qualifies at such time as Qualified Organization (as defined herein) or to the federal government or a state or local government for a public purpose. A "Qualified Organization" is an organization exempt from federal income tax under Code Section 501(a) and described in Code Section 501(c)(3), an organization described in Code Section 170(c)(1), or a government instrumentality described in Code Section 115. In the event that the Member does not exist at such time or fails to qualify at such time as a Qualified Organization, the Board of Directors shall distribute the assets of the Corporation to such organization or organizations organized and operated exclusively for charitable, religious, educational, literary and/or scientific purposes as shall at the time qualify as a Qualified Organization or Qualified Organizations, as the Board of Directors shall determine, or to the federal government or a state or local government for a public purpose. No portion of the assets shall inure to the benefit of any Director or Officer, any other private person or any enterprise organized for profit.

Signatory and Disbursement Policy

Purpose

The purpose of this Signatory and Disbursement Policy of WISH Monterey County, Inc. (the "Corporation") (this "Policy"), is to expedite payments to the Corporation's vendors, partners and beneficiaries; to ensure the proper accrual and/or payment of the expenses and liabilities of the Corporation; to ensure significant purchases are included in the Corporation's financial plans and to set forth the agents of the Corporation that shall have the power to sign and execute contracts, checks and other documents and thereby bind the Corporation.

Scope

This Policy applies to all directors, officers, employees and other agents of the Corporation ("Covered Persons"). It is the responsibility of all Covered Persons to comply with this Policy. Pursuant to Section 5.10(b) of the Corporation's bylaws (the "Bylaws"), the board of directors of the Corporation (the "Board of Directors") is responsible for setting and changing the authorization limits set forth in this Policy.

Contracts and Agreements

The signing, execution, acknowledgment, approval, modification or termination of any tax document, deed, mortgage, contract, employment agreement, grant agreement, lease agreement, license agreement, plan of merger, agreement of sale, letter of intent or other agreement or instrument to which the Corporation is a party (each, an "Agreement"), or a series of related Agreements, shall not be effective unless the Agreement(s) is (are) signed and/or approved by the parties as set forth in Table 1, as applicable. Only the signature and/or approval of the required parties listed in Table 1, as applicable, shall act to bind the Corporation. All authorization limits are listed in US Dollars and represent the total value of the Agreement or related Agreements or the total value of the assets and/or liabilities of the Corporation affected by the Agreement or related Agreements, as applicable.

Table 1:

Total Value of Agreement(s)	Signature Required	Approval Required
\$50,000 and up	Any Covered Person designated by the Board of Directors	Affirmative vote of two-thirds (2/3) or more of the members of the Board of Directors (the " <u>Directors</u> ") then in office and eligible to vote <i>and</i> the affirmative vote of the member of the Corporation (the " <u>Member</u> "), or the affirmative vote of the Member
\$10,000 to \$49,999	Any Covered Person designated by the Board of Directors	Affirmative vote of a majority or more of the Directors who are present ¹ at a duly called meeting of the Board of Directors where a quorum exists and who are eligible to vote

¹ For the purposes of this Policy, the term "present" when used in relation to a Director shall mean those Directors who are present in person, by telephone, by video or by other similar means at a meeting of the Board of Directors.

\$2,500 to \$9,999	President of the Corporation, <u>or</u> Any Covered Person designated by the Board of Directors	No Board of Directors approval is required Affirmative vote of a majority or more of the Directors who are present at a duly called meeting of the Board of Directors where a quorum exists and who are eligible to vote
Up to \$2,499	Any Officer ² or employee of the Corporation	No Board of Directors approval is required

Incurrence of Debt

The incurrence of any debt, obligation, guaranty or lien (each, an "Obligation"), or series of related Obligations, shall not be effective unless the Obligation(s) is (are) signed and/or approved by the parties as set forth in Table 2, as applicable. Only the signature and/or approval of the required parties listed in Table 2, as applicable, shall act to bind the Corporation. All authorization limits are listed in US Dollars and represent the total value of the Obligation or related Obligations or the total value of the assets and/or liabilities of the Corporation affected by the Obligation or related Obligations, as applicable.

Table 2:

Total Value of Obligation(s)	Signature Required	Approval Required
\$50,000 and up	Any Covered Person designated by the Board of Directors	Affirmative vote of two-thirds (2/3) or more of the Directors then in office and eligible to vote <i>and</i> the affirmative vote of the Member, or the affirmative vote of the Member
\$10,000 to \$49,999	Any Covered Person designated by the Board of Directors	Affirmative vote of a majority or more of the Directors who are present at a duly called meeting of the Board of Directors where a quorum exists and who are eligible to vote
\$2,500 to \$9,999	President of the Corporation, <u>or</u> Any Covered Person designated by the Board of Directors	No Board of Directors approval is required Affirmative vote of a majority or more of the Directors who are present at a duly called meeting of the Board of Directors where a quorum exists and who are eligible to vote
Up to \$2,499	Any Officer or employee of the Corporation	No Board of Directors approval is required

Disbursement Authorization Limits

The signing, execution or approval of any check, transfer, withdrawal, disbursement, note, bill of exchange, purchase, gift or other instrument (each, a "Disbursement"), or related series of Disbursements, shall not be effective unless the Disbursement(s) is (are) signed and/or approved by the parties as set forth in Table 3, as applicable. Only the signature and/or approval of the

² For the purposes of this Policy, the term "Officer" shall mean an officer of the Corporation and the chair of the Board of Directors.

required parties listed in Table 3, as applicable, shall act to bind the Corporation. All authorization limits are listed in US Dollars and represent the total value of the Disbursement or related Disbursements or the total value of the assets and/or liabilities of the Corporation affected by the Disbursement or related Disbursements, as applicable.

Table 3:

Total Value of Disbursement(s)	Signature Required	Approval Required
\$50,000 and up	Any Covered Person designated by the Board of Directors	Affirmative vote of two-thirds (2/3) or more of the Directors then in office and eligible to vote <i>and</i> the affirmative vote of the Member, or the affirmative vote of the Member
\$10,000 to \$49,999	Any Covered Person designated by the Board of Directors	Affirmative vote of a majority or more of the Directors who are present at a duly called meeting of the Board of Directors where a quorum exists and who are eligible to vote
\$2,500 to \$9,999	President of the Corporation, <u>or</u> Any Covered Person designated by the Board of Directors	No Board of Directors approval is required Affirmative vote of a majority or more of the Directors who are present at a duly called meeting of the Board of Directors where a quorum exists and who are eligible to vote
Up to \$2,499	Any Officer or employee of the Corporation	No Board of Directors approval is required

Government Filings

The preparation, execution or filing of *any* filing, form or document (each a "Document") with any federal, state or local government agency, government unit, government entity, government-affiliated department, federal or state court, district justice or other local court, tax collector, state, political subdivision or integral part of a state or political subdivision, including but not limited to, the Internal Revenue Service, the Department of State, the Department of Revenue, the Agency for Workplace Innovations, the Division of Worker's Compensation and/or the Department of Agriculture and Consumer Services, shall not be effective unless the Documents(s) is (are) signed and approved by the parties as set forth in Table 4, as applicable. Only the signature and/or approval of the required parties listed in Table 4, as applicable, shall act to bind the Corporation. The required signature and/or approval shall be determined by the nature of the underlying transaction that necessitates the preparation, execution or filing of the Document.

Table 4:

Underlying Transaction	Signature Required	Approval Required
A "Fundamental Transaction" as that term is defined in Section 5.10(b) of the Bylaws	Any Covered Person designated by the Board of Directors	Affirmative vote of two-thirds (2/3) or more of the Directors then in office and eligible to vote <i>and</i> the affirmative vote of the Member
Any transaction (other than a Fundamental Transaction) that	Any Covered Person designated by the Board of	Affirmative vote of a majority or more of the Directors who are present at a duly called meeting

requires the approval of the Board of Directors	Directors	of the Board of Directors where a quorum exists and who are eligible to vote
Any other transaction	President of the Corporation	No Board of Directors approval is required

AMENDED AND RESTATED ARTICLES OF INCORPORATION
OF
WISH MONTEREY COUNTY, INC.

ARTICLE I.

The name of the Corporation is: WISH MONTEREY COUNTY, INC. (the "Corporation").

ARTICLE II.

A. This Corporation is a nonprofit public benefit corporation and is not incorporated for the private gain of any person. It is incorporated under the Nonprofit Public Benefit Corporation Law of the State of California (the "NPBCL") for charitable purposes.

B. The Corporation is incorporated under the NPBCL for exclusively charitable, educational, religious, literary and/or scientific purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (or the corresponding provision of any successor United States Internal Revenue Law) (the "Code"). In furtherance of this purpose, the Corporation will engage in the following charitable activities, including, but not limited to: (a) creating, owning, developing, constructing, purchasing and/or managing and otherwise fostering affordable and/or low-income and/or moderate-income housing in Monterey County, California and surrounding areas permitted under California law; (b) providing community and social services to the residents of such affordable housing; (c) purchasing, building, acquiring and redeveloping property for affordable housing; (d) financing affordable housing projects and (e) making distributions for charitable purposes.

ARTICLE III.

The name and street address of the Corporation's registered agent for service of process in the State of California is:

Name: Zulieka Boykin
Address: 123 Rico Street
City: Salinas
State: California
County: Monterey
Zip Code: 93907

ARTICLE IV.

The street address and mailing address of the Corporation is:

Address: 123 Rico Street
City: Salinas
State: California

County: Monterey
Zip Code: 93907

ARTICLE V.

All activities of the Corporation shall be subject to the following restrictions:

A. Except as otherwise provided herein, no substantial part of the activities of the Corporation shall be the carrying on of propaganda or attempting to influence legislation.

B. The Corporation shall not participate in or intervene in (including the publishing or distributing of statements), any political campaign on behalf of (or in opposition to) any candidate for public office.

C. The Corporation shall neither have nor exercise any power, nor shall it engage directly or indirectly in any activity that would invalidate its status as a corporation (a) that is exempt from federal income tax and described in Code Section 501(c)(3), or (b) that's contributions to which are deductible under Code Section 170(c)(2).

D. The Corporation does not contemplate pecuniary gain or profit, incidental or otherwise, to its directors, officers, members or other private persons or enterprises organized for profit, and no part of the net earnings of the Corporation shall inure to the benefit of, or be distributed to, any such person or enterprise, except that the Corporation shall be authorized and empowered to pay reasonable compensation for goods and services rendered and make payments and distributions in furtherance of the purposes set forth in Article II.

E. It is intended that the Corporation shall have and continue to have the status of an organization, which is exempt from federal income tax under Code Section 501(a) and described in Code Section 501(c)(3). All terms and provisions of these Articles of Incorporation and the Bylaws of the Corporation, and all operations of the Corporation, shall be construed, applied and carried out in accordance with this intent. If the Corporation is subject, or ever becomes subject, to the private foundation rules of the Code, the Corporation shall: (a) distribute its income for each tax year at such time and in such manner so that it will not become subject to the tax on undistributed income imposed by Code Section 4942; (b) not engage in any act of self-dealing as defined in Code Section 4941(d); (c) not retain any excess business holdings as defined in Code Section 4943(c); (d) not make any investments in a manner that would subject it to tax under Code Section 4944 and (e) not make any taxable expenditures as defined in Code Section 4945(d).

ARTICLE VI.

The term for which the Corporation is to exist is perpetual.

ARTICLE VII.

The Corporation is organized upon a nonstock basis.

ARTICLE VIII.

The Corporation shall have a member. The sole member of the Corporation shall be the Housing Authority of the County of Monterey (the "Member").

ARTICLE IX.

Upon the dissolution of the Corporation, the Corporation's Board of Directors (the "Board of Directors"), after paying or making provisions for the payment of all the liabilities and obligations of the Corporation, shall distribute all of the assets of the Corporation to the Member provided that the Member qualifies at such time as a Qualified Organization (as defined herein). A "Qualified Organization" is an organization exempt from federal income tax under Code Section 501(a) and described in Code Section 501(c)(3), an organization described in Code Section 170(c)(1), or a government instrumentality described in Code Section 115. In the event that the Member does not exist at such time or fails to qualify at such time as a Qualified Organization, the Corporation's Board of Directors shall distribute the assets of the Corporation to such organization or organizations organized and operated exclusively for charitable, religious, educational, literary and/or scientific purposes as shall at the time qualify as a Qualified Organization or Qualified Organizations, as the Corporation's Board of Directors shall determine, or to the federal government or a state or local government for a public purpose. No portion of the assets shall inure to the benefit of any director or officer of the Corporation, any other private person or any enterprise organized for profit.

IN WITNESS WHEREOF, the undersigned has signed these Articles this 22nd day of June, 2026.

By: _____
Zulieka Boykin, President

CONFLICT OF INTEREST POLICY

ADOPTED BY RESOLUTION OF THE BOARD OF DIRECTORS

ARTICLE I

Purpose

The purpose of this conflict of interest policy is to protect the interests of WISH Monterey County, Inc., a California nonprofit public benefit corporation (the "Organization"), when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Organization or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflicts of interest applicable to nonprofit and charitable organizations.

ARTICLE II

Definitions

1. **Financial Interest.**

A person has a financial interest if the person has, directly or indirectly, through business, investment or family:

- a. An ownership or investment interest in any entity with which the Organization has a transaction or arrangement;
- b. A compensation arrangement with the Organization or with any entity or individual with which the Organization has a transaction or arrangement; or
- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Organization is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. Under Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

2. **Interested Person**

Any director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined above, is an interested person.

ARTICLE III

Procedures

1. Duty to Disclose

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

2. Determining Whether a Conflict of Interest Exists

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall be recused from the governing board or committee while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

3. Procedures for Addressing the Conflict of Interest

- a. An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- b. The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- c. After exercising due diligence, the governing board or committee shall determine whether the Organization can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- d. If a more advantageous transaction or arrangement not producing a conflict of interest is not reasonably possible under circumstances, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Organization's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.

4. Violations of the Conflict of Interest Policy

- a. If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- b. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the

member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

ARTICLE IV **Records of Proceedings**

The minutes of the governing board and all committees with board delegated powers shall contain:

- a. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.
- b. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

ARTICLE V **Compensation**

- a. A voting member of the governing board who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.
- b. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.
- c. No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

ARTICLE VI **Annual Statements**

Each director, principal officer and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person:

- a. Has received a copy of the conflicts of interest policy,
- b. Has read and understands the policy,
- c. Has agreed to comply with the policy, and
- d. Understands the Organization is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

ARTICLE VII
Periodic Reviews

To ensure the Organization operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.
- b. Whether partnerships, joint ventures, and arrangements with management organizations conform to the Organization's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit, self-dealing, or in an excess benefit transaction, as applicable.

The copy of the Organization's Conflict of Interest Annual Disclosure Statement, as amended from time to time, is attached hereto as Exhibit A.

ARTICLE VIII
Use of Outside Experts

When conducting the periodic reviews as provided for in Article VII, the Organization may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

EXHIBIT A

Conflict of Interest Annual Disclosure Statement

The Conflict of Interest Policy of WISH Monterey County, Inc., a California nonprofit public benefit corporation (the "Organization"), and general principles of modern organizational governance prevalent in the United States provide guidance to directors, officers, professionals, managers and/or employees regarding the Organization's policies as to conflicts of interest and non-disclosure of information, that include the receipt of gifts, entertainment, courtesies or "anything of value" from vendors or others. All Directors, management and supervisory employees, must annually complete this Conflict of Interest Annual Disclosure Statement.

Please respond to the four (4) statements below regarding any relationships you or any member of your family* may have with any supplier of goods or services or others that could potentially be perceived as a conflict of interest respecting the Organization. You are directed to place your initials in the space provided for those statements to which you agree. With respect to answering questions related to relationships that members of your immediate family may have with any supplier of goods or services or others, your answer should reflect your knowledge of any such relationship.

If you are uncertain whether a particular situation could be perceived to be in conflict with the interests of the Organization, it is suggested that the circumstances be discussed with the President of the Organization.

Please respond to each of the following statements: (Note: If you do not initial all of the statements below indicating agreement, then you must complete the disclosure of relationship section.)

_____ Neither I nor any member of my family*, individually or collectively, has an ownership interest in any business that is a supplier of goods or services and, directly or indirectly, currently has a business relationship, is in negotiation or is actively seeking to enter into a business or professional relationship, with the Organization.

_____ Neither I nor any member of my family* functions as a manager, partner, director, trustee, officer, consultant or advisory board member or person serving a similar capacity for any supplier of goods or services that, directly or indirectly, currently has a business relationship, is in negotiation or is actively seeking to enter into a business or professional relationship with the Organization.

_____ Neither I nor any member of my family*, individually or collectively, has any arrangement in which we received compensation, in cash or value in goods, services or other accommodations or courtesies from any supplier of goods or services that, directly or indirectly, currently has a business or professional relationship, is in negotiation or is actively seeking to enter into a business or professional relationship with the Organization.

_____ Neither I nor any member of my family*, individually or collectively, has disclosed any confidential information of the Organization*, whether or not pursuant to any arrangement in which we received compensation in cash or value in goods, services or other accommodations or courtesies, in the past calendar year to any party or any supplier of goods or services that, directly or indirectly, currently has a business or professional relationship, is in negotiation or is actively bidding to enter into a business or professional relationship with the Organization.

Certification:

I hereby certify that the information provided describes, to the best of my knowledge, information and belief, all current or potential conflict situations that are required to be reported. I further agree to disclose any additional information or circumstances about possible conflict situations that I become aware of after the completion and submission of this disclosure statement.

Signed: _____ Date: _____

Printed Name: _____

Title: _____

PLEASE RETURN TO:

Retain copy for your personal file.

CONSULTING AND SHARED SERVICES AGREEMENT

This Consulting and Shared Services Agreement (this "**Agreement**") is made as of this 22nd day of June, 2026, by and between HOUSING AUTHORITY OF THE COUNTY OF MONTEREY, a public body corporate and politic organized and existing under the laws of California (the "**Authority**"), and WISH MONTEREY COUNTY, INC., a California nonprofit public benefit corporation ("**WISH**").

PREAMBLE

A. WISH is a nonprofit public benefit corporation established for purposes including fostering low-income housing in and around Monterey County, California and the surrounding area served by the Authority.

B. WISH intends to participate in the development, ownership, operation, financing, funding and/or management of low-income affordable rental communities located in and around Monterey County, California (collectively, the "**Developments**").

C. WISH, or an affiliate of WISH, may be appointed as the developer, operator and/or manager for the Authority on its future low-income and affordable housing development efforts.

D. The Authority employs skilled individuals involved in the provision of accounting, legal, housing and tenant services, project management, construction and development, insurance and other services.

E. WISH requires that skilled individuals perform the services that WISH will perform: (i) for itself, (ii) on behalf of the owners of the Developments (collectively, the "**Owners**") and (iii) to further the Authority's low-income and affordable housing development efforts.

F. WISH and the Authority recognize the value to be derived from the Developments and the Authority's low-income and affordable housing development efforts (collectively, the "**Projects**") through this Agreement under which the Authority will make available certain employees to provide services to WISH, all upon the terms and subject to the conditions set forth herein.

AGREEMENT

In consideration of the mutual promises set forth herein and with the foregoing recitals hereby incorporated, the parties hereto, intending to be legally bound hereby, agree as follows:

1. Services to be Provided by the Authority. The Authority shall provide the following services on behalf of WISH (collectively, the "**Services**"), provided, however, that if the performance of any of the Services is outside the scope of experience or expertise of the Authority's personnel, the Authority shall promptly notify WISH of its lack of ability and capacity to complete those specific Services.

(a) Personnel Services: Activity Reports. The Authority shall provide qualified personnel, including property management and maintenance personnel, to perform all of the Services required by this Agreement, including any Specialized Services (as defined in Section 2). The Authority shall be responsible for hiring such employees, directing work of employees, maintaining employee records, payment of employee compensation (including, as applicable and without limitation, withholding of income taxes and payment and withholding of social security and other payroll taxes, unemployment

insurance, workers' compensation insurance payments and disability benefits), and complying with all applicable employment laws. The Authority shall cause its personnel to maintain activity reports or such other documentation necessary to account for all time and resources spent in performance of the Services and any Specialized Services, including the nature of the task and Project name and type.

(b) Accounting and Recordkeeping Services. The Authority shall provide accounting and recordkeeping services including, but not limited to:

(i) establishing and maintaining the books and records for the operations of WISH and of the Projects, including accounts receivable, accounts payable, bank accounts, payroll processing, budgeting, tax filings and returns and state and local filings and returns;

(ii) preparing reports, including rent collection, rent delinquency, financial statements, budget variances and operating reports; and

(iii) assembling and retaining all contracts, agreements, accurate as-built plans and other records and data as may be necessary to carry out WISH's and/or the Owners' functions. Without limiting the foregoing, the Authority will prepare, accumulate and furnish to WISH and the appropriate governmental authorities, as necessary, data and information sufficient to identify the market value of improvements in place as of each real property tax lien date, and will apply for appropriate exclusions from the capital costs of the Projects for purposes of real property ad valorem taxes.

(c) Purchasing Services. The Authority shall provide account services including coordination of the acquisition and maintenance of necessary supplies, equipment and materials needed for the day-to-day operation of WISH and the Projects.

(d) Office Services. The Authority shall provide office services including clerical, mailroom, copy, facsimile and e-communication services. Such office services shall further include the provision of office space, utilities, telephone, paper and other materials needed by WISH.

(e) Information Services. The Authority shall provide information services including computer and information processing services.

(f) Legal Compliance Services. The Authority shall take all reasonable steps to enable WISH, the Projects and the Owners to comply with all applicable present and future laws, ordinances, orders, rules, regulations and requirements (hereinafter, the "**Applicable Laws**") of all applicable federal, state and municipal governments, courts, departments, commissions, boards and offices, any national or local Board of Fire Underwriters or Insurance Services Offices having jurisdiction in the county in which the Projects are located or any other body exercising functions similar to those of any of the foregoing, or any insurance carriers providing any insurance coverage.

2. Specialized Services to be Provided by the Authority upon Request and Mutual Agreement. Upon reasonable notice and at the request of WISH, the Authority from time to time may agree to provide any of the following services (the "**Specialized Services**") on behalf of WISH, provided, however, that if the performance of any of the Specialized Services is outside the scope of experience or expertise of the Authority's personnel, or is otherwise impracticable, the Authority shall promptly notify WISH of its lack of ability and capacity to complete those Specialized Services, and the Authority shall have no obligation to provide such Specialized Services.

(a) Maintenance Services. The Authority may provide maintenance services including maintenance and preventative maintenance on both the interior and exterior areas of the Projects.

(b) Procurement Services. The Authority may procure co-developers, engineers, architects, consultants and all other professional services necessary to manage or develop the Projects.

(c) Financing Services. The Authority may advise WISH as to federal, state and local subsidy programs available for the development of the Projects; assist WISH in identifying sources of construction, modernization, rehabilitation and/or renovation financing for the Projects and negotiate the terms of such financing with lenders.

(d) Project Development Services. The Authority may establish and implement appropriate administrative and financial controls for the design, construction, modernization, rehabilitation and/or renovation of the Projects, including but not limited to:

(i) negotiation and administration of any contracts on behalf of WISH, the Owners and/or the Authority, as the case may be;

(ii) coordination and administration of the Projects' co-developer, architect, the general contractor and other contractors, professionals and consultants employed in connection with the design, construction, modernization, rehabilitation and/or renovation of the Projects;

(iii) participation in conferences and the rendering of such advice and assistance as will aid in developing economical, efficient and desirable design, construction, modernization, rehabilitation and/or renovation procedures;

(iv) rendering the advice and recommendations as to the selection of subcontractors and suppliers;

(v) reviewing and submitting to WISH for approval all requests for payments including, but not limited to: architectural agreements, general contractor agreements, construction management agreements or any loan agreements providing funds for the benefit of the Projects for the design, construction, modernization, rehabilitation and/or renovation of any improvements;

(vi) inspecting the progress of the course of construction, modernization, rehabilitation and/or renovation of the Projects, including verifying the materials and labor being furnished to and on such construction, modernization, rehabilitation and/or renovation, so as to be fully competent to enable WISH to approve or disapprove requests for payment certified by the architect, the general contractor and/or any other parties with respect to the design, construction, modernization, rehabilitation and/or renovation of the Projects;

(vii) verifying that construction, modernization, rehabilitation and/or renovation is being carried out in accordance with the documents governing the Project (the "**Project Documents**") or, in the event construction, modernization, rehabilitation and/or renovation is not being so carried out, promptly notifying WISH;

(viii) keeping WISH fully informed on a regular basis of the progress of the design, construction, modernization, rehabilitation and/or renovation of the Projects, including the

preparation of such reports as are provided for herein or as may reasonably be requested by WISH and which are of a nature generally requested or expected on similar Projects;

(ix) reviewing and submitting to WISH for approval any notices of completion required or permitted to be filed upon the completion of any improvement(s), and taking such actions as may be required to obtain any certificates of occupancy or equivalent documents required to permit the occupancy of the Projects;

(x) submitting any suggestions or requests for changes which could in any reasonable manner improve the design, efficiency or cost of the Projects;

(xi) applying for and maintaining in full force and effect any and all governmental permits and approvals required for the lawful construction, modernization, rehabilitation and/or renovation of the Projects, and complying with all terms and conditions applicable to the Projects contained in any governmental permit or approval required or obtained for the lawful construction, modernization, rehabilitation and/or renovation of the Projects, or in any insurance policy affecting or covering the Projects, or in any surety bond obtained in connection with the Projects;

(xii) providing low-income housing tax credit services for the Projects, including tenant employment verification, income verification, tax credit certifications, tax credit reporting, maximum rent calculations and tax credit record maintenance;

(xiii) furnishing such consultation and advice relating to the Projects as may be reasonably requested from time to time by WISH;

(xiv) performing on behalf of WISH all obligations of WISH with respect to the design, construction, modernization, rehabilitation and/or renovation of the Projects contained in any loan agreement or security agreement in connection with the Projects, or in any agreement entered into with any third party, governmental body or agency relating to the Projects;

(xv) preparing and distributing a critical path schedule and periodic updates thereto as necessary to reflect any material changes, but in any event not less frequently than quarterly, and other design, construction, modernization, rehabilitation and/or renovation cost estimates as required;

(xvi) obtaining and maintaining insurance coverage for the Projects, the Owners and WISH in accordance with the insurance requirements and liability amounts set forth in the Project Documents, including general public liability insurance covering claims for personal injury (including but not limited to bodily injury) or property damage (occurring in or upon the property or the streets, passageways, curbs and vaults adjoining the Projects);

(xvii) accomplishing the timely completion of the Projects in accordance with the construction contract, the plans and specifications and the other Project Documents;

(xviii) coordinating and administering the design, construction, modernization, rehabilitation and/or renovation of all interior tenant improvements, to the extent required under any leases or other occupancy agreements, to be constructed or furnished by WISH with respect to the initial leasing of space in the Projects, whether involving building standard or non-building standard work; and

(xix) implementing any decisions of WISH in connection with the design, development, construction, modernization, rehabilitation and/or renovation of the Projects or any policies and procedures relating thereto.

(e) Tenant Services. The Authority may provide tenant services for the Projects, including without limitation application intake, applicant interviewing and screening, verification procedures, determination of eligibility for admission, qualification for preferential admission, tenant records and file maintenance, unit assignment, preparation and enforcement of leases and tenant counseling.

(f) Other Services. The Authority may perform and administer all other services and responsibilities of WISH, which are set forth in any other provisions of this Agreement, or which are requested to be performed by WISH and are within the general scope of the Services and/or Specialized Services described herein. Such services may include, without limitation, management, executive services, personnel and staffing, marketing of units, maintaining a site-based waiting list, applicant rejections, collecting and accounting for rents, collecting, depositing and reimbursing security deposits, conducting unit inspections, conducting orientation sessions, performing re-determinations of eligibility and income re-certifications, administering the tenant grievance procedure and complying with income tiering requirements.

3. Fee. Except as otherwise provided herein, WISH shall pay to the Authority a fee in the amount of [\$] (the "Fee") per month for all Services and Specialized Services. The parties shall revisit the Fee annually to adjust the same based on the use of the Services and Specialized Services.

4. Limitations and Restrictions. Notwithstanding any provisions of this Agreement, the Authority shall not take any action, expend any sum, make any decision, give any consent, approval or authorization or incur any obligation with respect to any of the following matters unless and until the same has been approved by WISH:

(a) Approval of all construction, modernization, rehabilitation, renovation and architectural contracts and all architectural plans, specifications and drawings prior to the construction and/or alteration of any improvements contemplated thereby, except for such matters as may be expressly delegated in writing to the Authority by WISH;

(b) Any proposed change in the work of the construction, modernization, rehabilitation, renovation of a Project, or in the plans and specifications therefor as previously approved by WISH (including any addenda thereto), or in the cost thereof, or the time schedule for construction, modernization, rehabilitation, and/or renovation or any other change which would affect the design, cost, value or quality of a Project, except for such matters as may be expressly delegated in writing to the Authority by WISH;

(c) Making any expenditure or incurring any obligation by or on behalf of each respective Project involving a sum in excess of \$25,000, or involving a sum of more than \$5,000 where the same relates to a component part of any work the combined cost of which exceeds \$25,000, except for such matters as may be otherwise expressly delegated to the Authority by WISH; or

(d) Expending more than what the Authority in good faith believes to be the fair and reasonable market value at the time and place of contracting for any goods purchased or leased or services engaged on behalf of, or otherwise in connection with, the Projects.

5. Accounts and Records.

(a) The Authority shall keep such books of account and other records as may be required and approved by WISH, including, but not limited to, records relating to the expenditures of

WISH funds. The Authority shall keep vouchers, statements, receipted bills and invoices and all other records, in the form approved by WISH, covering all collections, if any, disbursements and other data in connection with the Projects prior to completion. All accounts and records relating to the Projects, including all correspondence, shall be surrendered to WISH upon demand without charge therefor.

(b) The Authority shall cooperate with the Owners to facilitate the timely preparation by the Owners of such reports and financial statements as the Owners are required to furnish pursuant to their respective Operating Agreements or Agreements of Limited Partnership.

(c) All books and records prepared or maintained by the Authority shall be kept and maintained at all times at the place or places approved by WISH, and shall be available for and subject to audit, inspection and copying by the Owners, WISH or any representative or auditor thereof or supervisory or regulatory authority.

6. Representations and Warranties.

(a) Each party represents and warrants to the other party that:

(i) it is duly organized, validly existing and in good standing as a corporation or other entity as represented herein under the laws and regulations of the State of California;

(ii) it has the full right, power and authority to enter into this Agreement, to grant the rights granted hereunder and to perform its obligations hereunder;

(iii) the execution of this Agreement by its representative whose signature is set forth at the end hereof has been duly authorized by all necessary corporate action of the party; and

(iv) when executed and delivered by such party, this Agreement will constitute the legal, valid and binding obligation of such party, enforceable against such party in accordance with its terms.

(b) The Authority represents and warrants to WISH that:

(i) it shall perform the Services and any Specialized Services using personnel of required skill, experience and qualifications and in a professional and workmanlike manner in accordance with commercially reasonable industry standards for similar services and shall devote adequate resources to meet its obligations under this Agreement; and

(ii) it is in compliance with and shall perform the Services and any Specialized Services in compliance with, all Applicable Laws.

7. Default and Remedies. If either party shall default in any material respect in the performance of any of its covenants or obligations under this Agreement and such default shall continue unremedied for a period of 60 days after written notice thereof from the non-defaulting party, the non-defaulting party may terminate this Agreement.

8. Notices. All notices, consents, requests, demands and other communications required or permitted under this Agreement: (a) will be in writing; (b) will be sent by messenger, certified or registered U.S. mail, a reliable express delivery service or telefacsimile or e-mail (with a copy sent by one of the foregoing means), charges prepaid as applicable, to the appropriate address(es) or number(s) set forth below and (c) will be deemed to have been given on the date of receipt by the addressee (or, if the

date of receipt is not a business day, on the first business day after the date of receipt), as evidenced by (i) a receipt executed by the addressee (or a responsible person in his or her office), the records of the person delivering such communication or a notice to the effect that such addressee refused to claim or accept such communication, if sent by messenger, U.S. mail or express delivery service, or (ii) a receipt generated by the sender's telecopier or computer showing that such communication was sent to the appropriate number or e-mail address on a specified date, if sent by telefacsimile or e-mail. All such communications will be sent to the following addresses or numbers, or to such other addresses or numbers as any party may inform the others by giving five business days' prior notice:

If to the Authority:

Housing Authority of the County of Monterey
123 Rico Street, Salinas, CA 93907
Attn: Zulieka Boykin, Executive Director
Phone: (831) 775-5000

If to WISH:

WISH Monterey County, Inc.
123 Rico Street, Salinas, CA
Attn: Zulieka Boykin, President
Phone: (831) 775-5000

9. Term; Termination. This Agreement shall be effective as of the date first written above and shall continue until either party terminates this Agreement, upon ten days written notice to the other party.

10. Independent Contractor. The parties agree that the Authority is an independent contractor, and its personnel are employees of the Authority and shall not be deemed to be and shall not hold itself out as an agent, joint venturer, legal representative or employee of WISH.

11. Miscellaneous. This Agreement: (a) may be amended only by a writing signed by each of the parties; (b) may be executed in several counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument; (c) contains the entire agreement of the parties with respect to the transactions contemplated hereby and supersedes all prior written and oral agreements, and all contemporaneous oral agreements, relating to such transactions; (d) shall be governed by, and construed and enforced in accordance with, the internal substantive laws of California, without regard to its conflict of laws principles and (e) shall be binding upon, and inure to the benefit of, the parties and their respective successors and permitted assigns. The waiver by a party of any breach or violation of any provision of this Agreement shall not operate or be construed a waiver of any subsequent breach or violation hereof.

[SIGNATURE PAGE FOLLOWS]

SIGNATURE PAGE
TO
CONSULTING AND SHARED SERVICES AGREEMENT

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the date first written above.

**HOUSING AUTHORITY OF THE COUNTY
OF MONTEREY**, a public body corporate and
politic established under the laws of California

By: _____
Zulieka Boykin, Executive Director

WISH MONTEREY COUNTY, INC., a
California nonprofit public benefit corporation

By: _____
Zulieka Boykin, President

BYLAWS
OF
WISH MONTEREY COUNTY, INC.

(a California nonprofit public benefit corporation)

ARTICLE I.

PURPOSE AND ACTIVITIES

Section 1.01. WISH Monterey County, Inc. (the "Corporation") is a nonprofit public benefit corporation and is not incorporated for the private gain of any person. The Corporation is incorporated under the Nonprofit Public Benefit Corporation Law of the State of California (the "NPBCL") for charitable purposes.

Section 1.02. PURPOSE AND ACTIVITIES. The Corporation is incorporated under the NPBCL for exclusively charitable, educational, religious, literary and/or scientific purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (or the corresponding provision of any successor United States Internal Revenue Law) (the "Code"). In furtherance of this purpose, the Corporation will engage in the following charitable activities, including, but not limited to: (a) creating, owning, developing, constructing, purchasing and/or managing and otherwise fostering affordable and/or low-income and/or moderate-income housing in Monterey County, California and surrounding areas permitted under California law; (b) providing community and social services to the residents of such affordable housing; (c) purchasing, building, acquiring and redeveloping property for affordable housing; (d) financing affordable housing projects and (e) making distributions for charitable purposes.

ARTICLE II.

OFFICES AND FISCAL YEAR

Section 2.01. REGISTERED AGENT AND REGISTERED OFFICE. The initial registered agent of the Corporation is Zulieka Boykin. The location and mailing address of the initial registered office of the Corporation in the State of California is 123 Rico Street, Salinas, Monterey County, California 93907.

Section 2.02. PRINCIPAL PLACE OF BUSINESS, MAILING ADDRESS AND OTHER OFFICES. The principal place of business and mailing address of the Corporation shall be located at 123 Rico Street, Salinas, Monterey County, California 93907. The Corporation may also have offices at such other places, within or outside of California, as the Board of Directors of the Corporation (the "Board of Directors") may from time to time determine or the business of the Corporation may require.

Section 2.03. FISCAL YEAR. The fiscal year of the Corporation shall end on the last day of December.

ARTICLE III.

NOTICE - WAIVERS - MEETINGS GENERALLY

Section 3.01. MANNER OF GIVING NOTICE.

(a) General Rule. Whenever notice is required to be given to any person under the provisions of the NPBCL, the Corporation's Amended and Restated Articles of Incorporation (the "Articles") or these Bylaws (these "Bylaws"), it may be given to such person, either personally, by telephone or by sending a copy thereof by first class mail, postage prepaid, by recognized national or international courier service, by facsimile with transmittal confirmation, or by electronic mail ("e-mail") provided no delivery failure notification is generated, to his or her address (including his or her e-mail address) or telephone or facsimile number appearing on the books of the Corporation or, in the case of the Member (as defined herein) of the Corporation or a member of the Board of Directors (each, a "Director" and collectively, the "Directors"), supplied by it, him or her to the Corporation for the purpose of notice. If the notice is sent by first class mail or recognized national or international courier service, it shall be deemed to have been given to the person entitled thereto when deposited in the United States mail or with such courier service. If notice is given by e-mail, it shall be deemed to have been given to the person entitled thereto on the date of transmission, so long as no delivery failure notification is generated. If the notice is sent by facsimile transmission, it shall be deemed to have been given to the person entitled thereto upon transmittal confirmation.

(b) Adjourned Meetings. When a meeting is adjourned, it shall not be necessary to give any notice of the adjourned meeting or of the business to be transacted at an adjourned meeting, other than by announcement at the meeting at which such adjournment is taken.

Section 3.02. NOTICE OF MEETINGS OF THE MEMBER.

(a) Notice. Whenever the Member is required or permitted to take any action at a meeting, a written notice of the meeting shall be given to the Member not less than ten (10) nor more than ninety (90) days before the date of the meeting; provided, however, that if notice is given by mail, and the notice is not mailed by first-class, registered, or certified mail, that notice shall be given not less than twenty (20) days before the meeting.

(b) Content. Every required notice of a meeting of the Member shall state the place, date and time of the meeting, the means of electronic transmission by and to the Corporation, if any, electronic video screen communication, conference telephone, or other means of remote communication, if any, by which the Member may participate in that meeting, and (1) in the case of a special meeting, the general nature of the business to be transacted, and no other business may be transacted, or (2) in the case of a regular meeting, those matters which the Board of Directors, at the time the notice is given, intends to present for action by the Member, but, any

proper matter may be presented at the meeting for such action. The notice of any meeting at which Directors are to be elected shall include the names of all those who are nominees at the time the notice is given to the Member.

Section 3.03. NOTICE OF MEETINGS OF BOARD OF DIRECTORS.

(a) Notice.

(1) Notice of any regular meeting of the Board of Directors shall be given to each Director not less than five (5) days before the date of the meeting.

(2) Notice of a special meeting of the Board of Directors, unless waived, shall be given to each Director not less than two (2) days prior to the day on which such meeting is to be held if such notice is in person, by e-mail or facsimile, and not less than four (4) days prior to the day on which the meeting is to be held if such notice is by first class mail or recognized national or international courier service.

(b) Content. Every required notice of a meeting of the Board of Directors shall state the place, date and time of the meeting. Unless otherwise provided by the NPBCL or these Bylaws, neither the business to be transacted at, nor the purpose of, any regular or special meetings of the Board of Directors need be specified in a notice of such meeting.

Section 3.04. WAIVER OF NOTICE.

(a) Written Waiver. Whenever any written notice is required to be given pursuant to the provisions of the NPBCL, the Articles or these Bylaws, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Neither the business to be transacted at, nor the purpose of, a meeting need be specified in the waiver of notice of such meeting.

(b) Waiver by Attendance. Attendance of a person at any meeting shall constitute a waiver of notice of such meeting, except where a person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting was not lawfully called or convened.

Section 3.05. MODIFICATION OF PROPOSAL CONTAINED IN NOTICE. Whenever the language of a proposed resolution is included in a written notice of a meeting, the meeting considering the resolution may, without further notice, adopt it with such clarifying or other amendments as do not materially enlarge its original purpose.

Section 3.06. EXCEPTION TO REQUIREMENT OF NOTICE. Whenever any notice or communication is required to be given to any person under the provisions of the NPBCL, the Articles or these Bylaws, or by the terms of any agreement or other instrument or as a condition precedent to taking any corporate action, and communication with such person is then unlawful, the giving of such notice or communication to such person shall not be required.

Section 3.07. USE OF CONFERENCE TELEPHONE AND SIMILAR EQUIPMENT. One or more persons may participate in a meeting of the Member or a meeting of the Board of Directors, or any committee thereof, by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, including, without limitation, by audio and/or audio/visual communications equipment. Participation in a meeting pursuant to this Section 3.07 hereof shall constitute presence in person at such meeting.

ARTICLE IV.

MEMBERSHIP

Section 4.01. MEMBERSHIP. The Housing Authority of the County of Monterey (referred to above and herein as the "Member"), shall be the sole member of the Corporation.

Section 4.02. MEMBERSHIP MEETINGS.

(a) Annual Meetings. The annual meeting of the Member shall be held on such day and at such time and place as the Board of Directors shall designate.

(b) Special Meetings. Unless otherwise prescribed by the NPBCL or by the Articles, special meetings of the Member may be held for any purpose or purposes and at any time on the call of the Chair of the Board of Directors (the "Chair") or the President of the Corporation (the "President"), at the request in writing of a majority of the Board of Directors, or at the request in writing of the Member. Such request shall state the purpose or purposes of the proposed meeting. If the Secretary of the Corporation (the "Secretary") shall fail or refuse to give notice of such meeting, then the notice may be given by the Officer (as such term is defined herein) making the call or the Directors or the Member making the request. The special meeting must be held at a time fixed by the Board of Directors, not less than thirty-five (35) nor more than ninety (90) days after the receipt of the written request.

(c) Place of Meetings. All meetings of the Member, whether annual or special, shall be held at the offices of the Corporation, or at such other place as may be fixed from time to time by the Board of Directors and included in the notice of such meeting.

(d) Action by Unanimous Written Consent. Any action which may be taken at a meeting of the Member may be taken without a meeting and without prior notice if a consent or consents in writing setting forth the action so taken shall be signed on behalf of the Member. The written consent(s) shall be filed with the Secretary.

Section 4.03. MEMBER VOTING RIGHTS.

(a) Voting. The Member shall be entitled to one (1) vote upon each matter submitted to a vote at a meeting of the Member. In addition to any voting rights provided in these Bylaws, the Member shall be entitled to vote upon any matter with respect to which the NPBCL requires a vote of the Member. Unless otherwise required by these Bylaws, the manner of voting

on any matter, including changes to the Articles or Bylaws, may be by voice vote, show of hands or by ballot.

(b) Vote of the Member. Unless otherwise expressly provided herein, the Member may not take any action hereunder unless such action is approved by the Board of Commissioners of the Member in accordance with the bylaws of the Member. Following such action by the Board of Commissioners of the Member, the Board of Commissioners of the Member, the chair of the Board of Commissioners of the Member, the Executive Director of the Member or any other representative designated by the Board of Commissioners of the Member may cast such vote on behalf of the Member.

(c) Fundamental Transactions. All "Fundamental Transactions" as defined in Section 5.10(b) hereof, must be approved in accordance with Section 5.10(b) hereof.

Section 4.04. TRANSFER OF MEMBERSHIP. Membership in the Corporation may be transferred or assigned in accordance with Section 5.10(b) hereof.

Section 4.05. ADDITION OF MEMBER(S). The Corporation may admit an additional member or additional members as long as such additional member(s) is(are) approved in accordance with Section 5.10(b) hereof. In the event such additional member(s) is(are) admitted, these Bylaws must be revised to account for more than one (1) Member.

Section 4.06. ADDITIONAL MEMBERSHIP CLASSES. Additional membership classes may be established in accordance with Section 5.10(b) hereof.

ARTICLE V.

BOARD OF DIRECTORS

Section 5.01. POWERS; STANDARD OF CARE.

(a) General Rule. Unless otherwise provided by the NPBCL or these Bylaws, all powers vested by law in the Corporation shall be exercised by or under the authority of, and the business and affairs of the Corporation shall be managed under the direction of, the Board of Directors.

(b) Standard of Care; Justifiable Reliance. A Director shall stand in a fiduciary relation to the Corporation and shall perform his or her duties as a Director, including duties as a member of any committee of the Board of Directors upon which the Director may serve, in good faith, in a manner the Director reasonably believes to be in the best interests of the Corporation and with such care, including reasonable inquiry, skill and diligence, as a person of ordinary prudence would use under similar circumstances. In performing his or her duties, a Director shall be entitled to rely in good faith on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by any of the following:

(1) One or more Officers or employees of the Corporation whom the Director reasonably believes to be reliable and competent in the matters presented;

(2) Counsel, public accountants or other persons or entities as to matters which the Director reasonably believes to be within the professional or expert competence of such person or entity; and

(3) A committee of the Board of Directors upon which the Director does not serve, duly designated in accordance with law, as to matters within its designated authority, which committee the Director reasonably believes to merit confidence.

A Director shall not be considered to be acting in good faith if the Director has knowledge concerning the matter in question that would cause his or her reliance to be unwarranted.

(c) Consideration of Factors. In discharging the duties of their respective positions, the Board of Directors, committees of the Board of Directors and individual Directors may, in considering the best interests of the Corporation, consider the effects of any action upon communities in which offices or other establishments of the Corporation are located or in which it conducts charitable work or other work, and all other pertinent factors. The consideration of those factors shall not constitute a violation of Section 5.01(b) hereof.

(d) Presumption. Absent breach of fiduciary duty, lack of good faith or self-dealing, any action taken as a Director or any failure to take any action shall be presumed to be in the best interests of the Corporation.

(e) Notation of Dissent. A Director who is present (in person, by telephone, by video or by other similar means) at a meeting of the Board of Directors, or of a committee of the Board of Directors, at which action on any corporate matter is taken, shall be presumed to have assented to the action taken unless his or her dissent is entered in the minutes of the meeting or unless the Director files a written dissent to the action with the secretary of the meeting before the adjournment thereof or transmits the dissent in writing to the Secretary of the Corporation (the "Secretary") immediately after the adjournment of the meeting. The right to dissent shall not apply to a Director who voted in favor of the action. Nothing in this Section 5.01(e) hereof shall bar a Director from asserting that minutes of the meeting incorrectly omitted his or her dissent if, promptly upon receipt of a copy of such minutes, the Director notifies the Secretary in writing of the asserted omission or inaccuracy.

Section 5.02. QUALIFICATION, NUMBER AND ELECTION OF DIRECTORS.

(a) Qualifications. Each Director shall be a natural person eighteen (18) years of age or older. Each Director shall be either (i) a member of the board of commissioners of the Member, (ii) an officer of the Member or (iii) the Executive Director of the Member.

(b) Number. The Board of Directors shall consist of not less than five (5) nor more than nine (9) Directors.

(c) Election of Directors. Except as otherwise provided herein, Directors shall be appointed by the Member.

Section 5.03. COMPOSITION AND TERM OF OFFICE.

(a) Composition. The Board of Directors shall be made up of Director(s) appointed by the Member, each of whom shall be then serving as a member of the board of commissioners of the Member or as an officer of the Member. The number of Directors shall be determined by the Member at their annual meeting, but in no event shall the number of Directors be less than five (5) nor more than nine (9) Directors. Unless there is a vacancy on the Member's Board of Commissioners, the number of Directors shall always be an odd number. In elections for the Directors, voting need not be by ballot, except upon demand made by a person entitled to vote at the election and before the voting begins. The candidates receiving the highest number of votes cast shall be elected. For the purposes of these Bylaws, a "ballot" shall be defined as any written documentation, whether a formal ballot or otherwise and whether signed or unsigned, on which a Director, committee member or the Member, as applicable, entitled to vote on a particular action or issue reflects his or her vote on such action or issue. A Director whose term will expire upon the election and qualification of his/her successor shall be eligible to vote in the election for his/her successor and may cast a vote for himself/herself to serve an additional term as a Director without such vote constituting a conflict of interest.

(b) Interested Persons as Directors. In accordance with the NPBCL, no more than forty-nine percent (49%) of the persons serving on the Board of Directors may be "interested persons." An interested person is: (i) any person compensated by the Corporation for services rendered to it within the previous twelve (12) months, whether as a full-time or part-time employee, independent contractor or otherwise, excluding any reasonable compensation paid to a Director in his/her capacity as a director; and (ii) any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law or father-in-law of such person. However, any violation of this Section 5.03(b) shall not affect the validity or enforceability of transactions entered into by the Corporation.

(c) Term of Office. Except as otherwise provided herein, the term of office for each Director shall be as follows:

(1) Each Director shall serve as a Director for a period of three (3) years or until his or her earlier death, resignation or removal. An individual's term of office as a Director shall begin at such time as he or she is appointed by the Member. Each Director shall hold office until the expiration of the term for which he or she is appointed and until a successor shall be appointed and shall qualify or until his or her earlier death, resignation or removal. In the event that a Director no longer serves as a member of the board of commissioners of the Member or as an officer of the Member, as applicable, he or she will be treated as having resigned as a Director, effective as of such individual's last day of serving in said position.

(3) A decrease in the number of Directors shall not have the effect of shortening the term of any incumbent Director.

(4) There shall be no limitation on the number of terms of office for the Directors.

(d) Resignation. Any Director may resign at any time by giving written notice to the Board of Directors. The resignation shall take effect on the later of: (i) the date the notice is received or (ii) at any other time specified in the notice. Unless otherwise specified in the notice, the resignation need not be accepted to be effective. Except on notice to the California Attorney General, no Director may resign if the Corporation would be left without a duly elected Director or Directors. Any resignation shall be without prejudice to any rights of the Corporation under any contract to which the Director is a party. To the extent a Director experiences a change of circumstances that causes the Corporation to violate the composition requirements set forth in Section 5.03(b) hereof, such Director shall be treated as having automatically resigned as a Director, effective as of the date such change of circumstances occurred.

Section 5.04. VACANCIES. If a vacancy occurs in the office of a Director for any reason, including an increase in the number of Directors, an individual shall be appointed to the vacant position by the Member, and such successor Director shall hold office for the unexpired term for which the vacancy occurred, if applicable, and until a successor shall be appointed or until his or her earlier death, resignation or removal.

Section 5.05. REMOVAL OF DIRECTORS. A Director may be removed from office at any time, with or without cause, in accordance with Section 5.10(b) hereof, provided that written notice of the intention to consider the removal of such Director has been included in the notice of the meeting at which such removal will be considered and to the Director being considered for expulsion. A Director who is being considered for removal shall not be eligible to vote with respect to his or her removal. A Director may be removed from office at any time, with or without cause, by the Member's Board of Commissioners. The Member's Board of Commissioners shall be the sole removal authority for each Director.

Section 5.06. PLACE OF MEETINGS. Meetings of the Board of Directors may be held at such place, within or outside of California, as the Board of Directors may from time to time designate, or as may be designated in the notice of the meeting. If the Board of Directors has not so designated the location of the meeting, the meeting shall be held at the principal office of the Corporation.

Section 5.07. ORGANIZATION OF MEETINGS. The Chair of the Board of Directors (the "Chair") shall preside at all meetings of the Board of Directors. If no individual is currently serving as the Chair, then the members of the Board of Directors shall appoint a person to serve as the Chair. If there is a Chair but he or she is unable to attend a Board of Directors meeting, then the members of the Board of Directors shall appoint a person to preside at that Board of Directors meeting. The Secretary, or, in the absence of the Secretary, any person appointed by the Chair or the person presiding at that particular meeting, shall act as the Secretary of that meeting.

Section 5.08. ANNUAL MEETING AND REGULAR MEETINGS. The annual meeting of the Board of Directors shall be held on such day and at such time and place as the Board of Directors shall designate. Regular meetings of the Board of Directors shall be held at such places, dates and times as shall be designated from time to time by resolution of the Board of Directors.

Section 5.09. SPECIAL MEETINGS. Special meetings of the Board of Directors may be held at any time on the call of the Chair or the President of the Corporation (the "President") or at the request in writing of at least two (2) Directors. Any such meeting may be held at such place as the Board of Directors may fix from time to time or as may be specified or fixed in such notice or waiver thereof. Any meeting of the Board of Directors shall be a legal meeting without any notice thereof having been given, if all the Directors shall be present thereat, and no notice of a meeting shall be required to be given to any Director who shall attend such meeting. If the Secretary shall fail or refuse to give such notice, then the notice may be given by the Officer making the call or any one of the Directors making the request.

Section 5.10. QUORUM OF AND ACTION BY DIRECTORS.

(a) General Rule. A majority of the Directors in office must be present (in person, by telephone, by video or by other similar means) at a duly called meeting of the Board of Directors in order for there to be a quorum for the transaction of business. Except as otherwise provided herein, the acts of a majority of the Directors eligible to vote and present at a duly called meeting of the Board of Directors where a quorum is present shall be the acts of the Board of Directors.

(b) Fundamental Transactions. Any "Fundamental Transaction" (as defined herein), except a "Self-Dealing Transaction" subject to Section 9.02(a) hereof, shall require: (i) the affirmative vote of two-thirds (2/3) or more of the Directors then in office and eligible to vote, *and* (ii) the affirmative vote of a majority or more of the commissioners of the Member who are present at a duly called meeting of the board of commissioners of the Member where a quorum is present and who are eligible to vote.

A "Fundamental Transaction" shall include the following:

- (1) any amendment to, or the repeal and subsequent adoption of, any provision of the Articles or these Bylaws;
- (2) the increase or decrease in the authorized number of members of the Board of Directors;
- (3) the removal of a member of the Board of Directors;
- (4) the transfer or assignment of the Member's membership interest or a portion of the Member's membership interest;
- (5) the adoption of any plan for the merger, consolidation or reorganization of the Corporation;
- (6) the adoption of any plan for the division or conversion of the Corporation;
- (7) the sale, lease or transfer of all or substantially all of the assets of the Corporation;

- (8) the formation of a subsidiary of the Corporation;
- (9) the adoption of any plan for the dissolution or liquidation of the Corporation;
- (10) the creation of an additional membership class of the Corporation;
- (11) the admission of an additional member or additional members of the Corporation;
- (12) the approval, modification or termination of the Signatory and Disbursement Policy of the Corporation (the "Signatory and Disbursement Policy");
- (13) the establishment of, increase in or decrease in, compensation for any management personnel of the Corporation; and
- (14) a special assessment of dues upon the Member.

(c) Voting Rights. Each Director shall be entitled to one (1) vote.

(d) Action by Unanimous Written Consent. Any action which may be taken at a meeting of the Directors may be taken without a meeting and without prior notice if a consent or consents in writing setting forth the action so taken shall be signed by all of the Directors then in office and shall be filed with the Secretary.

(e) Absence of Quorum. In the absence of a quorum, a majority of the Directors present (in person, by telephone, by video or by other similar means) may adjourn the meeting from time to time until a quorum shall be present. Notice of any adjourned meeting need not be given, except that notice shall be given to all Directors if the adjournment is for more than thirty (30) days.

Section 5.11. COMPENSATION. No Director shall receive compensation for services performed in his or her capacity as a member of the Board of Directors. A Director may be reimbursed by the Corporation, at the Board of Directors' discretion, for reasonable expenses incurred by such Director, including any expenses incurred by such Director in connection with such Director's attendance at regular or special meetings of the Board of Directors or committees thereof.

Section 5.12. INVITED GUESTS. The Board of Directors shall be permitted to invite individuals to observe any regular or special meetings of the Board of Directors or committees thereof; provided, however, that such individuals must leave any such meeting if and when directed by the Board of Directors or the members of the applicable committee thereof.

Section 5.13. ROBERTS' RULES OF ORDER. The rules contained in the current edition of *Roberts' Rules of Order, Newly Revised* shall govern Board of Directors meetings in all cases to which they are applicable, unless such rules are inconsistent with these Bylaws and/or any special rules of order the Board of Directors may duly adopt.

ARTICLE VI.

COMMITTEES

Section 6.01. COMMITTEES.

(a) Establishment. The Board of Directors may establish one (1) or more committees to consist of one (1) or more Directors and/or such other individuals who may be interested in serving on such committee(s). A committee exercising any authority of the Board of Directors shall not include as members any persons who are not Directors.

(b) Powers. Each committee shall have such authority as delegated by resolution of the Board of Directors. Notwithstanding any other provision, herein to the contrary, no committee shall have any power or authority:

(1) to act on matters committed by resolution of the Board of Directors to another committee of the Board of Directors; or

(2) to approve Fundamental Transactions.

(c) Committee Quorum and Action. Except as otherwise provided in the resolution of the Board of Directors establishing any committee, a majority of the members of such committee shall be necessary to constitute a quorum for the transaction of business, and the acts of a majority of the committee members present at a meeting at which a quorum is present shall be the acts of such committee.

(d) Alternate Committee Members. The Board of Directors may designate one or more individuals as alternate members of any committee who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member or alternate member of a committee, the regular or alternate member or members thereof present at any meeting and not disqualified from voting, whether or not constituting a quorum, may unanimously appoint another individual to act at the meeting in the place of the absent or disqualified member or alternate member.

(e) Term. Each committee of the Board of Directors shall serve at the pleasure of the Board of Directors.

(f) Meetings. Regular and special meetings of a committee shall be held at such time and place, and in such manner as the members of such committee shall determine.

(g) Notice of Committee Meetings. Notice of a regular meeting of any committee under the Board of Directors need not be given, except by the adoption of a resolution by such committee establishing the places, dates and times of regular meetings. Notice of a special meeting of any committee under the Board of Directors shall be given to each member of such committee by telephone or in writing (including, without limitation, by facsimile or e-mail) at least twenty-four (24) hours before the time at which the meeting is to be held. Every required notice of a meeting shall state the place, date and time of the meeting. Unless otherwise

provided by the NPBCL, neither the business to be transacted at, nor the purpose of, any special meeting need be specified in a notice of such meeting.

(h) Resignation. Any committee member may resign at any time by giving written notice to the chair of that particular committee. The resignation shall take effect on the later of (i) the date the notice is received or (ii) at any other time specified in the notice. Unless otherwise specified in the notice, the resignation need not be accepted to be effective. Any resignation shall be without prejudice to any rights of the Corporation under any contract to which the committee member is a party.

(i) Vacancies. If a vacancy occurs in the office of a committee member for any reason, including an increase in the number of committee members of a particular committee, such vacancy shall be filled pursuant to the rules of that particular committee, and the successor committee member shall hold office for the unexpired term for which the vacancy occurred, if applicable.

(j) Removal of Committee Members. A committee member may be removed from office at any time, with or without cause, (i) upon the affirmative vote of two-thirds (2/3) or more of the other members of such committee then in office and voting, or (ii) by the Board of Directors, provided that written notice of the intention to consider the removal of such committee member has been included in the notice of the meeting at which such removal will be considered.

(k) Voting Rights. Each committee member shall be entitled to one (1) vote.

(l) Action by Unanimous Written Consent. Any action which may be taken at a meeting of a committee may be taken without a meeting and without prior notice if a consent or consents in writing setting forth the action so taken shall be signed by all the committee members then in office and shall be filed with the Secretary.

(m) Roberts' Rules of Order. The rules contained in the current edition of *Roberts' Rules of Order, Newly Revised* shall govern committee meetings in all cases to which they are applicable, unless such rules are inconsistent with these Bylaws and/or any special rules of order that a committee may duly adopt.

(n) Compensation. No committee member shall receive compensation for services performed in his or her capacity as a member of any committee of the Board of Directors. A committee member may be reimbursed by the Corporation, at the Board of Directors' discretion, for reasonable expenses incurred by such committee member, including any expenses incurred by such committee member in connection with such committee member's attendance at regular or special meetings of the Board of Directors or committees thereof.

Section 6.02. AUDIT COMMITTEE. Pursuant to Section 12586(e) of the California Government Code, the Corporation shall have a financial audit for any tax year in which it receives or accrues gross revenue of Two Million Dollars (\$2,000,000) or more, excluding grant or contract income from any governmental entity for which the governmental entity requires an accounting. The audit committee shall be composed of at least one (1) Director and may include nonvoting advisors. Directors or individuals who are employees or Officers or who receive,

directly or indirectly, any consulting, advisory, or other compensatory fees from the Corporation (other than for service as a Director) may not serve on the audit committee. The audit committee's duties shall include, but are not limited to:

- (a) assisting the Board of Directors in choosing an independent auditor and recommending termination of the auditor, if necessary;
 - (b) negotiating the auditor's compensation;
 - (c) conferring with the auditor regarding the Corporation's financial affairs;
- and
- (d) reviewing and accepting or rejecting the audit.

Members of the audit committee shall not receive compensation for their service on the audit committee in excess of that provided to Directors for their service on the Board of Directors. If the Corporation has a finance committee, a majority of the members of the audit committee may not concurrently serve as members of the finance committee, and the chair of the audit committee may not serve on the finance committee.

ARTICLE VII.

OFFICERS

Section 7.01. OFFICERS GENERALLY.

(a) Number, Qualifications and Designation. The officers of the Corporation shall be the President, the Secretary, a treasurer, and such other officers as may be designated in accordance with the provisions of this Article VII. The President shall be the Executive Director of the Member. In addition to the aforementioned officers of the Corporation, the Board of Directors shall elect the Chair from among the members of the Board of Directors. The Chair shall be an officer of the Board of Directors. The officers of the Corporation and the officers of the Board of Directors shall be referred to individually as an "Officer" and collectively, as the "Officers". The Officers shall be natural persons eighteen (18) years of age or older. Any number of offices may be held by the same person, except that no person serving as the Secretary or the Treasurer may serve concurrently as the President.

(b) Resignation. Any Officer may resign at any time by giving written notice to the Board of Directors. The resignation shall take effect on the later of: (i) the date the notice is received or (ii) at any other time specified in the notice. Unless otherwise specified in the notice, the resignation need not be accepted to be effective. Any resignation shall be without prejudice to any rights of the Corporation under any contract to which the Officer is a party. If the President is no longer the Executive Director of the Member, he or she shall be treated as having resigned as President, effective as of such individual's last day serving as the Executive Director of the Member.

(c) Bonding. The Corporation may secure the fidelity of any or all of its Officers by bond or otherwise. Alternatively, or in addition thereto, the Corporation may obtain fiduciary insurance on behalf of its Officers.

(d) Standard of Care. An Officer shall perform his or her duties as an Officer in good faith, in a manner he or she reasonably believes to be in the best interests of the Corporation and with such care, including reasonable inquiry, skill and diligence, as a person of ordinary prudence would use under similar circumstances.

(e) Compensation. No Officer shall receive compensation for services performed in his or her capacity as an Officer. An Officer may be reimbursed by the Corporation, at the Board of Directors' discretion, for reasonable expenses incurred by such Officer, including any expenses incurred by such Officer in connection with such Officer's attendance at regular or special meetings of the Officers and/or the Board of Directors.

Section 7.02. ELECTION AND TERM OF OFFICE. The Officers, except those elected by delegated authority pursuant to Section 7.03, shall be elected by the Board of Directors, and each Officer shall hold office for a term of one (1) year and until a successor shall be selected and shall qualify, or until his or her earlier death, resignation or removal. There shall be no limitations on the number of terms of office for the Officers.

Section 7.03. SUBORDINATE OFFICERS, COMMITTEES AND AGENTS. The Board of Directors may from time to time elect such other Officers and appoint such committees or other agents as the business of the Corporation may require, including one or more assistant vice presidents, one or more assistant secretaries and one or more assistant treasurers, each of whom shall hold office for such period, have such authority, and perform such duties as are provided in these Bylaws or as the Board of Directors may from time to time determine. The Board of Directors may delegate to any Officer or committee the power to elect subordinate Officers and to retain or appoint other agents or committees thereof, and to prescribe the authority and duties of such subordinate Officers, committees, or other agents.

Section 7.04. NO CONTRACT RIGHTS. Election or appointment of an Officer or agent shall not of itself create any contract rights in the Officer or agent.

Section 7.05. REMOVAL OF OFFICERS AND AGENTS. Officers or any agent of the Corporation may be removed from office at any time, with or without cause, by (i) the Board of Directors or (ii) the affirmative vote of the Member, provided that written notice of the intention to consider the removal of such Officer or agent has been included in the notice of the meeting at which such removal will be considered. Any such removal shall be without prejudice to the contract rights, if any, of any person so removed.

Section 7.06. VACANCIES.

(a) General Rule. A vacancy in any office because of death, resignation, removal, disqualification, or any other cause, shall be filled by the Board of Directors, or by the Officer or committee to which the power to fill such office has been delegated pursuant to Section 7.03 hereof, as the case may be, and if the office is one for which these Bylaws prescribe a term,

shall be filled for the unexpired portion of the term, and until a successor shall be appointed or until his or her earlier death, resignation or removal.

(b) Special Rule. If a vacancy occurs in the office of the President because the individual who was serving as the President no longer serves as the Executive Director of the Member, then such office shall remain vacant until a new individual is named the Executive Director of the Member, and such individual is appointed to serve as the President. If a vacancy occurs in the office of the President for any other reason, then the Board of Directors shall appoint an individual to serve as the President until a new individual assumes the applicable position at the Member and such individual desires to serve as the President.

Section 7.07. AUTHORITY. All Officers, as between themselves and the Corporation, shall respectively have such authority and perform such duties in the management of the property and affairs of the Corporation as are provided in these Bylaws or may be provided by or pursuant to resolutions, consents or orders of the Board of Directors.

Section 7.08. THE CHAIR. The Chair shall preside at all meetings of the Board of Directors. The Chair shall have such other duties and responsibilities as shall be delegated to him or her by these Bylaws and by the Board of Directors from time to time.

Section 7.09. THE PRESIDENT. The President shall have general supervision over the business and operations of the Corporation, subject, however, to the control of the Board of Directors. The President shall perform all duties incident to the office of President, and such other duties as from time to time may be assigned by the Board of Directors.

Section 7.10. THE VICE PRESIDENT. At any time when the President is unable to act, the Vice President of the Corporation (the "Vice President"), if one has been elected/appointed, shall, subject to the limitations set forth in these Bylaws, (a) perform all duties of the President, and (b) have all authority given to the President pursuant to Section 7.09 of these Bylaws. The Vice President shall have such other duties and authority as from time to time may be assigned by the Board of Directors.

Section 7.11. THE SECRETARY. The Secretary shall attend all meetings of the Board of Directors (or committees of the Board of Directors) and shall record all votes of the Directors (or committees persons) and the minutes of the meetings of the Board of Directors (or committees) in a book or books to be kept for that purpose; shall see that notices are given and records and reports properly kept and filed by the Corporation as required by law; shall be the custodian of the seal of the Corporation and see that it is affixed to all documents which are to be executed on behalf of the Corporation under its seal; and, in general, shall perform all duties incident to the office of Secretary, and such other duties as may from time to time be assigned by the Board of Directors or the President. In addition, the Secretary shall annually present a report to the Board of Directors no later than March 31 of each year summarizing all resolutions of the Board of Directors during the preceding fiscal year and certifying the accuracy of the resolutions of the Corporation for such year.

Section 7.12. THE TREASURER. The Treasurer of the Corporation (the "Treasurer") shall have or provide for the custody of the funds or other property of the

Corporation; shall collect and receive or provide for the collection and receipt of moneys earned by or in any manner due to or received by the Corporation; shall deposit all funds in his or her custody as the Treasurer in such banks or other places of deposit as the Treasurer or the Board of Directors may from time to time designate; shall, whenever so required by the Board of Directors, render an account showing all transactions as the Treasurer and the financial condition of the Corporation; and, in general, shall discharge such other duties as may from time to time be assigned by the Board of Directors or the President.

ARTICLE VIII.

LIMITATION OF DIRECTORS' AND OFFICERS' LIABILITIES AND INDEMNIFICATION

Section 8.01. **LIMITATION OF LIABILITY.** Pursuant to Section 5239 of the NPBCL, no person who is now, or who later becomes, a volunteer Director or Officer shall be personally liable to a third party for monetary damages resulting from such volunteer Director's or Officer's negligent act or omission in the performance of his/her duties as a volunteer Director or Officer if all the following conditions are met:

- (a) the duties were performed in good faith;
- (b) the duties were performed in such a manner such volunteer Director or Officer believes to be in the best interest of the Corporation; and
- (c) the duties were performed with such care, including reasonable inquiry, as an ordinary prudent person in a like position would use under similar circumstances.

This limitation on the personal liability of a volunteer Director or Officer does not limit the liability of the Corporation for any damages caused by acts or omissions of a volunteer Director or Officer, nor does it eliminate the liability of a Director or Officer provided in Section 5233 or 5237 of the NPBCL or in any action or proceeding brought by the Attorney General.

In order to obtain the full benefit of the limitation of liability set forth above, the Board of Directors and the volunteer Director or Officer shall make all reasonable efforts in good faith to obtain liability insurance in the form of a general liability policy for the Corporation or a director and officers' liability policy.

"Volunteer" as used in this Section 8.01 means the rendering of services without compensation, where "compensation" means remuneration whether by way of salary, fee, or consideration for services rendered. For purposes of this Section 8.01, the payment of actual expenses incurred in attending meetings or otherwise in the execution of the duties of a Director or Officer shall not constitute compensation.

Section 8.02. **INDEMNIFICATION.**

(a) **Indemnification.** To the fullest extent permitted by California law, the Corporation shall indemnify its Directors and Officers, and may indemnify committee members,

employees and other persons described in Section 5238(a) of the NPBCL including persons formerly occupying any such positions, against all expenses (including attorneys' fees), judgments, fines, settlements, and other amounts actually and reasonably incurred by them in connection with any "proceeding," as that term is used in that section, and including an action by or in the right of the Corporation, by reason of the fact that the person is or was a person described in that section. On written request to the Board of Directors by any person seeking indemnification under Section 5238(b) or 5238(c) of the NPBCL, the Board of Directors shall promptly decide under Section 5238(e) of the NPBCL whether the applicable standard of conduct has been met and, if so, the Board of Directors shall authorize indemnification.

(b) Advance of Expenses. Expenses (including attorneys' fees) incurred in defending a civil or criminal action, suit or proceeding shall be paid by the Corporation in advance of the final disposition of such action, suit or proceeding, upon receipt of an undertaking by or on behalf of the Director, Officer, employee, committee member, secondee, contractor, representative or agent to repay such amount if it shall be ultimately determined that he or she is not entitled to be indemnified by the Corporation as authorized in this Article VIII hereof.

(c) Indemnification Not Exclusive. The indemnification and advancement of expenses provided by Article VIII hereof shall not be deemed exclusive of any other right to which persons seeking indemnification and advancement of expenses may be entitled under any agreement, vote of the Board of Directors, or otherwise, both as to actions in such persons' official capacity and as to their actions in another capacity while holding office, and shall continue as to a person who has ceased to be a Director, Officer, employee, committee member, secondee, contractor, representative or agent and shall inure to the benefit of the heirs, executors, and administrators of any such person, provided, however, that such indemnification obligations shall in no event create rights in any third parties, provided, however, that such indemnification obligations shall in no event create rights in any third parties.

(d) Insurance, Contracts, Security. The Corporation may purchase and maintain insurance on behalf of any person, may enter into contracts of indemnification with any person, and may create a fund of any nature which may, but need not be, under the control of a trustee for the benefit of any person, and may otherwise secure, in any manner, its obligations with respect to indemnification and advancement of expenses, whether arising under this Article VIII hereof or otherwise, whether or not the Corporation would have the power to indemnify such person against such liability under the provisions of this Article VIII hereof.

Section 8.03. EFFECT OF AMENDMENT. Any amendment, repeal or modification of this Article VIII hereof shall be prospective only and shall not adversely affect any limitation on the personal liability of a Director, Officer or employee of the Corporation or any right of any person to indemnification from the Corporation with respect to any action or failure to take any action occurring prior to the time of such amendment, repeal or modification.

ARTICLE IX.

MISCELLANEOUS

Section 9.01. SEAL. The corporate seal shall have inscribed thereon the name of the Corporation, the year of its organization, and the words "Corporate Seal, California." Except as otherwise required by the NPBCL, the affixation of the corporate seal shall not be necessary to the valid execution, assignment or endorsement by the Corporation of any instrument in writing.

Section 9.02. INTERESTED PARTY TRANSACTIONS.

(a) Self-Dealing Transactions under California Law. The NPBCL prohibits a transaction to which the Corporation is a party and in which one or more of the Directors has a material financial interest unless:

(1) The Attorney General of the State of California or a court of competent jurisdiction approves the transaction before or after it is consummated;

(2) The following facts are established:

- i. The Corporation entered into the transaction for its own benefit;
- ii. The transaction was fair and reasonable as to the Corporation at the time the Corporation entered into the transaction;
- iii. Prior to consummating the transaction, the Board of Directors approved the transaction in good faith by a vote of at least a majority of the Directors then in office without counting the vote of the interested Director(s) and with knowledge of the material facts concerning the transaction and the interested Director's(s') interest(s) in the transaction; and
- iv. Either (i) prior to approving the transaction, the Board of Directors considered, and in good faith determined after reasonable investigation under the circumstances, that the Corporation could not have obtained a more advantageous arrangement with reasonable effort under the circumstances or (ii) the Corporation in fact could not have obtained a more advantageous arrangement with reasonable effort under the circumstances; or

(3) The following facts are established:

- i. A committee or person authorized by the Board of Directors approved the transaction in a manner consistent with the standards set forth in subsection (a)(2);

- ii. It was not reasonably practicable to obtain approval from the Board of Directors prior to entering into the transaction; and
- iii. The Board of Directors, after determining in good faith that the conditions of subparagraphs (3)(i) and (3)(ii) hereof were satisfied, ratified the transaction at its next meeting by a vote of the majority of the Directors then in office without counting the interested Director(s).

This subsection 9.02(a) shall not apply to any transaction listed in Section 5233(b) of the NPBCL. Nothing in subsection 9.02(a) shall be interpreted as overriding or supplanting any self-dealing rules applicable to the Corporation under the Code.

(b) Common Directorship Transactions under California Law. A contract or transaction between the Corporation and any domestic or foreign corporation, firm, or association of which one or more of the Directors is a director is not void or voidable because such Director is present at the meeting of the Board of Directors that authorizes, approves or ratifies such contract or transaction, if:

(1) the material facts as to the relationship or interest and as to the contract or transaction are fully disclosed or are known to the Board of Directors, and the disinterested members of the Board of Directors in good faith authorize the contract or transaction (in accordance with Section 5.10(a) or (b)(1), as applicable), even though the disinterested Directors are less than a quorum;

(2) the material facts as to the relationship or interest and as to the contract or transaction are disclosed or are known to the Member, and the contract or transaction is specifically approved upon the affirmative vote of the Member (in accordance with Section 5.10(b)(1) or (2), as applicable); or

(3) the contract or transaction is just and reasonable as to the Corporation as of the time it is authorized, approved, or ratified by the Board of Directors (in accordance with Section 5.10(a) or (b), as applicable).

Interested Directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors which authorizes a contract or transaction specified in this Section 9.02(b). This Section 9.02(b) shall not apply to transactions described in Section 9.02(a) above.

(c) Presumption of Reasonableness. If the Corporation wishes to establish the "Presumption of Reasonableness" in connection with Code Section 4958 and the regulations thereunder, a contract, transaction or arrangement between the Corporation and one or more disqualified persons (as defined in Code Section 4958) shall be: (i) approved by a vote of only those Directors (or the Member, as applicable) unrelated to and not subject to the control of the disqualified person(s) involved in the contract, transaction or arrangement (provided that such disqualified person(s) may respond to questions from such Directors (or the Member, as applicable) but otherwise must recuse himself or herself from such vote and any portion of the meetings or discussions of such Directors regarding such contract, transaction or arrangement);

(ii) based on appropriate data as to the comparability of such contract, transaction or arrangement with similar contracts, transactions or arrangements and (iii) documented in the Corporation's minutes as to the basis the disinterested Board of Directors (or the Member, as applicable) relied upon to make its determination regarding such contract, transaction or arrangement.

Section 9.03. DEPOSITS. All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Treasurer or the Board of Directors may approve or designate.

Section 9.04. SIGNATORY AND DISBURSEMENT AUTHORITY. Unless otherwise set forth in the Signatory and Disbursement Policy, the Member, a Director, an Officer and/or an employee or representative of the Corporation shall have no authority, on behalf of and/or in the name of the Corporation, to: (a) sign, execute, acknowledge, modify and/or terminate any tax document, deed, mortgage, contract, employment agreement, grant agreement, lease agreement, license agreement, plan of merger, agreement of sale, letter of intent or other agreement or instrument; (b) incur any debt, obligation, guaranty or lien; (c) sign, execute and/or approve any check, transfer, withdrawal, disbursement, note, bill of exchange, purchase, gift or other order in writing and/or (d) sign, execute and/or file any government filing.

Section 9.05. CORPORATE RECORDS. The Corporation shall keep appropriate, complete and accurate books or records of account in accordance with generally accepted accounting principles consistently applied (except that the financial records of the Corporation may be kept on the cash receipts and disbursements method if permitted by law and deemed appropriate by the Board of Directors), minutes of the proceedings of the Directors and a copy of these Bylaws, including all amendments thereto to date, certified by the Secretary. All such records shall be kept at the registered office of the Corporation in California or at its principal place of business (if different). Any books, minutes or other records may be in written form or any other form capable of being converted into written form within a reasonable time. The books, accounts and records of the Corporation shall be open to inspection by the Member and any Director at all times.

Section 9.06. ANNUAL REPORT.

(a) Contents. The President and Treasurer shall present a written report at the annual meeting of the Board of Directors and the Board of Directors shall present a written report at the annual meeting of the Member, showing in appropriate detail the following:

(1) The assets and liabilities, including the trust funds, of the Corporation as of the end of the fiscal year immediately preceding the date of the report.

(2) The principal changes in assets and liabilities, including trust funds, during the year immediately preceding the date of the report.

(3) The revenue or receipts of the Corporation, both unrestricted and restricted to particular purposes, for the year immediately preceding the date of the report, including separate data with respect to each trust fund held by or for the Corporation.

(4) The expenses or disbursements of the Corporation, for both general and restricted purposes, during the year immediately preceding the date of the report, including separate data with respect to each trust fund held by or for the Corporation.

(5) An independent accountants' report or, if none, the certificate of an authorized Officer that such statements were prepared without audit from the Corporation's books and records.

(b) Certification. The annual report shall be accompanied by an independent accountant's report or, if none, the certificate of an authorized Officer that such statements were prepared without audit from the Corporation's books and records.

(c) Place of Filing. The annual report of the President and Treasurer shall be filed with the minutes of the meetings of the Board of Directors. The annual report of the Board of Directors shall be filed with the minutes of the meeting of the Member.

Section 9.07. AMENDMENT OF BYLAWS. These Bylaws may be amended or repealed in accordance with Section 5.10(b) hereof. Any change in these Bylaws shall take effect when adopted, unless otherwise provided in the resolution effecting the change.

Section 9.08. ANNUAL STATEMENT.

(a) Contents. As part of the Annual Report, or as a separate document if no Annual Report is issued, the President and the Treasurer shall, within one hundred twenty (120) days after the end of the Corporation's fiscal year, annually prepare and furnish to each Director a statement of any transaction or indemnification of the following kind (the "Annual Statement"):

(1) Any transaction: (i) in which the Corporation, or its parent or subsidiary, was a party; (ii) in which an "interested person" had a direct or indirect material financial interest; and (ii) that involved more than Fifty Thousand Dollars (\$50,000) or was one of several transactions with the same interested person involving, in the aggregate, more than Fifty Thousand Dollars (\$50,000). For this purpose, an "interested person" is any Director or Officer of the Corporation, its parent, or subsidiary (but mere common directorship shall not be considered such an interest). The Annual Statement shall include a brief description of the transaction, the names of interested persons involved, their relationship to the Corporation, the nature of their interest in the transaction, and, if practicable, the amount of that interest, provided that if the transaction was with a partnership in which the interested person is a partner, only the interest of the partnership need be stated.

(2) Any indemnifications or advances aggregating more than ten Thousand Dollars (\$10,000) paid during the fiscal year to any Officer or Director under Article VIII of these Bylaws.

(b) Place of Filing. The Annual Statement of the President and the Treasurer shall be filed with the minutes of the meetings of the Board of Directors.

Section 9.09. BIENNIAL FILING. The Board of Directors shall cause to be filed, within ninety (90) days after the filing of the Articles and biennially thereafter during the five (5) calendar months preceding the month the Articles were filed, on a form prescribed by the Secretary of State of California, a statement containing: (i) the names and complete business or residential addresses of the President, Secretary and Treasurer; (ii) the street address of the Corporation's principal place of business in California, if any; and (iii) the mailing address of the Corporation, if different from the street address of the principal place of business, or if the Corporation has no principal place of business in California, the agent of the Corporation for the purpose of service of process within California.

Section 9.10. FINANCIAL AUDIT. Pursuant to Section 12586(e) of the California Government Code, the Corporation shall obtain a financial audit for any tax year in which it receives or accrues gross revenue of Two Million Dollars (\$2,000,000) or more, excluding grant or contract income from any governmental entity for which the governmental entity requires an accounting. Any audited financial statements obtained by the Corporation, whether or not required by law, shall be made available for inspection by the Attorney General of California and by the general public within nine (9) months after the close of the fiscal year to which the statements relate. For three (3) years, such statements shall (i) be available at the Corporation's principal, regional and district offices during regular business hours and (ii) be made available either by mailing a copy to any person who so requests in person or in writing, or by posting them on the Corporation's website.

ARTICLE X.

CODE SECTION 501(c)(3) PROVISIONS

Section 10.01. LIMITATION ON ACTIVITIES. Except as otherwise provided herein, no substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation. The Corporation shall not participate in, or intervene in (including the publishing or distribution of statements), any political campaign on behalf of, or in opposition to, any candidate for public office. Further, notwithstanding any other provision herein to the contrary, the Corporation shall not carry on any activities not permitted to be carried on (i) by an organization exempt from federal income tax under Code Section 501(a) and described in Code Section 501(c)(3); or (ii) by an organization whose contributions to which are deductible under Code Section 170(c)(2).

Section 10.02. PROHIBITION AGAINST PRIVATE INUREMENT. No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to its Directors, Officers or other private persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered, and goods received, and to make payments and distributions in furtherance of the purposes of the Corporation.

Section 10.03. PRIVATE FOUNDATION REQUIREMENTS AND RESTRICTIONS. Notwithstanding any other provision herein to the contrary, if the Corporation is subject, or ever becomes subject, to the private foundation rules of the Code, then the Corporation shall: (i) distribute its income for said period at such time and manner as not to subject it to tax under

Code Section 4942; (ii) not engage in any act of self-dealing as defined in Code Section 4941(d); (iii) not retain any excess business holdings as defined in Code Section 4943(c); (iv) not make any investments in such manner as to subject the organization to tax under Code Section 4944 and (v) not make any taxable expenditure as defined in Code Section 4945(d).

ARTICLE XI.

DISSOLUTION AND LIQUIDATION

Section 11.01. DISSOLUTION AND LIQUIDATION. Upon the dissolution of the Corporation, the Board of Directors, after paying or making provisions for the payment of all the liabilities and obligations of the Corporation, shall distribute all of the assets of the Corporation to the Member, provided that the Member qualifies at such time as Qualified Organization (as defined herein) or to the federal government or a state or local government for a public purpose. A "Qualified Organization" is an organization exempt from federal income tax under Code Section 501(a) and described in Code Section 501(c)(3), an organization described in Code Section 170(c)(1), or a government instrumentality described in Code Section 115. In the event that the Member does not exist at such time or fails to qualify at such time as a Qualified Organization, the Board of Directors shall distribute the assets of the Corporation to such organization or organizations organized and operated exclusively for charitable, religious, educational, literary and/or scientific purposes as shall at the time qualify as a Qualified Organization or Qualified Organizations, as the Board of Directors shall determine, or to the federal government or a state or local government for a public purpose. No portion of the assets shall inure to the benefit of any Director or Officer, any other private person or any enterprise organized for profit.

Signatory and Disbursement Policy

Purpose

The purpose of this Signatory and Disbursement Policy of WISH Monterey County, Inc. (the "Corporation") (this "Policy"), is to expedite payments to the Corporation's vendors, partners and beneficiaries; to ensure the proper accrual and/or payment of the expenses and liabilities of the Corporation; to ensure significant purchases are included in the Corporation's financial plans and to set forth the agents of the Corporation that shall have the power to sign and execute contracts, checks and other documents and thereby bind the Corporation.

Scope

This Policy applies to all directors, officers, employees and other agents of the Corporation ("Covered Persons"). It is the responsibility of all Covered Persons to comply with this Policy. Pursuant to Section 5.10(b) of the Corporation's bylaws (the "Bylaws"), the board of directors of the Corporation (the "Board of Directors") is responsible for setting and changing the authorization limits set forth in this Policy.

Contracts and Agreements

The signing, execution, acknowledgment, approval, modification or termination of any tax document, deed, mortgage, contract, employment agreement, grant agreement, lease agreement, license agreement, plan of merger, agreement of sale, letter of intent or other agreement or instrument to which the Corporation is a party (each, an "Agreement"), or a series of related Agreements, shall not be effective unless the Agreement(s) is (are) signed and/or approved by the parties as set forth in Table 1, as applicable. Only the signature and/or approval of the required parties listed in Table 1, as applicable, shall act to bind the Corporation. All authorization limits are listed in US Dollars and represent the total value of the Agreement or related Agreements or the total value of the assets and/or liabilities of the Corporation affected by the Agreement or related Agreements, as applicable.

Table 1:

Total Value of Agreement(s)	Signature Required	Approval Required
\$50,000 and up	Any Covered Person designated by the Board of Directors	Affirmative vote of two-thirds (2/3) or more of the members of the Board of Directors (the " <u>Directors</u> ") then in office and eligible to vote <i>and</i> the affirmative vote of the member of the Corporation (the " <u>Member</u> "), or the affirmative vote of the Member
\$10,000 to \$49,999	Any Covered Person designated by the Board of Directors	Affirmative vote of a majority or more of the Directors who are present ¹ at a duly called meeting of the Board of Directors where a quorum exists and who are eligible to vote

¹ For the purposes of this Policy, the term "present" when used in relation to a Director shall mean those Directors who are present in person, by telephone, by video or by other similar means at a meeting of the Board of Directors.

\$2,500 to \$9,999	President of the Corporation, <u>or</u> Any Covered Person designated by the Board of Directors	No Board of Directors approval is required Affirmative vote of a majority or more of the Directors who are present at a duly called meeting of the Board of Directors where a quorum exists and who are eligible to vote
Up to \$2,499	Any Officer ² or employee of the Corporation	No Board of Directors approval is required

Incurrence of Debt

The incurrence of any debt, obligation, guaranty or lien (each, an "Obligation"), or series of related Obligations, shall not be effective unless the Obligation(s) is (are) signed and/or approved by the parties as set forth in Table 2, as applicable. Only the signature and/or approval of the required parties listed in Table 2, as applicable, shall act to bind the Corporation. All authorization limits are listed in US Dollars and represent the total value of the Obligation or related Obligations or the total value of the assets and/or liabilities of the Corporation affected by the Obligation or related Obligations, as applicable.

Table 2:

Total Value of Obligation(s)	Signature Required	Approval Required
\$50,000 and up	Any Covered Person designated by the Board of Directors	Affirmative vote of two-thirds (2/3) or more of the Directors then in office and eligible to vote <i>and</i> the affirmative vote of the Member, or the affirmative vote of the Member
\$10,000 to \$49,999	Any Covered Person designated by the Board of Directors	Affirmative vote of a majority or more of the Directors who are present at a duly called meeting of the Board of Directors where a quorum exists and who are eligible to vote
\$2,500 to \$9,999	President of the Corporation, <u>or</u> Any Covered Person designated by the Board of Directors	No Board of Directors approval is required Affirmative vote of a majority or more of the Directors who are present at a duly called meeting of the Board of Directors where a quorum exists and who are eligible to vote
Up to \$2,499	Any Officer or employee of the Corporation	No Board of Directors approval is required

Disbursement Authorization Limits

The signing, execution or approval of any check, transfer, withdrawal, disbursement, note, bill of exchange, purchase, gift or other instrument (each, a "Disbursement"), or related series of Disbursements, shall not be effective unless the Disbursement(s) is (are) signed and/or approved by the parties as set forth in Table 3, as applicable. Only the signature and/or approval of the

² For the purposes of this Policy, the term "Officer" shall mean an officer of the Corporation and the chair of the Board of Directors.

required parties listed in Table 3, as applicable, shall act to bind the Corporation. All authorization limits are listed in US Dollars and represent the total value of the Disbursement or related Disbursements or the total value of the assets and/or liabilities of the Corporation affected by the Disbursement or related Disbursements, as applicable.

Table 3:

Total Value of Disbursement(s)	Signature Required	Approval Required
\$50,000 and up	Any Covered Person designated by the Board of Directors	Affirmative vote of two-thirds (2/3) or more of the Directors then in office and eligible to vote <i>and</i> the affirmative vote of the Member, or the affirmative vote of the Member
\$10,000 to \$49,999	Any Covered Person designated by the Board of Directors	Affirmative vote of a majority or more of the Directors who are present at a duly called meeting of the Board of Directors where a quorum exists and who are eligible to vote
\$2,500 to \$9,999	President of the Corporation, <u>or</u> Any Covered Person designated by the Board of Directors	No Board of Directors approval is required Affirmative vote of a majority or more of the Directors who are present at a duly called meeting of the Board of Directors where a quorum exists and who are eligible to vote
Up to \$2,499	Any Officer or employee of the Corporation	No Board of Directors approval is required

Government Filings

The preparation, execution or filing of *any* filing, form or document (each a "Document") with any federal, state or local government agency, government unit, government entity, government-affiliated department, federal or state court, district justice or other local court, tax collector, state, political subdivision or integral part of a state or political subdivision, including but not limited to, the Internal Revenue Service, the Department of State, the Department of Revenue, the Agency for Workplace Innovations, the Division of Worker's Compensation and/or the Department of Agriculture and Consumer Services, shall not be effective unless the Documents(s) is (are) signed and approved by the parties as set forth in Table 4, as applicable. Only the signature and/or approval of the required parties listed in Table 4, as applicable, shall act to bind the Corporation. The required signature and/or approval shall be determined by the nature of the underlying transaction that necessitates the preparation, execution or filing of the Document.

Table 4:

Underlying Transaction	Signature Required	Approval Required
A "Fundamental Transaction" as that term is defined in Section 5.10(b) of the Bylaws	Any Covered Person designated by the Board of Directors	Affirmative vote of two-thirds (2/3) or more of the Directors then in office and eligible to vote <i>and</i> the affirmative vote of the Member
Any transaction (other than a Fundamental Transaction) that	Any Covered Person designated by the Board of	Affirmative vote of a majority or more of the Directors who are present at a duly called meeting

requires the approval of the Board of Directors	Directors	of the Board of Directors where a quorum exists and who are eligible to vote
Any other transaction	President of the Corporation	No Board of Directors approval is required



COMMISSIONER COMMENTS

&

ADJOURNMENT