

**BY-LAWS OF THE  
AHFC RYAN DRIVE NON-PROFIT CORPORATION**

**ARTICLE 1. NAME.**

The name of the corporation is the AHFC Ryan Drive Non-Profit Corporation (“Non-Profit Corporation”).

**ARTICLE 2. PURPOSE AND DUTIES**

**Section 1. Purpose.** The Corporation is organized and may only be operated for the following purposes: (i) aiding, assisting, and acting on behalf of Austin Housing Finance Corporation (AHFC), in the performance of its essential governmental functions, to promote the common good and general welfare of AHFC on behalf of and for the benefit of the general public, the City of Austin, and the State of Texas; (ii) fostering affordable housing in Austin, Travis County, Texas, by acting as general partner or managing member of a limited partnership or limited liability company (Owner) that will develop, construct and operate an affordable housing multifamily development of approximately 247 units, located at or near 6909 Ryan Drive, Austin, Texas (Development), to be occupied by persons and families with incomes and rents that do not exceed the allowable amounts stated in the Land Use Restriction Agreement between the Owner and the Texas Department of Housing and Community Affairs, and any other agreements that restrict tenant incomes and/or rents; (iii) serving as the general partner or managing member of the Owner which will construct, own (subject to a ground lease) and operate the Development, and performing all obligations and duties as general partner or managing member under the Owner’s agreement among its partners or members (Owner Agreement), including the incurrence of all debts and obligations contemplated under the Owner Agreement; (iv), if applicable, serving as the general contractor for the construction of the Development; (v) promoting, developing, encouraging, and maintaining the Development in its role as general partner or managing member of the Owner as decent, safe, and sanitary housing at affordable prices; and (vi) ensuring to the maximum extent possible that the Development helps to achieve the public purposes and functions of the AHFC.

Notwithstanding the foregoing paragraph, the Non-Profit Corporation shall not: (a) engage directly or indirectly, in any business or activity other than the development, construction, ownership (subject to a ground lease), operation and disposition of the Development, acting as the general partner or managing member of the Owner, and, if applicable, as the general contractor for the construction of the Development, (b) incur or assume any indebtedness for the construction, ownership (subject to a ground lease), operation, or disposition of the Development, other than indebtedness incurred or assumed in carrying out the Non-Profit Corporation’s obligations or rights as the general partner or managing member of the Owner, or (c) violate or fail to maintain the Non-Profit Corporation’s identity as an entity separate from AHFC and any other person or entity; and, provided further, the Non-Profit Corporation may perform any and all lawful activities which may be reasonably necessary, useful, or desirable for the furtherance, accomplishment, fostering, or attaining any of the foregoing purposes, either directly or indirectly, and either alone

or in conjunction or cooperation with others, such as corporations, firms, associations, trusts, institutions, foundations, or governmental bureaus, departments or agencies.

**Section 2. *Duties.*** The Non-Profit Corporation shall keep correct and complete books and records of accounts and shall also keep minutes of all proceedings of its Board of Directors. All books and records of the Non-Profit Corporation may be inspected by any director or director's agent or attorney for any proper purpose during regular business hours of the Non-Profit Corporation's principal office. No notice of regular meetings of the Board is required other than a resolution of the Board stating the time and place of meetings.

### **ARTICLE 3. MEMBERSHIP**

**Section 1. *Board of Directors.*** The property and affairs of the Non-Profit Corporation are managed and controlled by a Board of Directors (the Board) and, subject to the restrictions imposed by law, the Certificate of Formation and these By-Laws, the Board exercises all of the powers of the Non-Profit Corporation.

(A) The Board consists of 3 directors, each of whom must be appointed by the board of directors of the AHFC. The Board is comprised of one class. Any director may be removed from office by the board of directors of AHFC for cause or at will.

(B) Directors serve for a term as approved by the board of directors of AHFC or until their successor is duly elected and qualified provided that the initial term of the directors is determined by the Certificate of Formation.

(C) Vacancies in the Board, including vacancies to be filled by an increase in the number of directors, must be filled by the board of directors of AHFC for terms of no more than 3 years.

(D) An individual Board member may not act in an official capacity except through the formal and noticed action of the entire Board.

#### **Section 2. *Action & Duties of the Board.***

(A) A majority of the number of directors then in office constitutes a quorum for the transaction of business at any meeting of the Board. The directors present at a duly called or held meeting at which a quorum is present may leave the meeting so that less than a quorum remains. However, no action may be approved without the vote of at least a majority of the number of directors required to constitute a quorum. If a quorum is present at any time during a meeting, a majority of the directors present may adjourn and reconvene the meeting one time without further notice.

(B) Directors shall exercise ordinary business judgment in managing the affairs of the Non-Profit Corporation. In acting in their official capacity as directors of the Non-Profit Corporation, directors shall act in good faith and take actions they reasonably believe to be in the best interests of the Non-Profit Corporation and that are not unlawful. In all other instances, the Board may not take any action that they should reasonably believe would be opposed to the Non-Profit Corporation's best interests or would be unlawful. A director is not liable if, in the exercise of

ordinary care, the director acts in good faith relying on written financial and legal statements provided by an accountant or attorney retained by the Non-Profit Corporation.

(C) The Board shall try to act by consensus. However, the vote of a majority of directors present and voting at a meeting at which a quorum is present is sufficient to constitute the act of the Board of Directors unless the act of a greater number is required by law or the By-Laws. A director who is present at a meeting and abstains from a vote is not considered to be present and voting for the purpose of determining the decision of the Board. For the purpose of determining the decision of the Board, a director who is represented by a proxy in a vote is considered present.

(D) A director may vote by proxy executed in writing by the director. No proxy is valid after 3 months from the date of its execution.

(E) Action that is required to be taken, or may be taken, at a meeting of the directors of the Board may be taken without a meeting if a written consent, stating the action to be taken, is signed by the number of directors necessary to take that action at a meeting at which all of the directors are present and voting. The consent must state the date of each director's signature. Prompt notice of the taking of an action by the directors without a meeting by less than unanimous written consent must be given to each director who did not consent in writing to the action.

**Section 3. *Compensation of Directors.*** Directors may not receive salaries from the Non-Profit Corporation for their services. The Board may adopt a resolution providing for payment to directors of a fixed sum and expenses of attendance, if any, for attendance at a meeting of the Board. A director may serve the Non-Profit Corporation in any other capacity and receive compensation for those services. Any compensation that the Non-Profit Corporation pays to a director must be commensurate with the services performed and reasonable in amount.

**Section 4. *Removal of Directors.*** The board of directors of AHFC may remove a director from the Board at any time, with or without cause.

## **ARTICLE 4. OFFICERS AND DUTIES OF OFFICERS**

**Section 1. *Titles and Terms of Office.*** The officers of the Non-Profit Corporation are a president, a vice president, a secretary, and a treasurer. The Board may create additional officer positions, define the authority and duties of each such position, and elect or appoint persons to fill the positions. Any two or more offices may be held by the same person, except the offices of president and secretary. Any officer elected or appointed by the Board may be removed by the Board or by resolution of the board of directors of AHFC, with or without cause. The president may only be removed by the board of directors of AHFC. Removal of an officer must be without prejudice to the contract rights, if any, of the officer. An officer's term may not exceed 3 years.

**Section 2. *President.*** The president is the chief executive officer of the Non-Profit Corporation. The president supervises and controls all of the business and affairs of the Non-Profit Corporation. The president presides at all meetings of the Board. The president may execute any deeds, mortgages, bonds, contracts, or other instruments that the Board has authorized to be executed. However, the president may not execute instruments on behalf of the Non-Profit

Corporation if this power is expressly delegated to another officer or agent of the Non-Profit Corporation by the Board, the Certificate of Formation, the By-Laws, or statute. The president shall perform other duties prescribed by the Board and all duties incident to the office of president.

**Section 3. *Vice President.*** The vice president has such powers and duties as may be assigned by the Board and exercises the powers of the president during that officer's absence or inability to act. Any action taken by the vice president in the performance of duties as the president is conclusive evidence of the absence or inability to act of the president at the time such action was taken. The vice president shall perform other duties as assigned by the president or the Board.

**Section 4. *Treasurer.*** The treasurer:

(A) has charge and custody of and is responsible for all funds and securities of the Non-Profit Corporation;

(B) receives and gives receipts for moneys due and payable to the Non-Profit Corporation from any source;

(C) deposits all moneys in the name of the Non-Profit Corporation in banks, trust companies, or other depositories as provided in these By-Laws or as directed by the Board or president.

(D) writes checks and disburses funds to discharge obligations of the Non-Profit Corporation. Funds may not be drawn from the Non-Profit Corporation or its accounts for greater than \$5,000 without the signature of both the president or vice president and the signature of the treasurer;

(E) maintains the financial books and records of the Non-Profit Corporation;

(F) prepares financial reports at least annually;

(G) performs other duties as assigned by the president or by the Board;

(H) if required by the Board, gives a bond for the faithful discharge of his or her duties in an amount and with surety as determined by the Board; and,

(I) performs all duties incident to the office of treasurer.

**Section 5. *Secretary.*** The secretary:

(A) keeps the minutes of all meetings of the Board in books provided for this purpose;

(B) attends to the giving and serving of all notices on behalf of the Non-Profit Corporation;

(C) takes minutes of the meetings of the Board and keep the minutes as part of the corporate records;

(D) attests to the signature of any officer of the Non-Profit Corporation on all contracts, conveyances, franchises, bonds, deeds, assignments, mortgages, notes and other instruments or documents of the Non-Profit Corporation, whenever attestation is required by law or otherwise;

(E) keeps a register of the mailing address of each director, officer, and employee of the Non-Profit Corporation;

(F) performs duties as assigned by the Board or president; and

(G) performs all duties incident to the office of secretary.

## **ARTICLE 5. PARLIAMENTARY AUTHORITY**

The rules contained in the current edition of Robert's Rules of Order govern the Board in all cases to which they are applicable, except when inconsistent with these By-Laws or with special rules of order which the Board or the AHFC board of directors may adopt.

## **ARTICLE 6. CERTIFICATE OF FORMATION AND BY-LAWS**

### **Section 1.** *Amendments to Certificate of Formation and By-Laws.*

(A) The Certificate of Formation may at any time and from time to time be amended, provided that the Board files with the AHFC board of directors a written application requesting the AHFC board of directors approve such amendment to the Certificate of Formation, specifying in such application the amendment or amendments proposed to be made and explaining the necessity of such amendment(s). If the AHFC board of directors by appropriate resolution finds and determines that it is advisable that the proposed amendment(s) be made, authorizes the same to be made, and approves the form of the proposed amendment(s), the Board shall proceed to amend the Certificate of Formation as provided in the Act. The Certificate of Formation may also be amended at any time by the AHFC board of directors at its sole discretion by adopting an amendment to the Certificate of Formation of the Non-Profit Corporation by resolution of the AHFC board of directors and delivering a Certificate of Amendment to the Secretary of State as provided in the Act.

(B) These By-Laws may be amended by majority vote of the Board and such amendment is effective after it has been ratified by the AHFC board of directors.

**Section 2.** *Interpretation of By-Laws.* These By-Laws and all the terms and provision contained herein must be liberally construed to give effect to the purposes set forth herein. If any word, phrase, clause, sentence, paragraph, section, or other part of these By-Laws, or the application thereof to any person or circumstance is ever held to be invalid or unconstitutional by a court of competent jurisdiction, the remainder of these By-Laws and the application of such

word, phrase, clause, sentence, paragraph, section, or other part of these By-Laws to any other person or circumstance is not affected thereby.

## **ARTICLE 7. GENERAL PROVISIONS**

**Section 1. *Principal Office.*** The principal office of the Non-Profit Corporation is located at 1000 East 11th Street, Suite 200, Austin, Texas 78702. The Non-Profit Corporation must have and continuously maintain in the State of Texas a registered office, and a registered agent whose business office is identical with such registered office, as required by the Act. The registered office may be, but need not be, identical with the principal office for the Non-Profit Corporation, and the address of the registered office may be changed from time to time by the Board, pursuant to the requirements of the Act.

**Section 2. *Fiscal Year.*** The fiscal year for the Non-Profit Corporation is from October 1st of a given year through September 30th of the following year.

**Section 3. *Notice and Waiver of Notice.*** Whenever any additional notice is required to be given to a director under the provisions of the Certificate of Formation or these By-Laws, such notice is deemed sufficient if given by depositing same in a post office box in a stamped addressed envelope to the person entitled to the notice at their last known address or as it appears in the books of the Non-Profit Corporation, if to a holder of corporate bonds, and such notice is deemed to have been given on the day of such mailing.

**Section 4. *Resignations.*** Any director or officer may resign at any time. Such resignation must be made in writing and takes effect at the time specified in the writing, or, if no time is specified, at the time of its receipt by the president or secretary. The acceptance of a resignation is not necessary to make it effective, unless expressly provided for in the resignation.

**Section 5. *Organizational Control.*** The board of directors of AHFC may, at its sole discretion, and at any time, alter or change the structure, organization, programs or activities of the Non-Profit Corporation (including the power to terminate the Non-Profit Corporation), subject to any limitation in the Act on the impairment of contracts entered into by the Non-Profit Corporation.

**Section 6. *Dissolution of the Non-Profit Corporation.*** Upon dissolution of the Non-Profit Corporation, title to or other interests in any real or personal property owned by the Non-Profit Corporation at such time vests in AHFC. Any prior acts and instruments performed or executed by the Board or officers of the Non-Profit Corporation in its name and on its behalf are hereby ratified and confirmed.

ADOPTED this \_\_\_\_ day of \_\_\_\_\_, 2022.

**AHFC RYAN DRIVE NON-PROFIT CORPORATION**

By:\_\_\_\_\_

Name: J. RODNEY GONZALES

President

**ATTEST:**

\_\_\_\_\_  
Name: ROSIE TRUELOVE

Vice President