

BYLAWS OF THE AFFORDABLE HOUSING CORPORATION OF LAKE COUNTY

ARTICLE I - OFFICES

The Corporation shall maintain in the State of Illinois a registered office and a registered agent at such office and may have such other offices within or without the state as may from time to time be designated by its Board of Directors.

ARTICLE II - PURPOSE

SECTION 1. PURPOSE AND ACTIVITIES. The purpose of the Corporation is to provide decent, safe and sanitary housing that is affordable to low- and moderate-income persons. The Corporation shall administer programs that will revitalize neighborhoods and increase and preserve affordable housing options throughout Lake County. Program focuses may include, but are not limited to, development, rehabilitation of distressed properties, foreclosure prevention, mortgage and rental assistance, counseling, education and outreach.

SECTION 2. COMPLIANCE. The Corporation is organized and administered under state and local law and will adhere to all such laws now and as amended. All activities will further occur within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or the corresponding provision of any subsequent federal tax law (the "Code"). Such described operations to be undertaken by the Corporation directly, or by contributions to other organizations that qualify as exempt organizations under and are described in Section 501(c)(3) of the Code, or by contributions to organizations which do not so qualify provided that such contributions are used for specific projects in furtherance of the Corporation's own exempt purposes and provided that the Corporation retains control and discretion as to the use of such contributions.

ARTICLE III - BOARD OF DIRECTORS

SECTION 1. GENERAL POWERS. The affairs of the Corporation shall be maintained by its Board of Directors, which shall have such powers as are set forth in other Articles hereof and other powers including, but not limited to the following.

- 1.1 Interpreting the provisions of the Articles of Incorporation and Bylaws.
- 1.2 Controlling the funds of the Corporation and designating its depositories.
- 1.3 Authorizing expenditures from the funds of the Corporation to implement its goals and purposes.
- 1.4 Appointing or authorizing the appointment or employment of professional and administrative staff personnel, professional auditors and others to assist in carrying out the purposes and resolves of the Corporation.

1.5 Determining compensation for services rendered or to be rendered to the Corporation by persons other than directors and officers of the Corporation in such capacities.

1.6 Performing all other acts consistent with the Articles of Incorporation and Bylaws that may be needed to carry out the purposes and resolves of the Corporation.

SECTION 2. NUMBER. The number of directors shall be at least eleven (11) and no more than fifteen (15). No decrease in the number or range of directors shall have the effect of shortening the term of an incumbent director.

SECTION 3. QUALIFICATIONS. Directors shall meet the following qualifications.

3.1 At least one-third of the Directors shall be representatives of the Lake County Illinois low-income community. Such a Director is defined as a person that (i) certifies personal income that does not exceed 80% of median family income as defined by the U.S. Department of Housing and Urban Development or (ii) documents residence in a low-income census tract or (iii) is an elected representative of a low-income neighborhood organization as defined from time to time by the U.S. Department of Housing and Urban Development.

3.2 Directors shall reside or conduct business in Lake County Illinois.

3.3 Directors shall be committed to furthering the purposes of the Corporation without material financial gain to themselves.

3.4 No more than one-third of the Directors shall be public sector officials, including elected officials, appointed officials or appointees thereof, or public employees. Public sector officials may not appoint other Directors.

SECTION 4. TERMS AND TENURE. The terms, tenure, reappointment, and removal of directors shall be as follows.

4.1 Directors shall serve for terms of 3 years, and may serve a maximum of 3 terms, successive or otherwise. Terms are to be staggered with the goal of having the terms of no more than one-third of the Board expiring in any given year. Terms of the directors may be adjusted at the time of initial appointment in order to achieve staggered termination dates.

4.2 Prior to expiration of a term, the Board of Directors will review an individual director's attendance, involvement and commitment levels and must justify the offer of an additional term; automatic renewal shall not be granted.

4.3 Vacancies shall be filled if needed to maintain the minimum number of directors required by the Bylaws. Directors appointed to fill a vacancy shall be appointed for the unexpired term of his or her predecessor in the office. If the remaining unexpired term is greater than eighteen months, then this shall be considered the newly appointed director's first term.

4.4 A director may be removed if he or she fails to attend Board of Directors meetings on 3 or more occasions in any 12 consecutive calendar month period or if he or she is found to undermine the purposes of the Corporation.

SECTION 5. ANNUAL MEETING. An annual meeting of the Board of Directors shall be held in the last quarter of every year without other notice than these bylaws for the purpose of electing the annual slate of directors and officers in the event that the slate is not elected at a regular meeting of the Board of Directors.

SECTION 6. REGULAR MEETINGS. Regular meetings of the Board of Directors will be held no less than five times per year to insure adequate governance of the Corporation.

SECTION 7. SPECIAL MEETINGS. Special meetings of the Board of Directors may be called by or at the request of the President of the Corporation or any two (2) directors, and the person calling the meeting may fix any place as the place for holding any special meeting of the Board of Directors called by him.

SECTION 8. NOTICE. Except as otherwise required by statute, notice of any meeting of the Board of Directors shall be given at least five (5) days prior thereto by written notice, facsimile or electronic mail to each Director at their address as shown by the records of the Corporation. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope so addressed, with postage thereon prepaid. Notice of any meeting of the Board of Directors may be waived in writing signed by the person or persons entitled to the notice either before or after the time of the meeting. The attendance of a director at any meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Except as otherwise required by law or provided in these Bylaws, neither the business to be transacted at, nor the purpose of, a regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

SECTION 9. QUORUM. A simple majority of the whole Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board. Members attending by phone or in an electronic capacity will be counted as present. If less than a quorum is present at said meeting, a majority of the directors present may adjourn the meeting to another time without further notice.

SECTION 10. MANNER OF ACTING. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by statute, these Bylaws, or the Articles of Incorporation.

SECTION 11. INFORMAL ACTION BY DIRECTORS. Any action required by the Illinois General Not For Profit Corporation Act or these Bylaws to be taken at a meeting of the Board of Directors, or any other action which may be taken at a meeting of the Board of Directors, may be taken without a meeting if consent is obtained by facsimile or written or electronic mail by all directors, and so ratified in meeting minutes.

SECTION 12. COMPENSATION. Directors shall not receive any salaries for their services nor for their expenses of attendance at any meeting of the Board or of any committee, provided that nothing herein contained shall be construed to preclude any director from serving the Corporation in any capacity other than as an officer or director and receiving reasonable compensation therefore.

SECTION 13. VOTING AND MEETING PARTICIPATION. Each director is entitled to one vote at any meeting of the Board of Directors.

13.1 No director may act by proxy on any matter or assign an alternate to act on his or her behalf.

13.2 In-person attendance at meeting is expected but directors may attend meetings and vote on action items via phone or electronic capacity on limited occasion and only when physically unable to attend.

ARTICLE IV - COMMITTEES

SECTION 1. COMMITTEES OF DIRECTORS. The Board of Directors, by resolution adopted by a majority of the directors in office, may designate and appoint one or more committees, which shall serve, to the extent provided in said resolution, the Articles of Incorporation or these Bylaws, to assist in the management of the Corporation. Committees shall consist of at least two (2) directors. Additional directors and non-directors may also participate in committees. The authority of a committee shall never exceed the authority of the Board of Directors. The designation and appointment of such committees and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any individual director, of any responsibility imposed upon it or him by law, including, without limitation, Section 108.40 of the General Not For Profit Corporation Act of the State of Illinois. Subject to the foregoing, the Board of Directors may refer or assign any matter to any committee and discharge or terminate any such committee.

SECTION 2. TERM OF OFFICE. Each member of a committee shall continue as such until his successor is appointed, unless the committee shall be sooner terminated, or unless such member is removed from such committee, or unless such member shall cease to qualify as a member thereof. Each member of a committee is appointed by the President and shall serve at the pleasure of the Board of Directors.

SECTION 3. CHAIRMAN. The President shall appoint one member of each committee to serve as chairman of the committee.

SECTION 4. VACANCIES. Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided in the case of original appointments.

SECTION 5. QUORUM. Unless a greater number shall be provided in the resolution of the Board of Directors, a majority of the whole committee shall constitute a quorum and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee.

SECTION 6. RULES. The Board of Directors may adopt rules for the government of any committee not inconsistent with these by-laws.

SECTION 7. INFORMAL ACTION BY COMMITTEE. Any action which may be taken at a meeting of a committee may be taken without a meeting if consent in written or electronic correspondence, setting forth the action so taken, is provided by all committee members.

ARTICLE V - OFFICERS

SECTION 1. OFFICERS. The officers of the Corporation shall be a President, Vice-President and Treasurer, or other officers as may be deemed necessary, each of whom shall be elected and appointed by the Board of Directors. Officers whose authority and duties are not prescribed in these

Bylaws shall have the authority and perform the duties prescribed from time to time by the Board of Directors.

SECTION 2. ELECTION AND TERM OF OFFICE. The officers of the Corporation shall be elected by the Board of Directors at every regular annual meeting of the Board of Directors at which directors and officers are elected. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as may be convenient. Election of an officer shall not of itself create contract rights.

SECTION 3. TERMS AND TENURE. The terms, tenure, reappointment, and removal of officers shall be as follows.

3.1 Each officer shall hold office until his successor shall have been duly elected and qualified, unless the office is vacated prior to that time.

3.2 The term of the President shall be 2 years for that office, with a maximum of 2 terms, successive or otherwise. Nominations for the President must be accepted by a minimum of one-third of the Directors.

3.3 The term of all other officers shall be for 1 year.

3.4 Prior to the expiration of a term, the Board will review an individual officer's attendance, involvement and commitment levels and must justify the offer of an additional term; automatic renewal shall not be granted.

3.5 Vacancies may be filled or new offices created and filled at any meeting of the Board of Directors.

3.5 Any officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests of the Corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of an officer or agent shall not of itself create contract rights.

SECTION 4. PRESIDENT. The President shall be the principal executive officer of the Corporation. Subject to the direction and control of the Board of Directors, and except to the extent delegated to the Chief Executive Officer, the President shall be in charge of the business and affairs of the Corporation; he shall see that the resolutions and directives of the Board of Directors are carried into effect except in those instances in which that responsibility is assigned to some other person by the Board of Directors; and, in general, the President shall discharge all duties incident to the Office of President and such other duties as may be prescribed by the Board of Directors. The President shall preside at all meetings of the Board of Directors. Except in those instances in which the authority to execute is expressly delegated to another officer or agent of the Corporation or a different mode of execution is expressly prescribed by the Board of Directors or these Bylaws, the President may execute for the Corporation any contracts or other instruments which the Board of Directors has authorized to be executed, and accomplish such execution either under or without the seal of the Corporation and either individually or with the Secretary or any other officer thereunto authorized by the Board of Directors, according to the requirements of the form of the instrument.

SECTION 5. VICE-PRESIDENT. The Vice-President shall assist the President in the discharge of his duties, as the President may direct and shall perform such other duties as from time to time may be assigned to the Vice-President by the President or by the Board of Directors. In the absence of the President or in the event of his inability or refusal to act, the Vice-President shall perform the duties of the President and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. Except in those instances in which the authority to execute is expressly delegated to another officer or agent of the Corporation or a different mode of execution is expressly prescribed by the Board of Directors or these Bylaws, the Vice-President may execute for the Corporation any contracts or other instruments which the Board of Directors has authorized to be executed, and accomplish such execution either under or without the seal of the Corporation and either individually or with the Secretary or any other officer thereunto authorized by the Board of Directors, according to the requirements of the form of the instrument.

SECTION 6. TREASURER. The Treasurer shall be the principal accounting and financial officer of the Corporation. The Treasurer shall, except to the extent delegated to the Chief Executive Officer: (a) have charge of and be responsible for the maintenance of adequate books of account for the Corporation; (b) have charge and custody of all funds of the Corporation, and be responsible therefore, and for the receipt and disbursement thereof; and (c) perform all the duties incident to the Office of Treasurer and such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

SECTION 8. CHIEF EXECUTIVE OFFICER AND OTHER OFFICERS. There shall be a compensated Chief Executive Officer of the Corporation who shall manage the daily affairs of the Corporation and perform such other duties as shall be assigned to him by the Board of Directors, President, Vice-President or Treasurer. The other officers, if any, shall perform such duties as shall be assigned to them.

SECTION 9. COMPENSATION. With the exception of the Chief Executive Officer, all officer positions are voluntary. No voluntary officer shall be entitled to receive any compensation for services rendered in such office, however, an officer shall be entitled to reimbursement for any expenses reasonably incurred in performing such services other than in connection with his or her attendance at meetings of the board or any committee, provided that nothing herein contained shall be construed to preclude any officer from serving the Corporation in any capacity other than as a voluntary officer or director and receiving reasonable compensation therefore. The compensation of the Chief Executive Officer shall be fixed from time to time by the Board of Directors.

ARTICLE VI - CONTRACTS, CHECKS, DEPOSITS AND FUNDS

SECTION 1. CONTRACTS. Officers of the Board of Directors, and the Chief Executive Officer, and Director-level staff are authorized to enter into any contract or execute and deliver any instruments in the name of and on behalf of the corporation. Staff administering loan and rental assistance programs are authorized to sign loan and rental subsidy security instruments.

SECTION 2. CHECKS, DRAFTS, ETC. Officers of the Board of Directors, the Chief Executive Officer and Director-level staff are authorized to sign and administer all checks, deposit and investment accounts, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation.

SECTION 3. 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 Board of Directors may select.

SECTION 4. GRANTS, GIFTS AND CONTRACTS. The Board of Directors may apply for and/or accept on behalf of the Corporation any grant, contribution, gift, bequest or contract, the proceeds of which will be used for the general purposes of the Corporation as described in the Articles of Incorporation or in these Bylaws, provided that it does not provide material financial gain to the contributor of funds. Officers of the Board of Directors, the Chief Executive Officer and Director-level staff are authorized to apply for and administer all such grants, gifts and contracts from any foundation, corporation, individual, or government entity.

ARTICLE VII - BOOKS AND RECORDS

The Corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of the Board of Directors having any of the authority of the Board of Directors. All books and records of the Corporation may be inspected by any director, or the agent or attorney of any director, for any proper purpose at any reasonable time.

ARTICLE VIII - FISCAL YEAR

The fiscal year of the Corporation shall be fixed by resolution of the Board of Directors.

ARTICLE IX - POLITICAL CAMPAIGNS

The Corporation shall not, at any time, directly or indirectly participate or intervene in any political campaign on behalf of or in opposition to any candidate for public office or, except as an insubstantial part of its activities, attempt to influence the passage or defeat of legislative proposals. This provision shall not be construed to prevent any officer or director in his individual capacity from engaging in any of the foregoing activities.

ARTICLE X - INDEMNIFICATION

SECTION 1. OBLIGATION TO INDEMNIFY. The Corporation shall indemnify each director, officer, employee and agent of the Corporation against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, other than an action by or in the right of the Corporation, in which he is named as a party or is threatened to be made a party by reason of the fact that he is or was a director, officer, employee or agent of the Corporation, if the person seeking indemnification acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of no contest or its equivalent, shall not, of itself, create a presumption that the person seeking indemnification did not act in good faith and in a manner in which he reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

The Corporation shall also indemnify each director, officer, employee and agent of the Corporation against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor in which he is named as a party or is threatened to be made a party by reason of the fact that he is or was a director, officer, employee or agent of the corporation, if the person seeking indemnification acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation, except that no indemnification may be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for gross negligence or willful misconduct in the performance of his duty to the corporation unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnification for expenses which the court deems proper.

SECTION 2. MANNER OF DETERMINING ELIGIBILITY. Any indemnification, unless ordered by a court, shall be made by the Corporation upon a determination that indemnification of such person is proper in the circumstances because he has met the applicable standard of conduct set forth in Section 1 of this Article. Such determination shall be made (i) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, or (ii) if such a quorum is not obtainable, or even if obtainable, if a quorum of disinterested directors so directs, by independent legal counsel in a written opinion.

SECTION 3. ADVANCE PAYMENT OF EXPENSES. Expenses incurred by an officer or director in defending a civil or criminal action, suit or proceeding may be paid by the Corporation in advance of the final disposition of such action, suit or proceeding as authorized by the Board of Directors in the specific case upon receipt of an undertaking by or on behalf of the person seeking indemnification to repay such amount unless it shall ultimately be determined that he is not entitled to be indemnified by the Corporation as authorized in this Article.

SECTION 4. CONTRACT RIGHTS. The indemnification provided by this Article shall not be deemed exclusive of any other rights to which a person seeking indemnification may be entitled under any agreement, vote of disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee or agent of the Corporation and shall inure to the benefit of the heirs, executors and administrators of such person.

SECTION 5. INSURANCE. The obligation of the Corporation under this Article shall not be limited to the proceeds of liability insurance policies actually paid to the Corporation or directly to or for the benefit of the person claiming indemnification under this Article. The Corporation may purchase and maintain insurance on behalf of any person who is a director, officer, employee or agent of the corporation against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Corporation would have the power to indemnify him against such liability under the provisions of this Article.

ARTICLE X - SEAL

The corporate seal (if any) shall have inscribed thereon the name of the Corporation and the words "Corporate Seal, Illinois."

ARTICLE XII - WAIVER OF NOTICE

Whenever any notice is required to be given under the provisions of the Illinois General Not For Profit Corporation Act or under the provisions of the Articles of Incorporation or the Bylaws of the Corporation, 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 equivalent to the giving of such notice.

ARTICLE XIII - AMENDMENTS

The power to alter, amend or repeal the Bylaws or adopt new Bylaws shall be vested in the Board of Directors. Such action may be taken at a regular or special meeting for which proper notice of such purpose must be given. The Bylaws may contain any provisions for which the regulation and management of the affairs of the Corporation not inconsistent with the law or the Articles of Incorporation.

ARTICLE XIV – LOW INCOME INPUT

The Corporation shall provide a formal process for low-income persons to provide input on the Corporation's decisions regarding the design, siting, development, and management of its affordable housing projects.

ARTICLE XV - MISCELLANEOUS

Any words used in the singular shall mean, extend to and include the plural where applicable and vice versa, and all words used in any gender shall mean, extend to and include any other gender, all as the context may require.

APPROVAL AND ADOPTION

These bylaws were approved by the State's Attorney's office, and adopted by the Board of Directors of the Affordable Housing Corporation of Lake County on September 15, 2015.