

**AMENDED AND RESTATED BY-LAWS
of
LINCOLNSHIRE APARTMENTS, INC.**

ARTICLE I. Name and Description

The name of this corporation shall be the Lincolnshire Apartments, Inc., a non-profit corporation incorporated under the laws of the State of Kentucky.

The central business office address of the Lincolnshire Apartments, Inc., shall be 1700 West Fifth Street, Owensboro, Kentucky 42301.

ARTICLE II. Purpose

The purpose and function of Lincolnshire Apartments, Inc., shall be the following:

To provide, on a nonprofit basis, housing for low and moderate income families and families displaced from urban renewal areas, or as a result of governmental action, or as a result of a major disaster, where no adequate housing exists for such groups, pursuant to Section 221(d)(3) of the National Housing Act, as amended.

To provide decent, safe and sanitary housing at a rent affordable to low income and moderate income persons residing at Lincolnshire Apartments in Owensboro, Kentucky, while endeavoring to maintain accountability and responsiveness to the low income Lincolnshire community residents which it shall serve.

To perform any and all lawful purpose for which non-profit corporations may be incorporated under KRS 273.010, et. Seq. and is organized exclusively for charitable, religious, educational, and scientific purposes, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code, or the corresponding Sections of any future federal tax code.

To do and perform all acts reasonably necessary to accomplish the purposes of the Corporation, including the execution of a Regulatory Agreement with the Secretary of Housing and Urban Development, and of such other instruments and undertakings as may be necessary to enable the Corporation to secure the benefits of project rental assistance under Lincolnshire Apartments, Inc., since the Regulatory Agreement and other instruments and undertakings shall remain binding upon the Corporation, its successors and assigns, so long as a mortgage on the Corporation's property is held by the Secretary of the Housing and Urban Development.

ARTICLE III. Board of Directors

A. Governing Body — The principal representative body of this corporation shall be its Board of Directors, which shall be comprised in accordance with the terms of this article.

B. Membership — The membership of the Board of Directors of Lincolnshire Apartments, Inc., shall number six (6) Directors.

C. Board Composition by Sectors

1. One (1) Tenant Representative Director. The Tenant Representative shall be elected to membership on the Board of Directors in the manner prescribed in this Article and shall serve for a period of two (2) years.
2. Four (4) Representatives of Audubon Area Community Services, Inc. (AACS / AACS, Inc.), the Owner. The AACS Representatives shall be selected to membership on the Board of Directors in the manner prescribed in Article IV.
3. One Community-based Organization (CBO) Representative. The CBO Representative shall be elected to membership on the Board of Directors in the manner prescribed in this Article and shall serve for a period of two (2) years

D. Tenure Restrictions — No Tenant Representative or CBO Representative shall serve on the Board of Directors for more than six (6) consecutive years, or more than a total of ten (10) years.

E. Terms of the Board of Directors and Board Members — The official term of the Board members shall be for two years consecutive.

F. Compensation — The Directors of the Corporation shall serve as such without compensation, except that the Board may authorize reimbursement of reasonable expenses incurred by the Directors in performance of their duties.

G. Corporation Fiscal Year — The fiscal year for the Corporation shall be from July 1 to June 30. (The Corporation's Section 8 subsidy contract each year runs December 1 to November 30.)

ARTICLE IV. Membership of the Board

A. Representation on the Board of Directors

1. **Board Seats Allocation** — Membership on the Board of the Corporation shall, at all times, be limited to individuals who are either residents of Lincolnshire Apartments, designated representatives of Audubon Area Community Services, Inc. ("the Owner") or representatives of community-based organizations and interests who have the approval of the Board of Directors of Lincolnshire Apartments, Inc. and Audubon Area Community Services, Inc., the Owner.
2. The six seats on the Corporation's Board of Directors shall be allocated as follows:

Two non-Owner seats, as follows—

Lincolnshire Apartments Resident Representative. One member, a resident of Lincolnshire Apartments, who is duly elected by the residents of Lincolnshire Apartments as specified in Article V, Section B (below) to represent the residents on the Corporation's Board of Directors.

Community Based Organization Representative. One member, a member of a community-based organization or interest — which customarily relates with or provides supportive resources to Lincolnshire residents — from the larger community surrounding Lincolnshire Apartments, who is duly selected as specified in the By-Laws of the Corporation to provide input concerning the Lincolnshire complex from a larger community yet relatively immediate context.

Four seats representing the Owner, as follows—

Owner's Corporate Leadership Representative. One member, the Board Chairperson (or his/her designee) of Audubon Area Community Services, Inc. — only for the term of his/her office as that agency's Board Chairperson, who is duly elected according to the By-Laws of Audubon Area Community Services, Inc., the Lincolnshire -owner corporation — to insure two-way policy input and oversight input to both boards concerning Lincolnshire operations.

Owner's Corporate Support Representatives. Two other members of the Board of Directors of Audubon Area Community Services, Inc. — who shall reside in the City of Owensboro or County of Daviess, the home community of Lincolnshire Apartments — and who are duly elected by the Audubon Area Community Services, Inc. Board of Directors — to serve only for the term of his/her term of service on that agency's Board of Directors — according to the provisions of the By-Laws of Lincolnshire Apartments, Inc., to strengthen the two-way accountability between both boards concerning Lincolnshire operations.

Owner's Corporate Management Representative. One member, Audubon Area Community Services, Inc.'s chief executive officer — the Executive Director (or his/her designee), to serve only for the term of his/her term of service as that agency's executive director, to ensure management and operational support and continuity between both agencies.

3. **Owner and Board of Directors Approval/Withdrawal of Approval or Resignation of Board Members.**

In the event that the Owner or the Board of the Corporation shall withdraw its approval of a director, a resident representative, or a community interest represented on the Board of the Corporation that director or representative of the said community interest shall cease to be a member of the Lincolnshire Apartments, Inc. Board of Directors. Such an action by the Owner or the Lincolnshire Apartments, Inc. Board of Directors shall then in either event constitute the member's automatic resignation as a director of the Corporation. A resident member of the Board whose residence at Lincolnshire Apartments shall cease shall constitute that member's automatic resignation as a director of the Corporation.

B. Qualifications for voting in the election for Tenant Representatives:

All Tenants of record (each head of household) residing at Lincolnshire Apartments as of the date of the election and who have not given notification of departure from the complex may participate in the election process.

C. The specific procedure for electing Tenant Representatives shall be as follows:

1. **Nominating Procedure** — Nominations will be solicited from the residents of Lincolnshire Apartments. All nominations shall originate from duly publicized and conducted public meetings open to tenants of Lincolnshire Apartments. All nominees will be placed on a single election ballot.

The eligible Tenants may nominate anyone within Lincolnshire Apartments to serve as their representative.

If a nomination is challenged, the meeting's ad hoc chairperson may invite a duplicate nomination to avoid conflict. If a nominee is challenged on residence, the chairperson should explain that disqualification may be in order if the challenge is valid. Validity shall be determined by a brief, informal verification.

2. **Election Procedure** — Ballots listing each nominee will be prepared for each eligible voter's use on the officially designated election day. Each eligible voter will then indicate his selection on his secret ballot, then fold and place his or her ballot in secured ballot boxes which will be returned to Lincolnshire Apartments' central office immediately following the closing of the polls for tabulation. No individual may vote more than once. The candidate with the plurality of votes shall be deemed the duly elected representative of Lincolnshire Apartments. In the event a runoff election is necessary, due to a tie, the election procedure will be repeated at the earliest possible date.

Write-in voting on election day will be permitted. A space for write-ins shall be provided on the ballots printed with nominees' names which will be provided to eligible voters. Voting hours will be posted; however, if persons are still arriving to vote at the hour the polls are to close, eligible voters will not be turned away from the polls until they have had their opportunity to vote. The election(s) shall be widely publicized at least one week in advance of the event.

At the election, any challenged voters' ballots will be placed in sealed envelopes and will be counted only in the event the election results would be changed by including these votes. In the event an investigation would be conducted immediately. The election(s) may be monitored by Audubon Area Community Services, Inc. officials, including an Election Review Board appointed by the Chairman of the Board of AACS. Results of the election may be published in the local media.

3. **Voter Eligibility** — Prior to receiving an official ballot in order to vote in the election for Tenant Representative, each person must certify himself, herself to be (1) a resident Tenant of Lincolnshire Apartments, and (2) be at least eighteen years of age. If a voter's eligibility is challenged, he will be allowed to vote, and his/her ballot will be accepted but not placed in the ballot box. The matter of contested ballots will be resolved following the election if the number of such ballots could affect the outcome of the election.

Each voter's self-declaration of eligibility shall be attested by him/her on a certification form on which he/she shall provide his name (signature), address, and telephone number. The official polling site officer and observers shall ensure that no more than one ballot is received by any voter. The election tabulators (or an Election Review Board appointed by the AACS Board Chairperson) shall ensure that no duplicate or multiple voting has occurred before certifying the results of the election. An AACS-appointed Election Review Board may also resolve any contested ballots, if necessary.

C. Residence of Representatives.

Every Tenant Representative who is elected to represent Lincolnshire Apartments must reside within the Lincolnshire Apartments complex which he represents. This requirement of residence shall apply only to the Tenant Representatives.

Each of the two Owner's Corporate Support Representatives shall reside in the City of Owensboro or County of Daviess, the home community of Lincolnshire Apartments.

Residence requirements do not apply to the remaining members of the Lincolnshire Apartments, Inc. Board of Directors.

D. Vacancies.

Any vacancy which occurs on the Board for any reason may be assumed by an Interim Representative appointed by the Owner's Board Chairperson upon the recommendation(s) of its CEO until such time as the vacancy shall be filled in the same manner and by the same body which originally sent a representative to that seat.

A vacancy shall occur when: 1) a Board member is notified of his/her removal by action of the Board for cause, 2) a Board member notifies the Board of his/her voluntary resignation, or a specified member no longer meets the prescribed residency requirement.

E. Alternates.

Alternate members are not permitted. (But refer above to Article IV, Section D, "Vacancies")

ARTICLE V. Meetings of the Board of Directors

A. Annual Meeting — The annual meeting of the Corporation's Board of Directors shall be conducted during the month of October of each year.

B. Regular Meetings — Regular meetings of the Board of Directors shall be held at least in the month of March of each year. Executive Committee of the Board of Directors shall meet as needed between the regular meetings of the Board of Directors.

C. Special Call Meetings — Special meetings may be called by the President of the Board or upon the request of any three members of the Lincolnshire Apartments, Inc. Board of Directors pursuant to the notice requirements of this article.

D. Notification Requirement — Written notice stating the place, date, and time of each full Board of Directors meeting shall be received by each Lincolnshire Apartments, Inc. Board member prior to such meetings. Such notice in the case of all special meetings shall include the purpose of that meeting. The meeting should also be communicated via a widely circulated local newspaper where it could be done without cost and through public service radio announcements.

E. Location — Meetings of the Lincolnshire Apartments, Inc. Board of Directors may be held at the offices of Audubon Area Community Services, Inc., 1700 West Fifth Street, Owensboro, Kentucky — or elsewhere that the Board of Directors may deem appropriate.

F. Quorum Requirement — The presence of fifty percent of the members of the Board of Directors of this Corporation at any meeting thereof shall constitute a quorum of that body. No business may be conducted at any meeting unless a quorum is present.

G. Board Actions — The act of the majority of the Directors at any meeting at which a quorum is present shall be an act of the Board.

H. Public Meetings — All regular and special meetings shall be open to the general public except that those meetings which intend to address sensitive personnel actions or unevaluated data of a sensitive nature. Meetings for these purposes may be held in closed session upon a majority vote of a simple quorum of the Corporation's Board of Directors.

I. Parliamentary Procedures — The parliamentary procedures of all meetings of this corporation shall be conducted in accordance with Robert's Rule of Order, Revised.

J. Secret Ballot — Secret Ballot may be used in voting on all motions to:

1. Call a closed session of the Board.
2. Remove a Board member for cause.
3. Elect any officer of this Corporation.

K. Removal, Resignation

1. Removal for Cause — Any member of the Board from may be removed from membership for cause. AACS Representatives may be removed from the Board only by AACS. The Board may petition AACS for removal for cause or absenteeism. Removal for cause must be supported by two-thirds vote of a meeting at which a quorum is present. Cause shall be construed to mean excessive non-advised absenteeism, persistent disruptions or meetings, behavior contrary to the established policy role and responsibility of Board members, behavior detrimental to the interests of the Corporation, and other unreformed acts or behavior as may be formally cited by the Board.

2. Resignation by Consecutive Absences — Any member of the Board who, without just cause, is absent from three consecutive regularly scheduled meetings of the Board shall no longer be a member of the Board. Three consecutive non-advised absences, that is failure to provide advance notice of his/her impending absence, shall constitute just

cause for this provision. The Alternate shall take over the seat of a member who has resigned or been removed to fill out the remainder of the unexpired term

3. Removal by Loss of Residence — Any Tenant Representative who ceases to be a resident of Lincolnshire Apartments shall no longer be eligible to be a member of the Board.

4. Removal Procedures — Excepting an individual member's excessive non-advised absenteeism pursuant to Article V (K)(2), which calls for automatic removal, notice of potential cause for removal shall be specified in writing prior to any action to remove a member. Due process shall include informal efforts to resolve problems prior to formal actions by the Board to remove a member or organization.

L. Agenda Notification — An agenda of any meeting of the Board be it regular or specially called shall accompany the notice of that meeting and shall be sent to all Board members.

M. Limitations — Unless such items appear on an agenda circulated pursuant of the requirements of this article No meeting, be it regularly scheduled or special call, may address the issues of:

1. Removal of a member of the Board for cause.
2. The election of officer(s) of the Board.
3. The amendment or revision of these By-Laws.

N. Minutes — Written minutes shall be kept for each meeting and shall include a record of the action on all motions. Minutes of previous meetings shall be distributed to all members prior to the next meeting. Minutes of meetings shall be made available for public inspection.

ARTICLE VI. Officers of the Board of Directors

A. Officers and Officers' Term of Office — The officers of this Corporation shall be the President, Vice- President, and Secretary-Treasurer. The President and Vice-President of this corporation shall be duly selected members of the Board. The secretary and the treasurer may be one and the same person, and need not be a director of the Corporation. All other officers must be directors of the Corporation.

The officers of the Corporation shall be elected by the directors of the Corporation according to the specifications herein set out and shall serve until their successors are elected and have qualified. The directors shall elect the regular officers of the Corporation at the annual meeting for terms of one year.

1. President of the Board. The President shall be the principal representative of the Corporation and, subject to the control of the Board of Directors, shall, in general, supervise all of the business and affairs of this Corporation.

When present, he/she shall preside at all meetings of the Board. He/she shall, in general, perform all duties incident to the office of the President and such other duties as may be prescribed by the Board of Directors from time to time.

2. **Vice-President.** The Vice-President shall perform all duties of the President of the Board in the absence of that officer. He may perform such other duties as may be assigned him by the Board.

3. **Secretary/Treasurer.** The Secretary/Treasurer, with staff assistance, shall:

- a. Keep the minutes of the Board,
- b. See that all notices are duly given in accordance with the provisions of these by-laws and as required by law,
- c. Be custodian of the records of the Board and of the seal corporation,
- d. Keep a register of the post office address of each director,
- e. Have charge of and be responsible for all funds of the corporation; receive and give receipts for monies due and payable to the corporation in such banks, trust companies, or other depositories as shall be selected by the Board, and
- f. In general, perform all the duties incident to the office of Secretary-Treasurer.

The duties of the Secretary-Treasurer may be apportioned between the separate offices of Secretary and Treasurer if that is the pleasure of the Corporation's Board of Directors.

4. **Bonding.** No bond shall be required of the President of the Board, the Vice-President and the Secretary and Treasurer of this Corporation. No officer of this Corporation shall receive compensation for duties performed in the exercise of his office.

B. Election of Officers — All officers of this Corporation shall be elected at the annual meeting in September each year. Each officer shall serve for a period of one year, ending on September 30 of each year or until replaced pursuant to the aforementioned election provisions. Each officer may succeed himself/herself in the same office for an unlimited number of terms. The President of the Board shall appoint a Nominating Committee at the last quarterly meeting before the annual meeting of the Board to nominate at the annual meeting new officers for the following year. Nominations may also be made from the floor. Officers shall be elected by a majority vote of a quorum of the membership present.

C. Vacancies — Any vacancy in any office because of death, resignation, or otherwise may be filled by the majority vote of the Board of Directors for the unexpired portion of the vacant term.

D. Executive Agent — The Executive Director of the Audubon Area Community Services, Inc., or his/her designee shall be the chief executive or agent for the Board of Directors. All staff of Lincolnshire Apartments, Inc. shall be employees of record of Audubon Area Community Services, Inc., the Owner of Lincolnshire Apartments, Inc. The Executive Director of Audubon Area Community Services, Inc. is the person in charge of the day to day operations of the agency and its subsidiaries, including Lincolnshire Apartments, Inc. He may sign, with the Secretary or any other designated individual thereto authorized by the Board, any contract, check, agreement or other instrument which the Board of Directors has authorized.

ARTICLE VII. Committees of the Board of Directors

A. Principal Standing Committee(s).

Executive Committee. The President of the Board may appoint an Executive Committee to transact Board business between meetings of the full Board. Executive Committee actions shall have the force of the action of the full Board until the next regularly scheduled Board meeting. Executive Committee actions must be ratified or rejected at that meeting. Should no quorum be present at the next regularly scheduled meeting of the full board, Executive Committee actions remain valid.

B. Other Standing Committee(s). The President of the Board will appoint such other standing committees as the Board will deem necessary.

C. Special Committees. The President of the Board may appoint special committees from time to time depending upon the needs of the Board. Such committees may have policy-making or advisory functions and shall serve for as long as their need exists. These may include a Nominating Committee, and others.

1. **Nominating Committee.** The Nominating Committee shall be appointed by the President of the Board, or the Vice-President in the absence of a President, to consider and nominate candidates for officers of the Board of Directors at the annual meeting, or to fill vacancies among the officers which may occur. The committee shall make its recommendation(s) to the full board.

2. Pursuant to the provisions of By-Laws Article IV, Section (B)(2), "Election Procedure", calling for an Election Review Board, to assist in monitoring elections, the duly appointed Nominating Committee may, subject to recommendation by the Lincolnshire Apartments Board of Directors and concurrence of the member who also chairs the Owner's Board, serve as the Election Review Board. It shall be charged with the responsibility to ensure that any Tenant Representative Board vacancies are filled in a prompt manner and consistent with By-Laws requirements. It shall be charged with the responsibility of conducting and certifying all Tenant Representative Board election processes. The Nominating Committee shall also be responsible for soliciting nominations from among Lincolnshire Apartments tenants to fill vacancies in the Tenant Representatives of the Board membership.

D. Membership — All standing and special committees of the Board shall fairly reflect the composition of the full Board and at least one-third of their number shall be Tenant Representatives.

E. Ratification — Any and all acts of any and all standing and special committees must be ratified by an Act of the Board at the next scheduled meeting of that body, subject to the provisions for the force of Executive Committee actions in the absence of a quorum at a succeeding full board meeting.

F. Quorum and Acts — A simple majority of any committee shall constitute a quorum of that committee. Any act of the majority of a committee at which a quorum is present shall constitute an act of that committee.

G. Notice — Each member of any committee must be notified in writing of the time, date, and location of such meeting at least five (5) days before the committee shall meet. The requirement for notice may be waived, however, upon written agreement of all members of the committee which is meeting.

ARTICLE VIII. Powers of the Board of Directors

The Corporation's Board of Directors shall be responsible for the planning, coordination, evaluation and administration of the business affairs of Lincolnshire Apartments, Inc.

In this regard the Board of Directors shall have the power to collect rents; to receive and administer funds under any Federal or State assistance program pursuant to the requirements of these programs.

The Corporation's Board of Directors shall have the power to transfer funds so received and to delegate powers.

The Corporation's Board of Directors shall have the power to contract and to do any and all acts necessary to carry out its function.

All of the above powers and functions are subject to the oversight and concurrence of the Owner, the Board of Audubon Area Community Services, Inc.

ARTICLE IX. Amendments to By-Laws

These By-Laws may be amended, altered or revised at any time by an act of the Board of Directors. The amendment, alteration or revision of these By-Laws shall be subject to the notice and agency requirements of Articles V and VI. Any amendment to these By-Laws is subject to the approval of the Owner's Board of Directors.

All amendments, alterations, or revisions of the Articles of Incorporation or these By-Laws shall be promptly transmitted to the Multi-Family Asset Management Branch of the Louisville Office of the U.S. Department of Housing and Urban Development.

ARTICLE X. Dissolution of the Corporation

Dissolution of this corporation shall be in compliance with the laws of the State of Kentucky and the Articles of Incorporation of Lincolnshire Apartments, Inc.