

**BYLAWS OF THE SUGAR GROVE PUBLIC LIBRARY FOUNDATION, AN
ILLINOIS NOT-FOR-PROFIT CORPORATION**

ARTICLE I: NAME

The name of this corporation is the Sugar Grove Public Library Foundation (the “Foundation” or the “Corporation”).

ARTICLE II: OFFICES

The Foundation shall maintain in the State of Illinois a registered office which shall be located at the Sugar Grove Public Library (the “Library”) and a registered agent. The Board of Directors (the “Board”) may, at any time, change the location of the registered office and the person designated as the registered agent. The Foundation may also have other offices at such places as the Board of Directors may fix by resolution.

ARTICLE III: PURPOSE

The Foundation shall be organized and operated exclusively for charitable, scientific, literary and educational purposes and shall further support those goals of the Library as set forth in the Library’s strategic plan, which may be amended from time to time. Subject to the limitations stated in the Articles of Incorporation, the purposes of this Foundation shall be to engage in any lawful activities, none of which are for profit, for which corporations may be organized under the General Not For Profit Corporation Act of 1986 (805 ILCS 105/101.01) and Section 501(c) of the Internal Revenue Code of 1993 (as amended).

The Foundation’s primary purposes will be:

- (a) To encourage financial support and provide financial assistance in furtherance of the mission of the Library and its facilities, programs and services, including but not limited to assisting the Library in any public relations or other endeavors and engagement with the public to the extent permitted by federal, state and local law.
- (b) To receive gifts, bequests, devises, endowment funds or revenues from other sources for use in enhancing Library services and to act as a financial steward for those funds or revenues for the betterment of the Library.
- (c) To provide funds for equipment, programming, library materials, furniture, capital improvements and other items for the Library, exclusive of the normal operating expenses of the Library except in the case of a bona fide emergency as shall be determined by a majority vote of the Foundation’s Board.

(d) To solicit, maintain and invest donations, bequests and other monetary gifts provided to the Foundation for the benefit of the Library.

Notwithstanding the foregoing, the Foundation and the Library shall enter into a mutual agreement on a basis to be determined by both parties regarding the investment, distribution or transfer of any donations, bequests, or other gifts made to the Foundation for the benefit of the Library and regarding any public or media relations services the Foundation may provide to the Library during the term of said agreement.

(e) To allocate money received by it for operating expenses of the Foundation.

The Foundation shall not directly provide library or other services to the public and is not a public body pursuant to the Illinois Open Meetings Act nor the Illinois Freedom of Information Act.

ARTICLE IV: MEMBERSHIP

All corporate powers shall be executed by and under authority of, and the business affairs of the Foundation shall be managed by the direction of its Board of Directors. The Corporation shall have no members. However, the Board of Directors, by a majority vote, may recognize contributions to the Corporation or the Library by an appropriate certificate of recognition which may designate the donor as an Honorary Member of the Foundation. Such designation shall be honorary and shall not create a class of membership nor confer any property or voting rights.

ARTICLE V: BOARD OF DIRECTORS

Section 1. General Powers; Duties: The affairs of the Foundation shall be managed by its Board of Directors.

Section 2. President: The Board of Directors shall elect a President to conduct meetings and perform other duties imposed on him/her by these bylaws.

Section 3. Number: The number of voting Board of Directors may vary between a minimum of five (5) and a maximum of eleven (11) the exact number of which shall be fixed from time to time by resolution of the Board of Directors, provided that no decrease in number shall have the effect of shortening the term of any incumbent or reducing the number of voting Directors to less than five (5) or to electing more than eleven (11). The membership of the Board of Directors shall include at a minimum:

(a) The director of Library, who shall be a non-voting member.

(b) One (1) member of the Library Board of Trustees (the “Board of Trustees”), to be appointed by the Library Board of Trustees.

(c) One (1) member of the Friends of the Library (the “Friends”), to be appointed by the membership of the Friends of the Library.

(e) A minimum of three (3) other persons from public at large and who will include at least one (1) person residing within the limits the Library’s service area.

Section 4. Term: The term of office of a member of the Board of Directors shall be as follows:

(a) Upon the first annual election of directors, the Directors shall be divided by lot into three classes, the first class to serve a term of one (1) year, the second class to serve a term of two (2) years, and the third class to serve a term of three (3) years. Each such Director shall hold office for the term for which he/she is elected; subsequent terms shall be for three (3) years, except those elected to fill a vacancy left by a former Director. If and when additional voting memberships in the board are created, the three (3) classes shall be balanced in numbers so far as may be feasible.

Prior to the first annual election, the incorporators shall serve as the Directors.

(b) The Board of Directors shall elect its own members, except that a Board member shall not vote on her/his own position and subject to those appointed positions as set forth above in Section 3.

(c) A Director may hold a Board position for a maximum of two (2) full three (3) year terms. Such a person may be elected to a new term after a period no less than one (1) year or to fill a vacancy for an unexpired term after a period no less than six (6) months.

(d) Despite the expiration of a term, a Director shall continue to serve until a successor is elected to fill the position or until there is a decrease in the size of the Board.

Section 5. Removal: Any Director may be removed, with or without cause, at a meeting called for that purpose, by a vote of 2/3 of the Directors then in office.

Section 6. Vacancies: Vacancies on the Board of Directors and newly created Board positions will be filled by a majority vote of the number of Board members then on the Board of Directors.

Section 7. Quorum and Action; Electronic Participation: A quorum at a Board meeting shall be a majority of all Board members in office immediately before the meeting begins. If a quorum is present, action is taken by the affirmative vote of a majority of directors present. Where the law requires the affirmative vote of two thirds majority of Directors in office to amend the Articles of Incorporation, to sell assets not in the regular course of business, to merge, or dissolve, such action is to be taken by that majority as required by law.

Any Director may participate through electronic means, including, but not limited to, teleconference or videoconference, provided that all members of the Board of Directors can communicate directly with the Director participating electronically. Any Director participating electronically shall be deemed present for the purposes of determining a quorum and shall have all the same voting rights as those members who are physically present at any meeting.

Section 8. Annual Meeting. An annual meeting of the Board of Directors shall be held at the Library as determined by the Board.

Section 9. Regular Meetings. Regular meetings of the Board of Directors shall be held at the time and place to be determined by the Board of Directors. No written notice of the date, time, place, or purpose of these meetings is required.

Section 10. Special Meetings. Special meetings of the Board of Directors may be held at the time and place whenever called by the President or any three (3) or more Directors. Notice of such meetings, describing the date, time, place, and purpose of the meeting, shall be delivered to each Board member personally or by telephone, mail or electronic mail, not less than three (3) days prior to the special meeting. Attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except where the Director attends a meeting for the purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted nor the purpose of any meeting of the Board of Directors need to be specified in the notice or any waiver of notice of such meeting.

Section 11. No Salary. Board members shall not receive any salaries for their services. Board members may be reimbursed for qualifying Foundation and or Library expenses up to \$2,000 annually. All reimbursements must be approved prior to expenditure by any member. Board members seeking reimbursement must provide receipts for any expenditures.

Section 12. Action by Written Consent. Any action required or permitted by the Articles of Incorporation, Bylaws, or laws of the State of Illinois to be taken at a meeting of the Directors of the Corporation may be taken without a meeting if a consent, in writing, setting forth the action to be taken, shall be signed by all of the Directors entitled to vote with respect to the subject matter thereof. Such consent shall have the same force and effect as a unanimous vote and may be described as such.

ARTICLE VI: COMMITTEES

Section 1. Executive Committee. The Board of Directors, by resolution adopted by a majority of the Directors in office, may designate and appoint an Executive Committee which shall consist of five voting Directors, including the Foundation President, Vice President, Secretary, the Treasurer, one Director at Large and the Library Director, who shall be a non-voting member. The Executive Committee shall have and exercise such

authority of the Board of Directors in the management of the Corporation as may be specified in said resolution; provided, that no such Committee shall have the authority to amend, alter, or repeal any Bylaws of Articles of Incorporation; to elect, appoint, or remove any committee member, Director, or other officer; to merge, consolidate, liquidate or otherwise reorganize the Corporation; to sell, lease, exchange, or encumber all or substantially all of the assets of the Corporation or amend or repeal any resolution of the Board of Directors unless expressly authorized to do so by such resolution. The designation and authority shall not operate to relieve the Board of Directors or any individual Director of any responsibility imposed upon it or him/her by law. Actions of the Executive Committee shall be recorded in minutes which shall be distributed promptly to all of the members of the Board of Directors.

Section 2. Other Committees. The Board of Directors may establish such other committees as it deems necessary and desirable. Such committees shall be advisory.

Section 3. Quorum and Action. A quorum at a committee meeting exercising Board functions shall be a majority of all Committee members in office immediately before the meeting begins. If a quorum is present, action is taken by an affirmative vote of a majority of Directors present or participating electronically.

ARTICLE VII: OFFICERS

Section 1. Titles. The officers of this Corporation shall be the President, a Vice President, a Secretary, a Treasurer (each of who must be a Director of this Corporation), and such other officers and assistant officers as may be deemed necessary by the Board of Directors, each of who shall be annually elected by the Board of Directors, and shall serve until his/her successor is duly elected and qualified. Any two (2) or more offices may be held by the same person, except the offices of President and Secretary. In addition to the powers and duties specified, below, the officers shall have powers and perform such duties as the Board of Directors may prescribe.

Section 2. President. The President shall be the executive officer of the Corporation, shall preside at all meetings of members, shall have responsibility for the general management of the Corporation, and shall see that all orders and resolutions of the Board of Directors are carried into effect. The President shall have any of the powers and duties as may be prescribed by the Board of Directors.

Section 3. Vice President. In the absence or disability of the President, the Vice President shall act as President.

Section 4. Secretary. It shall be the duty of the Secretary to keep records of the proceedings of the Foundation Board of Directors and, when requested by the President to do so, to sign and execute with the President all deeds, bonds, contracts, and other obligation or instrument in the name of the Corporation. Keep a log containing the name

and address of all members and Directors of the corporation, inclusive of term start date and term ending date. The Secretary shall maintain the corporate seal, as applicable. Keeping all records in an accessible location, whether digital or paper.

Section 5. Treasurer. The Treasurer shall maintain and review financial records and report it to the board from time to time. He/she shall cause to be deposited all funds and other valuable effects of the corporation in such depositories as may be designated by the Board of Directors. In general, he/she shall perform all of the duties incident to the office of Treasurer.

Section 6. The Director at Large shall work closely with Treasurer and Secretary, in the absence or disability of either the Treasurer or Secretary, the Director at Large shall act as the absent Officer. The Director at Large shall have any of the powers and duties as may be prescribed by the Foundation Board of Directors.

Section 7. Election. The Board of directors shall elect the officers to serve one (1) year terms

Section 8. Vacancies. Vacancies in any office arising from any cause shall be filled by the Board of Directors at any regular or special meeting.

Section 9. Compensation. All officers shall serve without compensation.

Section 10. Removal. Any officer elected or appointed may be removed by a majority of the full Board of Directors whenever in its judgment the best interests of the Corporation will be served thereby.

ARTICLE VII: ADMINISTRATIVE AND FINANCIAL PROVISIONS

Section 1. Fiscal Year. The fiscal year of the corporation shall be the period from July 1 to and including June 30 of the following year.

Section 2. Loans prohibited. No loans shall be made by the Corporation to or from any officer, Director or member.

Section 3. Corporate Seal. The Secretary shall maintain the corporate seal, as applicable.

Section 4. Books and Records. The Corporation shall keep current and complete books and records of account and minutes of the proceedings of its Board of Directors and committees having any of the authority of the Board of Directors.

Section 5. Amendment of Bylaws. These bylaws may be amended or repealed, and new bylaws adopted, by the Board of Directors by a two-thirds (2/3) affirmative vote of all Directors present, if a quorum is present. Prior to the adoption of the amendment, each Board member shall be given at least three (3) days notice of the date, time, and place of the meeting at which the proposed amendment is to be considered, and the notice shall

state that one of the purposes of the meeting is to consider a proposed amendment to the bylaws and shall contain a copy of the proposed amendment.

Section 6. Annual Report with Audit. An Annual Report shall be prepared annually and provided to the Board of Trustees of the Library. A financial audit shall be performed only as and in accordance with Illinois law.

Section 7. Rules of Procedure. The rules of procedure at meetings of the Board of Directors of the Corporation shall be the rules contained in Robert's Rules of Order on Parliamentary Procedure, as amended, so far as applicable and when not inconsistent with these Bylaws, the Articles of Incorporation, or any resolution of the Board of Directors.

Section 8. Contracts, Checks, Deposits, and Funds

- (a) Contracts: The Board of Directors may authorize any officer or agent to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Foundation, and such authority may be general or confined to specific instances.
- (b) Checks, Drafts, Etc. All checks, drafts, or orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Foundation shall be signed by such officer or agent of the Foundation and in such manner as shall from time to time be determined by resolution of the Board or Directors. In the absence of such determination by the Board, such instruments shall be signed by the President, Vice President or Treasurer.
- (c) Deposits. All funds of the Foundation shall be deposited from time to time to the credit of the Foundation in such banks, trust companies, or other depositories as the Board may select.
- (d) Gifts. The Board may accept on behalf of the Foundation any contribution, gift, bequest, or devise for the general or specific purposes of the Foundation or the Library. Notwithstanding the foregoing, and to the extent permitted by law, the Foundation shall be permitted to expend funds and enter into contracts and take any and all necessary action in the event that the Library seeks to present a referendum for funding, bonds, or any Library related referendum. Said expenses shall specifically include costs and expenses associated with undertaking a public relations campaign, to the extent permitted by law.

Section 9. Audits. The Foundation shall engage the services of an auditor and have an audit performed if and when required by applicable law.

ARTICLE VIII: MISCELLANEOUS

Section 1. Prohibited Activity. No part of the 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 to make compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth above. No substantial part of the activities of the Corporation shall be the carrying on of propaganda or otherwise attempting to influence legislation except to benefit the Library and its interest, to the extent permitted by applicable law. The Corporation shall not participate in or intervene in (including publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office. Notwithstanding any other provisions of these articles, the corporation shall not carry on any other activities not permitted to be carried on by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code or the corresponding section of any future federal tax code.

Section 2. Conflict of Interest.

- (a) No Director who is directly or indirectly interested in a transaction shall be permitted to vote on the transaction and shall disclose to the Board of Directors the nature of his or her interest if known, prior to the vote. For purposes of this Section, a Director is indirectly interested in a transaction if the Director has a material financial interest or if the Director is an officer, director, or general partner of the party seeking to transact business with the Board.
- (b) If a transaction is fair to the corporation at the time it is authorized, approved, or ratified, the fact that a Director is directly or indirectly a party to the transaction is not grounds for invalidating the transaction.
- (c) In a proceeding contesting the validity of a transaction described in subsection (a), the person asserting validity has the burden of proving fairness unless the material facts of the transaction and the Director's interest or relationship were disclosed or known to the affirmative votes of a majority of disinterested Directors even though the disinterested Directors may be less than a quorum.
- (d) The presence of a director who is directly or indirectly a party to the transaction described above or a Director who is otherwise not disinterested may be counted in determining whether a quorum is present but may not be counted when the Board of Directors or a committee then takes action on the transaction.

Section 3: Indemnification

- (a) Indemnification and Advancement of Expenses. The Corporation shall indemnify any person who is or was a party, or who is or was threatened to be made a party to any threatened action, suit or proceeding, whether civil,

criminal, administrative or investigative (other than an action by or in the right of the corporation), by reason of the fact that s/he is or was a director, officer, employee or agent of the Corporation or who was serving at the request of the Corporation as a director, officer, employee, agent or trustee of another corporation or of a partnership, joint venture, trust, employee benefit plan or other enterprise, including service on a committee formed for any purpose (and, in each case, his or her heirs, executors and administrators), against all expense, liability and loss (including, but not limited to, attorney fees and expenses, judgments, fines, penalties, and amounts paid in settlement) actually and reasonably incurred by such person in connection with such action, suit or proceeding, to the fullest extent permitted by applicable law, as in effect on the date hereof and as hereafter amended. Such indemnification may include advances of expenses in advance of final disposition of such action, suit or proceeding, subject to the provision of any applicable statute.

- (b) Non-exclusivity of Rights. The indemnification and advancement of expense provisions of the above subsection shall not be exclusive of any other right which any person (and his or her heirs, executors and administrators) may have or hereafter acquire under any statute, provision of the Bylaws, resolution adopted by the Board of Directors, agreement, or insurance, purchased by the Corporation or otherwise, both as to action in an official capacity and as to action in another capacity. The Corporation is hereby authorized to provide for indemnification and advancement of expenses through its Bylaws, and/or resolution of the Board of Directors.
- (c) Insurance. The Corporation may maintain insurance, at its expense, to protect itself and any individual who is or was a Director, officer, employer or agent of the Corporation, or who, while a Director, officer, employee or agent of the Corporation, is or was serving at the request of the Corporation's Board of Directors or acting as Executive Director as a Director, officer, partner, trustee, employee or agent of another corporation, partnership, joint venture, trust employee benefit plan or other enterprise against any expense, liability or loss whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under this Article or the law.

ARTICLE IX: DISSOLUTION

The Board of Directors may, by a 2/3 vote, elect to dissolve the Foundation in accordance with law.

Upon the dissolution of the corporation, all assets shall be distributed for tax exempt purposes to the Library or its successor governmental unit for public purposes.

APPROVED by the Board of Directors on the ___ day of ___, _____.