

**BYLAWS OF
Illinois Association of Problem-Solving Courts**

Article I: CORPORATION

1. **Principal Office:** The principal office for the transaction of business of the corporation is 1601 Parkview Avenue, Rockford, IL 61107 or as determined from time to time by the Board of Directors. The Board of Directors may at any time or from time to time change the location of the principal office from one location to another in this State.
2. **Fiscal Year:** The corporation's fiscal year shall commence January 1st and end December 31st.
3. **Purpose:** Said organization is organized for the Purpose of promoting problem-solving courts as said Purpose may from time to time be adopted and amended by the Directors herein, including charitable, educational, and scientific purposes, including, for such purposes, the making of distribution to organizations that qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code.

Article II: MEMBERS

1. **Membership:** This corporation shall have one class of member as those defined in Section 805 of the Illinois Corporations Code 105. Any person dedicated to the purposes of this corporation shall be eligible for membership on approval of the membership application by the Board of Directors (the Board) and upon timely payment of such dues and fees as the Board may fix from time to time.

Members shall have the right to vote, as set forth in the Bylaws, on the election of Directors..

All Members in good standing on the date of adoption of these Bylaws of the Mental Health Court Association of Illinois and the Illinois Association of Drug Court Professionals are hereby deemed to be Members in good standing of the ILAPSC until such time as the Board of Directors determines as provided herein.

2. **Other Participants:** Two other categories of participants shall exist that being Associate Members and guests. Associate Members shall be allowed to attend meetings. Associate Members will not be charged a fee and will not be allowed to vote. Associate Members must gain approval of the Board of Directors to secure said status. Guests will also be allowed to attend meetings, but to regularly attend must become an associate or member.
3. **Dues, Fees and Assessments:** The corporation may charge, and each member must pay, within the time and on the conditions as shall be approved by the Board of Directors, dues, fees, and assessments in amounts to be fixed each fiscal year. On a case-by-case basis, the corporation may waive or reduce membership dues, fees and assessments on the basis of financial hardship for a person who applies for an exemption to the Board.
4. **Good Standing:** Those members who have paid the required dues, fees, and assessments in accordance with these Bylaws and who are not suspended shall be members in good standing.

5. **Termination of Membership:**
- a. Termination: Membership shall terminate on occurrence of any of the following events:
 - 1. Resignation of the member, on reasonable notice to the corporation.
 - 2. Expiration of the period of membership unless the membership is renewed on the renewal terms fixed by the Board.
 - 3. Failure of the member to pay dues, fees, or assessments as set by the Board within one month after they become due and payable.
 - 4. Occurrence of any event that renders the member ineligible for membership or failure to satisfy membership qualifications.
 - b. Expulsion or Suspension: A member may be expelled or suspended, based on the good faith determination by the Board, or a committee authorized by the Board to make such a determination. A determination must be made that the member has failed in a material and serious degree to observe and promote the purposes and interests of the corporation or has demonstrated actions or behavior that brings the Corporation into disrepute. A person whose membership is suspended shall not be a member during the period of suspension.
 - c. Procedure: If grounds appear to exist for expulsion of a member under Section 4a and 4b of these Bylaws, the procedure set forth below shall be followed:
 - 1. The member shall be given 15 days prior written notice of the proposed expulsion or suspension and the reason for the proposed expulsion or suspension. Any notice shall be sent by certified mail and by email to the member's last email address as shown on the Corporation's records.
 - 2. The member shall be given an opportunity to be heard, either orally or in writing, at least ten (10) days before the effective date of the proposed expulsion or suspension. The hearing shall be held, or the written statement considered by the Board or by a committee authorized by the Board to determine whether the expulsion or suspension should take place.
 - 3. The Board or committee shall decide whether or not the member should be suspended, expelled, or sanctioned in some other way.
 - 4. Any action challenging an expulsion, suspension, or termination of membership, including a claim alleging defective notice, must be commenced within one year after the date of the expulsion, suspension, or termination.
6. **Transfer of Membership:** No member shall have the right to transfer their membership. All membership rights cease on the member's death or dissolution.
7. **Associate Members:** An Associated Member may be an individual person or a corporation or an association and shall be granted membership by a majority vote of the Directors. An Associate Corporate Member may designate a person as its representative even though that person is not a member and although said representative may be referred to as a member, no such reference shall constitute anyone a member within the meaning of 805 of the Illinois Nonprofit Corporation Act and shall not have the right to vote.
8. **Meetings of Members:**
- a. **Location:** Meeting of the members shall be held at any place within or outside Illinois designated by the Board or by the written consent of all members entitled to vote at the meeting, given before or after the meeting. Except for the Annual Meeting, Members may participate in a meeting by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this provision shall constitute presence in person at such meeting.

- b. **Annual Meeting and Initial Board of Directors:** An annual meeting of members shall be held at a time, date and place fixed by the Board, of which the Board shall notify the members by notice on the Corporation's website. At this meeting, the Board of Directors shall be elected by the members. The initial Board of Directors for fiscal year 2013 shall consist of the persons described on the exhibit entitled "Directors for 2013" which is attached hereto and made a part hereof.
- c. **Officers to Elected by The Board of Directors**
- i. President
 - ii. Vice President
 - iii. Secretary
 - iv. Treasurer
- d. **Special Meetings:** A special meeting may be called at any time by the Board or by the president or by ten (10) percent or more of the members.
1. A special meeting called by any person (other than the Board) entitled to call a meeting shall be called by written request, specifying the general nature of the business proposed to be transacted, and submitted to the president or any vice president or the secretary of the corporation. The officer receiving the request shall cause notice to be given promptly to the members entitled to vote, in accordance with Article II, Section 8 e of these Bylaws, stating that a meeting date will be held at a specified time, place and, date fixed by the Board, provided, however, that the meeting date shall be at least 25 but not more than 60 days after receipt of the request. If the notice is not given within 20 days after the request is received, the person or persons requesting the meeting may give the notice.
 2. Nothing in this Section shall be construed as limiting, fixing, or affecting the time at which a meeting of members may be held when the meeting is called by the Board.
 3. No business, other than the business the general nature of which was set forth in the notice of the meeting, may be transacted at a special meeting.
- e. **Notice:** Whenever members are required or permitted to take any action at meeting, a written notice of the meeting shall be given to each member entitled to vote at that meeting. This notice may be provided via e-mail to the Member's last email address as shown on the Corporation's records, fax or U.S. mail. The notice shall specify the place, date, and hour of the meeting and;
1. For a special meeting, the general nature of the business to be transacted, and no other business may be transacted, or
 2. For the annual meeting, those matters that the Board, at the time notice is given, intends to present for action by the members, but any proper matter may be presented at the meeting. The notice of any meeting at which Directors are to be elected shall include the names of all persons who are nominees when notice is given.
 3. Notice of any meeting of members shall be in writing and shall be given at least 25 days before the meeting date. The notice shall be given in writing either by email to the Member's last email address as shown on the Corporation's records, fax, or U.S. mail. Notices shall be addressed to each member entitled to vote, at the address of that member appearing on the books of the corporation or at the address given by the member to the corporation for purposes of notice.

4. An affidavit of the mailing of any notice of any members' meeting, or of the giving of such notice by other means, may be executed by the secretary, and if so executed, shall be filed and maintained in the corporation's minute book.
 5. If not otherwise fixed by the Board, the record date for determining members entitled to receive notice of meeting of members shall be the next business day preceding the day on which notice is given, or, if notice is waived, the next business day on which the meeting is held.
- f. **Adjournment:** Any members' meeting, whether or not a quorum is still present, may be adjourned from time to time by a vote of the majority of the members present at the meeting, either in person or by proxy.
1. No meeting may be adjourned for more than 45 days.
 2. When members' meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place to which the meeting is adjourned are announced at the meeting at which adjournment is taken.
 3. If after adjournment a new record date is fixed for notice or voting, a notice of the adjourned meeting shall be given to each member who, on the record date for notice of the meeting, is entitled to vote at the meeting.
 4. At the adjourned meeting, the corporation may transact any business that might have been transacted at the original meeting.
9. **Voting:** Members shall have the right to vote as set forth in these Bylaws, on the election of Directors. In addition, those members shall have all rights afforded members under section 805 Illinois Nonprofit Corporation Act 105/107.40.
- a. **Quorum:** Ten percent (10%) of the membership as represented by the voting power present at any meeting of the members shall constitute a quorum for the transaction of business at any meeting of members. The members present at a duly called or held meeting may continue to transact business until adjournment, even if enough members have withdrawn to leave less than a quorum, if any action taken (other than adjournment) is approved by at least a majority of the members present at the time the action is taken.
 - b. **Eligibility:** Persons entitled to vote at any meeting of the members shall be the regular members in good standing as of the record date determined under Article II, Section 3 of these Bylaws.
 - c. **One Vote:** Voting may be by voice or ballot, except that any election of Directors must be by ballot if demanded by any member at the meeting before the voting begins. Each member entitled to vote shall be entitled to cast one vote on each matter submitted to a vote of the members.
 - d. **Majority Vote:** The affirmative vote of a majority of the voting power present at the meeting, entitled to vote and voting on any matter, shall be the act of the members, unless the vote of a greater number is required by the Illinois Nonprofit Corporation Law or by the Articles of Incorporation. Except as provided in Section 9(d)(1).
 1. Voting on retention of Board of Director members and election of new Board of Director members shall be performed at the Associations' annual education conference. The vote of a majority of those casting votes shall be the vote of the membership of the Association.

2. In the event that an annual conference is not held, the board shall, in its fall scheduled meeting, vote on retention of members and election of new members. The voting requirements of Section 9(d) shall apply.
- e. **Proxy:** Each member entitled to vote shall have the right to do so whether in person or by one or more agents authorized by written absentee ballot, signed by the person and filed with the secretary of the corporation. An absentee ballot shall be deemed signed if the member or the member's attorney-in-fact places the member's name on the ballot.

ARTICLE III: BOARD OF DIRECTORS

1. **Number of Directors:** The Board of Directors shall consist of a minimum of nineteen (19) Directors and shall be not more than twenty-four (24) Directors and shall use its best efforts to elect Board Members from the following backgrounds (disciplines) as follows:
 - a. **ALL** members of the Board of Directors shall be individuals who are associated with a particular Problem-Solving Court in Illinois or with the Problem-Solving Court movement in Illinois.
 - b. At least One (1) member of the Board of Directors should be a consumer.
 - c. At least Six (6) members of the Board of Directors should be professionals in Problem-Solving Courts or criminal justice diversion programs.
 - d. A balance between individuals from the criminal justice system, the mental health system, treatment providers and Problem-Solving Courts should be maintained in the Board of Directors. A balance should also be maintained with respect to ensuring diversity as to geography and roles of the Directors.
 - e. The Illinois Association of Problem-Solving Courts expects the primary interest of all board members to be that of the organization's mission. Therefore, board membership that constitutes a conflict of interest shall be avoided. Conflicts of interest may include but are not limited to economic self-interests, legal self-interests or organizational interests. In the event that any unexpected conflict of interest arises as it relates to the business of the Board, the respective member shall promptly acknowledge the conflict and recuse himself/herself from all aspects of Board discussion and decision making related to the conflict.
2. **Quorum:** A majority of the Directors of the Board of Directors shall constitute a quorum for the transaction of business.
3. **Powers of Directors:** Subject to the limitations of the Articles of Incorporation, other sections of the Bylaws, and of Illinois law, all corporate powers of the corporation shall be exercised by or under the authority of, and the business and affairs of the corporation shall be controlled by the Board of Directors. With limiting the general powers, the Board of Directors shall have the following powers:
 - a. To select and remove all the officers, agents and employees of the corporation, prescribe such powers and duties for them as may not be inconsistent with law, the Articles of Incorporation, or the Bylaws, fix their compensation, and require from them security for faithful performance of their duties.
 - b. To conduct, manage and control the affairs of business of the corporation, and for that purpose to cause to be executed and delivered for the corporation's purposes, in the

- corporation's name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations, or other evidences of debt and securities.
- c. The Board may delegate the management of the day-to-day operation of the business of the corporation to the Executive Committee, provided that the business and affairs of the corporation shall be managed and all corporate powers shall be exercised under the ultimate direction of the Board.
4. **Committees:** The President or the Board by resolution adopted by a quorum, may appoint such standing or temporary advisory committees of Directors or members for the conduct of the business of the corporation as the President or the Directors shall deem proper. The members of such committees shall serve at the discretion President and of the Board. The committees shall have only such authority as is provided in the Board.
 5. **Election and Term of Office:** The term of office of each of the Board of Directors shall be three (3) years or until a successor is elected, except that the initial Directors shall be divided into three panels designated as Panels A, B, and C. *Panel A* shall serve an initial term of one (1) year, *Panel B* shall serve an initial term of two (2) years and *Panel C* shall serve an initial term of three (3) years: after the initial term, each Panel shall be elected for a term of three (3) years. The initial directors shall be randomly assigned to a Panel and shall be evenly distributed between the three panels.
 - a. The president of the Board of Directors shall appoint a committee to select qualified candidates for election to the board at least 120 days before the date of any election of Directors. This nominating committee shall make its report at least 60 days before the date of the election, or at such other time as the Board of Directors may set. The secretary shall forward to each member, with the notice of meeting required by these Bylaws, a list of all candidates nominated by committee under the paragraph.
 6. **Vacancies:** Vacancies in the Board of Directors shall be filled by a majority of the remaining Directors then in office even though less than a quorum or by the sole remaining Director. A successor Director so elected shall serve the remaining term.
 7. **Place of Meeting:** Regular meetings of the Board of Directors shall be held at any place, within or without the State of Illinois, that has been designated from time to time by the Board or by written consent of all members of the Board. Special meeting of the Board may be held either at a place designated or at the principal office. Members may attend Director meetings in person or may participate in a meeting by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this provision shall constitute presence in person at such meeting.
 8. **Organizational Meeting:** On a future date to be selected the Board of Directors, the Directors shall hold a regular meeting for the purpose of organization, election of officers and the transaction of other business.
 9. **Regular Meetings:** Regular meetings of the Board shall be held at such time and place as designated by resolution of the Board, from time to time, but at least three (3) meetings per year. The annual meetings held pursuant to Section 12 below shall qualify as one regular meeting. Written notice by email to the Directors's last email address as shown on the Corporation's records, fax or U.S. mail of the holding of such regular meetings shall be made by the secretary of the Board to the Board members at least seven (7) days prior to the time set for each regular meeting. All Board of Directors must attend 50% of the regularly scheduled meetings.
 10. **Action Without a Meeting:** Any action by the Board of Directors may be taken without a meeting if all members of the Board individually or collectively consent, in writing or by email or by conference call, to this action of the Board.

11. **Annual Meeting:** The annual meeting of the Board of Directors of this corporation shall be held upon a date, which shall be decided upon by the Board of Directors. Written notice of the time and place of the annual meeting shall be delivered personally to each Board member or sent to each Board member by email, fax or U.S. mail. Notification of the meeting date, time and place shall be at least 25 days prior to the annual meeting. If it is not shown on the records or is not readily ascertainable, it shall be held at the place where the meeting of the Board are regularly held. Information to be discussed at the meeting shall be sent at least seven (7) days prior to the meeting. Until changed by such action of the Board, the annual meeting of the Board of Directors of this corporation shall be held on the day of the annual training conference each year.
12. **Special meetings:** Special meetings of the Board of Directors for any purpose or purposes may be called at any time by the President of the corporation or by any four (4) Directors.
13. **Notice:** Written notice of the time and place of special meetings of the Directors shall be given in the same manner as for regular meeting of the Directors.
 - a. Waiver: The transactions of any meeting of the Board of Directors, however called and noticed, shall be as valid as though had at a meeting held after regular call and notice if:
 1. a quorum is present; and
 2. if either before or after the meeting each of the Directors not present signs a written waiver of notice, or a consent to holding this meeting, or an approval of the minutes of the meeting
 - b. All the waivers, consents, or approvals shall be filed with the corporate records or be made a part of the minutes of the meeting.
14. **Removal:** A Director may be removed from office, for cause, by a vote of a majority of the Directors. Cause is defined as conduct that fails in a material and serious degree to observe and promote the purposes and interests of the Corporation, brings the Corporation into disrepute or represents malfeasance of misfeasance.
15. **Liabilities of Directors:** No person who is now, or who later becomes, a Director of this corporation shall be personally liable to its creditors for any indebtedness or liability, and any and all creditors of the corporation shall look only to the assets of this corporation for payment.
16. **Action Without a Meeting:** Any action by the Board of Directors may be taken without a meeting if all members of the Board individually or collectively consent in writing to this action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board.

Article IV: Executive Committee

1. **Members of Executive Committee:** The Executive Committee shall include the president, vice president, secretary, treasure and immediate past president. If the immediate past president is not available to serve, the President shall appoint said member. Actions of the Executive Committee shall require the affirmative vote of at least 3 members.
2. **Regular Meetings:** The Executive Committee shall meet prior to meetings of the Board of Directors, or more frequently on call by the president.
3. **Power and Purpose:** The Executive Committee shall have and exercise the authority of the Board of Directors in the management of the business of the corporation between meetings of the Board.
4. **Quorum:** Presence of members representing the majority of the Executive Committee (not counting any other members of the Board of Directors present at any given meeting) shall

constitute a quorum for the transaction of business at meetings of the Executive Committee. Presence of an Executive member can be by conference call.

5. **Special Meetings:** At the request of the president, or any two (2) members of the Executive Committee, the secretary shall immediately call a meeting of the Executive Committee, which may be held upon three (3) days notice given to each member of the Committee by mail, telephone, fax or e-mail. The purpose of the meeting shall be stated in the notice. A special meeting may be held on shorter notice if all members of the Executive Committee consent in writing.
6. **Minutes:** The Committee shall keep regular minutes of its proceedings and report the same to the Board from time to time as the Board may require. The original or a copy of the minutes, certified by the Committee's chairperson or such other person as he/she designates, shall be delivered to the secretary of the corporation for placement in the corporation's minute book and the Committee shall retain a copy. Minutes shall be available to all members.

Article V: OFFICERS

1. **Officers:** The officers of this corporation shall be a president, vice-president, secretary and treasurer, and such other officers as the Board of Directors may appoint. The same individual may not simultaneously hold more than one (1) office.
2. **Election:** The board of Directors shall elect all officers of the corporation for terms of one (1) year or until their successors are elected and qualified.
3. **Vacancies:** A vacancy in any office because of death, resignation, removal, disqualification, or other causes shall be filled by the Board of Directors.
4. **President:** Subject to the control of the Board of Directors, the president shall have general supervision, direction and control of the business and affairs of the corporation. The president shall preside at all meetings of the Directors and shall have such other powers and duties as may be prescribed from time to time by the Board of Directors.
5. **Vice-President:** The vice-president shall serve as assistant to the president and shall, in the event of the president's absence, incapacity, withdrawal, or removal, assume the powers and duties of the president with respect to the general supervision, direction and control of the business and affairs of the corporation.
6. **Secretary:** The secretary shall keep a full and complete record of the proceedings of the Board of Directors, shall keep the seal of the corporation and affix it to such papers and instruments as may be required in the regular course of business, shall make service of such notices as may be necessary or proper, shall supervise the keeping of the records of the corporation, and shall discharge such other duties of the office as prescribed by the Board of Directors.
7. **Treasurer:** The treasurer shall keep a full and complete record of all funds of the corporation and deposit them in the bank or banks that may be designated by the Board of Directors. Those funds shall be paid out only on checks of the corporation signed, with two signatures, by the president and treasurer or by such officers and employees as may be designated by resolution of the Board of Directors as authorized to sign them. The treasurer shall have such other powers and perform such other duties as may be prescribed from time to time by the Board of Directors.

8. **Succession:** In the absence or disability of the president, the order of succession shall be as follows:

The vice-president, or in his/her absence or disability, the secretary, or in his/her absence or disability, the treasurer shall serve as the interim president and in so acting shall have all the duties of the president. The interim president shall have such other powers and perform such other duties as may be prescribed from time to time by the Board of Directors.

Article VI: RECORDS AND REPORTS

1. **Corporate Records:** The corporation shall keep:
 - a. Adequate and correct books and records of account;
 - b. Written minutes of the proceedings of its Board and advisory committees;
 - c. A record of each Director's name, address and email address; and
 - d. A record of all Members email address.

2. **Maintenance and Inspection of Articles and Bylaws:** The corporation shall keep at its principal office the original or a copy of the Articles of Incorporation and Bylaws, as amended to date, which shall be open to inspection by the Directors at all reasonable times during office hours.

3. **Inspection by Directors:** Every Director shall have the absolute right at any reasonable time to inspect the corporation's books, records, documents of every kind and physical properties. The inspection may be made in person by the Director or by the Director's agent or attorney. The right of inspection includes the right to copy, and make extracts of documents.

4. **Annual Report:** The Board shall prepare an annual report within ninety (90) days after the end of the corporation's fiscal year. That report shall contain the following information, in appropriate detail, for the fiscal year:
 - a. The assets and liabilities, including the trust funds, of the corporation as of the end of the fiscal year.
 - b. The principal changes in assets and liabilities, including trust funds.
 - c. The revenue or receipts of the corporation both unrestricted and restricted to particular purposes.
 - d. The expenses or disbursements of the corporation for both general and restricted purposes.
 - e. Any information required by Article V, Section 6 of these Bylaws.
 - f. The annual report shall be accompanied by the certificate of an authorized officer of the corporation that to best of that officer's knowledge and belief, such statements were prepared without audit from the corporation's books and records.
 - g. Any transaction in which the corporation, its parent, or its subsidiary was a party.

5. **Annual Report Filing:** The Board shall cause an annual report to be filed with the Secretary of State prior to the first day of the anniversary month of the corporation. Said report shall be on forms prescribed by the Secretary of State pursuant to 805 Illinois Nonprofit Corporation Act 105/114.05.

6. **Limitation of Earnings:** No part of the net earnings of the organization shall inure to the benefit of, or be distributable to its members, trustees, officers, or other private persons, except that the

organizations shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in the purpose clause hereof. No substantial part of the activities of the organization shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the organization shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provision of this document, the organization shall not carry on any other activities not permitted to be carried on (a) by an organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code, or (b) by an organization, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code, or corresponding section of any future federal tax code.

Article VII: INDEMNIFICATION

1. **Definitions:** For the purposes of the Article VII, agent means any person who is or was a director, officer, employee, or other agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee, or agent of another foreign or domestic corporation or of another enterprise at the request of that predecessor corporation;
 - a. “Proceeding” means any threatened, pending, or completed action or proceeding, whether civil, criminal, administrative, or investigative;
 - b. “Expenses” includes without limitation attorney’s fees and any expenses of establishing a right to indemnification under Section 4 of this Article VII.

2. **Indemnification if Actions by Third Parties:** The corporation shall have power to indemnify any person who was or is a party or is threatened to be made a party to any proceeding (other than an action by or in the right of the corporation to procure a judgment in its favor, an action brought under 805 Illinois Nonprofit Corporation Act, 105/108.75 (a), or brought by the Attorney General (or a person granted relator status by the Attorney General for any breach of duty relating to assets held in charitable trust), by reason of the fact that person is or was an agent of the corporation, against expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with that proceeding if that person acted in good faith and in a manner that person reasonably believed to be in the best interests of the corporation and, in the case of a criminal proceeding had no reasonable cause to believe the conduct of that person was unlawful. The termination of any proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in the best interests of the corporation or that the person had reasonable cause to believe that the person’s conduct was unlawful.

3. **Indemnification in Actions by or in the Right of the Corporation:** The corporation shall have the power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action by or in the right of the corporation, or brought under 805 Illinois Nonprofit Corporation Act 105/108.75 (b), or brought by the Attorney General or a person granted relator status by the Attorney General for breach of duty relating to assets held in charitable trust, to procure a judgment in its favor by reason of the fact that the person is or was an agent of the corporation, against expenses actually and reasonably incurred by that person in connection with the defense or settlement of that action if the person acted in good faith, in a manner such person believed to be in the best interests of the corporation, and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances. No indemnification shall be made under this Section 3:
 - a. In respect of any claim, issue, or matter as to which that person shall have been adjudged to be liable to the corporation in the performance of that person’s duty to the corporation, unless and only to the extent that the court in which the proceeding is or was pending shall determine

upon application that, in view of all the circumstances of the case, the person is fairly and reasonably entitled to indemnity for the expenses which the court shall determine,

- b. Of amounts paid in settling or otherwise disposing of a threatened or pending action, with or without court approval; or
 - c. Of expenses incurred in defending a threatened or pending action, which is settled or otherwise disposed of without court approval, unless it is settled with the approval of the Attorney General.
4. **Indemnification Against Expenses:** To the extent that an agent of the corporation has been successful on the merits in defense of any proceeding referred to in Section 2 or 3 of this Article VII or in defense of any claim, issue, or matter therein, the agent shall be indemnified against expenses actually and reasonably incurred by the agent in connection therewith.
5. **Required Determinations:** Except as provided in Section 4 of this Article VII any indemnification under this Article VII shall be made by the corporation only if authorized in the specific case, upon a determination that indemnification of the agent is proper in the circumstances because the agent has met the applicable standard of conduct set forth in Section 2 or 3 of this Article VII, by:
- a. A majority vote of a quorum consisting of Directors who are not parties to the proceeding; or
 - b. The court in which the proceeding is or was pending upon application made by the corporation or the agent or the attorney or other person rendering services in connection with the defense, whether or not the application by the agent, attorney, or other person is opposed by the corporation.
6. **Advancement of Expenses:** Expenses incurred in defending any proceeding may be advanced by the corporation prior to the final disposition of the proceeding upon receipt of any undertaking by or on behalf of the agent to repay that amount unless it shall be determined ultimately that the agent is entitled to be indemnified as authorized in this Article VII.
7. **Other Indemnification:** No provision made by the corporation to indemnify its Directors or Officers for the defense of any proceeding, whether contained in the Articles, Bylaws, a resolution of members or Directors, an agreement, or otherwise, shall be valid unless consistent with this Article VII. Nothing contained in this Article VII shall affect any right to indemnification to which persons other than such Directors and officers may be entitled by contract or otherwise
8. **Indemnification Not Permitted:** No indemnification or advance shall be made under this Article VII, except as provided in Section 4 or 5b. in any circumstances in which it appears:
- a. That it would be inconsistent with the provision of the Articles, these Bylaws, or an agreement in effect at the time of the accrual of the alleged cause of action asserted in the proceeding in which the expenses were incurred or other amounts were paid, which prohibits or otherwise limits indemnification, or
 - b. That it would be inconsistent with any condition expressly imposed by a court in approving a settlement.
9. **Insurance:** The corporation shall have power to purchase and maintain insurance on behalf of any agent of the corporation against any liability asserted against or incurred by the agent in that capacity or arising out of the agent's status as such whether or not the corporation would have the power to indemnify the agent against liability under the provisions of this Article VII, provided, however, that a corporation shall have no power to purchase and maintain such insurance to

indemnify any agent of the corporation for a violation of 805 Nonprofit Corporation Act 105/108.75(g).

ARTICLE VIII: ADMENDMENT OF BY-LAWS

1. **Membership Rights Limitations:** Subject to the rights of members under this Article, the Board may adopt, amend or repeal these Bylaws and adopt new Bylaws adopted by the three-quarters (3/4) of all the Directors, unless the action would materially and adversely affect the members' rights as to voting or transfer and is such event, a majority vote of the Members shall be required. The Board may not extend the term of a Director beyond that for which the Director was elected.
2. **Members' Approval Required:** Without the approval of the members, the Board may not adopt, amend or repeal any Bylaws that would:
 - a. Increase or extend the terms of Directors;
 - b. Allow any Director to hold office by designation or selection rather than by election by the members;
 - c. Increase the quorum for members' meetings;
 - d. Repeal, restrict, create, expand, or otherwise change proxy rights.

ARTICLE IX: DISSOLUTION

1. The Corporation shall be dissolved upon the occurrence of any of the following events:
 - a. By the three-quarters (3/4) approval of the Board of Directors: or
 - b. By the three-quarters (3/4) written agreement of all Members.
2. As soon as possible following the occurrence of any of the events specified in this Section 1 effecting the dissolution of the Corporation, the Board of Directors shall make the necessary arrangements to effectuate the dissolution of the Corporation in the manner prescribed by 805 Illinois Nonprofit Corporation Law 105/101.10.
3. Upon dissolution or winding up of the Corporation, its assets remaining after payment, or provisions for payment, of all debts and liabilities shall be distributed to a nonprofit fund, foundation, or corporation which is organized and operated exclusively for charitable purposes and which has established its tax exempt status under 501(c)(3) of the Internal Revenue Code of the 1986 or corresponding provision of any future United States Internal Revenue Law.

ARTICLE X: MISCELLANEOUS

1. **Authority Regarding Securities:** The president, or such other offices as the Board of Directors may select for that purpose, are authorized to vote, represent, and exercise on behalf of this corporation all rights incident to any and all voting securities of any other corporation or corporations standing in the name of this corporation. The authority granted in these Bylaws to the officers to vote or represent this corporation arising from any voting securities held by this corporation in any other corporation or corporations may be exercised either by the officers in

person or by any person authorized so to do by proxy or power of attorney duly executed by the officers.

2. **Construction and Definitions:** Unless the context requires to otherwise, the general provisions, rules of construction, and definitions in the Illinois Nonprofit Corporation Law shall govern the construction of these Bylaws. Without limiting the generality of the preceding sentence, the masculine gender includes the feminine and neuter, the singular includes the plural, the plural includes the singular, and the term “person” includes both a legal entity and a natural person.