

BYLAWS of THE PALWAUKEE AIRPORT PILOTS ASSOCIATION

PREAMBLE

The following Bylaws shall be subject to, and governed by, the Non-Profit Corporation Act of Illinois and the Articles of Incorporation of Palwaukee Airport Pilots Association. In the event of direct conflict between the herein contained provisions of these Bylaws and the mandatory provisions of the Non-Profit Corporation Act of Illinois, said Non-Profit Corporation Act shall be the prevailing controlling law. In the event of a direct conflict between the provisions of these Bylaws and the Articles of Incorporation of the Organization, it shall then be these Bylaws which shall be controlling.

ARTICLE 1 – NAME

The legal name of the Non-Profit Organization shall be the Palwaukee Airport Pilots Association doing business as Chicago Executive Pilots Association and it shall herein be referred to as the "Organization."

ARTICLE 2 – PURPOSE

The general purposes for which the Organization has been established are set forth in the attached Articles of Incorporation.

The Organization is established within the meaning of IRS Publication 557 Section 501(c)(4) Organization of the Internal Revenue Code of 1986, as amended (the "Code") or the corresponding section of any future federal tax code and shall be operated exclusively for advocacy and support for the users of Chicago Executive airport as stated in the articles of incorporation.

In addition, this Organization has been formed for the purpose of performing all things incidental to, or appropriate in, the foregoing specific and primary purposes. However, the Organization shall not, except to an insubstantial degree, engage in any activity or the exercise of any powers which are not in furtherance of its primary non-profit purposes.

The Organization shall hold and may exercise all such powers as may be conferred upon any nonprofit organization by the laws of the State of Illinois and as may be necessary or expedient for the administration of the affairs and attainment of the purposes of the Organization. At no time and in no event shall the Organization participate in any activities which have not been permitted to be carried out by Organizations exempt under Section 501(c) of the Internal Revenue Code of 1986 (the "Code").

ARTICLE 3- MEMBERS

Section 1. CLASSIFICATION OF MEMBERS

Membership in the Organization shall consist of individuals who support the purposes, vision, mission, and goals, of the Organization. There shall be three classes of membership: Regular Pilot, Family Affiliate, and Associate.

Regular Pilot Member

Regular Pilot Members shall be those persons who hold at least a student pilot's license and are a user of Chicago Executive Airport. All Regular Pilot Members in good standing shall have the right to vote, hold office, serve as Directors, serve on committees and/or task forces, participate in

Corporation activities, and receive periodic information from the Corporation.

Family Affiliate Member

Family Affiliate Membership is open to each member of your family to enjoy the benefits of Chicago Executive Pilots Association membership at a reduced rate per member. Each Affiliate member may receive their own membership card and all the regular annual membership benefits, for as long as the primary regular pilot membership remains in effect. Family Affiliate Members have no voting rights and are not allowed to hold office or serve as Directors, however they may serve on committees and/or task forces, participate in Corporation activities, and receive periodic information from the Corporation.

Associate Member

Associate Membership is open to individuals who have an interest in aviation and have an interest in lending their support and cooperation to the Corporation. Their primary responsibilities may include: business development; sales and/or marketing as a consultant; representation of a manufacturer, vendor, dealer, distributor; and/or provider of aviation-related products and services. Associate Members in good standing shall have no voting rights and are not allowed to hold office or serve as Directors; however, they may serve on committees and/or task forces, participate in Corporation activities, and receive periodic information from the Organization.

Section 2. MEMBERSHIP APPLICATION, TERM AND LIMITATIONS

All applicants for membership shall complete an application approved by the then current Board of Directors and submit it with requisite dues as determined by then current Standard Operating Procedures. The Board of Directors, by a majority vote, has the discretion to accept or reject the application, renewal application of any person for Membership. In the event the Board of Directors determines to reject an application, any dues submitted with that application shall be promptly refunded. Membership officially begins when payment has been received and the Board has acknowledged the new member. Membership shall be for an annual term, subject to reclassification, upon payment of dues. All memberships expire annually on June 1st. Membership does not include use of Corporation resources, the Corporation's name or intellectual property, or the Organization's membership directories for the direct promotion of products or services.

Section 3. ANNUAL MEETING

There will be one annual meeting of the members, to be held in November, at such time and place as may be designated by the Board of Directors. The primary purpose of the meeting shall be the election of officers and directors to succeed those whose terms of office shall expire at the end of December in each year. Other items of business appropriate to that meeting may also be acted upon.

Section 4. SPECIAL MEETINGS OF THE MEMBERSHIP

Special meetings of the members may be called at any time and for any purpose by the President, the Vice-President, or by a majority of the Board of Directors, or on request in writing by a majority of current members and shall be called forthwith by the President or the Vice-President. The request shall state the purpose of the meeting, and only that subject matter may be discussed at the meeting.

Section 5. NOTICE OF MEETINGS

Written notice of each meeting of the members shall be mailed, postage prepaid, or transmitted to members of record via the email the member has provided at least ten days prior to the date of the meeting. Each such notice shall state the place, date, and hour at which the meeting is to be held, and briefly, the purpose of any special meeting. Electronic delivery of the newsletter containing the date, time and place of meetings shall be sufficient notice of all meetings so listed in the newsletter.

Section 6. QUORUM AT MEETINGS OF THE GENERAL MEMBERSHIP

A minimum of 10 members in good standing, shall constitute a quorum for the conduct of business. If less than a quorum is present at any meeting, the meeting may be postponed until such time that a quorum is present.

Section 7. CONDUCT OF MEETINGS

Meetings of the members will be presided over by the President, or in his absence, by the Vice-President. If neither are present, then the Secretary, or in his or her absence, the Treasurer shall be elected Chairman from those present by voice vote.

Section 8. MEMBERSHIP RECORD

The organization shall keep a record of at least the name, address and telephone number of each member. The record shall also contain the fact of termination and the date on which such membership ceased. The records shall be kept by the Membership Chairman or another appropriate Officer. The membership records of this organization shall constitute the membership list of this Organization and shall not be used, in whole or in part, by any person for any purpose not reasonably related to a member's interest as a member of the Organization.

Section 9. NON LIABILITY OF MEMBERS

A member of the Organization shall not, solely because of such membership, be personally liable for the debts, obligations, or liabilities of the Corporation.

Section 10. TERMINATION OF MEMBERSHIP

The membership and ASSOCIATED PRIVILEGES shall automatically terminate on the occurrence of any of the FOLLOWING:

- (1) The DEATH OR voluntary resignation of a member;
- (2) Where a membership is issued for a period of time, the expiration of such period of time
- (3) Nonpayment of Dues. The membership status of any member who fails to pay his dues by May 31 shall automatically terminate, provided such member was given an official written notice 10 days before the termination, stating that membership will terminate on the date set forth in the notice if the payment of dues is not received before the date in the notice. Notice shall be given personally to member or sent by first-class mail to the last address of such member as shown in the membership roster.
- (4) CONDUCT DETRIMENTAL TO PURPOSE The Board of Directors, by way of affirmative vote of

a majority of the directors then currently in office, may remove, at any regular or special Board meeting called for that purpose, any member who has exhibited conduct detrimental to the purpose of the organization for conduct contrary to or which frustrates or interferes with any resolution of the Board, for fraudulent or dishonest conduct, provided the member to be removed has been notified in writing in the manner set forth in Article 3 Section 5. Notice of meetings.

ARTICLE 4 – OFFICE

The principal office of the Corporation/Organization shall be located at 1005 S Wolf Road # 106, Wheeling, Illinois 60090.

The Organization may have other such offices as the Board of Directors may determine or deem necessary, or as the affairs of the Organization may find a need for from time to time.

ARTICLE 5 – DEDICATION OF ASSET

The properties and assets of the Organization are irrevocably dedicated to and for non-profit purposes only. No part of the net earnings, properties, or assets of this Corporation/Organization, on dissolution or otherwise, shall inure to the benefit of any person or any member, director, or officer of this Organization. On liquidation or dissolution, all remaining properties and assets of the Organization shall be distributed and paid over to an organization dedicated to non-profit purposes which has established its tax-exempt status pursuant to Section 501(c) of the Code.

ARTICLE 6 – BOARD OF DIRECTORS

Section 1 General Powers and Responsibilities

The Organization shall be governed by a Board of Directors (the "Board"), which shall have all the rights, powers, privileges and limitations of liability of directors of an non-profit corporation organized under the Non-Profit Corporation Act of Illinois. The Board shall establish policies and directives governing business and programs of the Organization and oversee any actions or activities delegated to other volunteers to assure that the policies and directives are appropriately followed.

Section 2 Number and Qualification

The Board of Directors is composed of the four Principal Officers: President, Vice-President, Secretary and Treasurer and the remaining quota of Directors. The Board shall have up to 9, but no fewer than 5, elected Board members. A Board member need not be a resident of the State of Illinois. Only Members in good standing are eligible to stand for election as a Director or Officer, or serve as a Director or Officer.

Section3 Board Compensation

The Board shall receive no compensation other than for reasonable expenses. However, provided the compensation structure complies with Sections relating to "Contracts Involving Board Members and/or Officers" as stipulated under these Bylaws, nothing in these Bylaws shall be construed to preclude any Board member from serving the Organization in any other capacity and receiving compensation for services rendered.

RESIGNATION

Each Board member shall have the right to resign at any time upon written notice thereof to the President, or Secretary of the Board. Unless otherwise specified in the notice, the resignation shall take effect upon receipt thereof, and the acceptance of such resignation shall not be necessary to make it effective. Unless the Attorney General of Illinois is first notified, no director may resign when the Organization would then be left without a duly elected director in charge of its affairs

REMOVAL OF DIRECTORS

A director may be removed by the affirmative vote of two-thirds of the votes of Members present and voted at a meeting of Members called for that purpose. No director shall be removed at a meeting of members entitled to vote unless the written notice of such meeting is mailed, postage prepaid, or transmitted to members of record via the email the member has provided not less than 20 days before such meeting to all members entitled to vote on removal of directors. Such notice shall state the time, date and place of such meeting and that a purpose of the meeting is to vote upon the removal of one or more directors named in the notice. Only the named director or directors may be removed at such meeting.

A director may be removed for failing to comply with the oath of office, for engaging in conduct detrimental to the purpose of this organization, for acting outside the authority of his or her office as a director, for conduct contrary to or which frustrates or interferes with any resolution of the Board, for fraudulent or dishonest conduct, gross dereliction of his or her duties as a director.

If the Board determines at such meeting that any director should be removed for engaging in fraudulent or dishonest conduct or who has grossly abused his or her position to the detriment of the corporation, and removal is in the best interest of the corporation, said director may not run for or hold a position as a director or officer of this organization for seven years from the date of removal.

Section 4. ELECTION OF OFFICERS AND DIRECTORS

NOMINATIONS At least three months prior to the annual membership meeting the Board of Directors will appoint a nominating committee of no less than three and no more than five members in good standing

The nominating committee will establish a slate of at least one and no more than three candidates, all who have agreed to serve if elected, for each position of director and or officers. Inclusion of candidates on the slate is at the discretion of the Nominating Committee. Candidates must be members in good standing and may not have been removed from office or general membership within the previous 7 years. The nominating committee shall exercise their best judgment in choosing candidates that express their willingness to serve. This committee will be expected to establish that the candidates they slate have the integrity and capacity to properly advance the purposes and goals of the Organization .

The slate selected and approved by the Nominating Committee will be presented to the Board at their October meeting for their approval. The slate of candidates shall be reviewed and a vote taken on each to be included on the ballot. A majority of the Board will be required to approve each candidate. Decision of the board shall be final.

The approved slate will be distributed to the members together with the meeting notice provided for in Article 3

Section 5. Notice of meetings.

During the annual meeting for the election of officers and directors, the Chair shall call for additional nominations of candidates for officers and for directors from the floor. Only members in good standing may make nominations from the floor. In the event such additional nominations are made, the Members present at said meeting shall vote on these candidates, as well as the candidates selected and approved by the Nominating Committee.

VOTING Voting shall be by secret ballot. Written ballots shall be mailed to each member at least 2 weeks before November meeting and will be unique and include the notation that copies will not be permitted or counted. Should a member not return their completed ballot by mail they must return the original ballot at the meeting to be counted. The ballot shall indicate individually the vote for each officer, and the individual candidate for each office who shall receive the largest number of votes shall be elected. The remaining vacancies on the Board shall be filled by those candidates, including the unsuccessful candidates for office, who received the largest number of votes. Ballots will be counted by at least two tellers appointed by the Chair, and their count shall be conclusive.

A majority of the valid votes cast is required for any candidate to be elected as an Officer or Director. In the event of a tie for the position of an Officer or Director, the majority vote of the current Board of Directors shall decide the outcome.

TERMS OF OFFICE Principal Officers (President, Vice President, Secretary and Treasurer) elected to the Board shall serve for a term of 2 years. Directors shall serve for 1 year, with the Past President serving as a Board member for one year after the end of his term as President.

VACANCIES A vacancy on the Board of Directors may exist at the occurrence of the following:

- a)The death, resignation, or removal of any director;
- b)The declaration by resolution of the Board of a vacancy in the office of a director who has been declared of unsound mind by a final order of court, convicted of a felony, found by final order or judgment of any court to have breached a duty pursuant to the Corporation Code and/or Act of the law dealing with the standards of conduct for a director, or has missed 3 consecutive meetings of the Board of Directors, or a total of 3 meetings of the Board during any one calendar year;
- c) An increase in the authorized number of directors; or
- d) The failure of the membership, at any annual or other meeting of directors at which director(s) are to be elected, to elect the full authorized number of Directors.

Any vacancy on the Board may be filled by vote of a majority of the directors then in office, whether or not the number of directors then in office is less than a quorum, or by vote of sole remaining director. No reduction of the authorized number of directors shall have the effect of removing any director before that director's term of office expires. A Board member chosen by the Board to fill a vacancy shall be elected by majority vote of the remaining Board Members for the unexpired term of his or her predecessor in office.

MEETINGS

The Board's regular meetings may be held at such time and place as shall be determined by the Board. The President, Vice President or any 2 regular Board members may call a special meeting of the Board with 5 days'

written notice provided to each member of the Board. The notice shall be served upon each Board member via hand delivery, regular mail, email, or fax. The person(s) authorized to call such special meetings of the Board may also establish the place the meeting is to be conducted, so long as it is a reasonable place to hold any regular or special meeting of the Board.

MINUTES

The Secretary shall be responsible for the recording of all minutes of each and every meeting of the Board in which business shall be transacted in such order as the Board may determine from time to time. However, in the event the Secretary is unavailable, the President shall appoint an individual to act as Secretary at the meeting. The Secretary, or the individual appointed to act as Secretary, shall prepare the minutes of the meetings, which shall be delivered to the Organization to be placed in the minute books. A copy of the minutes shall be delivered to each Board member via either regular mail, hand delivered, emailed, or faxed within 10 business days after the close of each Board meeting.

ACTION BY WRITTEN CONSENT

Any action required by law to be taken at a meeting of the Board, or any action that may be taken at a meeting of the Board, may be taken without a meeting if consent in writing setting forth the action so taken shall be signed by all Board members. The number of directors in office must constitute a quorum for an action taken by unanimous written consent. Such consent shall be placed in the minute book of the Organization and shall have the same force and effect as a unanimous vote of the Board taken at an actual meeting. The Board members' written consent may be executed in multiple counterparts or copies, each of which shall be deemed an original for all purposes. In addition, facsimile signatures and electronic signatures or other electronic "consent click" acknowledgments shall be effective as original signatures.

QUORUM

At each meeting of the Board of Directors, the presence of 5 directors shall constitute a quorum for the transaction of business. The President is a full voting member of the Board. The act of the majority of the Board members serving on the Board and present at a meeting in which there is a quorum shall be the act of the Board, unless otherwise provided by the Articles of Incorporation, these Bylaws, or law specifically requiring otherwise. If a quorum is not present at a meeting, the Board members present may adjourn the meeting from time to time without further notice until a quorum shall be present. However, a Board member shall be considered present at any meeting of the Board if, during the meeting, he or she is present via telephone or web conferencing with the other Board members participating in the meeting.

VOTING

Each Board member shall only have one vote. Electronic/internet voting by board members shall be permitted with the understanding that the voting process will be handled by the President and that the voting results are reported at the next physical board meeting.

PROXY

Board members shall not be allowed to vote by written proxy

BOARD MEMBER ATTENDANCE

An elected Board Member who is absent from 3 consecutive regular meetings of the Board during a fiscal year shall be encouraged to reevaluate with the Chair of the Board his/her commitment to the Organization. The Board may deem a Board member who has missed 3 consecutive meetings without such a reevaluation with the Chair to have resigned from the Board.

OATH OF OFFICE. All Directors shall execute and be bound by an oath of office in the form attached hereto as Exhibit A.

ARTICLE 7 – OFFICERS

Officers and Duties

The Board shall elect officers of the Organization which shall include a President, Vice President, a Secretary, Treasurer, and such other officers as the Board may designate by resolution. The same person may hold any number of offices, except that neither the Secretary nor the Treasurer may serve concurrently as the President. In addition to the duties in accordance with this Article, officers shall conduct all other duties typically pertaining to their offices and other such duties which may be required by law, Articles of Incorporation, or by these bylaws, subject to control of the Board of Directors, and they shall perform any other such additional duties which the Board of Directors may assign to them at their discretion.

The officers will be elected by the members at its annual meeting, and shall serve the needs of the Organization.

President (Chief Executive Officer)

It shall be the responsibility of the President, in general, to supervise and conduct all activities and operations of the Organization, subject to the control, advice and consent of the Board of Directors. The President shall keep the Board of Directors completely informed, shall freely consult with them in relation to all activities of the Organization, and shall see that all orders and/or resolutions of the Board are carried out to the effect intended. The President shall be empowered to act, speak for, or otherwise represent the Organization between meetings of the Board. The President, at all times, is authorized to contract, receive, deposit, and disburse amounts which have been approved by the Board in that year's approved budget, to execute in the name of the Organization all contracts and other documents authorized by the Board to be executed by the Organization, and to negotiate any and all material business transactions of the Organization.

Vice President

In the absence of the President, or in the event of his/her inability or refusal to act, it shall then be the responsibility of the Vice President to perform all the duties of the President, and in doing so shall have all authority and powers of, and shall be subject to all of the restrictions on, the President.

Secretary

The Secretary, or his/her designee, shall be the custodian of all records and documents of the Organization, which are required to be kept at the principal office of the Corporation/Organization, and shall act as secretary at all meetings of the Board of Directors, and shall keep the minutes of all such meetings on file in hard copy or electronic format. S/he shall attend to the giving and serving of all notices of the Organization and shall see that the seal of the Organization, if any, is affixed to all documents, the execution of which on behalf of the Organization under its seal is duly authorized in accordance with the provisions of these bylaws.

Treasurer (Chief Financial Officer)

It shall be the responsibility of the Treasurer to keep and maintain, or cause to be kept and maintained, adequate and accurate accounts of all the properties and business transactions of the Organization, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, retained earnings, and other matters customarily included in financial statements.

The Treasurer shall be responsible for ensuring the deposit of, or cause to be deposited, all money and other valuables as may be designated by the Board of Directors. Furthermore, the Treasurer shall disburse, or cause to be disbursed, the funds of the Organization, as may be ordered by the Board of Directors, and shall render to the President, and directors, whenever they request it, an account of all the Treasurer's transactions as treasurer and of the financial condition of the Organization.

The Treasurer shall give the Organization a bond, if so requested and required by the Board of Directors, in the amount and with the surety or sureties specified by the Board for faithful performance of the duties of the Treasurer's office and for restoration to the Organization of all its books, papers, vouchers, money and other property of every kind in the Treasurer's possession or under the Treasurer's control upon the Treasurer's death, resignation, retirement, or removal from office. The Organization shall pay the cost of such a bond.

The Treasurer shall submit in February of each year, the financial records of the Organization for the previous year to a Committee assigned by the Board to review such records. The Committee shall report to the Board of Directors their notes on this review at the March meeting.

VACANCY OF OFFICE

In the event that the position of any officer becomes vacant before the term of that officer expires, whether by resignation, death, removal or otherwise, a majority of the board of directors may appoint a person to fill the remaining term of the vacant officer until such term would have expired had such officer's position not become vacant.

REMOVAL OF OFFICERS

Any officer may be removed by vote of a majority of the board of directors officer but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of an officer shall not of itself create any contract rights.

An officer may be removed for failing to comply with the oath of office, for engaging in conduct detrimental to the purpose of this organization, for acting outside the authority of his or her office, for conduct contrary to or which frustrates or interferes with any resolution of the Board, for fraudulent or dishonest conduct, or for gross dereliction of his or her duties as an officer.

No officer shall be removed at a meeting of the board of directors unless the written notice of such meeting is delivered to all directors by mail or by email to the email address of record for the directors. Such notice shall state the date, time and place of such meeting and that a purpose of the meeting is to vote upon the removal of one or more officers named in the notice. Only the named officer(s) in such notice may be removed at such meeting.

If the Board determines at such meeting that any officer should be removed for engaging in fraudulent or dishonest conduct or who has grossly abused his or her position to the detriment of the corporation, and removal is in the best interest of the corporation, said officer may not run for or hold a position as a director or officer of this organization for seven years from the date of removal.

OATH OF OFFICE. All Officers shall execute and be bound by an oath of office in the form attached hereto as Exhibit A.

ARTICLE 8 – COMMITTEE

Committees of Director

The Board of Directors may, by resolution adopted by a majority of the directors then in office, provided that a quorum is present, designate one or more committees to exercise all or a portion of the authority of the Board, to the extent of the powers specifically delegated in the resolution of the Board or in these bylaws. Each such committee shall consist of two (2) or more directors, and may also include persons who are not on the Board but whom the directors believe to be reliable and competent to serve at the specific committee. However, committees exercising any authority of the Board of Directors may not have any non-director members. The Board may designate one or more alternative members of any committee who may replace any absent member at any meeting of the committee. The appointment of members or alternate members of a committee requires the vote of a majority of the directors then in office, provided that a quorum is present. The Board of Directors may also designate one or more advisory committees that do not have the authority of the Board. However, no committee, regardless of Board resolution, may:

- a) Approve of any action that, pursuant to applicable Law, would also require the affirmative vote of the members of the Board if this were a membership vote.
- b) Fill vacancies on, or remove the members of, the Board of Directors or any committee that has the authority of the Board.
- c) Fix compensation of the directors serving on the Board or on any committee.
- d) Amend or repeal the Articles of Incorporation or bylaws or adopt new bylaws.
- e) Amend or repeal any resolution of the Board of Directors that by its express terms is not so amendable or repealable.
- f) Appoint any other committees of the Board of Directors or their members.
- g) Approve a plan of merger, consolidation, voluntary dissolution, bankruptcy, or reorganization; or a plan for the sale, lease, or exchange of all or considerably all of the property and assets of the Corporation/Organization otherwise than in the usual and regular course of its business; or revoke any such plan.
- h) Approve any self-dealing transaction, except as provided pursuant to law.

Unless otherwise authorized by the Board of Directors, no committee shall compel the Organization in a contract or agreement or expend Organization funds.

Meetings and Actions of Committee

Meetings and actions of all committees shall be governed by, and held and taken in accordance with, the provisions of these bylaws concerning meetings and actions of the directors, with such changes in the context of those bylaws as are necessary to substitute the committee and its members for the Board of Directors and its members, except that the time for regular meetings of committees may be determined either by resolution of the Board of Directors or by resolution of the committee. Special meetings of committees may also be called by resolution of the Board of Directors. Notice of special meetings of committees shall also be given to any and all

alternate members, who shall have the right to attend all meetings of the committee. Minutes shall be kept of each meeting of any committee and shall be filed with the Organization records. The Board of Directors may adopt rules not consistent with the provisions of these bylaws for the governance of any committee.

If a director relies on information prepared by a committee of the Board on which the director does not serve, the committee must be composed exclusively of any or any combination of (a) directors, (b) directors or employees of the Organization whom the director believes to be reliable and competent in the matters presented, or (c) counsel, independent accountants, or other persons as to matters which the director believes to be within that person's professional or expert competence.

ARTICLE 9 - STANDARD OF CARE

General

A director shall perform all the duties of a director, including, but not limited to, duties as member of any committee of the Board on which the director may serve, in such a manner as the director deems to be in the best interest of the Organization and with such care, including reasonable inquiry, as an ordinary, prudent, and reasonable person in a similar situation may exercise under similar circumstances. In the performance of the duties of a director, a director shall be entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, in each case prepared or presented by:

- a) One or more officers or employees of the Corporation/Organization whom the director deems to be reliable and competent in the matters presented;
- b) Counsel, independent accountants, or other persons, as to the matters which the director deems to be within such person's professional or expert competence; or
- c) A committee of the Board upon which the director does not serve, as to matters within its designated authority, which committee the director deems to merit confidence, so long as in any such case the director acts in good faith, after reasonable inquiry when the need may be indicated by the circumstances, and without knowledge that would cause such reliance to be unwarranted.

Except as herein provided in the above any person who performs the duties of a director in accordance with the above shall have no liability based upon any failure or alleged failure to discharge that person's obligations as a director, including, without limitation of the following, any actions or omissions which exceed or defeat a public or charitable purpose to which the Organization, or assets held by it, are dedicated.

Loans

The Organization shall not make any loan of money or property to, or guarantee the obligation of, any director or officer, unless approved by the Illinois Attorney General; provided ,however, that the Organization may advance money to a director or officer of the Organization or any subsidiary for expenses reasonably anticipated to be incurred in the performance of the duties of such officer or director so long as such individual would be entitled to be reimbursed for such expenses absent that advance. In no case shall advance exceed \$1500 without approval of the Board of Directors.

Conflict of Interest

The purpose of the Conflict of Interest policy is to protect the Organization's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of one of its officers or

directors, or that might otherwise result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations and is not intended as an exclusive statement of responsibilities.

Restriction on Interested Director

Not more than 2 members serving on the Board of Directors at any time may be interested persons. An interested person is (1) any person being compensated by the Organization for services rendered to it within the previous twelve (12) months, whether as a full-time or part-time employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a director; and (2) any brother, sister, parent, ancestor, descendent, spouse, brother-in-law, sister-in-law, son-in-law, mother-in-law, or father-in-law of any such person. Any violation of the provisions of this section shall not automatically affect the validity or enforceability of any transaction entered into by the interested person, but such transaction may be voided by a the vote of majority of the Board of Directors who do not have a conflict or are interested in such transaction.

Duty to Disclose

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors who are considering the proposed transaction or arrangement.

Establishing a Conflict of Interest

After the disclosure of the financial interest and all material facts, and after any discussion with the interested person, the interested person shall leave the Board meeting while the potential conflict of interest is discussed and voted upon. The remaining Board members shall decide if conflict of interest exists.

Addressing a Conflict of Interest

In the event that the Board should establish that a proposed transaction or arrangement establishes a conflict of interest, the Board shall then proceed with the following actions:

- a) Any interested person may render a request or report at the Board meeting, but upon completion of said request or report the individual shall be excused while the Board discusses the information and/or material presented and then votes on the transaction or arrangement proposed involving the possible conflict of interest.
- b) The President shall, if deemed necessary and appropriate, appoint disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- c) After exercising due diligence, the Board shall determine whether the Organization can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- d) If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the best interest of the Organization, for its own benefit, and whether it is fair and reasonable. It shall make its decision as to whether to enter into the transaction arrangement in conformity with this determination.

Violations of Conflict of Interest Policy

Should the Board have reasonable cause to believe an interested person has failed to disclose actual or possible conflicts of interest, the Board shall then inform the interested person of the basis for such belief and afford the interested person an opportunity to explain the alleged failure to disclose.

If, after hearing the interested person's explanation, and after making further investigation as may be warranted in consideration of the circumstances, the Board determines the interested person intentionally failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Procedures and Records

All minutes of the Board Meetings, when applicable, shall contain the following information:

- a) The names of all the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Board's decision as to whether a conflict of interest in fact existed.
- b) The names of the persons who were present for discussions and any votes relating to the transaction or arrangement, the content of the discussions, including any alternatives to the proposed transaction or arrangement, and a record of any vote taken in connection with the proceedings.

Acknowledgement of Conflict of Interest Policy

Each director, principal officer, and member of a committee with Board delegated powers shall be required to sign a statement which affirms that such person:

- a) Has received a copy of the conflict of interest policy;
- b) Has read and understands the policy;
- c) Has agreed to comply with the policy; and
- d) Understands that the Organization is charitable, and in order to maintain its federal tax exemption, it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Violation of Loyalty - Self-Dealing Contract

A self-dealing contract is any contract or transaction (i) between this Organization and one or more of its Directors, or between this Organization and any corporation, firm, or association in which one or more of the Directors has a material financial interest ("Interested Director"), or (ii) between this Organization and a corporation, firm, or association of which one or more of its directors are Directors of this Organization. Said self-dealing shall not be void or voidable because such Director(s) of corporation, firm, or association are parties or because said Director(s) are present at the meeting of the Board of Directors or committee which authorizes, approves or ratifies the self-dealing contract, if:

- a) All material facts are fully disclosed to or otherwise known by the members of the Board and the self-dealing contract is approved by the Interested Director in good faith (without including the vote of any membership owned by said interested Director(s))
- b) All material facts are fully disclosed to or otherwise known by the Board of Directors or committee, and the Board of Directors or committee authorizes, approves, or ratifies the self-dealing contract in

good faith—without counting the vote of the interested Director(s)— and the contract is just and reasonable as to the corporation/Organization at the time it is authorized, approved, or ratified; or
c) As to contracts not approved as provided in above sections (a) and/or
d) the person asserting the validity of the self-dealing contract sustains the burden of proving that the contract was just and reasonable as to the Organization at the time it was authorized, approved, or ratified.

Interested Director(s) may be counted in determining the presence of a quorum at a meeting of the Board of Directors or a committee thereof, which authorizes, approves, or ratifies a contract or transaction as provided for and contained in this section.

Indemnification

To the fullest extent permitted by law, the Organization shall indemnify its "agents," as described by law, including its directors, officers, employees and volunteers, and including persons formerly occupying any such position, and their heirs, executors and administrators, against all expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred by them in connection with any "proceeding," and including any action by or in the right of the Organization, by reason of the fact that the person is or was a person as described in the Non-Profit Corporation Act. Such right of indemnification shall not be deemed exclusive of any other right to which such persons may be entitled apart from this Article.

The Organization shall have the power to purchase and maintain insurance on behalf of any agent of the Organization, to the fullest extent permitted by law, against any liability asserted against or incurred by the agent in such capacity or arising out of the agent's status as such, or to give other indemnification to the extent permitted by law.

ARTICLE 10 – EXECUTION OF CORPORATE INSTRUMENT

Execution of Corporate Instrument

The Board of Directors may, at its discretion, determine the method and designate the signatory officer or officers, or other person or persons, to execute any corporate instrument or document, or to sign the corporate name without limitation, except when otherwise provided by law, and such execution or signature shall be binding upon the Organization.

Unless otherwise specifically determined by the Board of Directors or otherwise required by law, formal contracts of the Organization, promissory notes, deeds of trust, mortgages, other evidences of indebtedness of the Corporation/Organization, other organization instruments or documents, memberships in other organizations, and certificates of shares of stock owned by the Organization shall be executed, signed, and/or endorsed by the President or Treasurer.

All checks and drafts drawn on banks or other depositories on funds to the credit of the Organization, or in special accounts of the Organization, shall be signed by such person or persons as the Board of Directors shall authorize to do so.

Loans and Contract

No loans or advances shall be contracted on behalf of the Organization and no note or other evidence of indebtedness shall be issued in its name unless and except as the specific transaction is authorized by the Board of Directors. Without the express and specific authorization of the Board, no officer or other agent of the

Organization may enter into any contract or execute and deliver any note, contract, or other obligation in the name of and on behalf of the Organization.

ARTICLE 11 – RECORDS AND REPORT

Maintenance and Inspection of Articles and Bylaws

The Organization shall keep at its principal office the original or a copy of its 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.

Maintenance and Inspection of Federal Tax Exemption Application and Annual Information

Returns

The Organization shall keep at its principal office a copy of its federal tax exemption application and its annual information returns for three years from their date of filing, which shall be open to public inspection and copying to the extent required by law.

Maintenance and Inspection of Other Corporate Records

The Organization shall keep adequate and correct books and records of accounts and written minutes of the proceedings of the Board and committees of the Board. All such records shall be kept at a place or places as designated by the Board and committees of the Board, or in the absence of such designation, at the principal office of the Organization. The minutes shall be kept in written or typed form, and other books and records shall be kept either in written or typed form or in any form capable of being converted into written, typed, or printed form. Upon leaving office, each officer, employee, or agent of the Organization shall turn over to his or her successor or the President, in good order, such organization monies, books, records, minutes, lists, documents, contracts or other property of the Organization as have been in the custody of such officer, employee, or agent during his or her term of office.

Every director shall have the absolute right at any reasonable time to inspect all books, records, and documents of every kind and the physical properties of the Organization and each of its subsidiary organizations. The inspection may be made in person or by an agent or attorney, and shall include the right to copy and make extracts of documents.

Preparation of Annual Financial Statements

The Organization shall prepare annual financial statements.-Such statements shall be prepared by a committee of members appointed by the Board. The Organization shall make these financial statements available to all interested parties that have a legitimate reason to request them for inspection no later than 120 days after the close of the fiscal year to which the statements relate.

Reports

The Board shall ensure an annual report is sent to all directors within 30 days after the end of the fiscal year of the Organization, which shall contain the following information:

- a) The assets and liabilities, including trust funds, of this corporation at the end of the fiscal year.
- b) The principal changes in assets and liabilities, including trust funds, during the fiscal year.

- c) The expenses or disbursements of the Organization for both general and restricted purposes during the fiscal year.
- d) The information required by Non-Profit Corporation Act concerning certain self-dealing transactions involving more than \$50,000 or indemnifications involving more than \$10,000 which took place during the fiscal year.

The report shall be accompanied by any pertinent report from an independent accountant or, if there is no such report, the certificate of an authorized officer of the Organization that such statements were prepared without audit from the books and records of the Organization.

ARTICLE 12 – FISCAL YEAR

The fiscal year for this Corporation/Organization shall end on December 31.

ARTICLE 13 – AMENDMENTS AND REVISIONS

These bylaws may be adopted, amended, or repealed by the vote of a majority of the directors then in office. Such action is authorized only at a duly called and held meeting of the Board of Directors for which written notice of such meeting, setting forth the proposed bylaw revisions with explanations therefore, is given in accordance with these bylaws. If any provision of these bylaws requires the vote of a larger portion of the Board than is otherwise required by law, that provision may not be altered, amended or repealed by that greater vote.

ARTICLE 14 – CORPORATE/ORGANIZATION SEAL

The Board of Directors may adopt, use, and alter a corporate/organization seal. The seal shall be kept at the principal office of the Organization. Failure to affix the seal to any organization instrument, however, shall not affect the validity of that instrument.

ARTICLE 15 – CONSTRUCTION AND DEFINITION

Unless the context otherwise requires, the general provisions, rules of construction, and definitions contained in the Non-Profit Corporation Act as amended from time to time shall govern the construction of these bylaws. Without limiting the generality of the foregoing, the masculine gender includes the feminine and neuter, the singular number includes the plural and the plural number includes the singular, and the term "person" includes a Organization as well as a natural person. If any competent court of law shall deem any portion of these bylaws invalid or inoperative, then so far as is reasonable and possible (i) the remainder of these bylaws shall be considered valid and operative, and (ii) effect shall be given to the intent manifested by the portion deemed invalid or inoperative.

CERTIFICATE OF SECRETARY

I, _____, certify that I am the current elected and acting Secretary of the benefit Organization, and the above bylaws are the bylaws of this Organization as adopted by the Board of Directors on _____ 2017, and that they have not been amended or modified since the above.

EXECUTED

on this day of _____, in the County of Cook in the State of Illinois.

Duly Elected Secretary