

**BY-LAWS**  
**OF**  
**MORTON COMMUNITY FOUNDATION**

**ARTICLE I**  
**Offices**

The principal office of the Foundation shall be located in the Village of Morton, County of Tazewell in the State of Illinois, but may be changed from time-to-time by resolution of the Board of Trustees.

**ARTICLE II**  
**Board of Trustees**

**SECTION 1. GENERAL POWERS.** The affairs of the Foundation shall be managed by or under the direction of its Board of Trustees. The trustees shall elect all future boards of trustees.

**SECTION 2. NUMBER, TENURE AND QUALIFICATIONS.** The number of trustees shall be thirteen (13). Each trustee shall hold office until the next meeting for the election of trustees following his election and until his successor shall have been elected and qualified. Trustees shall be residents of the Village of Morton, Illinois. Trustees shall serve for a term of three (3) years. All trustees are eligible for two (2) terms. The Board of Trustees shall, by resolution, at any time and from time-to-time, determine the number of trustees, provided the number of trustees shall not be reduced so as to shorten the term of any incumbent. Members of the Board of Trustees shall be elected on the basis of knowledge of the educational, cultural, civic, historic, moral, public health, human resources and other charitable needs of the Village of Morton, Illinois. The purpose of this provision is to make the Board of Trustees generally representative of the public interests of the Village of Morton. Members of the Board of Trustees shall serve without compensation, except for reasonable expenses incurred for the Foundation as determined by the Board of Trustees.

**SECTION 3. REGULAR MEETINGS.** The Board of Trustees shall provide, by resolution, the time and place for the holding of regular meetings of the board without other notice than such resolution.

**SECTION 4. SPECIAL MEETINGS.** Special meetings of the Board of Trustees may be called by or at the request of the president or any two (2) trustees. The person or persons authorized to call special meetings of the board may fix any place as the place for holding any special meeting of the board called by them.

**SECTION 5. NOTICE.** Notice of any special meeting of the Board of Trustees shall be given at least five (5) days previous thereto by written notice to each trustee at his address as shown by the records of the Foundation except that no special meeting of trustees may remove a trustee unless written notice of the proposed removal is delivered to all trustees at least twenty (20) days prior to such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope so addressed, with postage thereon prepaid. If notice be given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegram company. Notice of any special meeting of the Board of Trustees may be waived in writing signed by the person or persons entitled to the notice either before or after the time of the meeting. The attendance of a trustee at any meeting shall constitute a waiver of notice of such meeting, except where a trustee attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the board need be specified in the notice or waiver of notice of such meeting, unless specifically required by law or by these By-laws.

**SECTION 6. QUORUM.** A majority of the Board of Trustees shall constitute a quorum for the transaction of business at any meeting of the Board of Trustees, provided that if less than a majority of the trustees are present at said meeting, a majority of the trustees present may adjourn the meeting to another time without further notice.

**SECTION 7. MANNER OF ACTING.** The act of a majority of the trustees present at a meeting at which a quorum is present shall be the act of the Board of Trustees. No trustee may act by proxy on any matter.

**SECTION 8. VACANCIES.** Any vacancy occurring in the Board of Trustees or any trusteeship to be filled by reason of an increase in the number of trustees shall be filled by the Board of Trustees. A trustee elected or appointed, as the case may be, to fill a vacancy shall be elected for the unexpired term of his or her predecessor in office.

**SECTION 9. RESIGNATION AND REMOVAL OF TRUSTEES.** A trustee may resign at any time upon written notice to the Board of Trustees. A trustee may be removed with or without cause, by the Board of Trustees.

**SECTION 10. INFORMAL ACTION BY TRUSTEES.** The authority of the Board of Trustees may be exercised without a meeting if a consent in writing, setting forth the action taken, is signed by all of the trustees entitled to vote.

**SECTION 11. PRESUMPTION OF ASSENT.** A trustee of the Foundation who is present at a meeting of the Board of Trustees at which action on any corporate matter is taken shall be conclusively presumed to have assented to the action taken unless his dissent shall be entered in the minutes of the meeting or unless he shall file his written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof or shall forward such dissent by registered or certified mail to the secretary of the Foundation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a trustee who voted in favor of such action.

**SECTION 12. POWERS OF THE BOARD.** The Board of Trustees shall have the following powers:

- (a) Develop operational policies and procedures;
- (b) Educate the community of the Village of Morton, Illinois through mailings, speaking engagements, general public relations and seminars;
- (c) Promote the business of the Foundation;
- (d) Evaluate grant requests received, evaluate the Village of Morton needs that should be addressed in development efforts and make recommendations for distributions.

### **ARTICLE III Officers**

**SECTION 1. OFFICERS.** All officers of the Foundation shall be members of the Board of Trustees. Officers whose authority and duties are not prescribed in these By-laws shall have the authority and perform the duties prescribed, from time to time, by the Board of Trustees. Any two (2) or more offices may be held by the same person.

**SECTION 2. ELECTION AND TERM OF OFFICE.** The officers of the Foundation shall be elected annually by the Board of Trustees at the regular annual meeting of the Board of Trustees. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Vacancies may be filled or new offices created and filled at any meeting of the Board of Trustees. Each officer shall hold office until his successor shall have been duly elected and qualified, or until his death, or until he shall resign or be removed in the manner hereinafter provided. Election of an officer shall not of itself create contract rights.

**SECTION 3. REMOVAL.** Any officer elected or appointed by the Board of Trustees may be removed by the Board of Trustees whenever in its judgment the best interests of the Foundation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

**SECTION 4. PRESIDENT.** The president shall be the principal executive officer of the Foundation. Subject to the direction and control of the Board of Trustees, he shall be in charge of the business and affairs of the Foundation; he shall see that the resolutions and directives of the Board of Trustees are carried into effect except in those instances in which that responsibility is assigned to some other person by the Board of Trustees; and, in general, he shall discharge all duties incident to the office of president and such other duties as may be prescribed by the Board of Trustees. He shall preside at all meetings of the Board of Trustees. Except in those instances in which the authority to execute is expressly delegated to another officer or agent of the Foundation or a different mode of execution is expressly prescribed by the Board of Trustees or these By-laws, he may execute for the Foundation any contracts, deeds, mortgages, bonds, or other instruments which the Board of Trustees has authorized to be executed, and he may accomplish such execution either under or without the seal of the Foundation and either individually or with the secretary, any assistant secretary, or any other officer thereunto authorized by the Board of Trustees, according to the requirements of the form of the instrument. He may vote all securities which the Foundation is entitled to vote except as and to the extent such authority shall be vested in a different officer or agent of the Foundation by the Board of Trustees.

**SECTION 5. VICE-PRESIDENT.** The vice-president (or in the event there be more than one vice-president, each of the vice-presidents) shall assist the president in the discharge of his duties as the president may direct and shall perform such other duties as from time to time may be assigned to him by the president or the Board of Trustees. In the absence of the president or in the event of his inability or refusal to act, the vice-president (or in the event there be more than one vice-president, the vice-presidents), in the order designated by the Board of Trustees, or by the president if the Board of Trustees has not made such a designation, or in the absence of any designation, then in the order of their seniority of tenure) shall perform the duties of the president and when so acting, shall have all the powers of and be subject to all the restrictions upon the president. Except in those instances in which the authority to execute is expressly delegated to another officer or agent of the Foundation or a different mode of execution is expressly prescribed by the Board of Trustees or these By-laws, the vice-president (or any of them if there are more than one) may execute for the Foundation any contracts, deeds, mortgages, bonds or other instruments which the Board of Trustees has authorized to be executed, and he may accomplish such execution either under or without the seal of the Foundation and either individually or with the secretary, any assistant secretary, or any other officer thereunto authorized by the Board of Trustees, according to the requirements of the form of the instrument.

**SECTION 6. TREASURER.** The treasurer shall be the principal accounting and financial officer of the Foundation. He shall: (a) have charge of and be responsible for the maintenance of adequate books of account for the Foundation; (b) have charge and custody of all funds and securities of the Foundation, and be responsible therefore, and for the receipt and disbursement thereof; and (c) perform all the duties incident to the office of treasurer and such other duties as from time to time may be assigned to him by the president or by the Board of Trustees. If required by the Board of Trustees, the treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the Board of Trustees shall determine.

**SECTION 7. SECRETARY.** The secretary shall: (a) record the minutes of the meetings of the Board of Trustees in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these By-laws or as required by law; (c) be a custodian of the corporate records and of the seal of the Foundation; (d) perform all duties incident to the office of secretary and such other duties as from time to time may be designated to him by the president or by the Board of Trustees.

**SECTION 8. ASSISTANT TREASURERS AND ASSISTANT SECRETARIES.** The assistant treasurers and assistant secretaries shall perform such duties as shall be assigned to them by the treasurer or the secretary, respectively, or by the president or the Board of Trustees. If required by the Board of Trustees, the assistant treasurers shall give bonds for the faithful discharge of their duties in such sums and with such sureties as the Board of Trustees shall determine.

#### **ARTICLE IV Committees, Commissions and Advisory Boards**

**SECTION 1. APPOINT TO COMMITTEES.** The Board of Trustees shall make all appointments to all committees. All committees will make recommendations to the Board of Trustees for final action.

**SECTION 2. DISTRIBUTION/GRANT COMMITTEE.** There shall be a distribution/grant committee chaired by a Trustee, and to include at least two (2) additional Trustees, representatives from the Morton Chamber of Commerce, the Village of Morton, Morton Unit School District 709, Morton Park District, Morton Township, and Morton Public Library District.

**SECTION 3. DEVELOPMENT/MARKETING COMMITTEE.** There shall be a development/marketing committee to be chaired by a Trustee, and to include at least two (2) additional Trustees and at-large members from the Village of Morton.

**SECTION 4. NOMINATING COMMITTEE:** There shall be a nominating committee which shall consist of five (5) members. All five (5) of these members shall be members of the Board of Trustees or designated by the Board of Trustees. The chairperson of the committee shall be elected by the members of the Board of Trustees. The nominating committee shall be responsible for preparing and presenting a single slate of nominees for election of officers, Board of Trustees, as well as presenting replacements for resigned, deceased or removed trustees. This committee shall meet at least forty-five (45) days in advance of the annual meeting, but to so meet shall not invalidate any later action taken by it. The committee shall transmit a list of its nominees to each trustee at least ten (10) days prior to the meeting so that trustees may consider the list of nominees prior to that meeting. Additional nominations may be submitted by any member of the Board of Trustees.

**SECTION 5. ADDITIONAL COMMITTEES.** By resolution adopted by a majority of the trustees in office, the Board of Trustees may designate one (1) or more additional committees, each of which will consist of two (2) or more trustees and such other persons as the Board of Trustees designates.

**SECTION 6. COMMISSIONS OR ADVISORY BODIES.** Commissions or advisory bodies not having and exercising the authority of the Board of Trustees in the Foundation may be designated or created by the Board of Trustees and shall consist of such persons as the Board of Trustees designates. A commission or advisory body may or may not have trustees as members, as the Board of Trustees determines. The commission or advisory body may not act on behalf of the Foundation or bind it to any actions but may make recommendations to the Board of Trustees or to the officers of the Foundation.

**SECTION 7. TERM OF OFFICE.** Each member of a committee, advisory board or commission shall continue as such until the next annual meeting of the Board of Trustees of the Foundation and until his successor is appointed, unless the committee, advisory board or commission shall be sooner terminated, or unless such member be removed from such committee, advisory board or commission by the Board of Trustees, or unless such member shall cease to qualify as a member thereof.

**SECTION 8. CHAIRMAN.** One member of each committee, advisory board or commission shall be appointed chairman.

**SECTION 9. VACANCIES.** Vacancies in the membership of any committee, advisory board or commission may be filled by appointments made in the same manner as provided in the case of the original appointments.

**SECTION 10. QUORUM.** Unless otherwise provided in the resolution of the Board of Trustees designating a committee, advisory board or commission, a majority of the whole committee, advisory board or commission shall constitute a quorum and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee, advisory board or commission.

**SECTION 11. RULES.** Each committee, advisory board or commission may adopt rules for its own government not inconsistent with these By-laws or with rules adopted by the Board of Trustees.

**SECTION 12. INFORMAL ACTION.** The authority of a committee may be exercised without a meeting if a consent in writing, setting forth the action taken, is signed by all of the members entitled to vote.

## **ARTICLE V**

### **Contracts, Checks, Deposits and Funds**

**SECTION 1. CONTRACTS.** The Board of Trustees may authorize any officer or officers, agent or agents of the Foundation, in addition to the officer so authorized by these By-laws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Foundation and such authority may be general or confined to specific instances.

**SECTION 2. CHECKS, DRAFTS, ETC.** All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Foundation shall be signed by such officer or officers, agent or agents of the Foundation and in such manner as shall from time to time be determined by resolution of the Board of Trustees. In the absence of such determination by the Board of Trustees, such instruments shall be signed by the treasurer or an assistant treasurer and countersigned by the president, a vice-president, or a secretary of the Foundation.

**SECTION 3. DEPOSITS.** All funds of the Foundation shall be deposited from time to time to the credit of the Foundation in the Peoria Area Community Foundation, and such banks, trust companies, or other depositories as the Board of Trustees may select.

**SECTION 4. GIFTS.** The Board of Trustees may accept on behalf of the Foundation any contribution, gift, bequest or devise for the general purposes or for any special purpose of the Foundation.

**ARTICLE VI**  
**Books and Records**

The Foundation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its Board of Trustees and committees. All books and records of the Foundation may be inspected by any trustee, or his agent or attorney for any proper purpose at any reasonable time.

**ARTICLE VII**  
**Fiscal Year**

The fiscal year of the Foundation shall be fixed by resolution of the Board of Trustees.

**ARTICLE VIII**  
**Funds of the Foundation**

**SECTION 1. DIRECTION.** The funds of the Foundation are conserved or allocated in accordance with these By-laws under the direction of the Board of Trustees.

**SECTION 2. TYPES OF FUNDS.** The Foundation administers four (4) basic types of funds:

(a) Unrestricted - The distribution of income and/or principal is entirely within the discretion of the Board of Trustees to meet the Village of Morton's most pressing problems as each year's changing conditions warrant;

(b) Designated - Specifies the organization or institution which the donor wishes to assist with gifts of income and/or principal;

(c) Field of Interest - Specifies a particular area of charitable interest which the donor wishes to assist, but allows the Foundation to determine the use of the funds within the designated area;

(d) Donor Advised - The donor or his family or advisor, makes regular recommendations to the Board of Trustees as to specific grants to specific organizations. The ultimate decision rests with the Foundation in order to comply with Internal Revenue Service requirements.

**SECTION 3. ACCEPTANCE OF FOUNDATION'S ARTICLES AND BY-LAWS.** Each donor by making a gift to the Foundation accepts and agrees to all the terms of these By-Laws, and provides that the fund so created shall be subject to the provisions for presumption of donor's intent, for modification or restrictions or conditions, and for amendments and termination, and to all other terms of the By-Laws of the Foundation, including any trust, custodian or agency agreement between the Foundation and trustees, custodians or agents having custody of the funds of the Foundation each as from time-to-time amended.

**SECTION 4. NON-CHARITABLE INTERESTS.** If a gift is made to a trustee in trust to make income or other payments to the Foundation, followed by payments to any individuals or for non-charitable purposes, it shall not be treated as a component but rather only the payments to the Foundation shall be regarded as Foundation funds, subject to these By-Laws, and then only when the Foundation becomes entitled to their use. If a gift is made to a trustee in trust to make income or other payments for a period of a life or lives or term of years, to any individuals or for non-charitable purposes, followed by payments to the Foundation, it shall be treated similarly until all such non-charitable interests expire and the fund becomes a component fund of the Foundation. The Board of Trustees may take such actions as it from time-to-time deems necessary or desirable to further the Foundation's interests in any such funds, whether components or non-components, or to protect its right to receive payment from such funds.

**SECTION 5. DONOR RESTRICTIONS.** Any donor may, with respect to a gift made by such donor to the Foundation and within such limits of policy as the Foundation from time-to-time may declare in writing, give directions in the instrument of gift or transfer as to (a) field of charitable purposes or particular charitable organizations or purposes to be supported, (b) manner of distribution including amounts, times and conditions of payments and whether from principal and/or income, and (c) a name as a memorial or otherwise for a fund given, or addition to a fund previously held, or anonymity for the gift.

**SECTION 6. COMMON INVESTMENT OF GIFTS.** No gift shall be required to be separately invested or held unless the donor so directs, or it is necessary in order to follow any other direction by the donor as to purpose, or in order to prevent tax disqualification, or it is required by law. In the naming of a fund as a memorial or otherwise may be satisfied either by keeping under such name accounts reflecting appropriately the interest of such fund in each common investment or by commingle the fund with others by referring in the Foundation's literature and other commemorative communications to the amount of the gift at the time it was received by the Foundation.

**SECTION 7. NON-PROFIT CONTRIBUTION.** It shall be possible for a governmental unit or an organization recognized as tax exempt under Section 501(c)(3) and 501(c)(6) of the Internal Revenue Code of 1986 as now or hereafter amended to

make a contribution subject to the conditions set forth hereinabove in Section 5 of this Article or in a designated fund of the Foundation for investment and administration for its own benefit.

**SECTION 8. ASSIGNMENT OF GENERAL CONTRIBUTIONS.** All gifts, donations, contributions and grants which are received by the Board of Trustees in the name of the Foundation without specific designation as to purpose shall be directed, assigned or distributed to the Unrestricted Fund.

## **ARTICLE IX Amendments**

The power to alter, amend, or repeal the By-laws or adopt new By-laws shall be vested in the Board of Trustees unless otherwise provided in the By-laws. Such action may be taken at a regular or special meeting for which written notice of the purpose shall be given. The By-laws may contain any provisions for the regulation and management of the affairs of the Foundation not inconsistent with law.

## **ARTICLE X Indemnification**

**SECTION 1. INDEMNIFICATION IN ACTIONS OTHER THAN BY OR IN THE RIGHT OF THE CORPORATION.** The corporation may indemnify any person who was or is a party, or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact that he is or was a trustee, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a trustee, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding, if such person acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of *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 he reasonably believed to be in or not opposed to the best interests of the corporation or, with respect to any criminal action or proceeding, that the person had reasonable cause to believe that his conduct was unlawful.

**SECTION 2. INDEMNIFICATION IN ACTIONS BY OR IN THE RIGHT OF THE CORPORATION.** The corporation may indemnify any person who was or is a party, or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that such person is or was a trustee, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a trustee, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit, if such person acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interests of the corporation, provided that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the corporation, unless, and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability, but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses as the court shall deem proper.

**SECTION 3. RIGHT TO PAYMENT OF EXPENSES.** To the extent that a trustee, officer, employee or agent of the corporation has been successful, on the merits or otherwise, in the defense of any action, suit or proceeding referred to in Sections 1 and 2 of this Article, or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith.

**SECTION 4. DETERMINATION OF CONDUCT.** Any indemnification under Sections 1 and 2 of this Article (unless ordered by a court) shall be made by the corporation only as authorized in the specific case, upon a determination that indemnification of the trustee, officer, employee or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in Sections 1 or 2 of this Article. Such determination shall be made (a) by the board of trustees by a majority vote of a quorum consisting of trustees who were not parties to such action, suit or proceeding, or (b) if such a quorum is not obtainable, or even if obtainable, if a quorum of disinterested trustees so directs, by independent legal counsel in a written opinion.

**SECTION 5. PAYMENT OF EXPENSES IN ADVANCE.** Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the corporation in advance of the final disposition of such action, suit or proceeding, as authorized by the board of trustees in the specific case, upon receipt of an undertaking by or on behalf of the trustee, officer, employee or agent to repay such amount, unless it shall ultimately be determined that he is entitled to be indemnified by the corporation as authorized by this Article.

**SECTION 6. INDEMNIFICATION NOT EXCLUSIVE.** The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any by-law, agreement, vote of disinterested trustees, or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a trustee, officer, employee or agent, and shall inure to the benefit of the heirs, executors and administrators of such a person.

**SECTION 7. INSURANCE.** The corporation may purchase and maintain insurance on behalf of any person who is or was a trustee, officer, employee or agent of the corporation, or who is or was serving at the request of the corporation as a trustee, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against such person and incurred by such person in any such capacity, or arising out of his status as such, whether or not the corporation would have the power to indemnify such person against such liability under the provisions of this Article.

**SECTION 8. REFERENCES TO CORPORATION.** For purposes of this Article, references to "the corporation" shall include, in addition to the surviving corporation, any merging corporation (including any corporation having merged with a merging corporation) absorbed in a merger which, if its separate existence had continued, would have had the power and authority to indemnify its trustees, officers, employees or agents, so that any person who was a trustee, officer, employee or agent of such merging corporation, or was serving at the request of such merging corporation as a trustee, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this Article with respect to the surviving corporation as such person would have with respect to such merging corporation if its separate existence had continued.