

# **BYLAWS OF THE PARKS FOUNDATION OF HIGHLAND PARK**

## **Article I: Name**

The name of the corporation is the **Parks Foundation of Highland Park** (the “*Foundation*”).

## **Article II: Purpose**

- a. The Foundation is organized as a not-for-profit corporation of Illinois exclusively for charitable, educational, and scientific purposes within the meaning of section 501(c)(3) of the Internal Revenue Code.
- b. The purpose of the Foundation is to support the Park District of Highland Park (“*PDHP*”) as is consistent with the exemptions of Section 501 (c)(3) of the Internal Revenue Code for charitable, educational, and scientific activities.
- c. The Foundation was established to support the mission of the PDHP: “To enrich community life through healthy leisure pursuits and an appreciation for the natural world” by raising and granting supplemental funding for: programs, services, the reduction of fees charged for programs for participants who are experiencing economic difficulty, facilities, capital projects, technology, and the acquisition of open space areas for active or passive recreation.

## **Article III: Offices**

The Foundation shall have and maintain one or more offices in State of Illinois as the Board of Directors shall determine. The Foundation’s attorney will be the Foundation’s registered agent in Illinois.

## **Article IV: Board of Directors**

**Section 1 - General Powers:** The affairs of the Foundation shall be managed by the Board of Directors. The Board of Directors may adopt such rules and regulations for the conduct of its business as shall be deemed advisable and may, in the execution of the powers granted, appoint and delegate for implementation purposes to such agents as it may consider necessary.

**Section 2 - Number and Tenure:** The Board of Directors shall be comprised of three (3) members. The original Board shall be appointed by the incorporators of the Foundation. One (1) member of the Board shall be appointed for a three-year term, one (1) for a two-year term, and one (1) for a one-year term. Upon the expiration of the term of each Director, Directors will be elected or re-elected to serve a three-year term at an annual meeting. No Director may serve more than two consecutive three-year terms. Directors shall serve until their successors are duly elected and take office.

**Section 3 - Removal:** A Director will be removed upon two-thirds vote of the entire Board of Directors when, in its judgment, the best interests of the Foundation would be served.

**Section 4. – Vacancies:** Whenever a Director dies, resigns, fails to attend three consecutive meetings of the Board, ceases to act, or when a Director’s term expires, a majority of the remaining members of the Board of Directors may declare a vacancy and appoint a new Director to fill the vacancy until the next annual meeting, when a Director will be elected to fill the remainder of the term.

**Section 5. – Compensation:** Directors shall not receive compensation except for reimbursement of their actual expenses.

### **Article V: Meetings**

**Section 1 - Annual Meeting:** An annual meeting of the Board of Directors shall be held once a year on the second Monday in April, or on such date as determined by the Board of Directors, and at which time a) the members will elect or re-elect Directors for any expiring terms; b) the Board of Directors will elect its Officers; and c) the Board of Directors will determine regular Board meeting dates for the year.

**Section 2 – Regular/Special Meetings:** Regular meetings of the Board of Directors shall be held approximately five times per year in addition to the annual meeting. Meeting dates will be determined at the annual meeting for the upcoming year. Special meetings, if and as needed, shall be held on the call of the President or a majority of a quorum of Directors from time to time entitled to vote.

**Section 3 – Notice of Meeting:** Written or printed notice stating the place, day and hour of any meeting of the Board of Directors shall be delivered, either personally, by mail or electronically to each Director, not less than two days prior to the date of such meeting. In the case of a special meeting, the purpose of the meeting shall be stated in the announcement of the meeting. Except in the case of bylaw amendments, formal notice may be waived if consented-to in writing, signed by all Directors entitled to vote.

**Section 4 - Quorum:** A majority of the members of the Board of Director shall constitute a quorum at any meeting. If less than a majority is present at a meeting, a majority of Directors present may adjourn the meeting from time to time without further notice.

**Section 5 - Rules:** The rules of the meeting will be those of Robert's Rules of Order.

**Section 6 - Manner of Acting:** Except where provided otherwise in these bylaws, the act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board.

**Section 7. – Voting.** Each Director or member is entitled to one vote. Email, proxy, and absentee voting is prohibited.

**Section 8 - Informal Action by Directors:** The authority of the Board of Directors may be exercised without a meeting if consent in writing, setting forth the action to be taken, is signed by all Directors entitled to vote.

**Section 9 - Electronic Meeting Participation:** A Director may participate in a meeting of the Board of Directors, or any committee thereof, by means of conference telephone or similar communication equipment enabling all Directors participating in the meeting to communicate. Participation in a meeting pursuant to this section shall constitute presence in person at such meeting.

**Section 10 – PDHP Staff Attendance:** The PDHP Executive Director, and other PDHP staff authorized by the PDHP Executive Director, are invited to every meeting of the Board of Directors and any committee formed pursuant to these bylaws; they may receive all information provided to the Board of Directors, and are enabled to participate with voice, but without vote in such meetings.

## **Article VI: Officers**

**Section 1 - Officers:** The officers of the Foundation are a President, Treasurer, and a Secretary, who are members of the Board of Directors. The Board may appoint other such officers as it shall be deemed desirable, said officers to have the authority to perform the duties prescribed, from time to time, by the Board of Directors.

**Section 2 - Election and Term of Office:** The officers of the Foundation are elected to one year terms by the Board of Directors at the annual meeting of the Board. Each officer shall hold office until his or her successor is duly elected and takes office, and may be re-elected to the same office.

**Section 3 - Removal:** Any officer elected or appointed by the Board of Directors may be removed by a vote of two-thirds of the entire Board whenever in its judgment the best interests of the Foundation would be served.

**Section 4 - Vacancies:** Whenever an Officer dies, resigns, fails to attend three consecutive meetings of the Board, ceases to act, or when an Officer's term expires, two-thirds majority of the remaining members of the Board of Directors may declare a vacancy and appoint a new Officer to fill the vacancy until the next annual meeting, when an Officer will be elected.

**Section 5 - President:** The President is the chief elected officer of the Foundation, controlling and supervising the general operation of the Foundation. The President shall preside at all meetings of the Board of Directors, and may appoint, with the consent of the Board, standing committees, ad hoc committees, and chairs for such committees, and the President shall be an ex-officio

member of all committees. The President may sign, with the Secretary or any other proper officers of the Foundation, any deeds, mortgages, contracts, or other instruments that the Board has authorized to be executed, except in cases where the signing or execution thereof is expressly delegated by this Board or these bylaws or by law to some other officer or agent of the Foundation. In general, the President will perform all duties incident to the office of President and such other duties as may be prescribed by the Board from time to time.

**Section 8 - Treasurer:** Subject to the consent and direction of the Board of Directors, the Treasurer will have charge and custody of, be responsible for, and may delegate to others with expertise, the care of all funds and securities of the Foundation; receive and give receipts for money due and payable to the Foundation; and deposit all such money in the name of the Foundation in such banks, trust companies, or other depositories as selected in accordance with these bylaws. Generally, the Treasurer will perform all duties incident to the office of Treasurer and any other duties that may be assigned by the President or the Board of Directors.

**Section 9 - Secretary:** The Secretary is responsible for the minutes of all meetings of the Board, shall see that all notices are given as required by these bylaws or by law, and keep the records of the Foundation. Generally, the Secretary will perform all duties incident to the office of Secretary, and any other duties that may be assigned by the President or the Board of Directors.

#### **Article VII: Committees**

**Section 1 - Nominating Committee:** The President with the consent of the Board of Directors may designate a nominating committee, which shall consist of three Directors. The nominating committee will review and nominate candidates for Director at the annual meeting. Additional nominations may be accepted from the membership at the annual meeting.

**Section 2 - Other Committees:** As necessary, the President with the consent of the Board of Directors may designate other committees, and appoint Directors or members to serve on such committees.

**Section 3 - Term:** Each committee member shall continue until a successor is appointed or he/she is unable to serve on the committee.

**Section 4 - Vacancies:** Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided in the case of the original appointments.

**Section 5 - Quorum:** A majority of the whole committee shall constitute a quorum. The act of a majority of the committee members present at a meeting at which a quorum is present shall be the act of the committee.

#### **Article VIII: Contracts, Checks, Deposits, Gifts, and Audits**

**Section 1 - Contracts:** The Board of Directors may authorize any officer or agent of the Foundation, in addition to the officers so authorized by these bylaws, to enter into any contract or execute or deliver any instrument in the name of or on behalf of the Foundation, and such authority

may be general or confined to specific instances.

**Section 2 - Checks and Evidence of Indebtedness:** 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 agents or officers and in such a manner as the Board of Directors shall be determine. In the absence of such determination, such instruments shall be signed by the Treasurer and countersigned by the President or Secretary.

**Section 3 - Deposits:** All funds of the Foundation shall be deposited to the credit of the Foundation in such banks, trust companies, or other depositories as the Board of Directors may select.

**Section 4 - Gifts:** The Board of Directors may accept on behalf of the Foundation any contribution, gift, item or bequest for the general purpose or for any special purpose of the Foundation, for the purposes of the Foundation stated in Article II.

**Section 5 - Audits:** The accounts of the Foundation shall be audited annually by an independent auditor appointed by the Board of Directors.

#### **Article IX: Books and Records**

The Foundation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of the Board of Directors and committees having authority of the Board of Directors. All books and records of the Foundation may be inspected by any Director or his or her agent for any purpose, at any reasonable time.

#### **Article X: Fiscal Year**

The fiscal year of the Foundation shall be January 1 to December 31 of each year.

#### **Article XI: Amendments to These Bylaws**

These Bylaws may be amended or replaced and new Bylaws may be adopted by a favorable vote of two-thirds of the Board of Directors. Such approval must occur at a regular or special meeting of the Board, provided that at least 15 days written notice shall be given to each Director of the intention to amend these bylaws.

## **Article XII: Indemnification**

**Section 1. Indemnification in Actions other than by or in the Right of the Foundation.** The Foundation 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 Foundation) by reason of the fact that he or she is or was a Director, officer, employee or agent of the Foundation, or is or was serving at the request of the Foundation as an officer, employee or agent of another corporation, partnership, joint venture, trust or enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such a person in connection with such action, suit or proceeding, if such person acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the Foundation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, termination or any action, settlement order, 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 or she reasonably believed to be in or not opposed to the best interests of the Foundation or, with respect to any criminal action or proceeding, that the person had reasonable cause to believe that his or her conduct was unlawful.

**Section 2. - Indemnification in Actions by or in the Right of the Foundation.** The Foundation 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 Foundation to procure a judgment in its favor by reason of the fact that such person is or was a Director, officer or employee or agent of the Foundation, or is or was serving at the request of the Foundation as a Director, 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 her or she reasonably believed to be in, or not opposed to, the best interests if the Foundation, 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 on the performance of his or her duty to the Foundation, unless, and only to the extent that the court in which such 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 at Director, officer, employee or agent of the Foundation shall prevail, 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, the Foundation will indemnify such person against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith.

**Section 4. – Determination of Conduct.** Any indemnification under Section 1 and Section 2 of this Article (unless ordered by a court) shall be made by the Foundation only as authorized in the specific case, upon a determination that indemnification of the Director, officer, employee, or agent is proper in the circumstances because he or she has met the applicable standard of conduct

set forth in Sections 1 and 2 of this Article. Such determination shall be made (a) by the Board of Directors by a majority vote of a quorum consisting of Directors 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 Directors so directs, by independent legal consultation 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 Foundation in advance of the final disposition of such action, suit or proceeding, as authorized by the Board of Directors in the specific case, upon receipt of an undertaking by or on behalf of the Director, officer, employee or agent to repay such amount, unless it is ultimately determined that he or she is entitled to be indemnified by the Foundation as authorized in this Article.

**Section 6 – Indemnification not Exclusive.** The indemnification provided by this Article is not exclusive of any other rights to which those seeking indemnification may be entitled under any by-laws, agreement, vote of disinterested Directors, or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office, and will continue as to a person who has ceased to be a Director, officer, employee or agent, and will inure to the benefit to the heirs, executors and administrators of such a person.

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

**Section 8 – References to Foundation.** For purposes of this Article, references to the “Foundation” shall include, in addition to the surviving Foundation, any merged Foundation (including any corporation having merged with the Foundation) absorbed in a merger, which if its separate existence had continued, would have had the power and authority to indemnify its Directors, officers or employee or agent of such merging corporation, or was serving at the request of such corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this Article with respect to such merging Foundation if its separate existence had continued.

### **Article XIII: Dissolution**

**Section 1 - Dissolution.** The Foundation may dissolve if a majority of its Board of Directors adopts a resolution to dissolve and no debts of the corporation will remain unpaid. Written notice of the election to dissolve must be given to all Directors at least three days prior to the execution of the articles of dissolution. The dissolution action may be taken either at a Directors’ meeting, or in lieu of a meeting, by written unanimous consent of all Directors.

**Section 2. – Distribution of Assets.** Upon dissolution of this organization, assets shall be

distributed to the PDHP for one or more exempt purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code. In the event the PDHP is unwilling or unable to accept the transfer, the assets shall be distributed for one or more exempt purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code.

#### **Article XIV: Other Provisions**

The Foundation, being organized exclusively for charitable, educational, and scientific purposes, may make distributions to organizations and individuals in furtherance of its corporate purposes and in accordance with §501(c)(3) of the Code. No part of the net earnings of the Foundation shall inure to the benefit of, or be distributable to its members, trustees, officers, or other private sector persons except that the corporation 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 articles of incorporation. No substantial part of the activities of the Foundation shall be the carrying on of propaganda or otherwise attempting to influence legislation, and the corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition of any candidate for public office. Notwithstanding any other provision of these articles, the Foundation shall not carry on any other activities permitted to be carried on (a) by a corporation exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code of the United States, or the corresponding section of any future federal tax code, or (b) by a corporation, contributions to which are deductible under section 170(c)(2) of the Internal Revenue Code of the United States, or the corresponding section of any future federal tax code.

#### **Article XV: Conflicts of Interest**

The Foundation will be governed by the “Conflicts of Interest Policy” attached and incorporated in to these bylaws by this reference as *Exhibit A*.

These bylaws incorporate provisions agreed to  
at a meeting of the incorporators of the Foundation,  
held in Highland Park, Illinois on the date set forth below.

\_\_\_\_\_  
*Secretary*

Date: \_\_\_\_\_



**EXHIBIT A**  
**CONFLICTS OF INTEREST POLICY**

(see attached)

**PARKS FOUNDATION OF HIGHLAND PARK  
CONFLICTS OF INTEREST POLICY**

**Article I  
Purpose**

The purpose of the conflicts of interest policy is to protect the Parks Foundation of Highland Park's ("**Foundation**") interests when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer, director, or trustee of the Foundation. This policy is intended to supplement but not replace any applicable state laws governing conflicts of interest applicable to nonprofit and charitable organizations.

**Article II  
Definitions**

**1. Interested Person**

Any director, trustee, principal officer, or member of a committee with board-delegated powers who has a direct or indirect financial interest, as defined below, is an interested person.

**2. Financial Interest**

A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- a. An ownership or investment interest in any entity with which the Foundation has a transaction or arrangement, or
- b. A compensation arrangement with the Foundation or with any entity or individual with which the Foundation has a transaction or arrangement, or
- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Foundation is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are substantial in nature.

A financial interest is not necessarily a conflict of interest. Under Article II, Section 2, a person who has a financial interest may have a conflict of interest only if the appropriate board or committee decides that a conflict of interest exists.

## **Article III Procedures**

### **1. Duty To Disclose**

In connection with any actual or possible conflicts of interest, an interested person must disclose the existence of his or her financial interest and must be given the opportunity to disclose all material facts to the directors, trustees and members of committees with board-delegated powers considering the proposed transaction or arrangement.

### **2. Determining Whether a Conflict of Interest Exists**

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

### **3. Procedures for Addressing the Conflict of Interest**

a. An interested person may make a presentation at the board or committee meeting, but after such presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement that results in the conflict of interest.

b. The chairperson of the board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

c. After exercising due diligence, the board or committee shall determine whether the Foundation can obtain a more advantageous transaction or arrangement with reasonable efforts 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 attainable under circumstances that would not give rise to a conflict of interest, the board or committee shall determine by a majority vote of the disinterested directors or trustees whether the transaction or arrangement is in the Foundation's best interest and for its own benefit and whether the transaction is fair and reasonable to the Foundation and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.

### **4. Violations of the Conflicts of Interest Policy**

a. If the board or committee has reasonable cause to believe that a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

b. If, after hearing the response of the member and making such further investigation as may be warranted in the circumstances, the board or committee determines that the member has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

**Article IV**  
Records of Proceedings

The minutes of the board and all committees with board-delegated powers shall contain:

1. The names of 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 or committee's decision as to whether a conflict of interest in fact existed, and
2. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection therewith.

**Article V**  
Compensation

1. A voting member of the board of directors or trustees who receives compensation, directly or indirectly, from the Foundation for services is precluded from voting on matters pertaining to that member's compensation.
2. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Foundation for services is precluded from voting on matters pertaining to that member's compensation.

**Article VI**  
Annual Statements

Each director, trustee, principal officer, and member of a committee with board-delegated powers shall annually sign a statement which affirms that such person:

1. Has received a copy of the conflicts of interest policy,
2. Has read and understands the policy,
3. Has agreed to comply with the policy, and
4. Understands that the Foundation is a charitable organization and that in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

**Article VII**  
Periodic Reviews

To ensure that the Foundation operates in a manner consistent with its charitable purposes and that it does not engage in activities that could jeopardize its status as an organization exempt from federal income tax, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

1. Whether compensation arrangements and benefits are reasonable and are the result of arm's-length bargaining.

**Article VIII**  
Use of Outside Experts

In conducting the periodic reviews provided for in Article VII, the Foundation may, but need not, use outside advisors. If outside experts are used their use shall not relieve the board of its responsibility for ensuring that periodic reviews are conducted.

4851-6382-1617, v. 2