

# **SOMMER FOUNDATION BYLAWS**

## **ARTICLE I**

### **NAME AND PURPOSE**

#### **SECTION 1 NAME**

This corporation shall be known as the SOMMER FOUNDATION, and it is hereafter referred to as the "Foundation".

#### **SECTION 2 PURPOSE**

The Foundation is a not-for-profit corporation that has for its purpose to serve exclusively charitable, educational and scientific purposes within the meaning of Section 501 (c) (3) of the Internal Revenue Code (or corresponding section of any future United States Internal Revenue Law), including, for such purposes, receiving and investing funds and property, and distributing voluntarily and gratuitously said funds and property, together with the income therefrom, solely to or for the benefit of needy and dependent children, and for making distributions to the American Heart Association or to other similar organizations that qualify as exempt organizations under Section 501 (c) (3) of the Internal Revenue Code, or the corresponding sections of any future federal tax code.

## **ARTICLE II**

### **BOARD OF DIRECTORS**

#### **SECTION 1 MEMBERS**

The Foundation shall have no members. All rights which would otherwise rest in the members shall rest in the Board of Directors.

#### **SECTION 2 POWERS AND DUTIES**

The property, affairs and business of the Foundation shall be managed by the Board of Directors. The Board of Directors shall have the power to accept or refuse to accept any bequests, memorials, gifts or grants which are proposed to be made to the Foundation based upon the discretion and judgment of the Board of Directors, taking into consideration the nature of any proposed gift, any conditions or restrictions placed upon any gift and the appropriateness of any gift to the purposes of the Foundation.

#### **SECTION 3 NUMBER OF DIRECTORS**

The number of Directors shall be **ten (10)**. Any change in the number of Directors shall be accomplished in accordance with Section 9.

**SECTION 4 TERMS OF DIRECTORS**

Directors will be elected for a term of three (3) years. Each Director shall hold office for the term for which elected and until a successor has been elected and qualified.

All elected Directors shall be formally seated at the annual meeting of the Foundation's Board of Directors as set forth in Article V, Section 1.

The Board of Directors may elect to stagger the terms of office of one or more Directors in order to insure continuity and avoid all terms expiring on the same date.

**SECTION 5 QUALIFICATION OF DIRECTORS**

Each Director, in order to be eligible to act, must be a resident of the United States of America.

**SECTION 6 NUMBER OF VOTES**

At all meetings of the Directors of the Foundation, each Director shall have one (1) vote.

**SECTION 7 RESIGNATION**

Any Director may resign at any time by giving written notice of such resignation to the Secretary of the Foundation. The Director shall provide the Board with as much notice as possible of their interest to resign. The resignation shall become effective upon the date specified in the notice, or, if not date is specified, upon receipt of the notice by the Secretary. Acceptance shall not be necessary to render the resignation effective.

**SECTION 8 REMOVAL**

Any Director of the Foundation may be removed from office, with or without cause, by vote of two-thirds (2/3) of the Board of Directors then holding office.

**SECTION 9 VACANCIES**

In the event of a vacancy on the Board of Directors due to any cause (including a vacancy caused by an increase in the number of Directors), the remaining Directors of the Foundation, by majority vote, may elect an individual to fill the vacancy. In the case of a vacancy on the Board due to resignation or removal, the newly elected Director shall hold office for the same term as the term of the replaced Director, and shall fulfill the same qualifications (under Section 5 above) as the replaced Director. In the case of an increase in the number of Directors, the additional Director(s) shall be elected by a majority vote of the Board of Directors then in office and shall hold office for a term of three (3) years.

**SECTION 10 COMPENSATION**

Members of the Board of Directors, as such, shall not receive compensation for their services rendered to the Foundation in any capacity.

**SECTION 11 SPONSORSHIP**

The Board of Directors shall be a Gold Sponsor of the Foundation's Annual Golf Tournament with each member responsible for 10% of the sponsorship and be entitled to the benefits of sponsorship.

**ARTICLE III**

**SECTION 1 PRINCIPAL OFFICERS**

The principal officers of the Foundation shall consist of a Chairperson (who may use the title of "President"), a Vice Chairperson, a Secretary and a Treasurer, and such additional officers as the Board of Directors may from time to time deem desirable. The officers shall be elected by the Board of Directors at their annual meeting and shall serve one (1) year terms.

A single person may be elected to any two or more offices simultaneously, except that the offices of Chairperson and Secretary must be held by separate individuals.

**SECTION 2 CHAIRPERSON**

The Chairperson shall be elected from the membership of the Board of Directors, shall be principal executive officer of the Foundation and shall preside over all meetings of the Board of Directors and the Foundation. The Chairperson shall perform such other duties as may be specified from time to time by the Directors.

**SECTION 3 VICE CHAIRPERSON**

One Vice Chairperson shall be elected from the membership of the Board of Directors and shall perform the duties and exercise the powers of the Chairperson during any absence or disability of the Chairperson.

**SECTION 4 TREASURER**

The Treasurer shall be elected from the membership of the Board of Directors. The Treasurer shall keep accurate records of all property, receipts and disbursements of the Foundation in financial books to be maintained for that purpose; shall deposit all assets in the name and to the credit of the Foundation with such depository or depositories as shall be designated by the Directors; shall disburse the funds of the Foundation and render to the Directors such reports as they shall prescribe.

All books, records and vouchers of the Foundation shall be open to the inspection of any Director. The Treasurer shall, at each regular meeting and whenever requested by the Directors, render a full and detailed account of all receipts and expenditures and submit a schedule showing the financial status of the

Foundation and the changes, if any, since the last report of the Treasurer. The Treasurer shall perform such other duties as may be specified from time to time by the Board of Directors.

**SECTION 5 SECRETARY**

The Secretary shall be elected from the membership of the Board of Directors. The Secretary shall give notice of each meeting of the Board of Directors or committees of the Foundation for which notice is required; shall record minutes of each such meeting in books kept for that purpose; shall have custody of the records of the Foundation; and shall perform such other duties as may be specified from time to time by the Board of Directors.

**SECTION 6 RESIGNATION**

Any officer may resign such office at any time by giving written notice of such resignation to the Secretary of the Foundation (or if the Secretary resigns, to the Chairperson). The officer shall provide the Board with as much notice as possible of their interest to resign. The resignation shall become effective upon the date specified in such notice or, if no date is specified, upon receipt of the notice by the Secretary (or, as appropriate, the Chairperson). Acceptance shall not be necessary to render the resignation effective.

**SECTION 7 REMOVAL**

Any officer of the Foundation may be removed at any time, with or without cause, by vote of two-thirds (2/3) of the Board of Directors then holding office.

**SECTION 8 VACANCIES**

Any vacancy in any office of the Foundation may be filled for the unexpired portion of the term by majority vote of the Board of Directors present at a meeting of the Directors called for such purpose. If any officer is absent or unable to perform the duties of that office, during the period of such absence or disability, the Board of Directors may transfer such duties to another person.

**ARTICLE IV**

**COMMITTEES**

**SECTION 1 COMMITTEES**

The Board of Directors, by resolution adopted by a majority of the Directors in office, may designate one or more committees. The Directors may annually appoint, or authorize the Chairperson to appoint, non-Directors to serve on such committees. Committees shall recommend action to the Board of Directors. A majority of the Board members of the Committee must be present when recommendations for Board consideration are prepared in final form.

## **ARTICLE V**

### **MEETINGS**

#### **SECTION 1 ANNUAL MEETING**

The annual meeting of the Foundation shall be held in the fourth quarter of the fiscal year of each year to elect Directors and Officers, and transact such business as may be appropriate. Notice of the annual meeting shall be given in writing not less than ten (10) days before the meeting date.

#### **SECTION 2 REGULAR MEETINGS**

Regular meetings of the Board of Directors shall be held at such time and place within the State of Illinois as the Board may determine by resolution adopted by a majority of the whole Board of Directors. Notice of Regular meetings shall be sent to each Director, addressed to the Director at his or her residence or usual place of business, at least five (5) days before the day on which the meeting is to be held.

#### **SECTION 3 SPECIAL MEETINGS**

Special meetings of the Board of Directors shall be held whenever called by the Chairperson or by two or more of the Directors. Notice of each such special meeting shall be sent to each Director, addressed to the Director at his or her residence or usual place of business, at least five (5) days before the day on which the meeting is to be held, or shall be delivered personally or by telephone no later than two (2) days before the day on which the meeting is to be held. Each such notice shall state the time and place of the meeting, but need not state the purpose.

#### **SECTION 4 QUORUM**

A majority of all members of the Board of Directors in office shall constitute a quorum for the transaction of business at any of their meetings. Directors may participate in meetings via telephone which shall constitute attendance at the meeting.

#### **SECTION 5 MANNER OF ACTING**

The act of a majority of the Directors present at a meeting at which a quorum is present will be the act of the Board of Directors, unless the act of a greater number is required by law or by these Bylaws.

#### **SECTION 6 ACTION WITHOUT MEETING**

Any action required to be taken at a meeting of the Directors may be taken without a meeting if a written consent, stating the action so taken, shall be signed by all Directors who are entitled to vote with respect to such action.

**SECTION 7 PLACE OF MEETINGS**

Meetings of the Directors, whether regular or special, shall be held at the principal office of the Foundation, unless a different place is specified in the notice of meeting.

**ARTICLE VI**

**FINANCES**

**SECTION 1 FIDUCIARY RESPONSIBILITY**

It shall be the policy of the Foundation that the Board of Directors shall assume fiduciary responsibility with respect to all funds held or administered by this corporation.

**SECTION 2 FISCAL AGENTS**

The Foundation may designate such fiscal agents, investment advisors and custodians as the Board of Directors may select by approval of the Board. The Board of Directors may at any time, with or without cause, discontinue the use of the services of any such fiscal agent, investment advisor, or custodian.

**SECTION 3 DISBURSEMENT OF FUNDS**

Disbursements of funds of the Foundation shall be made by the Treasurer as authorized by the Board of Directors of the Foundation.

**SECTION 4 EXPENSES**

All necessary and reasonable expenses of the Foundation must be approved by the Board of Directors. The Treasurer is authorized to pay all expenses in accordance with the approved budget as well as any amount not to exceed \$1,000.00 in advance of Board approval so long as said expenditures are ratified by the Board at the next Foundation meeting. Any expenditure in excess of \$1,000.00 must be approved by the Board and upon such approval; the expenses shall be paid from the funds of the Foundation.

**SECTION 5 BOOK OF RECORDS**

The Board of Directors of the Foundation shall maintain the following records:

- 1) Minutes of all meetings of the Board of Directors and its Committees;
- 2) All financial statements of the Foundation;
- 3) Articles of Incorporation and Bylaws of the Foundation and all amendments thereto and restatements thereof;

- 4) Such other records and books of account as shall be necessary and appropriate to the conduct of the corporate business.

**SECTION 6 AUDIT AND ANNUAL REPORT**

The Board of Directors shall cause the records and books of account of the Foundation to be audited by an independent auditing firm at least once in each fiscal year, provided that contributions in that fiscal year exceed \$100,000, or assets held exceed \$100,000; or at the discretion of the Board of Directors. An annual report shall be published to recognize donors and report on the activities and finances of the Foundation.

**SECTION 7 FISCAL YEAR**

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

**SECTION 8 BOND**

The Foundation shall obtain bond on such persons and in such amounts as may from time to time be deemed necessary by the Board of Directors or otherwise required by law.

**SECTION 9 INSURANCE**

The Foundation shall maintain a Board of Directors & Officers Liability Insurance Policy with minimum coverage of \$500,000.

**SECTION 10 FUND BALANCE**

The Foundation shall maintain a minimum fund balance equivalent to one (1) year of estimated expenses.

**SECTION 11 FOUNDATION SCHOLARSHIPS**

The annual scholarship fund shall be the net proceeds from the previous year's Golf Tournament. The Board of Directors may consider adding to the scholarship fund from the fund balance when the minimum fund balance is exceeded.

**ARTICLE VII**

**WAIVER OF NOTICE**

Whenever any notice is required to be given by these Bylaws or any of the corporate laws of the State of Illinois, such notice may be waived in writing, signed by the person or persons entitled to said notice, whether before, at, or after the time stated therein, or before, at, or after the meeting.

## **ARTICLE VIII**

### **INDEMNIFICATION**

The Foundation shall indemnify to the full extent permitted by law any person made party to any action, suit or proceeding, whether civil or criminal, by reason of the fact that he or she is or was a Director of the Foundation or acting on behalf of the Foundation, against the reasonable expenses including attorneys fees actually and reasonably incurred by him or her in connection with the defense of the action, suit, or proceeding or in connection with any appeal in it. The right to indemnification conferred by this section shall not restrict the power of the Foundation to make any indemnification permitted by law.

## **ARTICLE IX**

### **CONFLICT OF INTEREST**

#### **SECTION 1 STATEMENT OF PRINCIPLE**

No Director, directly or indirectly, have any interest or relationship, take any action or engage in any transaction, or incur any obligation which is in conflict with, or gives the appearance of a conflict with, the proper and faithful performance of his or her Foundation responsibilities.

#### **SECTION 2 PROHIBITED ACTIVITIES**

The activities that are prohibited by the Statement of Principle set forth above include, but are not limited by the following:

- 1) No Director shall, have any direct or indirect financial or personal interest in or relationship with any business, firm, person, or entity that does or seeks to do business with the Foundation.
- 2) No Director shall receive any compensation, gift, gratuity, loan or other thing of value from any business, firm, person, or other entity which does or seeks to do business with the Foundation, or which has financial or other interests that may be affected by the performance or nonperformance of the Director's responsibilities.
- 3) No Director shall, directly or indirectly sell goods or services to the Foundation.
- 4) No Director shall accept any other position or assignment which would conflict with his or her fiduciary obligation to act in the best interests of the Foundation, or interfere with the Director's ability to properly carry out his or her Foundation responsibilities.
- 5) No Director shall use or permit others to use his or her position with the Foundation to create the impression that the Foundation endorses or has endorsed a product, service or program when that is not in fact the case, or to



otherwise directly or indirectly further the Director's financial or personal interest.

- 6) No family member of a Director shall be eligible to a Foundation scholarship.

## **ARTICLE X**

### **AMENDMENTS**

The power to alter, amend, or repeal the Articles of Incorporation or Bylaws of the Foundation, or adopt new bylaws, shall be vested in the Board of Directors. Such action may be taken at a regular or special meeting for which written notice of the purpose shall be given and a quorum is present, upon receiving the affirmative vote of not less than two-thirds of the whole number of Directors; provided, however, that amendment of Sections 3, 4, 5, and 8 of Article II and Section 3 of Article VI of these Bylaws shall be made only with the unanimous approval and resolution of all qualified Directors. The Bylaws may contain any provisions for the regulation and management of the affairs of the Foundation not inconsistent with law or the Articles of Incorporation.

## **ARTICLE XI**

### **PARLIMENTARY AUTHORITY**

Roberts Rules of Order shall be the parliamentary guide for matters not covered by these Bylaws.

## **ARTICLE XII**

### **DISSOLUTION**

#### **SECTION 1 DISSOLUTION OF FOUNDATION**

Dissolution of the Foundation shall be authorized by the affirmative vote of a majority of Directors then in office. Notice of the meeting to authorize the dissolution shall be given to each Director then in office not less than ten (10) days before the meeting and shall state that the purpose of the meeting is to vote on dissolution of the Foundation. The notice shall include a copy or summary of the plan for distribution of assets.

If the dissolution is approved, the Foundation shall cease to conduct its affairs except as may be necessary for the winding up of the corporation. It shall immediately cause a Certificate of Dissolution to be executed and filed setting forth: (a) the name of the Foundation; (b) the date and place of the meeting of Directors approving the dissolution; and (c) a statement that dissolution was approved by the requisite vote of Directors.

#### **SECTION 2 DISTRIBUTION OF ASSETS**

In the event of dissolution, all assets of the Foundation, real and personal, shall be distributed pursuant to the Articles of Incorporation of the Foundation.

Amended June 1, 2005  
Amended December, 2007  
Amended December, 2009  
Amended January, 2011  
Amended January, 2012  
Reviewed October 2013  
Approved January 2014  
Reviewed December 2014  
Amended January 2015  
Amended January 2016