

## **BYLAWS**

### **OF**

### **ILLINOIS STATE MICROENTERPRISE INITIATIVE**

**(Amended and restated May 13, 2002, amended and restated November 15, 2002, amended and restated March 3, 2004)**

## **ARTICLE I**

### **NAME**

**Section 1: Name** The name of the Corporation shall be the ILLINOIS STATE MICROENTERPRISE INITIATIVE (ISMI)

**Section 2: Principal Office** The principal office of ISMI in the State of Illinois shall be located in Springfield, P. O. Box 11091, Springfield, IL 62791-1091.

**Section 3: Fiscal Year** The fiscal year of ISMI shall end on the last day of June of each year, or such date as the Board of Directors shall determine.

## **ARTICLE II**

### **PURPOSE**

**Section 1: Purpose** The Mission of ISMI shall be to work with organizations, agencies and individuals throughout Illinois to develop unity and strategies for promoting MICROENTERPRISE development and economic empowerment to spur employment, skill development and neighborhood renewal in communities.

ISMI shall also have such powers as are now or may be granted hereafter by the General Not for Profit Corporation Act of the State of Illinois, or any successor legislation, provided that such powers may be exercised only in furtherance of the purposes of ISMI as stated in its Articles of Incorporation and consistent with its status as a corporation described in Section 501(c)(3) of the Internal Revenue Code of 1986, and any subsequent amendments thereto.

## ARTICLE III

### MEMBERS

**Section 1: Qualifications, Elections and Dues** All individuals, service providers, organizations, financial institutions, governmental entities, state, local and private agencies committed to and supporting MICROENTERPRISE development in the State of Illinois shall be eligible for membership in ISMI shall be admitted to membership upon payment of dues. Each member so admitted shall be and remain a member until such member resigns, is delinquent in dues payment or is removed as hereinafter provided. Each member shall at all times maintain its correct address with the Secretary.

The membership dues of ISMI shall be as recommended annually by the Finance Committee and approved by the Board of Directors. The membership year runs from July 1 through June 30. Each association/organization can have up to two members per one membership fee annually with one voting member identified on record.

**Section 2: Voting** Each member organization/ shall be entitled to one vote upon each matter submitted to a vote at a meeting of members and there shall be no right to cumulative voting. One member of the assoc/org. must be identified on record with ISMI as the voting member. At all meetings of members, a member may vote in person or by proxy executed in writing by the member. Election of Directors may be conducted by mail.

**Section 3: Transfer of Membership** Membership in ISMI is not transferable or assignable.

**Section 4: Resignation and Removal** A member may resign at any time by written notice filed with the Secretary. Dues are not refundable. A member may be removed at any time, with or without cause, by the affirmative vote of a majority of the Board of Directors, and a member shall be automatically removed, without action by the Board of Directors, upon failure to pay dues at such time and in such amount as is determined by the Board of Directors or upon ceasing to meet the qualifications for membership set forth herein.

**Section 5: Meetings** The annual meeting of the members shall be scheduled to coincide with the ISMI Fall Conference held each year at the office of ISMI, or at such other place and at such time as may be provided by resolution of the Board of Directors. Special meetings of the members may be held at any time on the call of the Chair or the Board of Directors or by members having twenty-five percent of the votes entitled to be cast at such meeting. Special meetings shall be held at the office of ISMI, or at such other place as may be provided by resolution of the Board of Directors.

**Section 6: Notice of Meetings** Written notice will be given to each member entitled to vote stating the place, day and hour of the meeting, and in case of a special meeting,

stating the purpose or purposes for which the meeting is called, shall be delivered not less than fifteen (15) days nor more than one hundred twenty (120) days before the date of the meeting, or, in the case of a removal of one or more directors, or a merger.

**Section 7: Waiver of Notice** Whenever any notice is required to be given under statute or under the provisions of the Articles of Incorporation of ISMI or these By-Laws, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Attendance at any meeting shall constitute waiver of notice thereof unless the person at the meeting objects to the holding of the meeting because proper notice was not given.

**Section 8: Quorum** One-tenth (1/10) of the members shall constitute a quorum for the transaction of business at any meeting of the members, provided that if less than a majority of the members are present at said meeting, a majority of the members present may adjourn the meeting to another time without further notice.

## **ARTICLE IV**

### **BOARD OF DIRECTORS**

**Section 1: General Powers** The affairs of the corporation shall be managed by or under the direction of its board of directors.

**Section 2: Number, Election and Term of Office** The authorized number of Directors of ISMI shall not be less than eleven (11) nor more than sixteen (16), the exact number of Directors to be fixed from time to time by resolution of the Board of Directors. The Board shall be divided into three relatively equal classes and each Director in each class shall serve a term of three (3) years. A Director may succeed himself or herself in office, but in no case shall serve more than two (2) consecutive three year terms. The terms of each class of the initial Board of Directors shall be as follows: Class 1 Directors shall serve a term of one year, Class 2 Directors shall serve a term of two years and Class 3 Directors shall serve a full term of three years. Each Director, including a Director to fill a vacancy, shall hold office until the expiration of the term for which elected or until a successor has been elected and qualified.

**Section 3: Resignations** Any Director may resign at any time by giving written notice to the Board of Directors, the Chair, or the Secretary of ISMI. Such resignation shall take effect when the notice is delivered unless the notice specifies a future date; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

**Section 4: Vacancies** Any vacancy occurring in the Board of Directors, or any directorship to be filled by reason of an increase in the number of Directors, may be filled by the Board of Directors at the annual meeting, any regular meeting, or at a special meeting of the Board of Directors called for that purpose even if the number on

the Board is less than a quorum. Each Director elected to fill a vacancy shall hold office for the un-expired term of his predecessor in office.

**Section 5: Annual Meetings** The annual meeting of the members shall be scheduled to coincide with the ISMI Fall Conference.

**Section 6: Action Taken Without Meeting** Any action of the Board of Directors may be taken in lieu of a meeting if all members of the Board of Directors are properly notified and if consent in writing, setting forth the action taken, is signed by all of the Board Members.

**Section 7: Regular Meetings** The Board of Directors shall hold regular meetings at such place and at such times as may be designated by resolution of the Board of Directors, without other notice than such resolution.

**Section 8: Special Meetings** Special meetings of the Board of Directors may be held at any time on the call of the Chair or at the request in writing of any two (2) Directors.

**Section 9: Notice of Meetings** Notice of each special meeting shall be delivered by or at the direction of the Secretary to each Director at least five (5) days before the day on which the meeting is to be held.

**Section 10: Quorum** A majority of Directors then in office shall constitute a quorum for the transaction of business at any meeting of the Board of Directors. 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 of Directors unless the act of a greater number is required by law, the Articles of Incorporation of ISMI or these bylaws.

**Section 11: Participation at Meetings by Conference Telephone** Directors may participate in and act at any meeting of the Board of Directors through the use of a conference telephone or other communications equipment by means of which all persons participating in the meeting can communicate with each other. Participation in such meeting shall constitute attendance and presence in person at the meeting of the person or persons so participating.

**Section 12: Informal Action** Any action required to or which may be taken at a meeting of the Board of Directors may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all the Directors.

**Section 13: Removal** One or more of the Directors may be removed, with or without cause, by the affirmative vote of a majority of the Directors then in office present and voting at a meeting of the Board of Directors at which a quorum is present. If the vote of directors is to take place at a special meeting of Directors, written notice of the proposed removal shall be delivered to all Directors no less than twenty (20) days prior to such meeting.

**Section 14: Presumption of Assent** A Director present at a meeting of the Board of Directors at which action on any matter is taken will be conclusively presumed to have assented to the action taken unless (i) his or her dissent was entered in the

minutes of the meeting, (ii) he or she filed a written dissent to the action with the person acting as the secretary of the meeting before adjournment, or (iii) he or she forwarded such dissent by registered or certified mail to the Secretary of ISMI immediately after the meeting adjourned. This right to dissent will not apply to a Director who voted in favor of an action.

## **ARTICLE V**

### **OFFICERS**

**Section 1: Designation, Election and Term of Office** The officers of ISMI shall consist of the Chair of the Board, one Vice Chair(s), a Secretary, a Treasurer, and such other officers and assistant officers as the Board of Directors may authorize. The officers shall be elected or appointed by the Board of Directors at its annual meeting, to hold office for one year and until their successors have been duly elected and qualified, or until their death, resignation or removal. Any two or more offices may be held by the same person. The election of the board will be held at the annual fall meeting and the term will commence immediately upon election.

**Section 2: The Chair of the Board** The Chair shall have general and active oversight of the affairs of ISMI, including chairing meetings of the Board of Directors and membership meetings. The Chair shall see that all orders and resolutions of the Board of Directors are carried into effect. He or she shall execute all documents and contracts requiring a seal under the seal of ISMI. He or she shall have general superintendence of all other officers of ISMI and shall see that their duties are properly performed. The Chair shall from time to time report to the Board of Directors all matters within his or her knowledge which the interests of ISMI may require to be brought to their notice. The Chair appoints all standing and special committees of the Board and their chairpersons, subject to the approval of the Board of Directors. The Chair is an ex-officio member without vote of all committee. He or she shall also perform such other duties as may be assigned to him or her from time to time by the Board of Directors.

**Section 3: The Vice Chair(s)** The Vice Chair(s), in the order of their seniority, shall have all the powers and perform all the duties of the Chair in the absence or incapacity of the Chair. The Vice Chair shall oversee the nominating committee. They shall perform, also, such other duties as may be assigned to them from time to time by the Board of Directors.

**Section 4: The Secretary** The Secretary shall act as Secretary of the Board of Directors, shall give, or cause to be given, notice of all meetings of the Board of Directors and the members, unless notice thereof be waived, shall supervise the custody of all records and reports and shall be responsible for the keeping and reporting of adequate records of all meetings of the Board of Directors. In addition, the Secretary shall be the custodian of the seal of ISMI, if one is used. The Secretary shall also perform such other duties as may be assigned from time to time by the Board of Directors.

**Section 5: The Treasurer** The Treasurer shall keep full and correct account of receipts and disbursements in the books belonging to ISMI, and shall deposit all moneys and other valuable effects in the name and to the credit of ISMI, in such banks of deposit as may be designated by the Board of Directors. The Treasurer shall dispose of funds of ISMI as may be ordered by the Board, taking proper vouchers for such disbursements, and shall render to the Chair and the Board of Directors, whenever they may require it, an account of all his or her transactions as Treasurer and of the financial condition of ISMI. The Treasurer shall be the chair of the Finance Committee. The Treasurer shall also perform such other duties as may be assigned from time to time by the Board of Directors.

**Section 6: Resignation** Any Officer may resign at anytime by giving written notice to the Board of Directors, the Chair or the Secretary of ISMI. Such resignation shall take effect when the notice is delivered unless the notice specifies a future date; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective

**Section 7: Removal** Any of the officers of ISMI may be removed by the Board of Directors 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.

**Section 8: Vacancies** Any vacancy in any office because of death, resignation, removal, disqualification or any other cause, shall be filled by the Board of Directors at an annual or regular meeting or at a special meeting called for such purpose.

**Section 9: Employees and Agents** The Board of Directors has the power to employ and, in accordance with applicable law, to terminate the employment of an Executive Director. The Executive Director has the responsibility of managing the day-to-day affairs of ISMI and administering the programs and policies of the Board of Directors. The Executive Director will report directly to the Board of Directors and will keep the Board of Directors fully informed of his or her activities. The Executive Director does not have any authority to act for or on behalf of ISMI without the express authorization of the Board of Directors. The terms and conditions of employment of the Executive Director will be as the Board of Directors stipulates in a contract with the Executive Director. The term of the contract may be at the will of the Board or for a fixed or stated term. Subject to budgetary constraints that the Board of Directors imposes and approves, the Chair, with the advice of the Executive Director, will appoint and employ any professional and support staff or agents necessary to serve ISMI.

## **ARTICLE VI**

### **COMMITTEES**

#### **Section 1: Committees**

Standing and Special Committees

There shall be such standing and special committees of the Board of Directors as are found necessary to carry on its work. The Chair appoints all standing and special committee of the Board and their chairpersons, subject to the approval of the Board of Directors. The Chair is an ex-officio member without vote of all committees.

- (a) Chairpersons: The Chairpersons of all standing committees of the Board of Director shall be members of the Board.
- (b) Executive Committee: The Executive Committee shall be comprised of officers of the organization, The duties of the Executive Committee shall be to plan the agenda for the meeting of the Board of Directors and to act on behalf of the Board of Directors between Board meetings.
- (c) The Vice Chair shall oversee the Nominating Committee.
- (d) The Treasurer shall be the chair of the Finance Committee.

**Section 2: Quorum** Unless the appointment by the Board of Directors requires a greater number, a majority of any committee shall constitute a quorum for committee action at any meeting of the committee, and the act of a majority of committee members present and voting at a meeting at which a quorum is present shall be the act of the committee.

**Section 3: Participation at Meetings by Conference Telephone** Committee members may participate in and act at any committee meeting through the use of a conference telephone or other communications equipment by means of which all persons participating in the meeting can communicate with each other. Participation in such meeting shall constitute attendance and presence in person at the meeting of the person or persons so participating.

**Section 4: Meetings of Committees** Subject to action by the Board of Directors, each committee by majority vote of its members shall determine the time and place of meetings and the notice required thereof.

**Section 5: Informal Action** Any action required to or which may be taken at a meeting of a committee may be taken without a meeting if a consent in writing setting forth the action so taken, is signed by all of the committee members.

**Section 6: Other Bodies** The Board of Directors may create and appoint persons to a commission, advisory body or other such body which may or may not have Directors as members. Any such commission, advisory body or other body may not act on behalf of ISMI or bind ISMI to any action but may make recommendations to the Board of Directors or to the officers of ISMI.

## **ARTICLE VII**

### **INDEMNIFICATION**

**Section 1: Indemnification in Actions Other Than By or in the Right of ISMI**

Any person made or threatened to be made a party to any action, suit, or proceeding by

reason of the fact that he or she is or was a director or officer of the Corporation shall be indemnified by the Corporation against any and all liability and the reasonable expenses, including attorneys' fees and disbursements, incurred by him or her in connection with the defense or settlement of such action, suit, or proceeding, or in connection with any appearance therein, except in relation to matters as to which it shall be adjudged in such action, suit, or proceeding that such director or officer is liable for negligence or misconduct in the performance of his or her duties. Such rights of indemnification shall not be deemed exclusive of any other rights to which such director or officer may be entitled apart from this provision.

**Section 2: Insurance** The Board of Directors shall have the power to (i) purchase and maintain, at the Corporation's expense, insurance on behalf of the Corporation and on behalf of others to the extent that power to do so has been or may be granted by statute and (ii) give other indemnification to the extent permitted by law.

## **ARTICLE VIII**

### **BOOKS AND RECORDS**

**Section 1: Corporate Records** ISMI shall keep at its registered office records of the minutes of the proceedings of the Board of Directors and the original copy of its Bylaws, including all amendments and alterations thereto to date. ISMI shall keep at its registered office or at its principal place of business complete and accurate books or records of account.

**Section 2: Right of Inspection** The books and records of account and records of the proceedings of the Board of Directors may be examined by any Director in person or by agent or attorney for any proper purpose, and to make copies or extracts there from, at any mutually agreed upon time.

## **ARTICLE IX**

### **DISTRIBUTIONS**

**Section 1: Distributions** The Board of Directors of ISMI may authorize, and ISMI may make, distributions of its money, property or other assets, other than upon dissolution and final liquidation, subject to the limitations of Section 4 of this Article VIII, only (a) To any person or organization who or which has made payments to ISMI for goods or services, as a fractional repayment of such payments, provided all such persons or organizations in any category are repaid on an equal pro rata basis.

**Section 2: Payments in Furtherance of Purposes** Any payment or transfer of money, property or other assets in furtherance of any of the purposes of ISMI shall not be deemed a distribution for the purposes of this Article VIII and this Article VIII shall not be construed as limiting the purposes and powers of ISMI.

**Section 3: Determination of Distributions** All distributions by ISMI permitted by this Article VIII shall be at the option of ISMI only and at such amount or amounts, within the period or periods, and on such terms and conditions, not inconsistent with the purpose of ISMI and statute, as are fixed by the Board of Directors of ISMI.

**Section 4: Limitation on Distributions** No distribution under Section I of this Article VIII may be made if, after giving it effect:

- (a) ISMI would be insolvent; or
  - (b) The net assets of ISMI would be less than zero; or
- ISMI would be rendered unable to carry on its corporate purposes.

## **ARTICLE X**

### **MISCELLANEOUS**

**Section 1: Depositories** All funds of ISMI not otherwise employed shall be deposited from time to time to the credit of ISMI in such banks, trust companies or other depositories as the Board of Directors may designate.

**Section 2: Checks, Drafts, Notes, Etc** All checks, drafts or other orders for the payment of money and all notes or other evidences of indebtedness issued in the name of ISMI shall be signed by such officer or officers, or agent or agents, of ISMI and in such manner as shall from time to time be determined by resolution of the Board of Directors.

**Section 3: Delivery of Notice** Any notices required to be delivered pursuant to these Bylaws shall be deemed to be delivered when transferred or presented in person or deposited in the United States mail addressed to the person at his, her, or its address as it appears on the records of ISMI, with sufficient first-class postage prepaid thereon. Notice may be made by electronic means; facsimile, e-mail or other electronic delivery methods. If Notice is provided by electronic means, it shall be deemed to be delivered when transferred.

**Section 4: Execution of Documents** No contract will be entered into, no loans will be contracted on behalf of ISMI and no evidence of indebtedness will be issued in the name of or on behalf of ISMI unless authorized or ratified by a resolution of the Board of Directors. Such authority may be general or confined to specific instances. Except as otherwise provided by law, all checks, drafts, promissory notes, orders for the payment of money and other evidence of indebtedness issued in the name of ISMI and all contracts, deeds, mortgages, obligations and other instruments executed in the name of and on behalf of ISMI shall be executed and attested by such officer or

officers, or agent or agents, of ISMI and in such manner as shall from time to time be determined by resolution of the Board of Directors.

**Section 5: Gifts** The Board of Directors may accept on behalf of ISMI any contribution, gift, bequest or devise for the general purposes or for any special purpose of ISMI.

**Section 6: Nonprofit Operations** ISMI will not have or issue shares of stock. No dividend will be paid, and no part of the money, property or other assets of ISMI will be distributed to its Directors or Officers, except in accordance with Section 10 below.

**Section 7: Loans to Management** ISMI will make no loans to any of its Directors or Officers.

**Section 8: Compensation** Board approval is required for all newly created positions and compensation levels of the executive director, employees and agents of the association.

No Director or Officer of ISMI shall receive, directly or indirectly, any income, profit, salary, compensation or pecuniary benefit from ISMI, except reimbursement from ISMI's funds for reasonable expenses incurred that, in the opinion of the Board of Directors, were properly incurred in performance of their duties on behalf of ISMI, upon submission of proper documentation to the Board of Directors.

**Section 9: Construction** If any portion of these Bylaws shall be invalid or inoperative, then so far as is reasonable and possible (a) the remainder of these Bylaws shall be considered valid and operative; and (b) effect shall be given to the intent manifested by the portion held invalid or inoperative.

**Section 10: Effective Date** These Bylaws will be effective upon acceptance by the Board of Directors.

## **ARTICLE XI**

### **AMENDMENTS**

**Method of Amendment:** These Bylaws may be altered, amended or repealed, and new and other Bylaws may be made and adopted at any annual or regular meeting of the Board of Directors, or at any special meeting called for that purpose, by the affirmative vote of a majority of the Directors in office.