

CHAPEL HILL PUBLIC LIBRARY FOUNDATION
BYLAWS

ARTICLE I

Offices

The principal office of the Foundation in the State of North Carolina shall be located in the City of Chapel Hill, County of Orange.

The registered office of the Foundation may be, but need not be, identical to the principal office in the State of North Carolina, and the address of the registered office may be changed from time to time by the Board of Directors.

ARTICLE II

Purposes and Powers

The purpose of the Foundation shall be to operate exclusively for charitable and educational purposes as a non-profit organization to support the Chapel Hill Public Library under Section 501(c) of the Internal Revenue Code of 1986, or the corresponding provision of any future United States Internal Revenue Law.

The Foundation shall be entitled to exercise all the powers specified in the Articles of Incorporation, subject to the following limitations:

- (1) No part of the net earnings of the Foundation shall inure to the benefit of, or be distributable to, its directors, officers, or other private persons, except that the Foundation shall be authorized and empowered to pay reasonable compensation for services rendered and expenses incurred, and to make payment and distributions in furtherance of the purposes of the Foundation set forth above.
- (2) The Foundation shall not participate in or intervene in any political campaign on behalf of any candidate for public office.
- (3) The Foundation shall not carry on any other activities not permitted to be carried on by a corporation exempt from federal income tax under Section 501(c) of the Internal Revenue Code of 1986 (or the corresponding future provisions) or by corporation described in Section 509(a)(3) of the Internal Revenue Code of 1986 (or corresponding future provisions).
- (4) At least annually the Foundation shall report to the Town Council of the Town of Chapel Hill, North Carolina, the financial position and activities of the Foundation. The said Council shall have the authority to approve all disbursements to or for the benefit of the Chapel Hill Public Library.
- (5) Within the first three calendar months of each year the Board of Directors will authorize the amount of distribution to be made from the Love Trust for the Library in the upcoming fiscal year (July 1 to June 30). Unless the Board determines otherwise, and in keeping with the recommendation of the Foundation's IPS (Investment Policy Statement) adopted in June of 2011, the distribution shall equal either three and one-half (3.5) percent of the asset value of the Trust as of December 31 of the preceding year or \$40,000, whichever is greater. Such distribution shall be made on or near July 1 of the upcoming fiscal year and be put into a restricted bank account. From this restricted account four quarterly distributions of \$10,000 each shall be made to the Library. Any remaining funds in this account will be considered the "Discretionary Funds" and be used by the Board of Directors to fund purchases, services or program requests by the Library as they might arise. Any such requests of \$1500 or greater require prior approval by the Board. Any requests of less than \$1500 may be approved by the Executive Committee of the Foundation which will then report such approval and distribution at the next meeting of the Board.

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ARTICLE III

Members

The Foundation shall have no members.

ARTICLE IV

Board of Directors

Section 1. **General Powers.** The business and affairs of the Foundation shall be managed by its Board of Directors, but subject to the authority, elsewhere set forth, of the Town Council of the Town of Chapel Hill to approve all disbursements to or for the benefit of the Chapel Hill Public Library. The Board of Directors shall further have sole power and authority, by a vote of two thirds of the Directors then in office, to (1) amend or restate the Articles of Incorporation of the Foundation, (2) approve the merger or consolidation of the Foundation with any other corporation, (3) authorize the dissolution of the Foundation, or (4) approve the sale, lease, exchange or other disposition of all, or substantially all, of the property or assets of the Foundation.

Section 2. **Number, Tenure and Qualifications.** All directors of the Foundation must be residents of the greater Triangle region of North Carolina. The board shall consist of no fewer than 12 directors. One director shall be a member of the Town Council of the Town of Chapel Hill who shall act as liaison between the Foundation and the said Town Council with full voting rights.

Three directors, one shall represent the Board of Trustees of The Chapel Hill Public Library; one shall represent the Friends of the Chapel Hill Public Library; one shall be the Library Director or his/her designee, shall serve as non-voting, ex-officio members, shall not count towards a quorum, and shall not be required to serve on committees nor hold other responsibilities assigned to directors.

No director is eligible to serve for more than nine consecutive years on the board. The directors are eligible for reelection after being off the board for a minimum of one year. In the event the initial term of any director is less than three full years, the initial term shall not count toward the limitation of nine consecutive years on the board.

In the initial election, one third of those members elected must be designated to serve three year terms, one third designated to serve two year terms, one third to serve a one year term; thereafter members will be elected to serve three year terms.

Section 3. **Removal from Office.** Any director may be removed from office at any time for cause, on a vote of two thirds of the directors then in office, at any general or special meeting called for the purpose of such removal.

Section 4. **Annual Meeting, Regular Meetings.** The annual meeting of the Board of Directors shall be held in September of each year. The Board of Directors may provide, by resolution, the time and place of a substitute annual meeting. The Board of Directors shall hold a minimum of six board meetings, including the Annual Meeting, per fiscal year, the time and place to be set according to need.

Section 5. **Special Meetings.** Special meetings of the Board of Directors may be called by or at the request of the President or a majority of the Board.

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Section 6. **Notice.** Notice of any special meeting shall be given at least four days previous thereto by written notice delivered or mailed to each director at his or her preferred address.

Section 7. **Quorum.** A quorum shall consist of a majority of the directors then in office and shall constitute a quorum for the transaction of business at any meeting of the Board of Directors. If less than a majority is present at a meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.

Section 8. **Vacancies.** Any vacancy occurring in the Board of Directors including any vacancy created by reason of an increase in the number of directors, shall be filled by the affirmative vote of a majority of the directors then in office. Any director so elected shall serve for the unexpired term of a predecessor in office or the full term of such new directorship.

Section 9. **Informal Action by Directors.** Any action required to be taken at a meeting of the directors or any action which may be taken at a meeting of the directors may be taken without a meeting if consent in writing (including e-mail sent from usual e-mail address), setting forth the action so taken, is signed by at least two-thirds of the directors entitled to vote with respect to the subject matter thereof.

Any votes taken by informal action shall be ratified by the Board at the next regular meeting

Section 10. **Committees.** The Board of Directors may, by majority vote of all directors in office, appoint such committees as it deems desirable to assist in its duties, which committees may include an executive committee which may exercise any power and perform any function granted by the Board of Directors subject to the limits imposed by law. The Board of Directors may, by majority vote of all directors in office appoint an advisory committee, whether it is called an advisory board or by some other term, to provide non-binding advice to the Board of Directors at the Board's request.

Section 11. **Conflict of Interest.** No Board member shall use his or her position, or the knowledge gained, in such a manner that a conflict of interest arises. Each board member has a duty to place the interest of the organization foremost in any dealing with the organization and has a responsibility to notify the board when a conflict arises.

ARTICLE V

Officers

Section 1. **Number.** The officers of the Foundation shall be a president, a vice president, a secretary and a treasurer, each of whom shall be elected by the Board of Directors. Such other officers and assistant officers as may be deemed necessary may be elected or appointed by the Board of Directors.

Section 2. **Election and Term of Office.** The officers of the Foundation to be elected by the Board of Directors shall be elected annually by the Board of Directors at each annual meeting. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be.

Section 3. **Vacancies.** A vacancy in any office because of death, resignation, removal, disqualification or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

Section 4. **President.** The president shall be the principal executive officer for the Foundation and, subject to the control of the Board of Directors, shall in general supervise and control all of the meetings of the

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Foundation. The president shall, when present, preside at all meetings of the Board of Directors. The president may sign, with the secretary or any other proper officer of the Foundation thereunto authorized by the Board of Directors, any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the Foundation, or shall be required by law to be otherwise signed or executed, and in general shall perform all duties incident to the office of president, and such other duties as may be prescribed by the Board of Directors from time to time. The president may authorize expenditures of \$500.00 or less without prior approval of the board

Section 5. **Vice President**. In the absence of the president, the vice president 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, and shall also perform such other duties as from time to time may be assigned by the president or by the Board of Directors. The vice-president may authorize expenditures of \$500.00 or less without prior approval of the board

Section 6. **Secretary**. The secretary shall: (a) keep the minutes of the Board of Director's meetings in one or more books provided for that purpose, (b) see that all notices are duly given in accordance with the provisions of the Bylaws or as required by law, (c) be custodian of all Foundation records, (d) keep a register of the post office addresses of each director which shall be furnished to the secretary by such director, and (e) in general perform all duties incident to the office of secretary and such other duties as from time to time may be assigned by the president or by the Board of Directors.

Section 7. **Treasurer**. The treasurer shall: (a) have custody of all funds and securities (b) receive, deposit and disburse funds under the direction of the Board of Directors, (c) keep full and accurate accounts of the finances in books especially provided for that purpose, (d) prepare a true statement of assets and liabilities as of the close of each fiscal year and of the results of operations and changes in surplus and sources and uses of funds for such fiscal year and (e) in general perform all duties incident to the office of treasurer and such other duties as from time to time may be assigned by the president or by the Board of Directors.

Section 8. **Compensation**. The Board of Directors may, by resolution, pay officers for their expenses incurred on behalf of the Foundation.

ARTICLE VI

Limited Liability

To the fullest extent permitted by applicable law, no Director of the Corporation shall have any personal liability arising out of any action whether by or in the right of the Corporation or otherwise for monetary damages for breach of any duty as a Director. This Article shall not impair any right to indemnity from the Corporation that any Director may now or hereafter have. Any repeal or modification of this Article shall be prospective only and shall not adversely affect any limitation hereunder on the personal liability of a Director with respect to acts or omissions occurring prior to such repeal or modification.

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ARTICLE VII

Indemnification

Section 1. **Authority.** The Foundation may by resolution indemnify any person pursuant to law provided such indemnification is made by a majority vote of a quorum of disinterested directors.

Section 2. **Insurance.** The Foundation may by resolution purchase and maintain insurance for itself and on behalf of any person who is or was director or officer or agent of the Foundation for any liability incurred by them in any such capacity or arising out of their status as such, provided such insurance is authorized by majority vote of a quorum of directors.

ARTICLE VIII

Contracts. Loans. Checks. Deposits. Securities

Section 1. **Contracts.** The Board of Directors may authorize any officer or officers, agent or agents to enter into any contract or execute and deliver any instrument in the name and on behalf of the corporation, and such authority may be general or confined to specific instances.

Section 2. **Loans.** No loans shall be contracted on behalf of the corporation and no evidence of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors.

Section 3. **Checks, Drafts, etc.** All checks, drafts and other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the corporation, shall be signed by such officer or officers, agent or agents of the corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors.

Section 4. **Deposits.** All funds of the corporation not otherwise employed shall be deposited from time to time to the credit of the corporation in such banks, trust companies or other depositories as the Board of Directors may select.

Section 5. **Securities.** The President or Vice-President, together with the Treasurer, are authorized to set up an account(s) with a securities firm for the express purpose of receiving donations to the Foundation being provided as securities and converting such donations into cash or other liquid assets. Any actions or directions regarding said account(s) will require that any two of the following officers are authorized to sign instruments that may lawfully be executed on behalf of the Chapel Hill Public Library Foundation: President, Vice President, or Treasurer.

Section 6. **Fiscal Year.** The fiscal year of the corporation shall commence on July 1 of each year.

ARTICLE IX

Seal

The corporation shall not have a corporate seal.

ARTICLE X

Dissolution

Upon the dissolution of the corporation, the Board of Directors shall, after paying or making provisions for the payment of all liabilities of the corporation, dispose of the assets to the Chapel Hill Public Library.

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ARTICLE XI

Amendments

These Bylaws and the Articles of Incorporation may be altered, amended or repealed and new Bylaws or Amendments to the Articles of Incorporation adopted by a two-thirds vote of the directors.

ARTICLE XII

Rules of Order

The latest edition of Robert's Rules of Order shall, in the absence of provision to the contrary herein, be observed in governing the transactions of the business of the Board of Directors.

APPROVED AND ADOPTED THE 31ST DAY OF JULY, 1996;
AMENDED THE 28TH DAY OF OCTOBER, 1997;
AMENDED THE 25TH DAY OF MAY, 1999;
AMENDED THE 27TH DAY OF FEBRUARY, 2001;
AMENDED THE 2ND DAY OF OCTOBER, 2001;
AMENDED THE 4TH DAY OF MAY, 2005;
AMENDED THE 1ST DAY OF JUNE, 2005;
AMENDED THE 9TH DAY OF FEBRUARY, 2011;
AMENDED THE 9TH DAY OF MARCH, 2011;
AMENDED THE 9TH DAY OF NOVEMBER, 2011;
AMENDED THE 11TH DAY OF JANUARY, 2012;
AMENDED THE 10TH DAY OF OCTOBER, 2012;
AMENDED THE 14TH DAY OF NOVEMBER, 2012;
AMENDED THE 8TH DAY OF JANUARY 2014;
AMENDED THE 12TH DAY OF OCTOBER 2016.
AMENDED THE 14TH DAY OF JUNE 2017.