

## **By-Laws** of the Lithuanian Educational Council of the USA (LEC)

### A Non-profit Corporation

Approved by Lithuanian American Community Executive Committee, 9/23/2015

#### I. General Provisions

1. LEC is organized exclusively for educational and cultural purposes within the scope of Section 501 (c) (3) of the Internal Revenue Code. These **By-Laws** constitute the code of rules adopted by the Lithuanian Educational Council of the USA, for the regulation and management of its affairs.
2. Lithuanian Educational Council of the USA, Inc., hereinafter referred to as LEC, is a subsidiary organization of the Lithuanian American Community of the USA, Inc., a non-profit organization incorporated in the State of Illinois.
3. LEC shall have the purposes or powers as stated in its Articles of Incorporation and such powers as are now or may be granted hereafter by the (805 ILCS 105/)General Non for Profit Corporation Act of 1986 and of the Internal Revenue Code.
4. Operational Limitations: Notwithstanding any other provisions of the Articles of Incorporation or Lithuanian Educational Council of the USA By-laws, LEC shall not carry on any activities not permitted to be carried on by a corporation exempt from federal income tax under Section 501 (c) (3) of the Code or by a corporation, contributions to which are deductible under Section 170 (c) (3) of the Code. LEC shall make such distributions at such times and in such manner as to comply with any applicable payout rules of the Internal Revenue Code. LEC shall not engage in any act of self-dealing, retain any excess business holdings, make any jeopardizing investment, or make any taxable expenditure to the extent prohibited by the Internal Revenue Code.

#### II. Offices and Agencies

5. The principal office of LEC in Illinois **shall** be located at such place as the Board of Directors may from time to time designate by resolution. In addition, LEC may maintain other offices either within or without the State of Illinois as its business requires.
6. The registered office of LEC may, but need not be the same as the principal office. The address of the registered office will be identical with the office of the registered agent. Such office **shall** be continually maintained within the State of Illinois for the duration of this LEC. The Board of Directors may from time to time change the address of its registered office by duly adopted resolution and submission of the appropriate statement to the Secretary of State's Office.
7. The registered agent of LEC may be either an individual, resident within the State of Illinois, or a domestic or foreign corporation, authorized to act as such agent. Such an agent will be continually maintained by LEC in the State of Illinois. A new registered agent may be appointed if the office of such agent becomes vacant for any reason, or such agent becomes

disqualified or incapacitated to act, or if LEC through the Board of Directors revokes the appointment of such agent by duly adopted resolution. The new appointment **shall** be made by duly adopted resolution of the Board of Directors and submission of the appropriate statement to the Secretary of State's Office. Such registered agent will be recognized as an agent of LEC on whom any process, notice, or demand required or permitted by law to be served on a corporation may be served.

### III. Board of Directors

8. The Board of Directors shall manage all affairs of LEC. It shall:
  - a. Direct the affairs and activities of LEC;
  - b. Adopt and amend the **By-Laws**; amend the Articles of Incorporation;
  - c. Maintain and control all funds of LEC.
9. The Board shall be composed of no fewer than 5 and not more than 9 directors. The President of the Board, designated by the Lithuanian American Community, Inc., can appoint and remove the Board members, this action subject to confirmation by the Lithuanian American Community, Inc. Directors need not be residents of the State of Illinois. The Board of Directors shall consist of a President, a Vice President, a Treasurer, a Secretary, and other members as determined by the Board of Directors. The President of the Board shall designate a Vice President, Secretary and Treasurer from among the directors. Any other officer shall be designated by the President at the President's own discretion. Board members whose authority and duties are not prescribed in these By-Laws shall have the authority and perform the duties prescribed, from time to time, by the Board of Directors. Any two or more offices may be held by the same person, except the offices of President and Secretary.
10. The Board of Directors **shall** keep complete and correct books and records of account, and will also keep minutes of the proceedings of its Board of Directors and committees. A new Board of Directors having been appointed, the previous Board shall present, within thirty (30) days, all LEC property, money, books, documents and records in its possession.
11. A simple majority of the whole Board of Directors shall be necessary for all regular business. The majority of the whole Board of Directors shall be necessary for changes to **By-Laws** or Articles of Incorporation. Any action of majority of the Directors **shall** be considered an act of the Board of Directors unless a greater number is required under the provisions of the General Non for Profit Corporation Act, the Articles of Incorporation, or any provisions of these By-Laws. In the event that the votes are equally split, the President can postpone the vote to the next meeting.
12. Meetings of the Board of Directors **shall** be held at such place or places and at such time as the Board of Directors designates by resolution duly adopted, but not less than once a year. All directors present at the adoption of such resolution shall be deemed to have notice of the next meeting of the Board of Directors. It shall be the responsibility of the Secretary to notify the other directors with no less than two (2) days notice. Any Director may waive notice of any meeting. Attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of

objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting, unless specifically required by law, the Articles of Incorporation or by these bylaws.

13. The President of the Board shall have the right to appoint committees as deemed necessary, provided however, that all such committees are approved by the majority of the Board of Directors. All committees shall serve at the pleasure of the Board of Directors and shall account and cooperate with the Board of Directors. No committee **shall** have the authority of the Board in reference to:
  - a. Amending, altering or repealing the By-Laws;
  - b. Electing, appointing or removing any member of such committee or any directors or officer of LEC;
  - c. Amending the Articles of Incorporation;
  - d. Adopting a plan of merger or adopting a plan of consolidation with another Corporation other than LEC, or a plan for the distribution of assets of LEC;
  - e. Authorizing the sale, lease, exchange or mortgage of any of the property or assets of LEC;
  - f. Authorizing the voluntary dissolution of LEC or revoking proceedings thereof;
  - g. Amending, altering or repealing any resolution by the Board of Directors which by its terms provides that it shall not be amended, altered or repealed by such committee.

The Board of Directors shall retain for itself exclusively all of the above powers and all other powers granted by the Illinois Statutes. The Board may terminate, by duly adopted resolution, any committee so appointed.

14. Any vacancy occurring on the Board of Directors shall be filled by the President of the Board and must also confirmed by the Lithuanian American Community, Inc.
15. One or more of the Directors may be removed by the Board of Directors, with cause, by the affirmative vote of the Directors present and voting at any meeting of the Directors at which a quorum is present. No Director shall be removed at a meeting of the Board of Directors, unless written notice of such meeting, stating that a purpose of the meeting is to vote upon the removal of one or more Directors named in the notice and delivered to all Directors. Only the named Director or Directors may be removed at such meeting.
16. The officers of LEC shall be affirmed by the Board of Directors at their regular annual meeting. Each officer shall hold office until a successor shall have been appointed and shall have qualified or until such officer shall resign or shall be removed in the manner hereinafter provided. Appointment of an officer or agent shall not of itself create contract rights. Any officer may resign at any time by giving notice to the Board of Directors or to the President or to the Secretary. A resignation of an officer need not be accepted in order to be effective.

Any officer appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests of LEC would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

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

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

The **Secretary** shall record the minutes of the meetings of the Board of Directors in one or more books provided for that purpose; see that all notices are duly given in accordance with the provisions of these bylaws or as required by the law; be custodian of the corporate records; and perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him or her by the President or by the Board of Directors.

17. The President of the Board **shall** be the President of LEC.
18. A simple majority of the number of Directors then in office shall constitute a quorum for the transaction of business at any meeting of the Board of Directors. If less than a majority of the number of Directors then in office are present at said meeting, a majority of the Directors present may adjourn the meeting to another time and place without further notice.

CONTRACTS, CHECKS, DEPOSITS AND FUNDS

19. 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 of and on behalf of LEC; such authority may be general or confined to specific instruments.
20. All checks, drafts or other orders for the payment of money, notes or other evidence of indebtedness, issued in the name of LEC, shall be signed by such officer or officers, agent or agents of LEC and in such manner as shall from time to time be determined by resolution of the Board of Directors.
21. No loans shall be contracted on behalf of LEC and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instance.
22. All funds of LEC shall be deposited from time to time to the credit of the Corporation, Inc. in such banks or other depositories as the Board of Directors may select.
23. The Board of Directors may accept on behalf of LEC any contribution, gift, bequest or devise for the general purpose or for any special purpose of LEC.

#### INDEMNIFICATION OF DIRECTOR, OFFICERS AND EMPLOYEES

24. Except in cases involving willful or wanton misconduct or gross negligence, LEC 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, by reason of the fact that it, he or she is or was a Director or an officer of LEC [or that it, he or she is or was serving at the request of LEC as a Director, officer or agent of another entity] against all judgments, fines, reasonable expenses (including attorneys' fees), and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding to the full extent and in the manner set forth in and permitted by the Act and any other applicable law, as from time to time in effect.
25. Except in cases involving willful or wanton misconduct or gross negligence, LEC 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, by reason of the fact that he or she is or was an employee or agent of LEC against all judgments, fines, reasonable expenses (including attorneys' fees), and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit, or proceeding to the extent and in the manner set forth in and permitted by the Act and any other applicable law, as from time to time in effect.
26. The provisions of this Article shall be deemed to be a contract between LEC and each Director, employee or agent who serves in any capacity at any time while this Article is in effect, and any repeal or modification of this Article shall not affect any rights or obligations hereunder with respect to any state of facts then or theretofore existing or any action, suit, or proceeding theretofore or thereafter brought or threatened based in whole or in part upon any such state of facts.

27. Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by LEC 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 ultimately shall be determined that such Director, officer, employee, or agent is entitled to be indemnified by LEC as authorized by this Article.
28. LEC may purchase and maintain insurance on behalf of any person or organization who is or was a Director, officer, employee, or agent of LEC against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person's status as such, to the full extent permitted by the Act as amended from time to time.
29. The indemnification provided or permitted by this Article shall not be deemed exclusive of any other rights to which those indemnified may be entitled by law or otherwise, shall continue as to a person who has ceased to be a Director, employee, or agent, and shall inure to the benefit of the heirs, executors, and administrators of such person.

#### IV. Final Provisions

30. These By-Laws shall take effect upon approval by the Board of Directors of LEC and the Executive Committee of Lithuanian American Community, Inc.

All disputes or problems arising from the violation of the rules or principles of LEC shall be resolved by the Honor Council (Garbės Teismas) of the Lithuanian American Community, Inc. LEC shall have the right to retain all or any part of any securities or property acquired by it in whatever manner, and to invest and reinvest any funds held by it, according to the judgment of the Board of Directors, without being restricted to the class of investments which a Director is or may hereafter be permitted by law to make or any similar restriction, provided, however, that no action shall be taken by or on behalf of LEC if such action is a prohibited transaction or would result in the denial of the tax exemption under Section 503 or Section 507 of the Internal Revenue Code and its Regulations as they now exist or as they may hereafter be amended.

31. No member, Director, trustee, officer, or employee of or member of a committee of or person connected with LEC, or any other private individual, shall receive at any time any of the net earnings or pecuniary profit from the operations of the Corporation, provided that this shall not prevent the payment to any such person of such reasonable compensation for services rendered to or for LEC in effecting any of its purposes as shall be fixed by the Board of Directors and no such person or persons shall be entitled to share in the distribution of any of the corporate assets upon the dissolution of LEC.
32. LEC may dissolve and wind up its affairs upon duly adopted resolution by the Board of Directors. Upon dissolution of LEC, the Board of Directors shall, after paying or making provisions for the payment of all legally binding liabilities of LEC, transfer all remaining assets to the Lithuanian American Community, Inc., providing that the Lithuanian American Community, Inc. qualifies at that time as a tax-exempt organization under Section 501 (c) (3) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Revenue Law). If the Lithuanian American Community, Inc. is not in

existence, then distribution shall be to an organization or organizations organized and operated exclusively for charitable and educational purposes as shall at all times qualify them as exempt organizations under Section 501(c)(3) of the Internal Revenue Code and be Lithuanian American.