

BY-LAWS OF LITHUANIAN FOUNDATION, INC.

I. General Provisions

1

The LITHUANIAN FOUNDATION, INC. ("Foundation") accumulates funds and utilizes revenues derived therefrom to: support Lithuanian education, culture and science; support the preservation of the Lithuanian language and traditions; give scholarships to youths of Lithuanian heritage; and foster a national consciousness among young people.

The Foundation operates within the scope of Section 501(c)(3) of the Internal Revenue Code.

2

The principal capital of the Foundation shall not be available for distribution except as otherwise determined by an affirmative vote of three-fourths (3/4) of the entire Board of Directors of the Foundation, provided that such distribution shall not exceed a maximum of ten percent (10%) of total capital per any one (1) calendar year, and further except as provided in paragraph 41 of these By Laws.

3

The principal capital of the Foundation is composed of contributions and bequests.

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The operating revenues of the Foundation are comprised of such revenues as may be obtained from the invested permanent capital, interest-free loans, and other sources.

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The Foundation's offices shall be in the State of Illinois at a location selected by its Board of Directors.

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The fiscal year of the Foundation shall end on December 31.

II. Membership

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The membership of the Foundation shall be comprised of persons, corporations, organizations, associations, societies, fellowships and clubs contributing not less than one hundred dollars (\$100.00) toward the principal capital of the Foundation, provided that the contribution is accepted by the Foundation's Board.

Contributions made by divisions of the Lithuanian-American Community, Inc., an Illinois Corporation, do not require the approval by the Foundation's Board.

8

Each member of the Foundation shall be entitled to one (1) vote for each one hundred dollar (\$100.00), gross, contribution given to the Foundation; provided, however, that no member, regardless of the amount of his contribution, shall be entitled to more than three percent (3%) of the total registered votes of the membership. The number of registered members shall be based on the data available at the close of the last fiscal year.

9

Any person donating an initial ten dollars (\$10.00) which is accepted by the Foundation's Board into the permanent capital, becomes a candidate of the Foundation. If said contribution is increased to one hundred dollars (\$100.00), such candidate becomes a registered member of the Foundation.

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A member of the Foundation may resign by submitting written notice thereof; however, the contribution of such member shall not be returned to him.

A member having received a proxy for the annual meeting may assign said proxy to another member; however, it may not be further reassigned.

The above restrictions are not applicable to divisions of the Lithuanian-American Community, Inc.

11

A member of decedent's family, or the donor, shall be designated as a representative of the memorial gift made in memory of decedent.

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A corporation, organization, association, society, fellowship or club must report the name and address of its representative to the Foundation.

The above applies to divisions of the Lithuanian-American Community, Inc. as well.

13

Transfer or cessation of membership rights:

- (a) The membership rights of a deceased member shall be transferred to a family member so delegated by the decedent's family, and notice of such transfer shall be given to the Foundation.
- (b) A member may transfer his membership rights to another person in writing, subject to approval of such transfer by the Board.

- (c) Failure to comply with the requirements of paragraph 13(a) after a member's death, shall cause cessation of member's rights. In such event, the member's contribution shall be designated a memorial contribution to which no voting rights attach.

14

- (a) Upon acceptance by the Board, a person making a contribution of not less than ten thousand dollars (\$10,000.00), may designate the purpose for which such contribution is to be used. Such purpose, however, may not conflict with the general provisions of paragraph 1 hereof. The Foundation shall follow the directions of the donor, but such contribution does not entitle the donor to membership rights, nor does the contributed non-returnable sum become a part of the Foundation's principal capital.
- (b) Upon acceptance by the Board, a person making a contribution of not less than ten thousand dollars (\$10,000.00), may designate the purpose for which the income derived therefrom shall be used after deduction of administrative expenses. Such purpose, however, may not conflict with the general provisions of paragraph 1 hereof. The Foundation shall follow the directions of the donor, but such contribution does not entitle the donor to membership rights. The contributed non-returnable sum shall become a part of the Foundation's principal capital.

III. Annual Members' Meeting

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The Annual Meeting of the members, the supreme body of the Foundation, shall:

- (a) determine, upon recommendation by the Board, the number of Directors of the Board of Directors;
- (b) elect one third (1/3) of the Foundation's Board of Directors for a three (3) year term;
- (c) elect a three-member Audit Committee. Nominees not elected shall remain as candidates in order of the number of votes received;
- (d) hear and approve reports from the Board of Directors, Officers, Audit Committee and other committees of the Foundation;
- (e) review the Foundation's activities, proposals, projects and recommendations;
- (f) decide and approve changes in the Foundation's By-laws and Articles of Incorporation, as provided in paragraph 39 of these By-laws.

16

The Annual Meeting shall be called by the Board of Directors. The Annual Meeting must take place within the first half of the fiscal year.

In calling the Annual Meeting, the Board shall inform members of the time, place and proposed agenda of the Meeting no later than thirty (30) days before such Meeting. If the Board fails to call the Annual Meeting within fifteen (15) months after the last Annual Meeting, the Annual Meeting may be called by the Audit Committee or such member or members who have no less than three percent (3%) of all registered membership votes in the Foundation, based upon data at the close of the last fiscal year.

17

Members shall ~~may~~ attend the Annual and/or Special Meetings either personally or by proxy; provision may also be made for voting for the Board of Directors and Audit Committee by mail or electronically. No member, however, may have a total of his own and proxy votes in excess of five percent (5%) of all the membership votes based upon data at the close of the last fiscal year.

IV. Board of Directors

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- The Board of Directors shall:
- (a) elect for a one-year (1) term the Chairman of the Board, Secretary of the Board and the President of the Foundation. The Secretary need not be a director of the Foundation.
 - (b) manage the assets and the affairs of the Foundation;
 - (c) implement the decisions made at the Foundation's Annual Meeting;
 - (d) form the following committees: Grants, Finance, By-laws and others;
 - (e) approve the Officers as presented by the President;
 - (f) approve the annual financial report and the annual budget;
 - (g) form an Honorary Committee composed of former Chairmen of the Board. The Chairman of the Honorary Committee shall be invited *ex officio*, without voting rights, to the meetings of the Board, Officers and all Committees.
 - (h) The Chairman of the Board and the President may not continue in their offices for more than three (3) consecutive years.
 - (i) A director who has served on the Board for fifteen (15) years, and who is no longer a director, is given the title of "Director Emeritus" and may attend Board meetings *ex officio*, without voting rights.

19

Only registered members may be elected to the Board of Directors. Representatives of organizations and/or memorial contributions may not be candidates to the Board of Directors unless they themselves are members of the Foundation.

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If a member of the Board shall die or be for any reason unable to continue in office, the Board shall elect another person to complete the term of such member on the Board.

A member of the Board failing to attend any meeting during the term of one (1) year, and the Board has decided accordingly, shall be deemed to have resigned.

21

The Board shall meet not less than four (4) times annually.

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The Chairman of the Board shall call meetings of the Board, giving no less than ten (10) days' notice to the members of the time, place and proposed agenda of said meeting.

23

In the event the Chairman of the Board fails to call a meeting within a five (5) month period, the members of the Board comprising one-quarter (1/4) of the Board shall have the right to call a meeting.

24

The minutes of Board meetings shall be taken by the Board's Secretary or such other person as the Board may designate.

The minutes of Board meetings are approved by the Board and signed by the Chairman of the Board and its Secretary.

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Board members receive no compensation.

The reimbursement of expenses incurred by Board members on behalf of the Foundation shall not be deemed to constitute compensation.

V. Audit Committee

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The Audit Committee reviews and audits the records of the Foundation and reports thereon to the Annual Meeting.

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The Audit Committee may engage a certified public accountant to audit the Foundation's books.

VI. Officers

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To undertake the administrative responsibilities of the Foundation, the President shall present to the Board for its approval no less than four (4) Officers.

The Officers shall have a term of office of one (1) year. Transfer of offices shall take place at the first Board meeting of the fiscal year upon approval by the Board.

29

The President shall call meetings of the Officers, conduct the day-to-day affairs of the Foundation, supervise the execution of the Board's plans and resolutions, and be responsible to the Board for the Officers.

He shall also hire and dismiss the staff of the Foundation's offices.

30

A Vice President shall perform the duties assigned to him by the President and, in case of the President's inability to serve, shall perform the functions of the President.

31

The Secretary shall maintain the membership rolls of the Foundation, take minutes of the Officers' meetings and, together with the President, execute the official documents on behalf of the Foundation.

32

The Treasurer shall maintain the financial records of the Foundation, prepare annual financial reports to the Board and to the Internal Revenue Service, and shall be responsible for other financial matters assigned by the President.

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It is required that Officers of the Foundation be members of the Foundation.

34

Under certain circumstances, compensation payable to Officers, upon the recommendation of the President, shall be decided by the Board.

VII. Other Committees

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The Grants Committee shall be formed to make disbursement from the annual revenues of the Foundation. Three (3) members shall be delegated to the Committee by the Board of the Foundation, and the Lithuanian-American Community, Inc. is invited to delegate three (3) members. The chairman of the Committee shall be elected from among the members delegated by the Foundation. The Grants Committee shall decide upon Grant requests, projects submitted by the Foundation and the proposals of the Lithuanian-American Community, Inc., as well as individual Foundation members; make decisions by a simple majority of the Committee members present; and submit its decisions to the Foundation's Board for its approval.

The Board is empowered to reject those grant awards of the Grants Committee which do not conform to the requirements of Section 501(c)(3) of the Internal Revenue Code.

36

The Board shall form a Finance Committee, which shall recommend to the Board how to maintain the security and profitability of the principal capital and other assets of the Foundation.

The plans of the Finance Committee shall require the Board's approval.

Within the framework of such plans, the Committee decides and reviews the execution thereof.

37

The Board shall form the By-laws Committee which shall present to the Board amendments of the By-laws for the Board's approval. The amendments approved by the Board shall be presented by the By-laws Committee to the members at the Annual Meeting for the approval or rejection of same by members in accordance with the provisions of paragraph 39.

38

The Chairman of the Board and the President shall be invited *ex officio*, without voting rights, to the meetings of all committees.

VIII. FINAL PROVISIONS

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These By-laws may be amended at the Annual Meeting by a simple majority of votes cast, provided such changes are recommended by the Board. The members at the Annual Meeting may amend the By-laws without the Board's recommendation by two-thirds (2/3) of the registered votes present at such Meeting.

In both instances, the amendments become effective upon approval by the Board of Directors of the Lithuanian-American Community, Inc. by a simple majority vote. Amendments become effective without approval by the Board of Directors of the Lithuanian-American Community, Inc. if, at the next Annual Meeting of the Foundation, such amendments are approved by a three-fourths (3/4) majority vote.

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The operation of this Foundation shall be governed by the Illinois General Not-For-Profit Corporation Act, and all matters not provided for in these By-laws shall be controlled by the provisions of said Act.

41

Upon recommendation of the Board, the Foundation may be dissolved or its assets may be partially or totally disposed of at a specially called members' meeting by a three-fourths (3/4) majority present at such Special Meeting.

In the event of such dissolution or dispositions, the Meeting shall elect a Board of Trustees which shall oversee that all specifically designated funds held by the Foundation be handled as provided by the donors of such funds, and that the remaining assets of the Foundation be transferred to institutions or organizations of independent Lithuania in compliance with the requirements of the Internal Revenue Service.

The dissolution or dispositions must be approved by a qualified majority of the members of the Board of Directors of the Lithuanian-American Community, Inc.

The Foundation's assets or any part thereof cannot be divided up among the membership of the Foundation nor may they be transferred to any non-Lithuanian organizations.

These By-laws were approved by the Annual Members' Meeting of the Lithuanian Foundation, Inc. on March 25, 1995 in Lemont, IL, and in writing by the Board of Directors of the Lithuanian-American Community, Inc. on May 26, 1995. Changes in Article 17 and 28 approved at the Annual Members' Meeting of the Lithuanian Foundation, Inc. on May 3, 2008 and in writing by the Board of Directors of the Lithuanian-American Community, Inc. on September 27, 2008.



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