

*Association of Inspectors General
Historic Carpenters' Hall
320 Chestnut Street
Philadelphia, PA 19106*

Illinois Chapter

MODEL LOCAL CHAPTER BYLAWS

ARTICLE I. Name and Use of Trademarks

Section 1. Name. The name of this organization shall be the Illinois Chapter of the ASSOCIATION OF INSPECTORS' GENERAL™ (referred to as the "Chapter"). Each Chapter operates under the authority of the ASSOCIATION OF INSPECTORS GENERAL™ a non-profit corporation (referred to as the "Association") incorporated in the Commonwealth of Pennsylvania and having a principle business address at Historic Carpenters' Hall, 320 Chestnut Street, Pennsylvania 19106.

Section 2. Trademarks. The name ASSOCIATION OF INSPECTORS GENERAL™ CERTIFIED INSPECTOR GENERAL™, CERTIFIED INSPECTOR GENERAL AUDITOR™, AND CERTIFIED INSPECTOR GENERAL INVESTIGATOR™, the seal of the therewith are the trademarks of the Association. The use of these trademarks by the Chapter is governed by the Trademark License Agreement executed by the Chapter and the Association, the terms of which are incorporated into these bylaws.

Section 3. Seal. The seal shall be circular in form with the name of the corporation (ASSOCIATION OF INSPECTORS GENERAL) with the month, date, year and place of establishment (October 26, 1996, Carpenters' Hall, Philadelphia, PA.) around the periphery and a facsimile of historic Carpenters' Hall within.

ARTICLE II. Name and Purpose

Section 1. Name and Purpose. The Chapter is a not-for-profit entity chartered under the laws of the state within which it resides whose primary purpose is to provide a civic, educational, charitable, and benevolent organization for the exchange of ideas, information, education, knowledge, and training among municipal, local, state, national and international Inspectors General. The Association shall foster and promote public accountability and integrity in the general areas of the prevention, examination, investigation, audit, detection, elimination and prosecution of fraud, waste and abuse, through policy research and analysis; standardization of practices, policies, conduct and

ethics; encouragement of professional development by providing and sponsoring educational programs.

The following professional areas of development shall be considered and included by the Chapter when carrying out the above mentioned purposes and objectives: governmental accounting and auditing; performance auditing; law enforcement; criminal justice administration; public administration; public purchasing and procurement fair labor standards and practices; architectural design, engineering and construction; financial management and budgeting; contract law; real, personal and intellectual property law.

The Chapter shall be committed to encouraging interdisciplinary scholarship and teaching of high quality in these aforementioned areas as they relate to the Inspectors General community. To advance this purpose the Chapter shall direct, facilitate, coordinate and support joint educational ventures, enterprises, and operations among centers, professional associations, schools, colleges, universities and individual faculty and professionals.

It shall also be the responsibility and purpose of the Chapter to confer and collaborate with municipal, local, county, state and federal government officials, regionally, nationally, and internationally to formulate proposals and programs for coordination and cooperation in the aforementioned professional development areas; and to organize and maintain any places, facilities, libraries, and repositories for accomplishing the purposes of this section.

The Chapter shall also supervise, direct, promote, pursue, and coordinate any historical, literary, scientific, research and social policies, operations, actions, business, and conduct necessary and proper in the furtherance of the purposes and objectives in this section.

Section 2. Definitions. The following words, whenever used in these bylaws, shall, unless the context requires otherwise, have the following meanings:

“accounting” shall mean all financial work including but not limited to , that prepared in accordance with generally accepted accounting principles (GAAP) as established by the Governmental Accounting Standards Board (GASB); the standards approved by the United States Department of the Treasury, the United States General Accounting Office, and the United States Office of Management and Budget; the professional standards of the American Institute of Certified Public Accountants; the recommendations of the Government Finance Officers Association; and the requirement of state and federal finance law.

“auditing” shall mean the description and evaluation of all financial data and operations including but not limited to, that done in accordance with “Government Auditing Standards (GAGAS) issued by the Comptroller General of the United States, also known as Generally Accepted Government Auditing Standards (GAGAS) and as Yellow Book Standards, and with the Institute of Internal Auditor Standards.

“performance auditing” shall mean an objective and systematic examination of evidence for the purpose of providing an independent assessment of the performance of a government organization, program, activity, or function in order to provide information to improve public accountability and facilitate decision-making parties with responsibility to oversee or initiate corrective action. Performance audits include economy and efficiency and program audits.

“law enforcement” shall mean the interpretations, implementation, enforcement, and prosecution of all applicable state and federal laws.

“criminal justice administration” shall mean administration of both the civil and criminal law, rules of evidence, expert witness matters, and criminology.

“public administration” shall mean the study, examination, policies, programs and practices of government including but not limited to public management, ethics, organizational theory, constitutional law, administrative law, procedural due process, individual substantive rights, equity, and operational effectiveness, economy and efficiency.

“public purchasing” shall mean the process of procurement of goods and services for the public, most often publicly funded and publicly utilized. The procurer of goods and services may be federal, state or local jurisdictions including any public instrumentalities or authorities, public corporations, quasi-public bodies, grantees or public contractors. Publicly funded includes not only tax supported funding and governmental user fees but also publicly generated funds collected to supplement, or supplant, government funding.

“procurement” shall mean buying, purchasing, renting, leasing or otherwise acquiring or disposing of supplies, services, equipment, materials, painting, insurance, real property, personal property, intellectual property, construction, furnishing of labor, time, or effort

“fraud examination” shall mean the investigation and detection of fraud, larceny, bribery, extortion, embezzlement, big rigging, waste, abuse, and conflict of interest.

ARTICLE III. Membership

Section 1. Organization of Members. The initial members of the Chapter shall be those individuals who signed the Charter of the organization at 310 South Michigan Avenue, Chicago, Illinois on April 3, 2001. These members shall be known as “Charter Members” and shall hold charter membership in the Chapter. Each Charter Member shall have full voting rights. Thereafter, there shall be other classes of membership as follows: Endowment membership, Life membership, Regular membership, Student membership, Honorary Life membership.

Section 2. Eligibility. Any individual member of the Association who is of good character, honor, and integrity and subscribes to the purposes and objectives of the Association and maintains its code of ethics, shall be eligible to be a member of the Chapter. The Board of Directors may decide whether to allow Members of another chapter to join as Members of its chapter. Individual membership in one local chapter

may be transferred to another local chapter, subject to rules and regulations of both chapter and the Association.

Section 3. Dues and Contributions. All applicants must complete and submit a written application, pay applicable Chapter dues, and agree to abide by these bylaws and the operational guidelines established by the Association. The dues or minimum contributions of each class of membership shall be fixed by the Board of Directors of the Chapter upon approval of the Board of Directors of the Association provided that the Chapter dues shall not be higher than the amount approved for Association dues.

Section 4. Definition of Membership Classes.

- (1) Charter Membership. This class of membership entitles individuals to full voting rights in the Chapter. Charter members shall be the initial members of the corporation who signed the Charter of the Chapter at 310 South Michigan Avenue, Chicago, Illinois on April 3, 2001 and shall pay annual dues.
- (2) Endowment Membership. This class of membership entitles individuals with life membership to full voting rights in the Chapter. Endowment members may be candidates for election to certain vacancies on the Board of Directors and shall pay a lump sum dues contribution as determined by the Board of Directors and thereafter, are not required to pay annual dues.
- (3) Life Membership. This class of membership entitles individuals with life membership to full voting rights in the Chapter. Life members may be candidates for election to certain vacancies on the Board of Directors and shall pay a lump sum dues contribution as determined by the Board of Directors and, thereafter, are not required to pay annual dues.
- (4) Regular Membership. This class of membership entitles any individual to regular membership in the Chapter. Regular membership requires annual dues as determined by the Board of Directors and entitles the member to voting rights in the Chapter.
- (5) Student Membership. This class of membership entitles any individual who is a student pursuing an undergraduate or graduate curriculum at a college or university to Student membership. Student membership requires annual dues as determined by the Board of Directors and does not provide voting rights in the Chapter.
- (6) Honorary Life Membership. An individual may be nominated for Honorary Life membership by an Officer of the Chapter and be elected by the Board of Directors in recognition of outstanding services to the Chapter. Not more than one individual shall be elected as an Honorary Life Member in any one (1) calendar year. An Honorary Life Member shall enjoy all the rights and privileges of Life membership.

Section 5. Upgrading Class of Membership. An individual member of one class may become a member of a different class, if qualified therefore, by contributing

the minimum dues or contribution specified by the Board of Directors for the class of memberships desired, less the dues or contribution already paid for current membership.

Section 6. Admission to Membership.

- (1) An appropriate card or certification shall be issued to each member as evidence of membership.
- (2) Any applicant for any class of membership may be refused admission by the Board of Directors for any reason deemed by it to be sufficient.

Section 7. Rights and Privileges of Members. All members shall have the privilege to attend and be heard at all official meetings of members, and shall have the right to attend all meetings of the Board of Directors, Executive Committee and standing and special committees of the Chapter, except during executive sessions thereof.

Section 8. Voluntary Termination of Membership. Any member may terminate his or her membership at any time by a resignation in writing sent by first class United States mail to the Secretary of the Chapter, but such member will not be entitled to any refund of dues or contributions already paid.

Section 9. Involuntary Termination of Membership and Disciplinary Proceedings.

- (1) **Default.** Any member in default in payment of dues shall be terminated from membership and all privileges of membership.
- (2) **Suspension and Expulsion.** Any member may be suspended or expelled for good cause as determined by the Board of Directors, including but not limited to, any conduct which is contrary to, or in violation of, the Constitution or Bylaws of the Association or Chapter; for having obtained membership in the Association or Chapter by any material false or misleading statement; or, without limitation, conduct disruptive of the orderly operation of the Association or Chapter in pursuit of its goals; violation of one's obligation of loyalty to the Association or Chapter and its objectives; violation of the code of ethics of the Association; conviction of a felony; willfully making false statements or misrepresentations about the Association or its representatives; or filing frivolous complaints. No member so suspended or expelled will be entitled to any refund of dues or contributions already paid.

ARTICLE IV. Board of Directors

Section 1. Composition. The Board of Directors shall consist of twelve (12) Directors who are eligible members in good standing and who are willing to serve upon the Board. These Board members will be elected for a three (3) year term.

When a three (3) year vacancy occurs in the Board of Directors, the Board of Directors by a majority vote may decide to make a vacancy available to be filled.

Once a seat is designated to be filled, the Board of Directors shall, by a majority vote, fill the seat with a member from the Endowment, Charter, Life, or Regular membership classes, who is also serving as an Inspector General, Assistant Inspector General, Deputy Inspector General, or is a supervisory or management level employee or an investigator, auditor, management analyst, inspector, evaluator, counsel or an employee in an Office of an Inspector General. Each such member shall serve in a newly designated seat for a term of three (3) years and such seat shall hereinafter be filled in accordance with the provisions in Article IV.

Directors must be members in good standing, and further, to remain eligible to continue to serve in that office, no Director shall be physically absent for more than three (3) consecutive regular meetings without the prior approval of a majority of the Board of Directors. A Director who fails to so attend the required number of meetings shall be removed as a Director upon majority vote of the Board. This attendance requirement will be effective upon approval of these bylaws by the national Association of Inspectors General.

Section 2. Disqualification. Any member terminated, suspended or expelled in violation of Article III, Section 9.1 and 9.2 or convicted of a felony shall be disqualified for nomination to or service on the Board of Directors unless the Board for good cause determines to the contrary. For the purposes of this article the Board of Directors shall be the judge of the election, returns, and qualifications of its own members.

Section 3. Nominations and Elections Committee. The Chapter President, with the consent of the Board of Directors, shall appoint one (1) Board member and at least two (2) non-Board members to serve as the Nominations and Elections Committee. If a member seated on the Nominations and Elections Committee is standing for election to the Board, then he or she shall recuse him or herself from the counting of election ballots.

Section 4. Nomination and Election of Directors. Directors to fill a vacancy shall be elected from among the Charter members, Endowment members, Life members and Regular members of the Chapter. Nominations to fill vacancies on the Board of Directors shall be made by the Nominations and Elections Committee.

Board members shall be elected by a majority of members voting. Board Members will be elected for a three year term or for the remainder of the uncompleted term should the Executive Committee decide to fill interim vacancies. The Chapter President, with the approval of the Board of Directors, may appoint a member to fill an uncompleted term.

The Committee on Nominations and Elections shall be responsible for the tabulation of the votes, and shall report the results of the election at the December meeting.

Elections shall be by mail ballot vote of members entitled to vote, or by electronic means if approved by the Board of Directors.

No later than September 1st, the Nominations and Elections Committee shall meet to determine the number of Board of Director vacancies, and it shall solicit by e-mail nominees to fill those vacancies.

No later than October 1st, the names of the nominees shall be published along with their current position and agency. The Secretary, in consultation with the Treasurer, shall advise the Nominations and Elections committee whether the nominees are eligible and are members in good standing. A method to authenticate ballots will be adopted and the date by which the ballot must be received will be clearly noted.

No later than November 1st, a ballot will be furnished to each Association member with the names of the nominees. The ballot shall be authenticated by appropriate means approved by the Board of Directors.

The ballot will identify the number of vacancies to be filled and members may only cast as many votes as there are existing vacancies. The ballot shall list in alphabetical order thereon the names of all nominees proposed by the Nominations and Elections Committee.

Completed ballots must be received no later than December 1st, and each ballot shall clearly show upon its face this final acceptance date.

A member eligible and desiring to vote shall clearly mark a ballot for his or her choice of Directors. The member may make a selection from the list of nominees printed on said ballot. In either event, if the ballot is to be valid, the member must not vote for a number greater than the total number of Directors to be elected. Any ballot received by the Chapter later than December 1st, shall be invalid and shall not be opened or counted.

A ballot shall be invalid if not cast in the official means provided by the Secretary of the Chapter; or if not received by the Chapter on or before December 1st, or such other prescribed latest date specified on the ballot; or if not authenticated by a member entitled to vote or if the voter has already voted; or if the ballot is not clearly marked; or if the ballot contains more than one vote for a single candidate; or if the ballot contains votes for more than the number who are to be elected Directors. No ballot shall be invalidated for failure to contain a vote for one person for each of the vacancies to be filled at said election.

A ballot judged invalid shall have the reason noted and be recorded by the person who examined it. All ballots, whether judged valid or invalid, and all returned envelopes, including authentication, shall be preserved by the Chapter for one hundred twenty (120) days. Up to that time, any member entitled to vote may take application to the Executive Committee or the Board of Directors, whichever shall meet first, for a canvass or recount upon such terms and conditions as that body may prescribe, and for

redress thereafter, if appropriate. If no such application is made before the time herein specified, all protest and grievances concerning the election shall be deemed to have been waived, and the ballots and return envelopes may then be destroyed.

The Secretary will supervise tabulation of the marked ballots, and verify the qualification of the voter and timeliness of the vote.

The Committee on Nominations and Elections shall serve as election tellers and the chairperson of the committee shall announce the results of the election when called upon to do so by the presiding officer at the December meeting. The chairperson of the Committee on Nominations and Elections, or designee, shall include in his or her report the total number of ballots judged valid and judged invalid, and the total number of votes received by each person. The chairperson shall declare elected to three (3)-year terms those persons who, in numbers equal to the number of vacancies, receive the largest number of the votes cast; and shall declare elected to specified incomplete terms, if any, beginning with the longest remaining incomplete term or terms, those persons who receive the next largest number of votes cast. In the event of a tie vote between two (2) or more for the last vacancy to be filled in any term at issue, the tie shall be decided by a coin toss, the selection of "heads" or "tails" to be assigned to the tied candidates based upon alphabetical order of his or her last name.

(Section 4 amended as of November 3, 2021, to allow electronic voting).

Section 5. Powers and Duties.

The Board of Directors shall formulate, set and approve the policy of the Chapter. The Board of Directors shall assume fiduciary responsibility for maintaining the fiscal stability of the Chapter and shall manage all fiscal matters. The Board of Directors may hire, supervise, and discharge a chief administrative officer or officers and other employees in order to implement board policy. The Board of Directors shall manage and control the affairs, property, and business of the Chapter. The Board of Directors shall be authorized to hold, buy, lease, mortgage, sell, resell, dispose of or encumber any real property, personal property and intellectual property on any terms as may be required for the Chapter's use and to purchase and secure options and leases for the same, as the need may arise. The Board of Directors shall be authorized to also invest the funds of the Chapter in such real property, personal property or intellectual property as it may require for carrying out the Chapter's purposes.

The Board of Directors shall be authorized to vote to charge fees for certain educational, advisory, consultive or other special and peculiar services as may be from time to time determined.

The Board of Directors shall be authorized to determine the dues or minimum contributions for each class of membership of the Chapter to be approved by the Board of Directors of the Association.

The Board of Directors shall be authorized to invest principal and income of any funds of the Chapter in stocks, bonds, certificates of deposits, mutual funds, treasury

bonds, notes and bills, money market funds, bank accounts and other securities as allowed by law.

The Board of Directors shall be authorized to pay, compromise or contest creditors and claims or controversies against the Chapter and to exercise all rights that may be exercised by a security holder in an individual capacity and to delegate any such rights.

The Board of Directors shall be authorized to retain any auditors, accountants, attorneys, agents, depositories, custodians, brokers, investment counsel and advisors and to pay them the usual compensation for their services, and to accept and act upon the recommendation of any of these individual retainers and to delegate to any investment counsel, advisor, custodian, broker or agent and to borrow any amount of funds.

Section 6. Elections of Officers. The Board of Directors shall elect from among its own members for a term of two (2) years commencing January 1st following the election a President, a Vice President, and other Vice Presidents as the Board of Directors shall determine. It shall also elect from its own members for a term of (2) years commencing January 1st following the election a Treasurer and a Secretary of the Chapter and members of the Executive Committee.

Section 7. Meetings.

- (1) Regular Meetings. There shall be at least six (6) regular meeting of the Board of Directors in each year. A first (1st) regular meeting of the Board of Directors shall be held each January, after the December meeting and the election and installation of newly elected members of the Board of Directors. At this first meeting of the Board of Directors, the officers for ensuing terms shall be elected from among the Board members, and such other business shall be transacted as may properly come before the Board. Subsequent regular meetings of the Board of Directors shall be held each April, June, August, October, and December. The exact time and place of each meeting may be determined by the Board of Directors prior to the upcoming meeting, reasonable notice being given.
- (2) Special Meetings. A special meeting of the Board of Directors may be held at any time on the call of the President, or by action of the Executive Committee, or upon demand in writing stating the object of the proposed meeting and signed by not less than a majority of the Board. Reasonable notice of the time, place, and object of such special meetings shall be sent to each Director in advance of the date of such meetings.
- (3) Quorum. At any regular or special meeting of the Board of Directors one more than one-half of the members shall constitute a quorum.
- (4) Upon a request of twenty (20) percent of the membership of the Board of Directors present, a roll call vote shall be taken on any specified question. Every such roll call vote, together with the specified question, shall be published by the Secretary in the official journal within ninety (90) days.

(5) All meetings are open to all members of the chapter.

Section 8. Limitations of Liability. The Chapter shall be fully and solely responsible for its own legal and financial affairs, and shall hold harmless the Association, by reason of their affiliation, from any lawsuits, damages, or other expenses or liabilities arising out of the activities of the Chapter. The Chapter shall not be responsible nor be liable from any lawsuits, damages, other expenses, or liabilities arising out of the activities of the Association. The Association may procure liability insurance for the Chapter, and the Chapter agrees to pay all reasonable premiums for such insurance. In any disputes, the Association is the final authority.

Section 9. Indemnification of Directors and Officers. The Chapter shall, to the extent, legally permissible, indemnify each person who may serve or who has served at any time as a director or officer of the Chapter against all expenses and liabilities (including counsel fees, judgments, fines and amounts payable in settlements) reasonably incurred by or imposed upon such person in connection with any threatened, pending or completed action, suit or other proceeding, whether civil, criminal, administrative or investigative, in which he or she may become involved by reason of his or her serving or having served in such capacity (other than a proceeding voluntary initiated by such person; provided that no indemnification shall be provided for liability arising from (i) any breach of the officer's or director's duty to the Chapter or its members; (ii) acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, or (iii) any transaction from which the officer or director derived an improper personal benefit. Provided further, that as to any matter disposed of by a compromise payment by such person, pursuant to a consent decree or otherwise, the payment and indemnification thereof have been approved by the Chapter, which approval shall not unreasonably be withheld, or by a court of competent jurisdiction. Such indemnification shall include payment by the Chapter of expenses incurred in defending civil or criminal action or proceeding in advance of the final disposition of such action or proceeding, upon receipt of an undertaking by the person indemnified to repay such payment if he or she shall be adjudicated to be not entitled to indemnification under this Article, which undertaking may be accepted without regard to the financial ability of such person to make repayment.

Where indemnification hereunder requires authorization or approval by the Chapter, such authorization or approval shall be conclusively deemed to have been obtained, and in any case where a director of the chapter approves the payment of indemnification, such director shall be wholly protected, if the payment has been approved or ratified by a majority vote of a quorum of the Board of Directors consisting of persons who are not at that time parties to the proceeding, and the action is taken in reliance upon the opinion of independent legal counsel (who may be counsel to the association) appointed for the purpose by vote of the Board of Directors.

Any indemnification or advance of expenses under this Article shall be paid promptly, and in any event within thirty (30) days, after the receipt by the Chapter of a written request therefore from the person to be indemnified, unless with respect to a

claim for indemnification the Chapter shall have determined that the person is not entitled to indemnification.

The right of indemnification under this Article shall be contract right inuring to the benefit of the directors, officers and other persons entitled to be indemnified hereunder and no amendment or repeal of this Article shall adversely affect any right of such director, officer or other person existing at the time of such amendment or repeal.

The indemnification provided hereunder shall inure to the benefit of the heirs, executors and administrators of a director, officer or other person entitled to indemnification hereunder. The right of indemnification under this Article shall be in addition to and not exclusive of all other rights to which such director or officer or other persons may be entitled. Nothing contained in the Article shall affect any rights to indemnification to which associated employees or agents other than directors and officers and other persons entitled to indemnification hereunder may be entitled by contract or otherwise under law.

ARTICLE V. Duties of Officers

Section 1. President. The President shall preside at all meetings of the Chapter, of the Board of Directors and of the Executive Committee. The President shall be an ex officio member, with vote, of all committees, and shall perform all such other duties as usually pertain to that office and as determined by the Board of Directors.

Section 2. Vice Presidents. The Vice President shall perform the duties of the President in his or her absence or at his or her request. In case a vacancy shall occur in the office of the President, the first Vice President shall become President and shall serve for the balance of the term. In case more than one Vice President is elected by the Board of Directors, each Vice President, shall be designated in succession by number, and in case of a vacancy shall succeed to the next higher office. With the exceptions of the Nominations Committee, the Committee on Hearings and Committee on Elections, the Vice Presidents shall be ex officio members, with vote, of all standing and special committees. The Vice President shall perform such duties as may be delegated by the President or assigned by either the President or the Board of Directors.

Section 3. Secretary of the Chapter. The Secretary of the Chapter, under the direction of the President, shall have the following duties: he or she shall have charge of the archives of the Chapter and may appoint an Historian from the membership to maintain and document the history of the Chapter; he or she shall attend to the proper publication of official notices and reports, attest documents and perform such other duties as usually pertain to his or her office; and he or she shall have such other duties as may be assigned to him or her from time to time by the President. He or she shall be Secretary of the Board of Directors and of the Executive Committee. A vacancy in the office of the Secretary of the Chapter may be filled by a majority vote of the Board of Directors to fill the unexpired term.

Section 4. Treasurer. The Treasurer, under the direction of the President, shall have charge of the books of account of the Chapter. If the assets of the Chapter exceed \$10,000.00 during any fiscal year, the Board of Directors shall select an auditor, who with the assistance of the Treasurer, shall conduct a year-end audit of the Chapter's books of account and prepare a statement of financial condition as of the close of each fiscal year as may be established by the Board of Directors, and shall furnish a copy of such statement, together with the certificate of audit, to each member of the Board of Directors. The funds of the Chapter shall be placed in such banks or accounts as may be designated by the Board of Directors. The Treasurer shall have such other duties as may be assigned to him or her from time to time by the President. A vacancy in the office of the Treasurer may be filled by a majority vote of the Board of Directors to fill the unexpired term.

ARTICLE VI. Executive Committee

Section 1. Membership. There shall be an Executive Committee consisting of the President, First Vice President, Second Vice President, Treasurer, Secretary of the Chapter and five (5) members elected at-large from the Board of Directors.

The five (5) members of the Executive Committee nominated by the Nominations Committee or from the floor at any meeting of the Board of Directors, and elected annually by and from said Board, shall serve until their successors are elected and qualified.

Section 2. Duties of the Executive Committee. The Executive Committee shall exercise all the powers of the Board of Directors when said Board is not in session, other than the power to:

- (a) Repeal or amend the Bylaws, or adopt new Bylaws;
- (b) Fill vacancies on the Board of Directors or the Executive Committee;
- (c) Fix the compensation of Directors;
- (d) Remove a Director, with or without cause;
- (e) Amend or repeal a resolution of the Board, which by its terms shall not be amendable or repealable;
- (f) Adopt and disseminate a fundamental change of view or basic policy of the Chapter;
- (g) Approve the submission of matters to the members, or submit to the members any action requiring member approval under the applicable statute;
- (h) Purchase, sell, mortgage, or lease real property of the Chapter, or adopt a corporate resolution recommending the sale, lease, exchange or other disposition of all or substantially all the assets of the Chapter, or authorize major new construction;
- (i) Present a petition for judicial dissolution, or to adopt plans of merger, consolidation or nonjudicial dissolution;

- (j) Authorize indemnification of Officers, Directors, members of the Executive Committee, or employees; or
- (k) Formulate such other corporate policy decisions or perform corporate activities of the Chapter of such major significance as to warrant action by the full Board of Directors.

Section 3. Vacancies in the Executive Committee. A vacancy in the Executive Committee may be filled by a majority vote of the Board of Directors present and voting.

Section 4. Meetings of the Executive Committee.

- (a) Meetings of the Executive Committee will be held on the call of the President, reasonable notice being given.
- (b) A special meeting shall be called by the President at any time upon demand in writing stating the object of the proposed meeting and signed by not less than a majority of the committee. Notice of the time, place and object of such special meetings shall be mailed to each member of the committee at least ten (10) days before the date of holding such meetings.
- (c) One more than one-half of the Executive Committee shall constitute a quorum.

ARTICLE VII. Standing and Special Committees of the Chapter.

Section 1. Standing and Special Committees of the Chapter. The Board of Directors or the Executive Committee may establish such standing and special committees of the Chapter as may be deemed necessary from time to time to fulfill the objectives of the Chapter. Each special committee will report at such time and place as may be specified by the President or the Board of Directors.

At least once each year, each committee shall submit a written report through the Secretary of the Chapter to the Board of Directors at a regular meeting of the Board, and at such other time as may be requested by the President. It may also make written reports and recommendations to the Board of Directors or to the Executive Committee at any regular or special meeting.

Section 2. Committee Members. Members of the Chapter in good standing may be appointed by the Board of Directors or the committee consisting of the President and the Vice President(s) to membership on such standing and special committees of the Chapter as may be established, and shall serve at the pleasure of the body that appointed each of them, respectively, or the Board of Directors or until their successors have been duly appointed, whichever last occurs. The Board of Directors at any regular or special meeting of the Board of Directors may reject the appointment of or remove any committee Chairperson, Vice Chairperson, or non-Board committee member from any committee. Upon written request of five or more members of the Board of Directors, a

vote to reject or remove any Chairperson, Vice Chairperson, or non-Board committee member shall be placed before the Board of Directors for action by a roll call vote at that meeting. The Board of Directors may, at its pleasure, on a motion duly made at that meeting, elect by a majority vote, a replacement to any vacancy created by its action.

Section 3. Responsibilities of Committees. The Board of Directors or the Executive Committee shall assign responsibilities to the committees relating to the administration, conduct, regulation, or oversight of particular activities or special areas or endeavors of the Chapter, except that no corporate authority may be delegated to any committee unless all members of such committee are members of the Board of Directors of the Chapter, and unless such committee has been delegated such authority by a resolution adopted by a majority of the entire Board of Directors.

Section 4. Limitations on Powers of Committees. No special or standing committee of the Board of Directors or of the Chapter shall exercise any powers prohibited to the Executive Committee or to the Board of Directors.

Section 5. Committee Organization; Meetings. Committee chairpersons are authorized to appoint subcommittees and ad hoc committees from among the members of their respective full committee, as the chairperson deems necessary. Official meetings of the committee or subcommittees thereof shall be authorized by the Executive Committee or, in their absence, by the Board of Directors. The Chairperson shall inform the Secretary of the committee, who will issue the official notice for such meeting.

Section 6. Conference Telephone Meetings. Members of any board or committee of the Chapter may participate in a meeting of such committee, except for the six (6) regular meetings of the Board of Directors provided for in Article IV, Section 8, by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting to hear one another at the same time, providing that such conference call is technically feasible under the circumstances and only if the call does not result in a cost to the chapter. Participation by such means shall constitute presence in person at a meeting. It shall be the responsibility of the person(s) requesting such conference call to obtain and set-up the equipment and facilities necessary for the call.

ARTICLE VIII. Prohibition of Proxy Voting

Section 1. Prohibition of Proxy Voting. At all meetings of the Board of Directors, Executive Committee, other committees of the Chapter, and meetings of members, each person entitled to vote shall have a right to cast one (1) vote on each question presented, which vote shall be cast in person and not by proxy.

ARTICLE IX. Order of Business

Section 1. Order of Business. The following shall be the regular order of business at all meetings of the members, the Board of Directors or the Executive Committee:

1. Roll Call.
2. Approve minutes of previous meeting.
3. Reports of officers
4. Fill vacancies and conduct prescribed elections.
5. Reports of committees and committee resolutions.
6. Special Orders.
7. Unfinished business and General Orders.
8. New business.
9. Resolutions.

The regular order of business contained in this Section may be changed for a particular meeting by a two-thirds (2/3) vote of those voting at the meeting.

Section 2. Parliamentary Authority and Parliamentarian.

- (a) *Roberts Rules of Order Newly Revised* shall provide the parliamentary authority for and govern the deliberations of all meeting of the members, Board of Directors and Executive Committee unless specific exceptions are made herein.
- (b) Parliamentarian. The President shall appoint an official Parliamentarian of the Chapter, who shall serve at the pleasure of the President.

ARTICLE X. Amendments.

Section 1. Prior Written Approval. No amendments may be made to these bylaws without prior written approval of the Association upon a vote of a majority of the Board of Directors of the Association.

Section 2. Amendments by the Board of Directors. The Articles of Organization, Bylaws and Certificate of Incorporation except Article III, Sections 1 and 3, shall only be amended at any of the six (6) regular meetings of the Board of Directors provided for in Article IV, Section 7.1. In order to be adopted, an amendment shall receive a two-thirds (2/3) vote of the Board of Directors present and voting, provided that each amendment has been submitted in writing at the previous regular meeting of said Board, or has been sent in writing by mail to every member of the Board listed in the most recent Official Directory not less than sixty (60) days prior to the scheduled Board meeting. To qualify under this Section, the proposed amendment must be signed by at least one fourth (1/4) of the members of the Board of Directors. Article III, Sections 1 and 3 shall not be amendable.

ARTICLE XI. Implied Consent.

Section 1. Implied Consent. By adoption of these Chapter Bylaws, the Chapter, its members, officers, and directors have consented to abide by the provisions of the Associations' charter, constitution, bylaws, the trademark licensing agreement, the chapter rulebook, and such other rules and regulations which the Association has adopted.

ARTICLE XII. Trademark License Agreement.

This TRADEMARK LICENSE AGREEMENT ("Agreement") is made and entered into between the ASSOCIATION OF INSPECTORS GENERAL™, a Pennsylvania Corporation, having a principal business address at Historic Carpenters' Hall, 320 Chestnut Street, Philadelphia, Pennsylvania 19106 ("Licensor"), and the following Local Chapter of the ASSOCIATION OF INSPECTORS GENERAL™ named the Illinois Chapter ("Licensee") whose principal business address is located in the following city and state: 310 South Michigan Avenue, Chicago, Illinois 60604.

WITNESSETH:

WHEREAS, Licensor is a corporation organized under the laws of the State of Pennsylvania for the purpose of providing a civic, educational, charitable, and benevolent organization for the exchange of ideas, information, education, knowledge, and training among municipal, local, state, national and international Inspectors General;

WHEREAS, the Licensor wishes to license the use of the name ASSOCIATION OF INSPECTORS GENERAL™ and the use of the Seal/Logo of the ASSOCIATION OF INSPECTORS GENERAL™ to the Local Chapters of the Association;

WHEREAS, Licensee is a Local Chapter of the Association, duly formed and organized under the rules and regulations set forth by the Association and the Licensor;

NOW THEREFORE, in consideration of the mutual promises herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

Section 1. License.

- (1) Ownership. Licensors own all federal and common law trademarks in (1) the name ASSOCIATION OF INSPECTORS GENERAL™, CERTIFIED INSPECTOR GENERAL™, CERTIFIED INSPECTOR GENERAL AUDITOR™, AND CERTIFIED INSPECTOR GENERAL INVESTIGATOR™ and (2) the Seal of the ASSOCIATION OF INSPECTORS GENERAL™ (U.S. Registration #_____) (collectively referred to herein as the "Trademarks"). Licensors warrant that said trademarks are in full force and good standing.
- (2) License. Subject to the terms and conditions of this Agreement, Licensors hereby grants to Licensee and Licensee hereby accepts, without the right to sublicense, the nonexclusive, nontransferable right, license, and privilege to use the Trademarks solely and only upon and in connection with the promotion of the purposes of the Chapter as set forth in the Local Chapter Charter and Rulebook and other rules and regulations set forth for the operation of Local Chapters.
- (3) Term. The term of the License hereby granted shall continue until terminated in accordance with the terms of this Agreement.

Section 2. Use of Trademarks.

- (1) Limitations to Licensee's Right. Except as provided in Article XI, Section 1(2) License shall not make use of any Trademark or portion thereof or any term, phrase or design which is likely to be confusingly similar to, or a colorable imitation of, a Trademark or other trademarks owned by Licensors in any manner whatsoever, including but not limited to any use or a part of a company name or trade name, as a service mark, in its advertising or on its stationery, business cards or the like, except as provided herein. No right or license is granted hereby implication or otherwise under any mark, trademark, service mark or trade name of Licensors except as specifically provided in Article XI, Section 1(2) hereof. No right to sublicense is granted or permitted hereunder; any attempt to sublicense any of the rights granted hereunder shall render this License null and void.
- (2) Further Duties of Licensee. (i) Licensee shall not use the Trademarks directly or indirectly on or in connection with or in relation to, any product or service except pursuant to authorized Chapter purposes as defined in Article XI, Section 1(2); (ii) Licensee shall not attack the title of Licensors and its grantors in and to the Trademarks, nor will it attack the validity of the license granted hereunder; (iii) Licensee shall not harm, misuse or bring into disrepute the Trademarks; (iv) Licensee shall use the Trademarks in an

ethical and legal manner and in accordance with the terms of this Agreement; (v) Licensee shall not create any expenses chargeable to Licensor without the prior written approval of Licensor; (vi) Licensee shall not enter into any agreements with respect to the use of the Trademarks without Licensor's consent; (vii) Licensee shall not use the Trademarks with or in connection to a name or trademark of another company such as to create the impression that any trademark or property of Licensor are related to such rights of a third party, including Licensee.

- (3) Nonexclusivity. Nothing in this Agreement shall be construed to prevent Licensor from granting any other license for the use of the Trademarks or from utilizing the trademarks in any manner whatsoever.
- (4) Goodwill. Licensee represents, warrants, covenants and agrees that it will conduct business in a manner designed to protect and enhance the reputation and integrity of the Trademarks and the goodwill associated therewith, and Licensor reserves all rights of approval which are necessary to achieve this result. Licensee further recognizes and acknowledges that the Trademarks have acquired secondary meaning in the mind of the public. Notwithstanding anything expressed in this Agreement to the Contrary, Licensee shall not acquire, be deemed to have acquired and shall not claim any rights to the Trademarks other than the rights granted by Licensor under this Agreement.
- (5) Licensor's Title and Protection of Licensor's Rights.
 - a. Protection of Licensor's Rights. Licensee agrees that it will not do or suffer to be done, during the term of this Agreement, any act or thing that will impair in any way the rights of Licensor to the Trademarks. Licensor hereby indemnifies Licensee and undertakes to hold it harmless against any claims or suits arising solely out of the use by Licensee of the Trademarks as authorized in this Agreement, provided that prompt notice is given to Licensor of any such claim or suit and provided, further, that Licensor shall have the option to undertake and conduct the defense of any suit brought and that no settlement of any such claim or suit is made without the prior written consent of Licensor.
 - b. Assistance in Protecting Rights. Licensee agrees to assist Licensor to the extent necessary in the procurement of any protection or to protect any of Licensor's rights to Trademarks, had Licensor, if it so desires, may commence or prosecute any claims or suits in its own name or in the name of Licensee or join Licensee as a party thereto. Licensee shall promptly notify Licensor in writing of any infringement or imitation by others of the Trademarks on products the same as or similar to those covered by this Agreement which may come to Licensee's attention, and Licensor shall have the sole right to determine whether or not any action shall be taken on account of any such infringement or imitation.
 - c. No Registration by Licensee. Licensee shall not attempt to register, any country, any Trademark or portion thereof alone or as part of its

own trademark nor shall Licensee use or attempt to register any marks which are likely to be confusingly similar to or constitute a colorable imitation of a Trademark.

- (6) Indemnification by Licensee and Insurance. Licensee hereby indemnifies Licensor and agrees to defend against and hold Licensor harmless from any claims, suits, loss, and damage arising out of the unauthorized or unapproved use of any trademark, patent, process, idea, method, or device by Licensee and any contractual or other liability claims or product liability claims, whether based upon negligence, strict liability, or any other legal theory and whether including personal injury or property damage. Licensee may, at its sole discretion, procure liability insurance for Licensee. Licensee agrees to pay all reasonable premiums for such insurance.
- a. Quality Standards. Licensee acknowledges that if products or services provided or sold by it were of inferior quality in design, material or workmanship; the substantial goodwill which Licensor has built up and now possesses in the Trademark would be impaired. Accordingly, it is an essential condition of the Agreement, and Licensee hereby covenants and agrees, that any use of the Trademarks covered by this Agreement shall be of high standard and of such quality, style and appearance ("Quality Standards") as shall (in the sole and unfettered judgement of Licensor) be adequate and suited to their exploitation to the best advantage and to the protection and enhancement of the Trademark and the goodwill pertaining thereto; that all services or business conducted by Licensee will be in accordance with all applicable, Federal, State and local laws; and that the policy of sale, distribution and/or exploitation by Licensee shall be of high standard and to the best advantage of the Trademark and that the same shall in no manner reflect adversely upon the good name of Licensor.
 - b. Reporting and Inspection. In order to determine whether Licensee is maintaining the Quality Standards, Licensee shall: (i) provide to Licensor, a written report, on a quarterly basis, describing any and all material complaints which Licensee has received regarding Products; (ii) provide to the Licensor upon Licensor's request, with copies of any products, material, correspondence or any other item containing any of the Trademarks have been used during the prior quarter; and (iii) permit representatives of Licensor to inspect Licensee's facilities at any time during normal business hours to determine whether Licensee is maintaining the Quality Standards. Any such inspection shall be conducted in a manner that will not interfere with Licensee's normal business activities.
 - c. No New Use of Trademarks. Licensee is restricted to using the trademarks solely in connection with the authorized activities of the Local Chapter as authorized by the Licensor. Licensee may not sell,

license, rent, or otherwise distribute any new use of a Trademark in connection with any product or service.

- d. Promotional Material/Advertising. Licensee shall provide Licensor with samples of all, or at Licensor's option a representative sampling of, proposed packaging, advertising copy, brochures, catalogs, marketing and promotional materials, documentation and technical materials and all other written materials used in connection with the services or products bearing the Trademarks (individually or collectively, the "Material") for Licensor's approval of (1) manner in which the Trademarks are used and (2) conformance to the Quality Standards. If Licensor shall fail to object in writing in thirty (30) days after receipt of the Material, it shall be deemed to have consented to Licensee's use of the Material. Such approval by Licensor shall not constitute waiver of Licensor's rights or Licensee's duties under any provision of this Agreement.

Section 3. Term and Termination.

- (1) Termination. This Agreement may be terminated upon the first to occur of any of the following events:

- (a) Termination by Agreement. In the event Licensee and Licensor shall mutually agree in writing, this Agreement may be terminated on the date specified in such written agreement.
- (b) Optional Termination. In the event Licensor shall, with or without cause, give written notice of termination no less than sixty (60) days in advance of the expected termination date, this Agreement shall terminate on the date specified in such notice.
- (c) Dissolution of Licensee. In the event the Licensee is dissolved, either voluntarily or involuntarily, or its authorization to act as Local Chapter of the ASSOCIATION OF INSPECTORS GENERAL™ is revoked, the Agreement shall terminate. In the event of dissolution or final liquidation of the Chapter, after paying or making provision for the payment of all of the liabilities and obligations of the Chapter and for necessary expenses thereof, all of the remaining assets and property of the Chapter shall be distributed to the ASSOCIATION OF INSPECTORS GENERAL™ provide it remains organized and operated exclusively for charitable, professional, and educational purposes qualifying as an exempt organization under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended; and if not, to an organization which does qualify. In no event shall any of such assets or property be distributed to any director or officer or to any private individual.
- (d) Bankruptcy. In the event that either party becomes insolvent, or if any petition under federal or state law pertaining to bankruptcy or insolvency or for a reorganization or arrangement or other relief from

creditors shall be filed by or against either party, or if any assignment, trust, mortgage, or other transfer shall be made of all or a substantial part of the property of either party, or if either party shall make or offer a compromise in its debts with its creditors, or if a receiver, trustee, or similar officer or creditor's committee shall be appointed to take charge of any property of or to operate or wind up the affairs of either party, then the other party may by written notice immediately terminate this Agreement.

- (e) Specific Licensor Breaches. In the event Licensor breaches this Agreement and, after having received written notice which begins a thirty (30) day grace period in which to initiate corrective action to remedy such breach, fails during the grace period to have made a good faith effort to initiate corrective action contemplated to be substantially completed within a thirty (30) day period following the end of the grace period, then Licensee may by written notice to the Licensor immediately terminate this Agreement.
 - (f) Licensee Breaches. At Licensor's option, in the event Licensee (i) is in default of any material obligations having an impact upon Licensor, or (ii) uses or attempts to use the trademarks owned by Licensor in any manner not authorized by Licensor or this Agreement, then Licensor may by written notice to Licensee terminate this Agreement if Licensee has failed to cure such default within fifteen (15) days of Licensor's written notice of such violation.
- (2) Procedure for Giving Notice of Default by Licensee. If the Licensee wishes to give Licensor a notice of default, it may only be discussed or acted upon at a regularly scheduled Board of Directors meeting. A principal of the Licensor, and any witnesses it designates, shall have the right to speak at the Chapter meeting which is called for the purpose of considering a request to notify Licensor of an alleged default.
 - (3) Effects of Termination. Upon termination of this Agreement, as hereinabove provided, neither party shall have any further obligations hereunder except for (i) obligations accruing prior to the date of termination and (ii) obligations, promises, or covenants set forth herein that are expressly made to extend beyond the Term, including, without limitation, indemnities, and fees which provisions shall survive the expiration or termination of this Agreement. Upon expiration or termination of this Agreement, Licensee shall have ceased using all Trademarks and all rights granted to Licensee hereunder shall revert to the Licensor.
 - (4) Continued Services. Following any notice of termination hereunder, whether given by either party, Licensee and Licensor will fully cooperate with each other in all matters relating to the discontinuance of services by Licensor at Licensee's premises and the continuation of Licensee's activities.

Section 4. Arbitration of Disputes.

- (1) Procedure. All disputes, claims or other matters in question between the parties, between an employee and a party or an employee and any or all parties whether or not related to this Agreement or arising out of Licensee's or Licensor's business and the relationship between them, employees and Licensee's activities shall be decided by arbitration to be conducted at a neutral site in Philadelphia, Pennsylvania pursuant to the Federal Arbitration Act, 9 U.S.C. sec. 1, *et seq.* The foregoing is to be broadly interpreted as encompassing all disputes between and among the parties and/or employees. The expedited procedures under the *Commercial Arbitration Rules* of the American Arbitration Association shall govern, except to the extent modified by this Agreement. The party demanding arbitration shall submit to the other party(ies) to the dispute and to the American Arbitration Association a written notice and demand for arbitration containing a concise statement of the grounds for the claim or dispute, and the amount of the claim or dispute, in a manner designed to fairly apprise the other party(ies) and the arbitrator(s) of the claims being made. Persons knowledgeable in multiple association management shall serve as arbitrators. All claims each party has against another party to the proceeding must be submitted to arbitration, for the purpose of avoiding multiple proceedings, or such claim is waived.
- (2) Authority of Arbitrator & Prohibition of Litigation. The arbitrator(s) shall be authorized (a) to proceed in the absence of a party who fails or refuses to participate in the arbitration proceeding after due notice, (b) to make determinations of law and fact, (c) to render an award granting monetary damages, enjoining any party by prohibiting or requiring any action, making a declaration as to the existence or non-existence of any rights or liability and (d) to grant any reasonable relief as may exist under law or equity to remedy and resolve the claim or grant any reasonable relief as may exist under law or equity to remedy and resolve the claim or controversy. The arbitrator(s) shall be further empowered to assess sanctions as provided under the Federal Rules of Civil Procedure for failure to engage in the process of discovery and exchange of information. The award rendered by the arbitrator(s) shall be binding, final and non-appealable and judgement may be entered upon the award upon the application of the prevailing party by any court prior to the rendering of the arbitrator's(s) award and application for judgement on and enforcement of the award. If a party files suit without demanding arbitration or files suit at any time after a demand for arbitration has been made, the court shall immediately abate such suit and no further proceedings in Court shall be allowed, including discovery and all pre-trial procedure, shall be had prior to the rendition of the arbitrator(s) award.
- (3) Agreements to Litigate Disputes. Nothing in this Article shall prevent the parties to a dispute from agreeing in writing to forego arbitration and litigate their dispute in any forum which they agree upon. In the absence of a written

agreement to forego arbitration, a party may move for abatement and demand arbitration of a dispute which is in litigation any time prior to 30 days before the announcement of ready for trial.

Section 5. General Provisions.

- (1) Exhibits, Schedules and Other Instruments. As used herein, the expression “this Agreement” means the body of this Agreement and all exhibits, certificates and schedules; and the expressions “herein”, “thereof”, and “hereunder” and other words of similar import refer to this Agreement and such exhibits, certificates and schedules as a whole and not to a particular part or subdivision thereof unless otherwise clearly indicated.
- (2) Independent Relationship. It is mutually understood and agreed that Licensee and Licensor, in performing their respective duties and obligations under this Agreement, are at all times acting and performing as independent contractors with respect to each other and nothing in this Agreement is intended nor shall be construed with respect to each other and nothing in this Agreement is intended nor shall be construed to create an employer/employee relationship or a joint venture relationship.
- (3) Notices. Any notice, demand, or communication required, permitted, or desired to be given shall be deemed effectively given (i) when personally delivered, (ii) upon receipt when delivered by telephonic document transfer, (iii) three (3) business days following the day the notice is mailed by prepaid certified mail, return receipt requested, or (iv) the next business day following deposit with a reputable overnight courier. Notice to Licensor shall be sent to the current business or residential address of the President of the Local Chapter and placed to his or her attention. Notice to Licensee shall be sent to the attention of President, ASSOCIATION OF INSPECTORS GENERAL™, Historic Carpenters’ Hall, 320 Chestnut Street, Philadelphia, Pennsylvania 19106. Rejection or other refusal to accept or the inability to deliver because of a changed address of which no notice was given in accordance with the provisions hereof, shall be deemed to be receipt of the notice sent.
- (4) Legal Actions. As requested by Licensee, Licensor shall advise and assist Licensee in instituting or defending, in Licensee name, all legal actions or proceedings by or against third parties arising out of the Licensee’s activities, including, without limitation, those actions necessary for the protection and continued operation of Licensee. Both parties shall agree in advance upon the selection of counsel.
- (5) Legal Fees and Costs.
 - (a) Legal Defense Costs. In the event that either Licensor or Licensee and/or any of the agents of each respective party is named in a lawsuit either along with or without the other, if the subject matter of the suit relates to the Licensee’s activities or to conduct within the scope and course of Licensor’s appointment hereby, each party agrees to be

financially responsible to the other for reasonable defense costs which may include the costs of prosecuting any counterclaims, cross-claims, third-party claims or otherwise which the counsel for Licensor and/or any of its agents in good faith believes will assist in the advantageous resolution of the suit. Licensor and/or its agents will be entitled to select its own defense counsel for which Licensee shall be obligated to timely pay invoices for legal services as they are received. Licensee hereby indemnifies Licensor and/or its agents for all acts which are undertaken in the course and scope of Licensor's appointment with Licensee for all attorneys' fees, costs, expenses of every kind and character, damages, judgments, and settlements.

(b) Dispute Between the Parties. In the event either party brings any action for relief against the other, declaratory or otherwise, arising out of this Agreement (including actions to enforce and interpret this Agreement), the losing party shall pay to the prevailing party, in addition to any other relief to which such party shall be entitled, a reasonable sum for attorneys fees incurred in bringing such suit and/or enforcing any judgement granted therein, all of which shall be deemed to have accrued upon the commencement of such action and shall be paid whether or not such action is prosecuted to judgement. Any judgement or order entered in such action shall contain a specific provision for the recovery of attorney fees and costs incurred in enforcing such judgement, in addition to any other relief to which such party shall be entitled.

(6) Choice of Law and Venue. THIS AGREEMENT HAS BEEN EXECUTED AND DELIVERED IN PHILADELPHIA COUNTY, PENNSYLVANIA AND SHALL BE INTERPRETED, CONSTRUED, ENFORCED AND GOVERNED BY AND IN ACCORDANCE WITH THE LAWS OF THE COMMONWEALTH OF PENNSYLVANIA WITHOUT REGARD TO CONFLICT OF LAW PROVISIONS.

VENUE FOR ALL DISPUTES SHALL LIE EXCLUSIVELY IN PHILADELPHIA COUNTY, PENNSYLVANIA. SUBJECT TO THE PROVISIONS CONCERNING ARBITRATION, ALL PARTIES CONSENT TO THE JURISDICTION OF ANY COURT OF COMPETENT JURISDICTION SITUATED IN PHILADELPHIA COUNTY, PENNSYLVANIA.

(7) Assignment. Except as may be herein specifically provided to the contrary, this Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective legal representatives, successors and assigns; provided, however, that neither party shall assign, transfer or pledge its rights and obligations under this Agreement, whether by operation of law or otherwise, or collaterally assign or hypothecate this agreement without the prior written consent of the other party. This Agreement shall be binding on the current Officers of the Licensee as well as any future Officers.

- (8) Waiver of Breach. The waiver by either party of a breach or violation of any provision of this Agreement shall not operate as, or be construed to constitute, a waiver of any subsequent breach of the same or another provision thereof.
- (9) Gender. Whenever the context of this Agreement requires, the gender of all words herein shall include the masculine, feminine and neuter and the number of all words herein shall include the singular and plural. The term "person" when used herein shall mean an individual, partnership, joint venture, corporation, trust, government entity and Licensee.
- (10) Additional Assurances. Except as may be herein specifically provided to the contrary, the provisions of this Agreement shall be self-operative and shall not require further agreement by the parties; provided, however, at the request of either party, the other party shall execute such additional instruments and take such additional acts as are reasonable and as the requesting party may deem necessary to effectuate this Agreement.
- (11) Consents, Approvals and Exercise of Discretion. Except as may be herein specifically provided to the contrary, whenever this Agreement requires any consent or approval to be given by either party, or either party must or may exercise discretion, the parties agree that such consent or approval shall not be unreasonably withheld or delayed and such discretion shall be reasonably exercised in good faith.
- (12) Force Majeure. Neither party shall be in default or be liable for any delay or failure in performance under this Agreement or other interruption of service resulting, directly or indirectly, from acts of God, civil or military authority, acts of public enemy, war, accidents, fires, explosions, earthquakes, floods, failure of transportation, strikes or other work interruptions by either party's employees, or any other similar cause beyond the reasonable control of either party.
- (13) Severability. In the event any provision of this Agreement is held to be invalid, illegal, or unenforceable for any reason and in any respect, if the extent of such invalidity, illegality or unenforceability shall in no event affect, prejudice, or disturb the validity of the remainder of this Agreement, which shall be in full force and effect, enforceable in accordance with its terms as if such provisions had not been included, or had been modified as provided below, as the case may be. To carry out the intent of the parties hereto as fully as possible, the invalid, illegal or unenforceable provision(s), if possible, shall be deemed modified to the extent necessary and possible to render such provision(s) valid and enforceable. The parties agree to mediation to assist in seeking an agreement as to the modification, or arbitration under Article XI, Section 4 as appropriate to resolve a dispute, as either may be appropriate for resolving the specifics of such modification. In the event this Agreement cannot be modified to the satisfaction of the parties hereto, then either party may terminate this Agreement upon ten (10) days written notice.

- (14) Divisions and Headings. The division of this Agreement into articles, sections and subsections and the use of captions and headings in connection therewith are solely for convenience and shall not affect in any way the meaning or interpretation of this Agreement.
- (15) Amendments and Agreement Execution. This Agreement and amendments thereto shall be in writing and executed in multiple copies on behalf of Licensee by its duly authorized representative and on behalf of Licensors by its duly authorized representative. Each multiple copy shall be deemed an original, but all multiple copies together shall constitute one and the same instrument.
- (16) Entire Agreement/Amendment. This Agreement supersedes all previous agreement (written and oral) and constitutes the entire agreement of whatsoever kind or nature existing between or among the parties respecting the within subject matter and no party shall be entitled to benefits other than those specified herein. As between or among the parties, no oral statements or prior written material not specifically incorporated herein shall be of any force and effect; the parties specifically acknowledge that in entering into and executing this Agreement, the parties rely solely upon the representations and agreements contained in this Agreement and no others. All prior representations or agreements, whether written or verbal, not expressly incorporated herein are superseded. This Agreement may not be amended, supplemented, canceled or discharged except by written instrument executed by all parties hereto. This Agreement may be executed in two or more counterparts, each and all of which shall be deemed an original and all of which together shall constitute one instrument. It shall not be necessary that the signatures of all the parties appear on each counterpart; it shall be sufficient that the signature of each party appear on one or more counterparts.
- (17) Rules of Construction. The parties acknowledge that each party and its counsel have reviewed and revised this Agreement and the parties hereby agree that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any amendments or exhibits, certificates and schedules hereto. The term "include" or "including" shall mean without limitation by reason of enumeration.
- (18) Third Parties. None of the provisions of this agreement shall be for the benefit of third parties or enforceable by any third party. Any agreement to pay an amount and any assumption of a liability herein contained, expressed or implied, shall only be for the benefit of the parties hereto and such agreement or assumption shall not inure to the benefit of the any third party, including obligee.
- (19) No part of the net earnings of the Chapter shall inure to the benefit of, or be distributable to any director or officer of the Chapter, or any other person. Except that the Chapter will be authorized and empowered to pay reasonable compensation for services rendered to or for the Chapter and to make payments and distributions in furtherance of the purposes set forth above.

(20) No substantial part of the activities of the Chapter shall be the carrying on of propaganda, or otherwise attempting to influence legislation (except as otherwise permitted by Section 501 (h) of the Internal Revenue Code of 1986, as amended. The Chapter shall not participate in or intervene in (including the publishing or distribution of statements concerning) any political campaign on behalf of or in opposition to any candidate for public office. Notwithstanding any other provision of these articles, the Chapter shall not carry on any activities not permitted to be carried on by:

(a) by an organization exempt from the federal income tax under Sections 501(c)(3) of the Internal Revenue Code of 1986, as amended; or

(b) by an organization, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1986, as amended

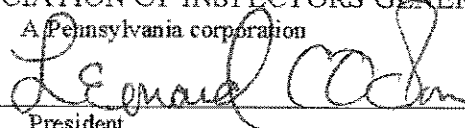
IN WITNESS WHEREOF, Licensee and Licensor execute this Agreement in multiple originals:

LICENSOR:

ASSOCIATION OF INSPECTORS GENERAL™

A Pennsylvania corporation

By:

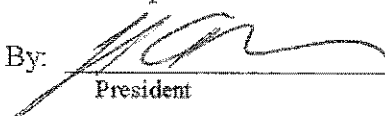

President

5-12-2010

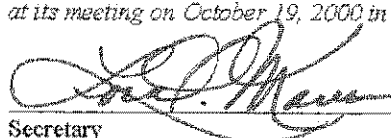
LICENSEE:

Illinois Chapter of the ASSOCIATION OF INSPECTORS GENERAL™

By:


President

The AIG Board of Directors adopted these Model Chapter Bylaws at its meeting on October 19, 2000 in Philadelphia, Pennsylvania.


Secretary

(Insert Date) April 13, 2010

Page 28 of 28