



## 96TH GENERAL ASSEMBLY

### State of Illinois

2009 and 2010

SB1390

Introduced 2/11/2009, by Sen. A. J. Wilhelmi - Kirk W. Dillard

#### SYNOPSIS AS INTRODUCED:

See Index

Amends the General Not For Profit Corporation Act of 1986. Provides that notices may be delivered by electronic means to an e-mail address, facsimile number, or other appropriate contact (instead of the address) listed on the corporate records. Provides for informal action by voting membership by mail, e-mail, or other electronic means (instead of a written consent by all members entitled to vote) and notice of the informal action must be delivered at least 5 days before the effective date to members who did not vote (instead of a written consent signed by less than all voters is only effective if notice of the proposed action is delivered 5 days before the effective date of the action and if, after the effective date of the consent, prompt written notice of the action is delivered to those who did not give written consent). Provides that writings by directors or members include electronic communications unless prohibited (instead of expressly permitted) by the corporation's bylaws or incorporation articles. Provides that a voting member or the member's agent may examine or copy the corporation's records for a proper purpose and that a disputed records request is decided in circuit court (instead of a member may inspect all books and records for a proper purpose at a reasonable time). Provides that a bylaws amendment eliminating a director position may shorten (instead of may not shorten) the terms of incumbent directors, if approved by those authorized to select the directors. Deletes provision that prohibits the removal, except for cause, of directors of different classes with non-uniform terms. Provides that a transaction between a corporation and a member, director, officer, or any entity in which such an individual has an interest, is not void or voidable solely for that reason if the material facts are disclosed and the board or members in good faith authorize the transaction by a majority vote or the transaction is fair at the time it is authorized (instead of if a transaction is fair to the corporation, the direct or indirect interest of a director is not grounds for invalidating the transaction). Provides that no director shall be liable unless the director earns more than \$25,000 (instead of \$5,000) per year as a director. Makes other changes.

LRB096 08993 AJO 19132 b

1 AN ACT concerning business.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The General Not For Profit Corporation Act of  
5 1986 is amended by changing Sections 101.80, 103.12, 107.10,  
6 107.40, 107.50, 107.75, 108.05, 108.10, 108.35, 108.45,  
7 108.60, 108.70, and 110.30 as follows:

8 (805 ILCS 105/101.80) (from Ch. 32, par. 101.80)

9 Sec. 101.80. Definitions. As used in this Act, unless the  
10 context otherwise requires, the words and phrases defined in  
11 this Section shall have the meanings set forth herein.

12 (a) "Anniversary" means that day each year exactly one or  
13 more years after:

14 (1) The date of filing the articles of incorporation  
15 prescribed by Section 102.10 of this Act, in the case of a  
16 domestic corporation;

17 (2) The date of filing the application for authority  
18 prescribed by Section 113.15 of this Act in the case of a  
19 foreign corporation;

20 (3) The date of filing the statement of acceptance  
21 prescribed by Section 101.75 of this Act, in the case of a  
22 corporation electing to accept this Act; or

23 (4) The date of filing the articles of consolidation

1           prescribed by Section 111.25 of this Act in the case of a  
2           consolidation.

3           (b) "Anniversary month" means the month in which the  
4           anniversary of the corporation occurs.

5           (c) "Articles of incorporation" means the original  
6           articles of incorporation including the articles of  
7           incorporation of a new corporation set forth in the articles of  
8           consolidation or set forth in a statement of election to accept  
9           this Act, and all amendments thereto, whether evidenced by  
10          articles of amendment, articles of merger or statement of  
11          correction affecting articles. Restated articles of  
12          incorporation shall supersede the original articles of  
13          incorporation and all amendments thereto prior to the effective  
14          date of filing the articles of amendment incorporating the  
15          restated articles of incorporation. In the case of a  
16          corporation created by a Special Act of the Legislature,  
17          "Articles of incorporation" means the special charter and any  
18          amendments thereto made by Special Act of the Legislature or  
19          pursuant to general laws.

20          (d) "Board of directors" means the group of persons vested  
21          with the management of the affairs of the corporation  
22          irrespective of the name by which such group is designated.

23          (e) "Bylaws" means the code or codes of rules adopted for  
24          the regulation or management of the affairs of the corporation  
25          irrespective of the name or names by which such rules are  
26          designated.

1 (f) "Corporation" or "domestic corporation" means a  
2 domestic not-for-profit corporation subject to the provisions  
3 of this Act, except a foreign corporation.

4 (g) "Delivered," for the purpose of determining if any  
5 notice required by this Act is effective, means:

6 (1) Transferred or presented to someone in person;

7 (2) Deposited in the United States mail addressed to  
8 the person at his, her or its address as it appears on the  
9 records of the corporation, with sufficient first-class  
10 postage prepaid thereon;

11 (3) Posted at such place and in such manner or  
12 otherwise transmitted to the person's premises as may be  
13 authorized and set forth in the articles of incorporation  
14 or the bylaws; or

15 (4) Transmitted by electronic means to the e-mail  
16 address, facsimile number, or other appropriate contact  
17 information appearing ~~that appears~~ on the records of the  
18 corporation ~~as may be authorized and set forth in the~~  
19 ~~articles of incorporation or the bylaws.~~

20 (h) "Foreign corporation" means a not-for-profit  
21 corporation as defined and organized under the laws other than  
22 the laws of this State, for a purpose or purposes for which a  
23 corporation may be organized under this Act.

24 (i) "Incorporator" means one of the signers of the original  
25 articles of incorporation.

26 (j) "Insolvent" means that a corporation is unable to pay

1 its debts as they become due in the usual course of the conduct  
2 of its affairs.

3 (k) "Member" means a person or any organization, whether  
4 not for profit or otherwise, having membership rights in a  
5 corporation in accordance with the provisions of its articles  
6 of incorporation or bylaws.

7 (l) "Net assets," for the purpose of determining the  
8 authority of a corporation to make distributions, is equal to  
9 the difference between the assets of the corporation and the  
10 liabilities of the corporation.

11 (m) "Not-for-profit corporation" means a corporation  
12 subject to this Act and organized solely for one or more of the  
13 purposes authorized by Section 103.05 of this Act.

14 (n) "Registered office" means that office maintained by the  
15 corporation in this State, the address of which is on file in  
16 the office of the Secretary of State, at which any process,  
17 notice or demand required or permitted by law may be served  
18 upon the registered agent of the corporation.

19 (o) "Special charter" means the charter granted to a  
20 corporation created by special act of the Legislature whether  
21 or not the term "charter" or "special charter" is used in such  
22 special act.

23 (p) Unless otherwise prohibited by ~~To the extent permitted~~  
24 ~~in~~ the articles of incorporation or the bylaws of the  
25 corporation, actions required to be "written", to be "in  
26 writing", to have "written consent", to have "written approval"

1 and the like by or of members, directors, or committee members  
2 shall include any communication transmitted or received by  
3 electronic means.

4 (Source: P.A. 92-33, eff. 7-1-01; 92-572, eff. 6-26-02.)

5 (805 ILCS 105/103.12) (from Ch. 32, par. 103.12)

6 Sec. 103.12. Private foundations - Federal tax laws. In the  
7 absence of an express provision to the contrary in its articles  
8 of incorporation, a corporation, as defined in Section 509 of  
9 the Internal Revenue Code of 1986, as may be amended from time  
10 to time 1954, during the period it is a private foundation:

11 (a) Shall not engage in any act of self-dealing as defined  
12 in Section 4941(d) thereof;

13 (b) Shall distribute its income for each taxable year at  
14 such time and in such manner as not to become subject to the  
15 tax on undistributed income imposed by Section 4942 thereof;

16 (c) Shall not retain any excess business holdings as  
17 defined in Section 4943(c) thereof;

18 (d) Shall not make any investment in such manner as to  
19 subject it to tax under Section 4944 thereof;

20 (e) Shall not make any taxable expenditure as defined in  
21 Section 4945(d) thereof.

22 (Source: P.A. 84-1423.)

23 (805 ILCS 105/107.10) (from Ch. 32, par. 107.10)

24 Sec. 107.10. Informal action by members entitled to vote.

1 (a) Unless otherwise provided in the articles of incorporation  
2 or the bylaws, any action required by this Act to be taken at  
3 any annual or special meeting of the members entitled to vote,  
4 or any other action which may be taken at a meeting of the  
5 members entitled to vote, may be taken in writing by mail,  
6 e-mail, or any other electronic means pursuant to which the  
7 action receives approval ~~without a meeting and without a vote,~~  
8 ~~if a consent in writing, setting forth the action so taken,~~  
9 ~~shall be signed either: (i) by all of the members entitled to~~  
10 ~~vote with respect to the subject matter thereof, or (ii) by the~~  
11 members having not less than the minimum number of votes that  
12 would be necessary to authorize or take such action at a  
13 meeting at which a quorum was ~~all members entitled to vote~~  
14 ~~thereon were present and voting.~~

15 (b) Such informal action by ~~If such consent is signed by~~  
16 ~~less than all of the members entitled to vote, then such~~  
17 ~~consent shall become effective only: (1) if, at least 5 days~~  
18 prior to the effective date of such informal action ~~consent,~~ a  
19 notice in writing of the proposed action is delivered to all of  
20 the members entitled to vote with respect to the subject matter  
21 thereof who have not voted, ~~and (2) if, after the effective~~  
22 ~~date of such consent, prompt notice in writing of the taking of~~  
23 ~~the corporate action without a meeting is delivered to those~~  
24 ~~members entitled to vote who have not consented in writing.~~

25 (c) In the event that the action which is approved  
26 ~~consented to~~ is such as would have required the filing of a

1 certificate under any other Section of this Act if such action  
2 had been voted on by the members at a meeting thereof, the  
3 certificate filed under such other Section shall state, in lieu  
4 of any statement required by such Section concerning any vote  
5 of members, that an informal vote ~~written consent~~ has been  
6 conducted ~~given~~ in accordance with the provisions of this  
7 Section and that written notice has been delivered as provided  
8 in this Section.

9 (Source: P.A. 84-1423.)

10 (805 ILCS 105/107.40) (from Ch. 32, par. 107.40)

11 Sec. 107.40. Voting. (a) The right of the members, or any  
12 class or classes of members, to vote may be limited, enlarged  
13 or denied to the extent specified in the articles of  
14 incorporation or the bylaws. Unless so limited, enlarged or  
15 denied, each member, regardless of class, shall be entitled to  
16 one vote on each matter submitted to a vote of members.

17 (b) The articles of incorporation or the bylaws may provide  
18 that in all elections for directors every member entitled to  
19 vote shall have the right to cumulate his or her vote and to  
20 give one candidate a number of votes equal to his or her vote  
21 multiplied by the number of directors to be elected, or to  
22 distribute such votes on the same principle among as many  
23 candidates as he or she shall think fit.

24 (c) If a corporation has no members or its members have no  
25 right to vote with respect to a particular matter, the



1 directors shall have the sole voting power with respect to such  
2 matter.

3 (Source: P.A. 84-1423.)

4 (805 ILCS 105/107.50) (from Ch. 32, par. 107.50)

5 Sec. 107.50. Proxies. A member entitled to vote may vote in  
6 person or, unless the articles of incorporation or ~~the~~ bylaws  
7 explicitly prohibit ~~otherwise provide~~, by proxy executed in  
8 writing by the member or by that member's duly authorized  
9 attorney-in-fact. No proxy shall be valid after 11 months from  
10 the date of its execution, unless otherwise provided in the  
11 proxy. ~~Where directors or officers are to be elected by~~  
12 ~~members, the bylaws may provide that such elections may be~~  
13 ~~conducted by mail.~~

14 (Source: P.A. 84-1423.)

15 (805 ILCS 105/107.75) (from Ch. 32, par. 107.75)

16 Sec. 107.75. Books and records.

17 (a) Each corporation shall keep correct and complete books  
18 and records of account and shall also keep minutes of the  
19 proceedings of its members, board of directors and committees  
20 having any of the authority of the board of directors; and  
21 shall keep at its registered office or principal office a  
22 record giving the names and addresses of its members entitled  
23 to vote. Any voting member shall have the right to examine, in  
24 person or by agent, at any reasonable time or times, the

1 corporation's books and records of account and minutes, and to  
2 make extracts therefrom, but only for a proper purpose. In  
3 order to exercise this right, a voting member must make written  
4 demand upon the corporation, stating with particularity the  
5 records sought to be examined and the purpose therefor. If the  
6 corporation refuses examination, the voting member may file  
7 suit in the circuit court of the county in which either the  
8 registered agent or principal office of the corporation is  
9 located to compel by mandamus or otherwise such examination as  
10 may be proper. If a voting member seeks to examine books or  
11 records of account the burden of proof is upon the voting  
12 member to establish a proper purpose. If the purpose is to  
13 examine minutes, the burden of proof is upon the corporation to  
14 establish that the voting member does not have a proper  
15 purpose. All books and records of a corporation may be  
16 inspected by any member entitled to vote, or that member's  
17 agent or attorney, for any proper purpose at any reasonable  
18 time.

19 (b) A residential cooperative not-for-profit corporation  
20 containing 50 or more single family units with individual unit  
21 legal descriptions based upon a recorded plat of a subdivision  
22 and located in a county with a population between 780,000 and  
23 3,000,000 shall keep an accurate and complete account of all  
24 transfers of membership and shall, on a quarterly basis, record  
25 all transfers of membership with the county clerk of the county  
26 in which the residential cooperative is located. Additionally,

1 a list of all transfers of membership shall be available for  
2 inspection by any member of the corporation.

3 (Source: P.A. 91-465, eff. 8-6-99.)

4 (805 ILCS 105/108.05) (from Ch. 32, par. 108.05)

5 Sec. 108.05. Board of directors.

6 (a) Each corporation shall have a board of directors, and  
7 except as provided in articles of incorporation, the affairs of  
8 the corporation shall be managed by or under the direction of  
9 the board of directors.

10 (b) ~~The articles of incorporation or bylaws may prescribe~~  
11 ~~qualifications for directors.~~ A director need not be a resident  
12 of this State or a member of the corporation unless the  
13 articles of incorporation or bylaws so prescribe. The articles  
14 of incorporation or the bylaws may prescribe other  
15 qualifications for directors.

16 (c) Unless otherwise provided in the articles of  
17 incorporation or bylaws, the board of directors, by the  
18 affirmative vote of a majority of the directors then in office,  
19 shall have authority to establish reasonable compensation of  
20 all directors for services to the corporation as directors,  
21 officers or otherwise, notwithstanding the provisions of  
22 Section 108.60 of this Act.

23 (d) No director may act by proxy on any matter.

24 (Source: P.A. 95-368, eff. 8-23-07.)

1 (805 ILCS 105/108.10) (from Ch. 32, par. 108.10)

2 Sec. 108.10. Number, election and resignation of  
3 directors. (a) The board of directors of a corporation shall  
4 consist of three or more directors. The number of directors  
5 shall be fixed by the bylaws, except the number of initial  
6 directors shall be fixed by the incorporators in the articles  
7 of incorporation. In the absence of a bylaw fixing the number  
8 of directors, the number shall be the same as that fixed in the  
9 articles of incorporation. The number of directors may be  
10 increased or decreased from time to time by amendment to the  
11 bylaws.

12 (b) The bylaws may establish a variable range for the size  
13 of the board by prescribing a minimum and maximum (which may  
14 not be less than 3 or exceed the minimum by more than 5) number  
15 of directors. If a variable range is established, unless the  
16 bylaws otherwise provide, the number of directors may be fixed  
17 or changed from time to time, within the minimum and maximum,  
18 by the directors without further amendment to the bylaws.

19 (c) The terms of all directors expire at the next meeting  
20 for the election of directors following their election unless  
21 their terms are staggered under subsection (e). The term of a  
22 director elected to fill a vacancy expires at the next annual  
23 meeting of the members entitled to vote at which his or her  
24 predecessor's term would have expired or in accordance with  
25 Section 108.30 of this Act. The term of a director elected as a  
26 result of an increase in the number of directors expires at the

1 next annual meeting of members entitled to vote unless the term  
2 is staggered under subsection (e).

3 (d) Despite the expiration of a director's term, he or she  
4 continues to serve until the next meeting of members or  
5 directors entitled to vote on directors at which directors are  
6 elected. An amendment to the bylaws decreasing ~~A decrease in~~  
7 the number of directors or eliminating the position of a  
8 director elected or appointed by persons or entities other than  
9 the members may shorten the terms of incumbent directors;  
10 provided, however, such amendment has been approved by the  
11 party with the authority to elect or appoint such directors  
12 ~~does not shorten an incumbent director's term.~~

13 (e) The articles of incorporation or the bylaws may provide  
14 that directors may be divided into classes and the terms of  
15 office of several classes need not be uniform. Each director  
16 shall hold office for the term for which he is elected and  
17 until his successor shall have been elected and qualified.

18 (f) If the articles of incorporation or bylaws authorize  
19 dividing the members into classes, the articles or bylaws may  
20 also authorize the election of all or a specified number or  
21 percentage of directors by one or more authorized classes of  
22 members.

23 (g) A director may resign at any time by written notice  
24 delivered to the board of directors, its chairman, or to the  
25 president or secretary of the corporation. A resignation is  
26 effective when the notice is delivered unless the notice

1 specifies a future date. The pending vacancy may be filled  
2 before the effective date, but the successor shall not take  
3 office until the effective date.

4 (Source: P.A. 84-1423.)

5 (805 ILCS 105/108.35) (from Ch. 32, par. 108.35)

6 Sec. 108.35. Removal of directors. (a) One or more of the  
7 directors may be removed, with or without cause. ~~In the case of~~  
8 ~~a corporation having a board of directors which is classified~~  
9 ~~in accordance with subsection 108.10(e) of this Act, no~~  
10 ~~director may be removed except for cause if the articles of~~  
11 ~~incorporation or the bylaws so provide.~~

12 (b) In the case of a corporation with no members or with no  
13 members entitled to vote on directors, a director may be  
14 removed by the affirmative vote of a majority of the directors  
15 then in office present and voting at a meeting of the board of  
16 directors at which a quorum is present.

17 (c) In the case of a corporation with members entitled to  
18 vote for directors, no director may be removed, except as  
19 follows:

20 (1) A director may be removed by the affirmative vote of  
21 two-thirds of the votes present and voted, either in person or  
22 by proxy.

23 (2) No director shall be removed at a meeting of members  
24 entitled to vote unless the written notice of such meeting is  
25 delivered to all members entitled to vote on removal of

1 directors. Such notice shall state that a purpose of the  
2 meeting is to vote upon the removal of one or more directors  
3 named in the notice. Only the named director or directors may  
4 be removed at such meeting.

5 (3) In the case of a corporation having cumulative voting,  
6 if less than the entire board is to be removed, no director may  
7 be removed, with or without cause, if the votes cast against  
8 his or her removal would be sufficient to elect him or her if  
9 then cumulatively voted at an election of the entire board of  
10 directors.

11 (4) If a director is elected by a class of voting members  
12 entitled to vote, directors or other electors, that director  
13 may be removed only by the same class of members entitled to  
14 vote, directors or electors which elected the director.

15 (d) The provisions of subsections (a), (b) and (c) shall  
16 not preclude the Circuit Court from removing a director of the  
17 corporation from office in a proceeding commenced either by the  
18 corporation or by members entitled to vote holding at least 10  
19 percent of the outstanding votes of any class if the court  
20 finds (1) the director is engaged in fraudulent or dishonest  
21 conduct or has grossly abused his or her position to the  
22 detriment of the corporation, and (2) removal is in the best  
23 interest of the corporation. If the court removes a director,  
24 it may bar the director from reelection for a period prescribed  
25 by the court. If such a proceeding is commenced by a member  
26 entitled to vote, such member shall make the corporation a

1 party defendant.

2 (Source: P.A. 84-1423.)

3 (805 ILCS 105/108.45) (from Ch. 32, par. 108.45)

4 Sec. 108.45. Informal action by directors. (a) Unless  
5 specifically prohibited by the articles of incorporation or  
6 bylaws, any action required by this Act to be taken at a  
7 meeting of the board of directors of a corporation, or any  
8 other action which may be taken at a meeting of the board of  
9 directors or a committee thereof, may be taken without a  
10 meeting if a consent in writing, setting forth the action so  
11 taken, shall be signed by all of the directors and all of any  
12 nondirector committee members entitled to vote with respect to  
13 the subject matter thereof, or by all the members of such  
14 committee, as the case may be.

15 (b) The consent shall be evidenced by one or more written  
16 approvals, each of which sets forth the action taken and  
17 provides a written record of approval ~~bears the signature of~~  
18 ~~one or more directors or committee members~~. All the approvals  
19 evidencing the consent shall be delivered to the secretary to  
20 be filed in the corporate records. The action taken shall be  
21 effective when all the directors or the committee members, as  
22 the case may be, have approved the consent unless the consent  
23 specifies a different effective date.

24 (c) Any such consent signed by all the directors or all the  
25 committee members, as the case may be, shall have the same



1 effect as a unanimous vote and may be stated as such in any  
2 document filed with the Secretary of State under this Act.

3 (Source: P.A. 84-1423.)

4 (805 ILCS 105/108.60) (from Ch. 32, par. 108.60)

5 Sec. 108.60. Conflicting interest transactions. ~~Director~~  
6 ~~conflict of interest.~~

7 (a) A contract or transaction between a corporation and one  
8 or more of its members, directors, members of a designated  
9 body, or officers or between a corporation and any other  
10 corporation, partnership, association, or other entity in  
11 which one or more of its directors, members of a designated  
12 body, or officers are directors or officers, hold a similar  
13 position, or have a financial interest, is not void or voidable  
14 solely for that reason, or solely because the member, director,  
15 member of a designated body, or officer is present at or  
16 participates in the meeting of the board of directors or  
17 committee having the authority of the board that authorizes the  
18 contract or transaction, or solely because his, her, or their  
19 votes are counted for that purpose, if:

20 (1) the material facts as to the relationship or  
21 interest and as to the contract or transaction are  
22 disclosed or are known to the board of directors or  
23 committee having the authority of the board and the board  
24 or such committee in good faith authorizes the contract or  
25 transaction by the affirmative votes of a majority of the

1 disinterested directors even though the disinterested  
2 directors are less than a quorum;

3 (2) the material facts as to the relationship or  
4 interest of the member, director, or officer and as to the  
5 contract or transaction are disclosed or are known to the  
6 members entitled to vote thereon, if any, and the contract  
7 or transaction is specifically authorized, approved, or  
8 ratified in good faith by vote of those members; or

9 (3) the contract or transaction is fair as to the  
10 corporation as of the time it is authorized, approved, or  
11 ratified by the board of directors or the members.

12 (b) Common or interested directors may be counted in  
13 determining the presence of a quorum at a meeting of the board  
14 or committee having the authority of the board that authorizes  
15 a contract or transaction specified in subsection (a).

16 (c) This Section is applicable except as otherwise  
17 restricted in the articles of incorporation or bylaws.

18 ~~(a) If a transaction is fair to a corporation at the time it is~~  
19 ~~authorized, approved, or ratified, the fact that a director of~~  
20 ~~the corporation is directly or indirectly a party to the~~  
21 ~~transaction is not grounds for invalidating the transaction.~~

22 ~~(b) In a proceeding contesting the validity of a~~  
23 ~~transaction described in subsection (a), the person asserting~~  
24 ~~validity has the burden of proving fairness unless:~~

25 ~~(1) The material facts of the transaction and the~~  
26 ~~director's interest or relationship were disclosed or known to~~

1 ~~the board of directors or a committee consisting entirely of~~  
2 ~~directors and the board or committee authorized, approved or~~  
3 ~~ratified the transaction by the affirmative votes of a majority~~  
4 ~~of disinterested directors, even though the disinterested~~  
5 ~~directors be less than a quorum; or~~

6 ~~(2) The material facts of the transaction and the~~  
7 ~~director's interest or relationship were disclosed or known to~~  
8 ~~the members entitled to vote, if any, and they authorized,~~  
9 ~~approved or ratified the transaction without counting the vote~~  
10 ~~of any member who is an interested director.~~

11 ~~(c) The presence of the director, who is directly or~~  
12 ~~indirectly a party to the transaction described in subsection~~  
13 ~~(a), or a director who is otherwise not disinterested, may be~~  
14 ~~counted in determining whether a quorum is present but may not~~  
15 ~~be counted when the board of directors or a committee of the~~  
16 ~~board takes action on the transaction.~~

17 ~~(d) For purposes of this Section, a director is~~  
18 ~~"indirectly" a party to a transaction if the other party to the~~  
19 ~~transaction is an entity in which the director has a material~~  
20 ~~financial interest or of which the director is an officer,~~  
21 ~~director or general partner.~~

22 (Source: P.A. 84-1423.)

23 (805 ILCS 105/108.70) (from Ch. 32, par. 108.70)

24 Sec. 108.70. Limited Liability of directors, officers,  
25 board members, and persons who serve without compensation.

1 (a) No director or officer serving without compensation,  
2 other than reimbursement for actual expenses, of a corporation  
3 organized under this Act or any predecessor Act and exempt, or  
4 qualified for exemption, from taxation pursuant to Section  
5 501(c) of the Internal Revenue Code of 1986, as amended, shall  
6 be liable, and no cause of action may be brought, for damages  
7 resulting from the exercise of judgment or discretion in  
8 connection with the duties or responsibilities of such director  
9 or officer unless the act or omission involved willful or  
10 wanton conduct.

11 (b) No director of a corporation organized under this Act  
12 or any predecessor Act for the purposes identified in items  
13 (14), (19), (21) and (22) of subsection (a) of Section 103.05  
14 of this Act, and exempt or qualified for exemption from  
15 taxation pursuant to Section 501(c) of the Internal Revenue  
16 Code of 1986, as amended, shall be liable, and no cause of  
17 action may be brought for damages resulting from the exercise  
18 of judgment or discretion in connection with the duties or  
19 responsibilities of such director, unless: (1) such director  
20 earns in excess of \$25,000 ~~\$5,000~~ per year from his duties as  
21 director, other than reimbursement for actual expenses; or (2)  
22 the act or omission involved willful or wanton conduct.

23 (b-5) Except for willful and wanton conduct, no volunteer  
24 board member serving without compensation, other than  
25 reimbursement for actual expenses, of a corporation organized  
26 under this Act or any predecessor Act and exempt, or qualified

1 for exemption, from taxation pursuant to Section 501(c)(3) of  
2 the Internal Revenue Code of 1986, as amended, shall be liable,  
3 and no action may be brought, for damages resulting from any  
4 action of the executive director concerning the false reporting  
5 of or intentional tampering with financial records of the  
6 organization, where the actions of the executive director  
7 result in legal action.

8 This subsection (b-5) shall not apply to any action taken  
9 by the Attorney General (i) in the exercise of his or her  
10 common law or statutory power and duty to protect charitable  
11 assets or (ii) in the exercise of his or her authority to  
12 enforce the laws of this State that apply to trustees of a  
13 charity, as that term is defined in the Charitable Trust Act  
14 and the Solicitation for Charity Act.

15 (c) No person who, without compensation other than  
16 reimbursement for actual expenses, renders service to or for a  
17 corporation organized under this Act or any predecessor Act and  
18 exempt or qualified for exemption from taxation pursuant to  
19 Section 501(c)(3) of the Internal Revenue Code of 1986, as  
20 amended, shall be liable, and no cause of action may be  
21 brought, for damages resulting from an act or omission in  
22 rendering such services, unless the act or omission involved  
23 willful or wanton conduct.

24 (d) (Blank).

25 (e) Nothing in this Section is intended to bar any cause of  
26 action against the corporation or change the liability of the

1 corporation arising out of an act or omission of any director,  
2 officer or person exempt from liability for negligence under  
3 this Section.

4 (Source: P.A. 95-342, eff. 1-1-08.)

5 (805 ILCS 105/110.30) (from Ch. 32, par. 110.30)

6 Sec. 110.30. Articles of amendment.

7 (a) Except as provided in Section 110.40 of this Act, the  
8 articles of amendment shall be executed and filed in duplicate  
9 in accordance with Section 101.10 of this Act and shall set  
10 forth:

11 (1) The name of the corporation;

12 (2) The text of each amendment adopted;

13 (3) If the amendment was adopted pursuant to Section  
14 110.15 of this Act:

15 (i) A statement that the amendment received the  
16 affirmative vote of a majority of the directors in  
17 office, at a meeting of the board of directors, and the  
18 date of the meeting; or

19 (ii) A statement that the amendment was adopted by  
20 written consent, signed by all the directors in office,  
21 in compliance with Section 108.45 of this Act;

22 (4) If the amendment was adopted pursuant to Section  
23 110.20 of this Act:

24 (i) A statement that the amendment was adopted at a  
25 meeting of members entitled to vote by the affirmative

1 vote of the members having not less than the minimum  
2 number of votes necessary to adopt such amendment, as  
3 provided by this Act, the articles of incorporation or  
4 the bylaws, and the date of the meeting; or

5 (ii) A statement that the amendment was adopted by  
6 written, electronic, or other acceptable means ~~consent~~  
7 ~~signed~~ by members entitled to vote having not less than  
8 the minimum number of votes necessary to adopt such  
9 amendment, as provided by this Act, the articles of  
10 incorporation, or the bylaws, in compliance with  
11 Section 107.10 of this Act.

12 (5) If the amendment restates the articles of  
13 incorporation, the amendment shall so state and shall set  
14 forth:

15 (i) The text of the articles as restated;

16 (ii) The date of incorporation, the name under  
17 which the corporation was incorporated, subsequent  
18 names, if any, that the corporation adopted pursuant to  
19 amendment of its articles of incorporation, and the  
20 effective date of any such amendments;

21 (iii) The address of the registered office and the  
22 name of the registered agent on the date of filing the  
23 restated articles.

24 The articles as restated must include all the  
25 information required by subsection (a) of Section  
26 102.10 of this Act, except that the articles need not

1 set forth the information required by paragraphs 3, 4  
2 or 5 thereof. If any provision of the articles of  
3 incorporation is amended in connection with the  
4 restatement, the articles of amendment shall clearly  
5 identify such amendment.

6 (6) If, pursuant to Section 110.35 of this Act, the  
7 amendment is to become effective subsequent to the date on  
8 which the articles of amendment are filed, the date on  
9 which the amendment is to become effective.

10 (7) If the amendment revives the articles of  
11 incorporation and extends the period of corporate  
12 duration, the amendment shall so state and shall set forth:

13 (i) The date the period of duration expired under  
14 the articles of incorporation;

15 (ii) A statement that the period of duration will  
16 be perpetual, or, if a limited duration is to be  
17 provided, the date to which the period of duration is  
18 to be extended; and

19 (iii) A statement that the corporation has been in  
20 continuous operation since before the date of  
21 expiration of its original period of duration.

22 (b) When the provisions of this Section have been complied  
23 with, the Secretary of State shall file the articles of  
24 amendment.

25 (Source: P.A. 92-33, eff. 7-1-01.)



1		INDEX
2		Statutes amended in order of appearance
3	805 ILCS 105/101.80	from Ch. 32, par. 101.80
4	805 ILCS 105/103.12	from Ch. 32, par. 103.12
5	805 ILCS 105/107.10	from Ch. 32, par. 107.10
6	805 ILCS 105/107.40	from Ch. 32, par. 107.40
7	805 ILCS 105/107.50	from Ch. 32, par. 107.50
8	805 ILCS 105/107.75	from Ch. 32, par. 107.75
9	805 ILCS 105/108.05	from Ch. 32, par. 108.05
10	805 ILCS 105/108.10	from Ch. 32, par. 108.10
11	805 ILCS 105/108.35	from Ch. 32, par. 108.35
12	805 ILCS 105/108.45	from Ch. 32, par. 108.45
13	805 ILCS 105/108.60	from Ch. 32, par. 108.60
14	805 ILCS 105/108.70	from Ch. 32, par. 108.70
15	805 ILCS 105/110.30	from Ch. 32, par. 110.30