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DESIGNATED CHARITABLE FUND AGREEMENT

THIS AGREEMENT made and entered into on May 20, 2008, by and between **ILLINOIS LIBRARY SYSTEM DIRECTORS ORGANIZATION ("ILSDO")** and Chenoa Public Library District ("**LIBRARY**").

WITNESSETH:

WHEREAS, Library, a unit of local government under Illinois Law, in furtherance of its charitable and educational purposes, deems it to be in its best interest to create a charitable fund to aid in carrying out its work; and

WHEREAS, ILSDO is a non-profit Illinois corporation exempt from taxation pursuant to Section 170(b)(1)(A)(vi) of the Internal Revenue Code, qualified as a 501 (c)(3) exempt organization, and an appropriate institution within which to establish such charitable fund; and

WHEREAS, ILSDO is willing and able to create such a fund as a Charitable Fund subject to the terms and conditions hereof;

NOW THEREFORE, the parties agree as follows:

1. NAME OF THE FUND

There is hereby established within **ILSDO**, and as a part thereof, a fund designated as:

Chenoa Public Library District ("**Library Name Fund**") to receive gifts, in whatever form of money or property and to administer the same.

2. PURPOSES

The primary purpose of the **Fund** shall be to provide support to **Library** to carry out its role and mission as described by Illinois Library statutes.

3. GIFTS

Any person, whether corporation, trust, estate or organization (hereinafter referred to as "Donor") may make a gift to ILSDO for the purposes of the Fund by a transfer to ILSDO of property acceptable to ILSDO. All gifts, bequests and devises to the Fund shall be irrevocable and subject to the terms and conditions hereof. ILSDO will only accept checks, not materials.

4. CONDITIONS FOR ACCEPTANCE OF FUNDS

Donors agree and acknowledge that the establishment of the Fund is made in recognition of, and subject to, the terms and conditions of the Articles of Incorporation

The Fund should not be used for donations from individuals. Those donations should go directly to the Library and be receipted by the Library and are tax deductible by the individual donor. The only gifts that should involve the Fund are those from organizations that require a 501(c)(3) receipt.

and By-Laws of ILSDO as from time to time amended, and such administrative procedures as shall be adopted from time to time by the Board of Directors of ILSDO.

5. ADMINISTRATIVE PROVISIONS

Notwithstanding anything herein to the contrary, ILSDO shall hold the Fund, and all contributions to the Fund, pursuant to the terms of the Illinois Not-For-Profit Corporation Act. The Board of Directors of ILSDO shall monitor the distribution of the Fund, and shall have all powers of modification or removal, specified in U.S. Treasury Regulation Section 1.170A-9(e)(11)(v)(B).

6. EXPENSES OF THE FUND

Any expenses related to the administration of the Fund shall be deducted from the Fund, subject to prior approval of Library. In a given calendar year, ILSDO will process five (5) donations for the benefit of the **Library** without a fee. All donations in excess of five (5) received by the Fund within the remainder of the same calendar year will be assessed a \$25.00 processing fee.

7. INVESTMENT OF FUNDS

ILSDO shall have all powers necessary, or in its sole discretion desirable, to carry out the purposes of the Fund, including, but not limited to, the power to retain, invest and reinvest the Fund in any manner as authorized by the laws of the State of Illinois and the power to co-mingle the assets of the Fund with those of other funds for investment purposes.

8. DISTRIBUTION

Any gifts made to the Fund, and earnings thereon if any, shall be distributed to Library to be expended for, or in furtherance of, the purposes of the Fund. If any gifts to ILSDO for the purposes of the Fund are received and accepted subject to a Donor's restrictions as to the use of income or principal, said restrictions will be honored, subject, however to the authority of ILSDO's Board of Directors to vary the terms of any gift if continued adherence to any restriction is impractical, impossible, or unlawful.

9. FUND TERMINATION

The Fund shall continue so long as assets are available in the Fund and the purposes of the Fund can, in the opinion of the Board of Directors of ILSDO, be served by its continuation. If the Fund is terminated for the above reasons, ILSDO shall devote any remaining assets in the Fund exclusively for charitable purposes that:

- (a) are within the scope of the charitable purposes of ILSDO's Articles of Incorporation;
- (b) most nearly approximate, in the good faith opinion of the Board of Directors of ILSDO, to the original purpose of the Fund; and

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(c) benefit the Library.

10. ACCOUNTING

This Fund shall be accounted for separately and apart from other gifts to ILSDO.

11. INDEMNIFICATION

Library shall indemnify ILSDO and its directors, officers, and employees, if named as a party, or threatened to be named as a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, arising out of the acceptance of gifts and administration of the Fund, against expenses (including attorneys fees), judgments, fines, and amounts paid in settlement, actually and reasonable incurred, if ILSDO or such person acted in good faith and in a manner reasonably believed to be in, or not opposed to, the best interests of ILSDO and the Fund.

12. NOTICES

Any notices, distributions or other contact shall be by First Class United States Mail, properly addressed and postage prepaid, to the following addresses:

To Library:

Chenoa Public Library District

211 South Division

Chenoa, Illinois 61726

To ILSDO:

**Illinois Library System Directors'
Organization**

c/o Lewis & Clark Library System

6725 Goshen Road

Edwardsville, IL 62025

Phone #: 618-656-3216

13. ENTIRE AGREEMENT

This is the entire agreement of the parties and any other terms and conditions are hereby deemed to be merged into this agreement.

14. APPLICABLE LAW

This agreement shall be construed under the laws of the State of Illinois and is the entire agreement of the parties.

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15. BINDING EFFECT

This agreement shall be binding upon the parties, their heirs, successors, assigns and personal representatives.

Chenoa Public Library District

(LIBRARY)

By: Mayreta Weber

Its: Library Director

Approved by the Board of Directors of Illinois Library System Directors
Organization on _____

ILLINOIS LIBRARY SYSTEM DIRECTORS ORGANIZATION

By: _____

Its: _____

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