

BYLAWS
OF
MULTITYPE AUTOMATION GROUP IN COOPERATION ("MAGIC")

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BYLAWS

OF

MULTITYPE AUTOMATION GROUP IN COOPERATION ("MAGIC")

ARTICLE I - AUTHORITY

MAGIC is established pursuant to the intergovernmental cooperation clause as set forth in Article VII, Section 10 of the Constitution of the State of Illinois; and the Intergovernmental Cooperation Act, 5 ILCS 220/1 *et seq.*

ARTICLE II - GOVERNING BOARD

SECTION 1. GENERAL POWERS. To the extent not otherwise expressly provided in these Bylaws, the affairs of MAGIC shall be managed by its Governing Board.

MAGIC shall not have or exercise any power which is not granted to a public library pursuant to Illinois law.

SECTION 2. NUMBER OF MEMBERS OF GOVERNING BOARD. The number of members of the Governing Board of MAGIC shall be equal to the number of the libraries which are active Member Libraries of MAGIC, and shall be increased or decreased automatically and without further act of the Governing Board so that the number of the members of the Governing Board at all times shall be equal to the number of active Member Libraries.

Each Member Library shall appoint its Chief Administrator to act as the Member Library's representative ("Representative") on the Governing Board. The Library may also appoint a member of the Library's staff to act as the Library's Designated Alternative Representative in the event that the Representative is unable

to attend any meeting of the Governing Board or is otherwise unable to function as a member of the Governing Board.

The MAGIC Director shall transmit to each Library's Representative and its Designated Alternative Representative the packet of materials for each meeting of the Governing Board.

If neither the Representative nor the Designated Alternative Representative is able to attend a Governing Board meeting or function as a member of the Governing Board, Representative or Designated Alternative Representative may appoint a temporary representative to the Governing Board to act and vote in the place and stead of such Representative. The Representative or Designated Alternative Representative shall promptly give notice to the MAGIC Director by letter, telephone or electronically (including fax, e-mail or other electronic communication), advising of the name, job title or position, and telephone number and e-mail address of the temporary representative; and no temporary representative shall be allowed to act or vote unless the Representative or Designated Alternative Representative has given such notice to the MAGIC Director.

Each Representative, Designated Alternative Representative and temporary representative shall vote in accordance with the authority conferred by the Governing Body of the Member Library making the appointment.

For purposes of these Bylaws, the term "Governing Body" shall refer, as appropriate, to that group of persons vested with the ultimate legal and fiscal authority for the management of the affairs of the Member Library, irrespective of the name by which such group is designated by the Member Library.

Each Member Library shall retain the right to remove and replace without cause any Representative appointed by such Member Library.

SECTION 3. MEETINGS. The Governing Board of MAGIC shall establish a schedule of regular meetings as it deems appropriate, except that the Governing Board shall meet no less frequently than once each quarter of each fiscal year. Meetings of the Governing Board will be held customarily at MAGIC Headquarters or a member library, but under special circumstances they may be held elsewhere with prior approval of the Governing Board. *Robert's Rules of Order*, latest edition, shall

be applicable to the conduct and business of such meetings on all matters not covered by these Bylaws. Meetings shall be noticed, held and otherwise conducted in conformance with the Illinois Open Meetings Act.

SECTION 4. SPECIAL MEETINGS. Special meetings of the Governing Board may be called by or at the request of the President of MAGIC, the Vice President, or any five (5) members of the Governing Board. The person or persons authorized to call special meetings of the Governing Board may fix any place within the State of Illinois as the place for holding any special meeting of the Governing Board called by them.

SECTION 5. NOTICE. Subject to the provisions of Section 3 above, no further notice of annual or regularly scheduled meetings of the Governing Board need be given to the individual members of the Governing Board.

Except as hereinafter provided, notice of any special meeting of the Governing Board shall be given at least five (5) business days prior thereto by telephone, by electronic telecommunications or by written notice to each member of the Governing Board at his/her address as shown by the records of MAGIC. If given by electronic telecommunication, such notice shall be deemed to be delivered when the electronic telecommunication is sent, provided, however, that the electronic communication must be filed with the minutes of proceedings of the Governing Board. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope so addressed, with postage thereon prepaid.

In the event that the President, Vice President, or any three (3) members of the Governing Board shall determine that there is a financial or other emergency to MAGIC, an emergency special meeting of the Governing Board may be held if reasonable notice thereof is given by telephone or electronic telecommunications prior to such meeting.

Notice of any meeting of the Governing Board may be waived by electronic telecommunications or in writing signed by the person or persons entitled to the notice either before or after the time of the meeting. The attendance of a member of the Governing Board at any meeting shall constitute a waiver of notice of such meeting, except where a member of the Governing Board attends a meeting for the

express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. The purpose of any special meeting of the Governing Board and the business to be transacted thereat shall be specified in the notice or waiver of notice of such meeting.

In the absence of a Bylaw, policy or rule to the contrary, members of the public who attend any regular or special meeting of the Governing Board (other than persons who are Trustees of a Member Library, officers of MAGIC, or the MAGIC Director) may not comment or ask questions of the Governing Board unless otherwise determined by the President of MAGIC.

SECTION 6. QUORUM. A majority of all members of the Governing Board of MAGIC shall constitute a quorum of the Governing Board for the transaction of business at any meeting of the Governing Board, provided that if less than a quorum of the members of the Governing Board is present at said meeting, a majority of the members of the Governing Board present may adjourn the meeting to another time without further notice.

SECTION 7. VOTING. Voting is based on the billing agency, not agencies within the MAGIC software. For example, a public library district with one main and two branch libraries would be one voting agency. A school district with seven schools would be one voting agency.

Only MAGIC members that are paying regular MAGIC fees are eligible to vote. A prospective member is not eligible to vote. An agency that has signed a MAGIC agreement but that is not yet paying regular fees (because it is in the process of converting software or data) is not eligible to vote.

The MAGIC Director does not vote, but he/she conducts and tallies the vote. The MAGIC Director will review proposals from MAGIC members to assess their operational feasibility, including technical, financial, and staffing aspects. A proposal that is deemed feasible by the MAGIC Director will be put to a vote by eligible MAGIC members. A proposal that is deemed not feasible will be discussed first with the library making the proposal. If the library still wishes to pursue the proposal, it will be discussed at a MAGIC Governing Board meeting. If the MAGIC Governing

Board wishes to pursue the proposal, it will be put to a vote by eligible MAGIC members. (See procedure below.)

All votes will be taken at a MAGIC Governing Board meeting. A quorum is a majority of all eligible voting agencies. Each eligible voting agency present shall have one vote.

The following issues of significant and/or long-term impact on MAGIC members require a two-part vote tally:

- a. Proposed expenditures of \$10,000 or more from the MAGIC reserve fund;
- b. Changes in the fee structure for mandatory MAGIC fees;
- c. Decisions about choosing a new library automation system;
- d. Decisions affecting MAGIC governance;
- e. Proposals deemed not feasible by the MAGIC Director but receiving approval from MAGIC Governing Board; and
- f. Other issues as required by a vote of the MAGIC governing board.

For two-part tallies, each voting agency casts only one vote, but it is counted twice. Each part is tallied separately, and a motion must pass *both* parts to be successful. This method ensures that small libraries as a group still require support from at least some large libraries and that large libraries that pay more still require support from other libraries. If a motion passes only one part, the issue will be returned to the MAGIC Governing Board for continued discussion.

Part one is the agency level. The vote of each eligible voting agency is tallied as one vote. Two-thirds of all votes cast are required to pass this part.

Part two reflects library size. The vote of each eligible voting agency shall be calculated as the percentage ratio of its monthly fees to total MAGIC monthly fees, rounded to the nearest integer; that is: $100(\text{library's monthly MAGIC fee}/\text{total$

monthly MAGIC fees) rounded to the nearest integer.

For example:

- A small library pays just the monthly membership fee of \$300; total monthly MAGIC fees might be \$25,000. The library's "size" vote is $100(300/25,000) = 1.2$, which rounds to 1 size vote.
- A large library might pay \$5,000 each month; total monthly MAGIC fees might be \$25,000. The library's "size" vote is $100(5,000/25,000) = 20$.

All other votes are counted only at the agency level. Two-thirds of the votes cast are required for a motion to pass. Such votes include, but are not limited to, the following issues:

- a. Proposed expenditures of less than \$10,000 from the MAGIC reserve fund
- b. Recommendations for banking options for the MAGIC reserve fund
- c. Purchase of new software modules for optional use by MAGIC libraries
- d. Fees for optional MAGIC services that individual MAGIC libraries may choose whether or not to use
- e. Planned downtime that cannot be scheduled during hours when most MAGIC libraries are closed
- f. Proposals deemed feasible by MAGIC Director, unless they fall into a category requiring a two-part tally.
- g. Recommendations to call for a two-part tally on an issue

Voting procedures will be reviewed annually by the MAGIC Governing Board. Amended procedures shall become effective upon approval by MAGIC libraries following the procedures in effect prior to amendment.

SECTION 8. COMPENSATION. Members of the Governing Board shall not receive any compensation for their services.

ARTICLE III - OFFICERS

SECTION 1. OFFICERS. The officers of MAGIC shall be a President, a Vice President (who shall be the President-Elect), the immediate Past President, a Secretary, and a Treasurer (and such other officers as may be elected by the Governing Board). Officers whose authority and duties are not prescribed in these Bylaws shall have the authority and perform the duties prescribed, from time to time, by the Governing Board. The officers shall be elected by the Governing Board at the last general meeting before the end of the MAGIC's fiscal year. They shall assume their office at the beginning of the new fiscal year in accordance with the provisions of Section 2 below. Only those persons who are members of the Governing Board are eligible for election to the office of President, Vice President, Secretary and Treasurer.

SECTION 2. ELECTION AND TERM OF OFFICE. The term of office of the President of MAGIC shall be for one (1) fiscal year of MAGIC.

The term of office of the Vice President of MAGIC shall be one (1) fiscal year of MAGIC. The person elected as Vice President shall, after serving his/her term as Vice President, serve as President of MAGIC for the succeeding fiscal year and shall serve as past President for the next succeeding fiscal year.

The terms of office of the Treasurer of MAGIC and Secretary of MAGIC shall be two (2) fiscal years of MAGIC. The office of the Treasurer shall expire in odd-numbered fiscal years, and the office of the Secretary shall expire in even-numbered fiscal years, so that the election of the Treasurer and the election of the Secretary shall take place in alternate years.

Each officer shall hold office until his/her successor shall have been duly elected or until his/her death or until he/she shall resign or shall have been removed in the same manner hereinafter provided. Election of an officer shall not of itself create contract rights.

SECTION 3. VACANCIES.

- a. Vacancies occurring before December 31: In the event of a resignation of the President on or before December 31, an election to fill the vacancy will be held at the next Governing Board meeting.
- b. Vacancies occurring after December 31: Should the President's resignation occur between January 1 and the end of the term of office, the Vice President-Elect will assume the term of office upon the effective date of resignation, and appoint an acting Vice President who shall complete the term of office but shall not be designated as President-Elect. The new President shall also serve his/her duly elected term.
- c. Should the office of Vice President/President-Elect become vacant (other than through the filling of a vacancy of the Presidency from January to July) a new election will be held at the next Governing Board meeting to elect a Vice President/President Elect.
- d. Should any office (other than the President or the Vice President/President-Elect) become vacant, a new election will be held at the next Governing Board meeting to elect an officer to fill the vacant office.

SECTION 4. REMOVAL. Any officer elected or appointed by the Governing Board or the Executive Committee, respectively, may be removed by the electing or appointing body whenever in its judgment the best interests of MAGIC would be served thereby.

SECTION 5. PRESIDENT. The President shall be the principal executive officer of MAGIC and is an *ex-officio* member of all committees. Subject to the direction and control of the Governing Board, he/she shall be in charge of the business and affairs of MAGIC; he/she shall see that the resolutions and directives of the Governing Board are carried into effect except in those instances in which that responsibility is assigned to some other person by the Governing Board; and, in general, he/she shall discharge all duties incident to the office of President and such other duties as may be prescribed by the Governing Board. He/she shall approve the agenda for and preside at all meetings of the Governing Board. Except in those instances which the authority to execute is expressly delegated to another officer or agent of MAGIC or a different mode of execution is expressly prescribed by the Governing Board or these Bylaws, he/she may execute for MAGIC any contracts, deeds, mortgages, or other instruments which the Governing Board has authorized to be executed, and he/she may accomplish such execution either individually or with the Secretary or any other officer or agent thereunto authorized by the Governing Board, according to the requirements of the form of the instrument.

The past President shall be a voting member of the Executive Committee and shall vote on all matters that come before the Governing Board.

SECTION 6. VICE PRESIDENT/PRESIDENT-ELECT. The Vice President is the President-Elect. He/she shall assist the President in the discharge of his/her duties as the President may direct and shall perform such other duties as from time to time may be assigned to him/her by the President or by the Governing Board. In the absence of the President or in the event of the President's inability or refusal to act as mandated by the Governing Board, the Vice President shall perform the duties of the President, and when so acting shall have all the powers of and be subject to all the restrictions upon the President. Except in those instances in which the authority to execute is expressly delegated to another officer or agent of MAGIC or a different mode of execution is expressly prescribed by the Governing Board or these Bylaws, the Vice President may execute for MAGIC any contracts, deeds, mortgages or other instruments which the Governing Board has authorized to be executed, and he/she may accomplish such execution either individually or with the Secretary or any other

officer or agent thereunto authorized by the Governing Board, according to the requirements of the form of the instrument.

SECTION 7. TREASURER. The Treasurer shall be the principal accounting and financial officer of MAGIC. He/she shall:

- a. have charge of and be responsible for the maintenance of adequate books of account for MAGIC;
- b. have charge and custody of all funds and securities of MAGIC, and be responsible therefore, and for the receipt and disbursement thereof and, subject to the provisions of Section 4 of Article IV below, shall deposit such funds and securities in such banks as the Governing Board shall approve from time to time;
- c. perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him/her by the President or by the Governing Board; and
- d. shall give a bond for the faithful discharge of his/her duties in such sum equal to 50% of MAGIC's total cash and investments, and with such surety or sureties as the Governing Board shall determine, which bond shall be paid for by MAGIC. As an alternative, MAGIC may secure an insurance policy or other insurance instrument providing coverage for negligent or intentional acts that could result in the loss of MAGIC funds and such insurance product shall be paid for by MAGIC. He/she shall serve as Secretary of MAGIC in the absence of the official Secretary.

SECTION 8. SECRETARY. The Secretary shall record the minutes of the meetings of the Governing Board in one or more books provided for that purpose; see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; be custodian of the official records of MAGIC; keep a register of the post office address of each member of the Governing Board, which addresses shall be furnished to the Secretary by such member of the Governing Board; and perform all duties incident to the office of Secretary; and such other duties as from time to time may be assigned to him/her by the President or by the Governing Board.

ARTICLE IV - FINANCIAL MATTERS

SECTION 1. BUDGET. Each year, the Governing Board shall prepare and approve for submission to the Member Libraries a budget for MAGIC's operations in the forthcoming fiscal year. MAGIC's fiscal year shall commence on July 1 and conclude on June 30 of the next succeeding calendar year.

The proposed budget shall be approved by a vote of two-thirds (2/3) of all the members of the Governing Board.

The Member Libraries that fail to vote by the specified deadline shall be deemed to have approved said budget.

Should the Governing Board during the course of any fiscal year determine that the approved budget of MAGIC requires amendment, the Governing Board shall prepare, tentatively approve, and submit to the Member Libraries for approval an amended budget in the same manner as hereinbefore required. The Member Libraries shall have the same period of time to pass upon any proposed amendment and shall act upon same in the same manner as hereinbefore provided.

For the purposes of these Bylaws, the term "budgeted items" shall mean:

- a. any items which are specifically described in an approved budget of MAGIC when the expenditures for any such items which are not approved by the Executive Committee

do not exceed the dollar appropriation therefor set forth in the approved budget.

- b. any items which are generally described in an approved budget of MAGIC when the expenditures for any such items which are approved by the Executive Committee do not exceed the dollar appropriation therefor set forth in the approved budget.

SECTION 2. CONTRACTS. The Governing Board may authorize any officer or officers, agent or agents of MAGIC, in addition to the officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of MAGIC and such authority may be general or confined to specific instances. MAGIC may contract with agents, employees, vendors, independent contractors or other entities for administrative services, accounting/fiscal services, or any services necessary to carry out and accomplish the purposes of MAGIC.

SECTION 3. CHECKS, DRAFTS, ETC. All checks, drafts, or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of MAGIC, shall be signed by such officer or officers, agent or agents of MAGIC and in such manner as shall from time to time be determined by resolution of the Governing Board. In the absence of such determination by the Governing Board, such instruments shall be signed by the Treasurer and countersigned by the President or the Vice President of MAGIC.

SECTION 4. DEPOSITS. All funds of MAGIC shall be deposited from time to time to the credit of MAGIC in such banks, trust companies, or other depositories as the members of the Governing Board may approve; provided, however, that all such deposits and investments shall be in financial institutions in which monies of public libraries may be deposited or invested in, in compliance with the requirements of 30 ILCS 225/1 *et seq.* and 30 ILS 235/1 *et seq.*

SECTION 5. GIFTS. The Governing Board may accept or reject on behalf of MAGIC any contribution, gift, bequest or devise for the general purposes or for any special purpose of MAGIC.

SECTION 6. AUDITS. An audit shall be conducted each fiscal year by an independent certified public accountant authorized to practice public accounting in Illinois, which accountant shall be designated by the Governing Board. Such audit shall include a report to the Governing Board and the professional opinion of the accountant as to the financial status of MAGIC and as to the accuracy of the audit.

SECTION 7. PAYMENTS. Each active Member Library shall pay in full its share of the financial obligations incurred by MAGIC, such payment to be made within sixty (60) days of receipt of the bill. Regular billing statements will be transmitted to all Member Libraries, together with MAGIC's regular financial and budgetary reports. MAGIC's billing statement to such Member Library may include, but not be limited to, membership fee, building fee, unit use fee, and other operating costs. The unit use fee shall be based on the sum of the Member's holdings (item records) plus its annual circulation. These monthly fees are for use of the integrated library system and associated software and in no way shall be considered a purchase. Rates for each fee may change from time to time as approved by the Governing Board. Details on current fees are available on request from MAGIC Director.

Interest at the then-current Illinois Fund rate (which is the daily rate as listed on the Illinois State Treasurer's website on the day that the interest is charged) may be charged to each Member Library which fails to pay its billing statements within sixty (60) days after receipt thereof.

MAGIC will provide each Member with a revised quote annually not later than March 1, and such quote will take effect on July 1 of that year.

SECTION 8. WORKING CASH FUND. The Governing Board may by resolution establish a Working Cash Fund which shall be maintained and administered for the purpose of enabling MAGIC to have at all times sufficient money to meet demands for ordinary and necessary expenditures. The monies in the Working Cash Fund shall not be regarded as current assets available for appropriations and shall not be appropriated by the Governing Board in the annual budget.

The Working Cash Fund may be established by a transfer from the Reserve Fund, as designated by the Governing Board.

Monies may be transferred from the Working Cash Fund to any other fund of MAGIC upon the authority of the Governing Board, which shall be by a Resolution directing the MAGIC Treasurer or the MAGIC Executive Director to make such transfer.

Monies earned as interest from the investment of the Working Cash Fund or any portion thereof may be transferred from the Working Cash Fund to any other fund of MAGIC without any requirement of repayment to the Working Cash Fund, when authorized by Resolution of the Governing Board.

Each Member Library shall pay to MAGIC, within ninety (90) days of receipt of MAGIC's billing therefor, an advance equal to two (2) months' charges (as estimated by the Governing Board in consultation with such Member Library). This advance shall serve as a Working Cash Fund, shall not affect the regular billings set forth in Section 7 above, and may be adjusted by the Governing Board from time to time and at the end of each fiscal year of MAGIC by a supplemental billing statement, so as to maintain in the Working Cash Fund a sum approximately equal to two (2) months' charges for such Member Library. Interest earned on such Working Cash Fund shall be disbursed at the discretion of the Governing Board in accord with the budget of MAGIC.

A penalty (not to exceed 10 percent of the Member Library's annual payments to MAGIC for the preceding fiscal year of MAGIC) may be imposed by the Governing Board in the event such Member Library fails to make any payments to the Working Cash Fund as required herein.

SECTION 9. FINANCIAL ARREARAGES. In the event that a Member Library fails to timely pay its regular billing statement from MAGIC or fails to pay a sufficient amount to the Working Cash Fund, or fails to pay within seventy (70) days after written demand any interest or penalty imposed hereunder, the Governing Board may suspend the active membership status of such Member Library and thereby deny computer services and database access to such Member Library, until such payment is made in full. If such Member Library fails to make full payment

within ninety (90) days after such termination of services, the Governing Board may take such other action as is necessary or appropriate, including litigation against such Member Library and termination of its agreement with MAGIC.

SECTION 10. RESERVE FUND. The reserve fund is intended for emergencies, planned replacements of ILS equipment and software, enhancements to the integrated library system, and other expenses as approved by MAGIC members. All expenditures from the reserve fund require prior approval by MAGIC members following current voting procedures.

ARTICLE V - COMMITTEES AND DIRECTOR

SECTION 1. EXECUTIVE COMMITTEE. The Executive Committee of MAGIC shall be composed of the President, the immediate past-President, the Vice President, the Secretary, the Treasurer, and one (1) other member of the Governing Board who shall be a member-at-large and shall be elected by the Governing Board. The term of office of such member-at-large shall be two (2) fiscal years of MAGIC with elections in even-numbered fiscal years. The Executive Committee shall review the procedures, policies and performance of MAGIC and its Governing Board, and make recommendations; negotiate and review contracts with third parties and review and monitor the performance thereunder; approve expenditures of budgeted items and those emergency nonbudgeted items which will not cost any Member Library more than \$50; recommend applications for membership in MAGIC; adopt salary schedules; appoint and evaluate the MAGIC Director; and take such other action as may be directed by the Governing Board.

The Executive Committee shall adopt rules for its own government not inconsistent with the Intergovernmental Agreement, these Bylaws or with directives established by the Governing Board, which rules shall be in writing and shall be submitted to the Governing Board for approval before being put into effect.

A quorum of the Executive Committee shall consist of a majority of the entire membership of the said Committee, and the affirmative vote of a simple majority of

the members of the Executive Committee present at a meeting at which a quorum is present shall be the act of the Committee.

SECTION 2. MAGIC DIRECTOR. The MAGIC Director shall be the Chief Operating Officer of MAGIC and shall be responsible for administering the policies adopted by the Governing Board, supervise the total operation of MAGIC, and serve as advisor to the Governing Board and the Executive Committee. The MAGIC Director shall develop the program, implement the long-range plan, make recommendations to the Executive Committee for hiring and evaluating the personnel and independent contractors, purchase materials, and undertake such other activities as may be necessary for the operation of MAGIC, subject to the policies established by the Governing Board.

The MAGIC Director shall attend all Executive Committee and Governing Board meetings. At each regular meeting of the Executive Committee, the MAGIC Director shall prepare and present a listing of all bills to be paid subject to the approval of the Executive Committee. The MAGIC Director shall report directly to the Executive Committee.

ARTICLE VI - BOOKS AND RECORDS

MAGIC shall keep correct and complete books and records of account and shall also keep minutes of the meetings of the membership of MAGIC, and of proceedings of the Governing Board and committees having any of the authority of the Governing Board. MAGIC shall keep at its principal office a record giving the names and addresses of the members of the Governing Board. All books and records of MAGIC may be inspected by any Member Library or member of the Governing Board, or the agent or attorney thereof, for any proper purpose at any reasonable time.

ARTICLE VII - FISCAL YEAR

The fiscal year of MAGIC may be changed from time to time by written resolution of the Governing Board.

ARTICLE VIII - SERVICES TO MEMBERS

Subject to the terms and conditions set forth in the Intergovernmental Agreement and in conformity with the provisions of these Bylaws, MAGIC shall, on a uniform and nondiscriminatory basis, provide each Member Library on active membership status in MAGIC with cooperative library application computer services and automation services, including but not limited to software designed to meet the specific needs of the Member Libraries. The Governing Board of MAGIC shall take all necessary and appropriate actions so as to enable MAGIC to provide such computer and automation services, including causing MAGIC to enter into one or more contracts with third parties for such services.

ARTICLE IX - MEMBERS AND MEMBERSHIP

SECTION 1. MEMBERS. Any public, academic, school or special library (as defined below) may be admitted to membership in MAGIC, but only upon compliance with the following conditions:

- a. The addition of the new Member Library requires approval by the affirmative vote of two-thirds (2/3) of all the members of the Governing Board of MAGIC.

- b. The new Member Library shall sign a copy of the Intergovernmental Agreement and of these Bylaws for the purpose of acknowledging its commitment to assume the rights and fulfill the responsibilities of membership in MAGIC, and shall transmit to the Secretary of MAGIC a

certified copy of the document approved by such new Member Library providing for the execution of the Intergovernmental Agreement and Bylaws.

- c. The active membership of such new Member Library shall become effective on the date on which its bibliographic or patron records are first loaded into the MAGIC database.
- d. The new Member Library shall pay to MAGIC such sum of money as is determined by the members of the Governing Board of MAGIC. The new Member Library shall be responsible for all startup costs of joining MAGIC, including but not limited to data conversion, software, equipment, and telecommunications. The Governing Board of MAGIC may annually set an additional initial fee for new Members and may also state the new Member Library's contribution to the Working Cash Fund (computed as set forth in Section 8 of Article IV). The Governing Board shall determine the new Member Library's monthly fee using the same formula and rates as used for active Member Libraries and as stated in Section 7 of Article IV.

For purposes of these Bylaws, the members of MAGIC are referred to as "Member Libraries." The terms "Member Libraries" and "Member Library" include each new Member Library as of the effective date of its active membership in MAGIC. The following terms shall have the following meanings:

1. *Public Library* - A tax-supported public library established by a governmental unit which is either authorized to levy a tax for library purposes, or which supports the library at least in part from local tax revenues other than federal

revenue-sharing, and established by a city, village, incorporated town, township, county or library district under Illinois statutes. Free public libraries established by villages but not supported at least in part from local tax revenues, and incorporated free public libraries not established by a unit of local government are not included in this definition.

2. *School Library* - The library or libraries of an elementary and/or secondary school district, or private elementary and/or secondary schools under a single governing authority.
3. *Academic Library* - The library or libraries of an institution of education beyond the secondary level which is authorized to operate in the State of Illinois.
4. *Special Library* - Any other library or resource center of, or under, the governing authority of any body or institution not defined hereinabove.
5. *Library* - Any entity which serves the basic information and library needs of its constituents through a bibliographically-organized collection of library materials and which has at least one employee whose primary duty it is to serve as librarian, where the collection of library materials has permanent financial support, is accessible centrally, and occupies identifiable quarters in one or more principal locations.

SECTION 2. TRANSFER OF MEMBERSHIP. Membership in MAGIC is not transferable or assignable.

SECTION 3. NO MEMBERSHIP CERTIFICATES. No certificates of membership in MAGIC shall be issued.

SECTION 4. ANNUAL MEETING OF MEMBER LIBRARIES. An annual meeting of the Member Libraries shall be held at such time and place as the Executive Committee of MAGIC shall determine. Forty-five (45) days' prior written notice of the time and place of the annual meeting shall be given to all Member Libraries.

At the annual meeting of the Member Libraries, the President of MAGIC shall report to the Member Libraries regarding the business and affairs of MAGIC, and its budget and financial affairs (including the audit report described in Section 6 of Article IV above).

SECTION 5. RESPONSIBILITIES OF MEMBER LIBRARIES. Each Member Library shall conform to the standards and rules for computerized library service that have been established by the Governing Board of MAGIC. In the event that any Member Library shall fail to conform to such standards, the MAGIC Executive Committee shall investigate and shall report its findings and recommendations to the MAGIC Governing Board for such action as the Governing Board may determine to be appropriate pursuant to Article XI below.

Each Member Library shall comply with the confidentiality requirements contained in any Sales Agreement and Maintenance Agreement or any other agreement entered into by MAGIC with any vendor. The compliance required of each Member Library shall include signing any confidentiality documents and observing any other requirements designated by MAGIC in writing. In addition, each Member Library shall be individually responsible for any breach or violation of the confidentiality requirements by such Member Library, whether occurring during the term of the Member Library's membership in MAGIC or thereafter.

SECTION 6. TERM AND TERMINATION OF MEMBERSHIP. Each Member Library (including new Member Libraries admitted pursuant to Section 1 of this Article) shall participate in the Intergovernmental Agreement for a minimum term of two (2) years from the date on which the active membership of such Member

Library commences. Upon the expiration of such two-year period, the term of participation of such Member Library shall automatically be renewed for successive one-year periods, unless all parties to the Intergovernmental Agreement mutually agree, in writing, to terminate such Agreement, or unless at any time after the expiration of the initial two-year period such Member Library gives written notice of its intention to terminate its status as a Member Library as hereinafter provided. Such notice of termination shall be in the form of a certified copy of the document approved by such Member Library, declaring such Member Library's intent to terminate its Member Library Status in MAGIC, and shall be effective only if:

1. such notice is given not less than six (6) months in advance of the proposed termination date; and
2. the Member Library giving such notice has satisfied all of its obligations under the Intergovernmental Agreement and under these Bylaws, including Article X hereof.

SECTION 7. REINSTATEMENT. A library whose status as a Member Library has terminated may be reinstated by applying for admission as a new Member Library, as set forth in Section 1 of this Article. Such reinstated Member Library shall pay its share of the costs of new equipment and services purchased by MAGIC subsequent to the termination of such Library's membership status, said share to be determined according to the policies of MAGIC as in effect at the time of such reinstatement.

ARTICLE X - TERMINATION OF MEMBERSHIP AND TERMINATION OF MAGIC

SECTION 1. OBLIGATIONS UPON TERMINATION OF MEMBERSHIP. A Member Library terminating its membership in MAGIC, as provided in Section 6 of Article IX above, shall continue to be fully obligated for all payments and other duties owed by such Member Library to MAGIC until the termination date; provided, however, that if the Member Library terminates its membership in MAGIC because

such Member Library has objected to all of or any item in the proposed budget of MAGIC, or because such Member Library has objected to any proposed amendment to the budget, and such notice of termination is given within forty-five (45) days after the approval of such budget or proposed amendment thereto by the other Member Libraries of MAGIC, then the financial obligation of the terminating Member Library from the date of the notice of termination to its effective date shall be limited to the lesser of:

- a. 110 percent of its share of financial obligations actually assessed by MAGIC; or
- b. its actual assessment for the fiscal year preceding the final year of its participation.

Notwithstanding anything to the contrary contained in these Bylaws, a terminating Member Library shall remain fully obligated for:

- a. all special payments which had been specifically allocated to it by the Governing Board of MAGIC prior to the giving of written notice of cancellation by such terminating Member Library; and
- b. its pro rata share of any extraordinary payments and duties (which are any payments and duties not regularly or annually charged to Member Libraries) allocated to it by the Governing Board during the final year of participation by such terminating Member Library.

Each terminating Member Library must comply with the then-current MAGIC protocols with respect to the terminating Member Library's data conversion and related tasks.

SECTION 2. RIGHTS UPON TERMINATION OF MEMBERSHIP. At the expense of a terminating Member Library, MAGIC shall remove such terminating

Member Library's patron file and item file, and shall copy in machine-readable form such terminating Member Library's entries in MAGIC's bibliographic database. Such terminating Member Library shall have no rights or interest in any hardware or software purchased by MAGIC, in the MAGIC database, or in any other assets (real or personal, tangible or intangible, or mixed) of MAGIC.

SECTION 3. PROCEDURE UPON DISSOLUTION OF MAGIC. Upon the adoption of a resolution of dissolution by two-thirds of the Member Libraries of MAGIC, MAGIC shall cease to conduct its affairs except insofar as may be necessary for the proper winding up thereof, and shall immediately cause a notice of the proposed dissolution to be mailed to each Member Library and to each known creditor of MAGIC. MAGIC shall then proceed to collect its assets and apply and distribute them as hereinafter provided:

- a. All liabilities and obligations of MAGIC shall be paid or adequate provision shall be made therefore from the reserve fund;
- b. All assets held by MAGIC upon condition requiring return, transfer or conveyance, which condition occurs by reason of the dissolution, shall be returned, transferred or conveyed in accordance with such requirements;
- c. Any surplus in the reserve fund shall be distributed by MAGIC to current MAGIC members in accordance with each Member Library's proportionate share of total monthly fees over the previous 36 months.

ARTICLE XI - ENFORCEMENT PROCEDURES

In the event that a Member Library fails to comply with these Bylaws or with any rule or regulation of MAGIC:

- a. Such Member Library shall be given a written notice requesting compliance. At the written request of such Member Library, the Governing Board will meet with such Member Library to discuss the failure to comply and the corrective action needed for compliance.
- b. Unless such Member Library has taken all required corrective action within the time period set forth in said written notice or, if a hearing was requested, within the time period imposed by the Governing Board after such hearing, the Governing Board may suspend the active membership status of such Member Library and thereby deny computer services and database access to such Member Library, until such corrective action is taken. The Member Library shall not thereby be released from any of its obligations under the Intergovernmental Agreement and these Bylaws, including the obligation to make financial payments to MAGIC as provided by Article X above.
- c. If such Member Library has not taken such corrective action within ninety (90) days after such termination of services, the Governing Board may take such other action as it deems necessary or appropriate, including litigation against such Member Library including termination of the Agreement between MAGIC and the Member Library.

ARTICLE XII - AMENDMENT OF BYLAWS

The power to alter, amend, and repeal these Bylaws, and to adopt new Bylaws, is vested in the Governing Board, except with respect to:

- a. Section 2 of Article II (relating to members of the Governing Board);
- b. Article IV (relating to financial matters);
- c. Article IX (relating to Member Libraries and membership in MAGIC);
- d. Article X (relating to termination);
- e. Article XI (relating to enforcement procedures); and
- f. This Article.

The Bylaws may be amended, altered, added to or repealed as to any or all of the matter referred to in subparagraphs (a) through (f) above, upon the affirmative vote of two-thirds (2/3) of all the Member Libraries, at any regular or special meeting of the membership of MAGIC, provided that notice of the proposed amendment, alteration, addition or repeal is given in writing to the Member Libraries forty-five (45) days prior to such meeting.

ARTICLE XIII – NOTICES

All notices of claims or any other notice required to be given pursuant to these Bylaws, shall be in writing, shall be sent by certified mail and shall be addressed to:

MAGIC
[Address of MAGIC headquarters]
Attention: MAGIC Director

and to:

Member Library

[Address of the main library building]

Attention: Chief Administrator

***ARTICLE XIV – LIABILITY OF MAGIC, ITS EMPLOYEES AND
MAGIC GOVERNING BOARD MEMBERS***

A. The members of the MAGIC Governing Board and employees of MAGIC shall use ordinary care and reasonable diligence in the exercise of their powers and in the performance of their duties hereunder. They shall not be liable for any mistake of judgment or other action made, taken or omitted by them in good faith; nor for any action taken or omitted by any agent, employee or independent contractor; nor for any loss incurred through investment of MAGIC funds or failure to invest. They may participate in indemnification and self insurance programs and will also purchase liability insurance for MAGIC and for its officers and directors. No Governing Board member or employee shall be liable for any action taken or omitted by any other Governing Board member or employee. No member of the MAGIC Governing Board shall be required to give a bond or other security to guarantee the faithful performance of the Governing Board member's duties hereunder, except as required by this Agreement or by law.

B. The liability of MAGIC, its employees and MAGIC Governing Board members is limited solely to the proceeds of payments of Members and to the proceeds of any insurance purchased by MAGIC.

C. If any claim or action not covered by insurance is instituted against a MAGIC Governing Board member or employee of MAGIC arising out of an act or omission occurring within the scope of his or her duties or authority, MAGIC shall at the request of them:

1. appear and defend against the claim or action; and

2. pay or indemnify the MAGIC Governing Board member or employee for a judgment and court costs based on such claim or action, provided there shall be no indemnification for any portion of a judgment representing an award of punitive or exemplary damages; and
3. pay or indemnify the MAGIC Governing Board member or employee for a compromise or settlement of such claim or action providing the settlement is approved by the MAGIC Governing Board.

D. The term "MAGIC Governing Board member or employee" shall include former MAGIC Governing Board members and employees. This indemnification resolution shall not apply if the MAGIC Governing Board finds that the claim or action is based on malicious, willful or criminal claim or action is based on malicious, willful or criminal misconduct. In such case the action to be taken by the MAGIC Governing Board will be determined after an investigation of the facts.

Adopted: July 28, 2010

Amended: August 26, 2015