

BY-LAWS OF THE  
ROTARY CLUB OF NORTH FRESNO ENDOWMENT FUND

AS AMENDED AUGUST 20, 2009

Section 1.1 The name of this corporation is the ROTARY CLUB OF NORTH FRESNO ENDOWMENT FUND. The corporation is a non-profit corporation.

PURPOSES AND OBJECTIVES

Section 2.1 The purpose and objective of the ROTARY CLUB OF NORTH FRESNO ENDOWMENT FUND is promotion of the welfare of humanity in all its aspects, and the monies in this fund may be used, within the sound discretion of the Directors, for any charitable project or purpose.

SOURCE OF FUNDS

Section 3.1 The Directors may accept any gift, grant, devise or bequest made for the purpose of furthering the objectives of the ROTARY CLUB OF NORTH FRESNO ENDOWMENT FUND. Unless otherwise specified by the contributor to the fund, such gifts, grants, devises or bequests may be used, in the sound discretion of the Directors, for any purpose encompassed within the objectives of the corporation.

Section 3.2 Any contribution to the corporation may be made with the express direction that the gift shall be used for one or more specific purposes encompassed within the objectives of the corporation. However, if and when it appears to the Directors that circumstances have so changed that it is unnecessary, undesirable, impractical or impossible to comply literally with such direction, the Directors by an affirmative vote of five (5) of the Directors may direct the application of such contribution to such other charitable purposes as will most effectively accomplish the general objectives of the

corporation.

#### USE OF FUNDS

Section 4.1 It is the intention that only the income earned and capital gains realized on investment of the principal contributions to the corporation will be used for supporting charitable activities. It is the intention of the corporation that the principal of the fund, which is the sum of cash donations, net proceeds from fundraisers and the net proceeds upon liquidation of any non-cash donation, will be retained by the corporation in perpetuity.

Section 4.2 Power is granted to the Directors to invade the principal of the fund if special and unusual circumstances make it appear desirable to do so. Any such expenditure from the principal of the fund shall be made only on a unanimous vote of the Directors.

#### DIRECTORS

Section 5.1 The fund shall be administered by a Board of eight (8) Directors, selected as follows:

One (1) shall be the current Vice President/President-Elect of the Rotary Club of North Fresno.

One (1) shall be the current President of the Rotary Club of North Fresno.

One (1) shall be the immediate Past President of the Rotary Club of North Fresno.

One (1) shall be the next immediate Past President of the Rotary Club of North Fresno.

One (1) shall be appointed by the President of the Rotary Club of North Fresno from the members of that Club.

Three (3) shall be elected by the membership of the Rotary Club of North Fresno from the membership at large of that Club. No one of these three (3) Directors shall be an Officer or immediate or next immediate Past President of the Rotary Club of North Fresno.

Section 5.2 The three (3) elected Directors will be elected by the membership of the Rotary Club of North Fresno. The terms of the elected Directors shall be arranged so that one elected Director's term expires each year. The election of a person to fill a vacancy occurring by reason of the expiration of a Director's term will take place during the month of May, or at such later time as may be properly noticed. Notice of such election shall be given orally by the President of the Rotary Club of North Fresno to the membership not less than twenty-one (21) days prior to the election, and will be printed in the Club's bulletin at least once prior to the election. Elections will be held in the same manner as elections to the Board of Directors of the Rotary Club of North Fresno.

Section 5.3 No elected director shall be eligible to serve more than two consecutive three (3)-year terms. Membership in good standing in the Rotary Club of North Fresno is a condition to service as a Director; the termination of membership in that Club will be deemed a resignation from the Board of Directors. Any vacancy created during a term shall be filled by a majority vote of the remaining Directors, with such successor Director to serve to the end of the term which was vacated.

Section 5.4 The term of office of new Directors shall commence on July 1 of

each year. At the first meeting thereafter, the Board of Directors shall elect a Chairman, a Vice-Chairman and a Secretary, along with such other officers as is deemed desirable by the Board of Directors. The Chairman and the Vice-Chairman must be members of the Board of Directors. The Board of Directors shall hold such other meetings as deemed necessary at the call of any of the officers or two (2) of the Directors.

Section 5.5 A quorum shall consist of five (5) Directors. At any meeting when a quorum is present, a majority vote shall be sufficient to constitute action by the Board of Directors except for those instances in which a larger vote is called for under the terms of these By-Laws.

Section 5.6 The Board of Directors shall be entitled to exercise all rights of absolute ownership with respect to the property of this corporation, subject to the necessity that the property of the corporation be administered and handled in accordance with the conditions and requirements of these By-Laws. The Directors shall have, among other things, the power:

(1) To invest and reinvest any monies received in cash or in securities or in property as the Directors may deem advisable unless the donor thereof directs otherwise.

(2) To retain any and all property, real or personal, which comes into the fund in the form and condition in which it is received, notwithstanding the same may not be a legal investment for corporate funds under the laws of the State of California or, if it is deemed advisable, to sell or exchange any or all of such property.

(3) To sell, lease, convey, transfer, exchange, deliver and dispose of all or

any part of the assets of the corporation at such prices and upon such terms and conditions as deemed expedient and proper. No purchaser of any securities or property sold by the Directors shall be bound to ascertain or inquire into the necessity or propriety of any such sale or be bound to see to the application of the purchase monies paid therefor.

(4) To consent to the extension, refunding or renewal of any securities and to the extension or renewal of any mortgage or lien securing same.

(5) To make, execute and deliver all proper receipts, bills of sale, advances, assignments, transfers, proxies, powers of attorney and agreements as deemed best in the management and control of the securities and property constituting the assets of the corporation.

(6) To apportion any losses to principal or income as deemed appropriate.

(7) To make or join in any plan of reorganization in respect to any corporation of which any of the shares of stocks, bonds, or other securities or obligations at any time constitute part of the assets of the corporation, and to accept and hold any property or new securities in exchange for securities surrendered in accordance with any such plan.

(8) To vote on all stocks held by it; to unite with other owners of the securities of any corporation in carrying out any plan for the reorganization thereof; to exchange the securities of any corporation for others issued by the same or by any other corporation on such terms as shall be deemed proper; to assent to consolidation or merger of any corporation whose securities are held; to assent to the lease by such corporation of its property or any portion thereof to

another corporation; or to the lease by any other corporation of its property to said corporation; and to pay such assessments, expenses and other sums of money as deemed expedient for the protection of the corporation as holder of the stocks, bonds, or other securities of any corporation.

(9) To reject any donation where the Board, in its reasonable exercise of discretion, believes that acceptance of such donation would not be in the best interest of the corporation or further its objective.

Section 5.7 The powers conferred upon the Board of Directors shall be subject to the following limitations and restrictions:

(a) The Directors in making investments or reinvestments for the corporation shall not be permitted to purchase securities or properties from themselves or from any of them.

(b) All securities and property held by the corporation shall be devoted exclusively to charitable purposes.

(c) The Directors shall not have power to mortgage or pledge securities or property, except as otherwise provided by the donor.

(d) The Directors shall not make any contract or agreement to use funds of the corporation which are not yet available for use nor for expenditure of money that is expected to be received, but has not yet actually been received. Any contract or agreement contrary to this provision shall be invalid and ineffectual to bind the corporation.

Section 5.8 No Director shall receive any compensation for serving as a Director.

Section 5.9 The Board of Directors may select and employ attorneys, agents or servants and may pay proper compensation for the services and expenses of such attorneys, agents or servants.

#### LIMITATION OF LIABILITY

Section 6.1 No Director shall be liable for the acts, neglects or defaults of any of the other Directors or any person employed by the Board of Directors and selected with reasonable care. No Director shall be liable for any error of judgment or for any act done or omitted in good faith under advice from attorneys, agents or servants.

Section 6.2 All members of the Board of Directors will be included in and covered under the general blanket fidelity bond provided by the Rotary Club of North Fresno for its officers and directors.

#### FINANCIAL MATTERS

Section 7.1 The fiscal year of this corporation shall be from July 1 until June 30 of the following year.

Section 7.2 The Board of Directors may establish one or more deposit accounts with commercial banks, savings and loan associations, brokerage firms and other similar depositories. No withdrawals from any accounts so established shall be made without the signature of two (2) members of the Board of Directors.

Section 7.3 The Board of Directors shall submit to Board of Directors of the Rotary Club of North Fresno at least annually a financial report on the corporation, including all sums received and expended since the previous report. The Board of Directors may have an audit made of said corporation and its receipts and disbursements

at the expense of the corporation. Upon demand in writing to the Board of Directors of the Rotary Club of North Fresno, such an audit must be made and shall be made by a Certified Public Accountant. Such demand for an audit may not be made more often than once a year.

#### AMENDMENTS

Section 8.1 Any amendment to these By-Laws shall require the affirmative vote of two-thirds of the active members of the Rotary Club of North Fresno voting at a meeting called for that purpose. Any proposed amendment shall be submitted in writing to each active member of the Rotary Club of North Fresno no less than fourteen (14) days prior to the vote thereon. Electronic delivery will be deemed a satisfactory form of providing a copy of the proposed amendments. The vote shall be by written ballot. Delivery of the written ballot to the Secretary on or before the date of the meeting shall constitute a valid vote. The voting will close at the conclusion of the meeting called for the vote.

#### DISSOLUTION

Section 9.1 The property and assets of the Rotary Club of North Fresno Endowment Fund are irrevocably dedicated to charitable purposes. No part of the net earnings, properties or assets of this corporation, on dissolution or otherwise, shall inure to the benefit of any private person or individual. On dissolution of the corporation, all properties and assets and obligations shall be distributed and paid over to an organization or organizations dedicated to charitable purposes, provided that such organization or organizations continue to be dedicated to the exempt purposes as specified in Internal



Revenue Code Section 501(c)(3).

Section 9.2 Upon a decision to dissolve this corporation, the Directors shall submit a plan for dissolution to the Rotary Club of North Fresno. Such plan shall be approved by the membership of said Club in the same manner as amendments to the By-Laws of this corporation.

Section 9.3 After approval of a plan of dissolution, a court of proper jurisdiction may be petitioned to approve such plan. Upon approval by the court, the Directors shall be discharged from their duties and any and all liabilities arising as a result of their serving as Directors.

THE ROTARY CLUB OF NORTH  
FRESNO ENDOWMENT FUND

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Chairman of the Board of Directors

ATTESTED:

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Secretary

CERTIFICATE OF SECRETARY

The undersigned, Secretary of ROTARY CLUB OF NORTH FRESNO  
ENDOWMENT FUND, a California Non-Profit Corporation, hereby certifies that the  
foregoing is a full, true and correct copy of the By-Laws of said Corporation as amended  
on August 20, 2009.

WITNESS the signature of the undersigned this \_\_\_\_ day of \_\_\_\_\_, 2009.

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