

BYLAWS OF
CLOVIS ROTARY FOUNDATION, INC.
(fka Friends Of Rotary District 5230),
A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION
June 16, 2019

ARTICLE 1: OFFICES

Section 1.1 Principal Office

The principal office for the transaction of the business of the Clovis Rotary Foundation, Inc. (hereinafter "Corporation") shall be located at 3725 Robinwood Ave., Clovis, CA 93619 in Fresno County, California. The Directors may change the principal office from one location to another, and this section shall be amended accordingly.

Section 1.2 Other Offices

The Board of Directors may at any time establish branch offices, either within or outside the State of California, in order to advance the proper purposes of the Corporation.

ARTICLE 2: OBJECTIVES AND PURPOSES

Section 2.1 Purpose

The purpose of the Clovis Rotary Foundation is to to receive gifts of money and property, to maintain and manage same, and to distribute money and property to support local and international causes supported by The Rotary Club of Clovis, as decided upon by the Board of Directors as provided in this document.

Section 2.2 Activities

The foregoing notwithstanding, the Corporation shall carry on only those activities permitted to be carried on (a) by a corporation exempt from federal tax under section 501(c)(3) of the Internal Revenue Code or (b) by a corporation making contributions which are deductible under section 170(c)(2) of the Internal Revenue Code.

ARTICLE 3: DEDICATION OF ASSETS

The properties and assets of this nonprofit Corporation are irrevocably dedicated to public benefit and/or 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, or any Director or Officer of this Corporation. On liquidation or dissolution, all properties and assets remaining after payment, or provision for payment, of all debts and liabilities of this Corporation shall be distributed to a nonprofit fund, foundation, or corporation which is organized and operated exclusively for charitable purposes and which has established its exempt status under Internal Revenue Code §501(c)(3).

ARTICLE 4: MEMBERS

Section 4.1 Members

The Corporation shall have no Members. Any action which would otherwise require approval by a majority of all Members or approval by the Members shall require only approval of the Board. All rights which would otherwise vest in the Members shall vest in the Directors.

Section 4.2 Rights

Nothing in this Article shall be construed as limiting the right of the Corporation to refer to persons associated with it as "Members" even though such persons are not Members, and no such reference shall constitute anyone a Member within the meaning of section 5056 of the California Non-profit Corporation Law. The Corporation may confer by amendment of its Articles or of these Bylaws some or all of the rights of a Member, as set forth in the California Nonprofit Corporation Law, upon any person or persons who do not have the right to vote for the election of Directors or on a disposition of substantially all of the assets of the Corporation or on a merger or on a dissolution or on changes to the Corporation's Articles or Bylaws, but such person shall not be a member within the meaning of said section 5056.

ARTICLE 5: OFFICERS

Section 5.1 Officers

The Corporation shall have the following Officers: CEO/Chair of the Board, Secretary, and Treasurer, and such other Officers as the Board may designate by resolution and appoint pursuant to Section 6.1. Officers may be Directors. No person serving as Secretary or Treasurer, may serve concurrently as CEO/Chair of the Board.

Section 5.2 Term of Office

- a) Each Officer shall serve a two-year term in a specific office. No Officer may serve more than four consecutive years in a specific Office without leaving the Board for a minimum of one year upon which time they shall become eligible for election to the Board.
- b) Upon approval by vote of two-thirds of the Board of Directors, a one-time waiver may be granted to extend the term of office of any Officer for an additional two year term extending the maximum consecutive term to six years.

- c) Should an Officer leave office during his or her term with less than one year to serve, the CEO/Chair of the Board, with approval of the Board, will appoint a replacement. Should an Officer leave office during their term with one or more years to serve, a new Officer shall be nominated and elected by the Board.

Section 5.3 Election of Officers

The Officers of the Corporation may be those same persons who are officers of The Rotary Club of Clovis, except that the Treasurer of The Rotary Club of Clovis shall not be the Treasurer of the Corporation. The Corporation shall select its Treasurer at its annual meeting to be held in June of each year.

Section 5.4 Removal of Officers

Subject to rights, if any, under any contract of employment, any Officer may be removed, with or without cause, by the Board of Directors, at any regular or special meeting of the Board.

Section 5.5 Resignation of Officers

Any Officer may resign at any time by giving written notice to the Board of Directors, the CEO/Chair of the Board, or the Secretary of the Corporation. Any resignation shall take effect at the date of receipt of that notice or at any later time specified in that notice. Unless otherwise specified in that notice, the acceptance of the resignation shall not be necessary to make it effective. Any resignation shall be without prejudice to the rights, if any, of the Corporation under any contract to which the Officer is a party.

Section 5.6 Vacancies in Office

A vacancy in any Office because of death, resignation, removal, disqualification, or any other cause shall be filled in the manner prescribed in these Bylaws Section 6.3 for regular appointments to that Office.

Section 5.7 Responsibilities of Officers

- a) *CEO/Chair of the Board.* The CEO/Chair of the Board shall be the chief executive officer of the Corporation. He or she shall have such other powers and duties as may be prescribed by the Board of Directors or these Bylaws. The CEO/Chair of the Board shall be responsible to the Board of Directors, shall see that the Board is advised on all significant matters of the Corporation's business, and shall see that all orders and resolutions of the Board are carried into effect. The CEO/Chair of the Board shall be empowered to act, speak for, or otherwise represent the Corporation between meetings of the Board within the boundaries of policies and purposes established by the Board and as set forth in the Articles of Incorporation and these Bylaws. The CEO/Chair of the Board shall be responsible for keeping the Board informed at all times of staff performance as related to program objectives, and for implementing any personnel policies adopted by the Board.

b) *Secretary*. The Secretary shall attend to the following:

(i) *Book of Minutes*. The Secretary shall keep or cause to be kept, at the principal executive office or such other place as the Board of Directors may direct, a book of minutes of all meetings and actions of Directors and committees of Directors, with the time and place of holding regular and special meetings, and if special, how authorized, the notice given, the names of those present at such meetings, and the proceedings of such meetings.

(ii) *Notices and Other Duties*. The Secretary shall give, or cause to be given, notice of all meetings of the Board of Directors required by the Bylaws to be given. The Secretary shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or the Bylaws.

c) *Treasurer*. The Treasurer shall be the chief financial officer of the Corporation and shall attend to the following:

(i) *Books of Account*. The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and records of accounts of the properties and business transactions of the Corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, and other matters customarily included in financial statements. The books of account shall be open to inspection by any Director at all reasonable times.

(ii) *Quarterly Reports*. No less often than quarterly, the Treasurer shall present a financial report to the Board including, at a minimum, a balance sheet and fiscal year-to-date income statement, together with a comparison to budgeted amounts.

(iii) *Deposit and Disbursement of Money and Valuables*.

The Treasurer shall:

- deposit all money and other valuables in the name and to the credit of the Corporation with such depositories as may be designated by the Board of Directors;
- disburse funds of the Corporation as may be ordered by the Board of Directors;
- render to the CEO/Chair of the Board and Directors, whenever they request it, an account of all financial transactions and of the financial condition of the Corporation; and
- have other powers and perform such other duties as may be prescribed by the Board of Directors or the Bylaws.

(iv) *Bond*. If required by the Board of Directors, the Treasurer shall give the Corporation a bond in the amount and with the surety specified by the Board for the faithful performance of the duties of his or her office and for restoration to the Corporation of all its books, papers, vouchers, money, and other property of every

kind in his or her possession or under his or her control on his or her death, resignation, retirement, or removal from office.

ARTICLE 6: DIRECTORS

Section 6.1 Powers

- a) *General Corporate Powers.* The business and affairs of the Corporation shall be managed, and all corporate powers shall be exercised, by or under the direction of the Board of Directors.
- b) *Specific Powers.* Without prejudice to their general powers, the Directors shall have the power to:
 - (i) Select and remove the Officers of the Corporation; prescribe any powers and duties for them that are consistent with the law, with the Articles of Incorporation, and with these Bylaws. The Directors and Officers shall not be compensated for their duties as Directors and Officers, except for their reasonable and substantiated expenses incurred on behalf of the Corporation. Directors and Officers are ineligible to provide paid services or products to the Corporation.
 - (ii) Change the principal executive office or the principal business office in the State of California from one location to another; cause the Corporation to be qualified to do business in any other state, territory, dependency, or country, and conduct business within or outside the State of California; and designate any place within or outside the State of California for the holding of any meeting.
 - (iii) Adopt, make, and use a corporate seal and alter the form of the seal.
 - (iv) Borrow money and incur indebtedness on behalf of the Corporation and cause to be executed and delivered for the Corporation's purposes, in the Corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations, and other evidences of debt.

Section 6.2 Number of Directors

The number of Directors (including Officers) shall be not less than 7 and not more than 9, with the exact authorized number of Directors to be determined by the Board from time to time.

Section 6.3 Appointment and Term of Office of Directors

- d) The President and the President Elect of The Rotary Club of Clovis shall serve as Directors of the Corporations Board during their term with The Rotary Club of Clovis.
- e) Each Director shall serve a two-year term. No Director may serve more than four consecutive years on the Board without leaving the Board for a minimum of one year

upon which time they shall become eligible for election to the Board. The terms of office for approximately one-half of the Directors will expire each year.

- f) The initial selection of Directors shall be for terms of either two years or three years to balance the end of the initial terms of office. Initially, two Directors are elected to serve 2-year terms and two Directors are elected to serve 3-year terms.
- g) Should a Director leave office during his or her term with less than one year to serve, the CEO/Chair of the Board, with approval of the Board, will appoint a replacement. Should a Director leave office during their term with one or more years to serve, a new Director shall be nominated and elected by the Board.
- h) The CEO/Chair of the Board shall be selected by a majority vote of the Directors at each annual meeting, following the appointment or election of any new Directors at that meeting.

Section 6.4 Qualifications of Board Members

Any person 18 years of age or older who is an active member in good standing of The Rotary Club of Clovis.

Section 6.5 Vacancies

- a) *Events Causing Vacancy.* A vacancy on the Board of Directors shall be deemed to exist at the occurrence of any of the following:
 - (i) The death, resignation, or removal of any Director.
 - (ii) The declaration by resolution of the Board of Directors of a vacancy in the office of a Director who has been declared of unsound mind by court order or convicted of a felony, or who has been found by final order or judgment of any court to have breached a duty under Corporation Code §5231 and following of the California Nonprofit Corporation Law.
 - (iii) The increase of the authorized number of Directors.
- b) *Resignation.* Except as provided in this paragraph, any Director may resign, which resignation shall be effective upon receipt of written notice by the CEO/Chair of the Board, or the Secretary, unless the notice specifies a later effective date for the resignation. No Director may resign when the Corporation would then be left without a duly elected Director or Directors in charge of its affairs.
- c) *Removal.*

- (i) Any Director may be removed, with or without cause, by the vote of the majority of the members of the entire Board of Directors at a special meeting called for that purpose, or at a regular meeting, provided notice of that meeting and of the removal questions are given as provided in Section 6.9. Any vacancy caused by the removal of a Director shall be filled as provided in this Article 6.
- (ii) Any Director who does not attend three successive Board meetings will automatically be removed from the Board without Board resolution unless:
 - The Director requests a leave of absence for a limited period of time, and the leave is approved by the Directors at a regular or special meeting. If such leave is granted, the number of Board members will be reduced by one in determining whether a quorum is or is not present.
 - The Director suffers from an illness or disability which prevents him or her from attending meetings and the Board by resolution waives the automatic removal procedure of this subsection
 - The Board by resolution of the majority of Board members agrees to reinstate the Director who has missed three meetings.

d) *Filling of Vacancies.*

Any vacancy caused by the death, resignation, or removal of a Director shall be filled in accordance with the provisions of Section 6.3

Section 6.6 Place of Meeting; Meeting by Telephone

Regular meetings of the Board of Directors may be held at any place within or outside the State of California, as designated from time to time by resolution of the Board. In the absence of such designation, regular meetings shall be held at the principal office of the Corporation. Special meetings of the Board shall be held at any place within or outside of the State of California, as designated in the notice of meeting or, if not stated in the notice or if there is no notice, at the principal office of the Corporation. Notwithstanding the above provisions of this Section 6.6, a regular or special meeting of the Board of Directors may be held at any place consented to in writing by all Board members, either before or after the meeting.

Directors may participate in a meeting through use of conference telephone, electronic video screen communication, or similar communications equipment, so long as all of the following apply:

- a) each Board member participating in the meeting can communicate with all the other members concurrently;

- b) each member is provided the means of participating in all matters before the board, including the capacity to propose, or to interpose an objection to, a specific action to be taken by the corporation; and
- c) the corporation adopts and implements means of verifying both of the following:
 - (i) a person communicating by telephone, electronic video equipment, or other communications equipment is a director entitled to participate in the board meeting; and
 - (ii) all statements, questions, actions, or votes were made by that director and not by another person not permitted to participate as a director.

Participation in a meeting pursuant to this bylaw shall constitute presence in person at such meeting.

Section 6.7 Annual Meeting

The Board of Directors shall hold a meeting at least once a year in the month of June at a time and place designated by the Board of Directors for purposes of electing officers, designating committees, and transacting regular business. Notice of these meetings shall be in accordance with Section 6.9.

Section 6.8 Special Meetings

Special meetings of the Board of Directors for any purpose may be called at any time by the CEO/Chair of the Board, or any two Directors. Notice of these meetings shall be in accordance with Section 6.9.

Section 6.9 Notice

Notice of any meeting of the Board of Directors shall be given to all Directors at least 7 days in advance if given by first-class mail or at least 48 hours in advance if given by notice delivered personally, by telephone, or by electronic transmission in compliance with Section 6.6 of these Bylaws, provided that such notice may be waived by any Director as set forth in Section 6.10. Notice shall not be given by electronic transmission if the corporation is unable to deliver two consecutive notices to a Director by that means, or if the inability to deliver the notice becomes known to the Secretary or other person responsible for giving such notice.

Section 6.10 Waiver of Notice

The transactions of any meeting of the Board of Directors, however called and noticed and wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if (a) a quorum is present and (b) either before or after the meeting, each of the Directors not present signs a written waiver of notice, a consent to holding of the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. All

waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meeting. Notice of a meeting shall also be deemed given to any Director who attends the meeting without protesting before or at its commencement about lack of adequate notice.

Section 6.11 Quorum

A majority of the Board of Directors shall constitute a quorum for the transaction of business provided in Section 6.12. Every act or decision done or made by a majority of the Directors present at a meeting held at which a quorum is present shall be regarded as the act of the Board of Directors, subject to the provisions of the California Nonprofit Corporation Law. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of any Director, if any action taken is approved by at least a majority of the quorum required for the meeting.

Section 6.12 Adjournment

A majority of the Directors present, whether or not constituting a quorum, may adjourn any meeting to another time and place.

Section 6.13 Notice of Adjournment

Notice of the time and place of holding an adjourned meeting need not be given, unless the meeting is adjourned for more than 24 hours, in which case notice of the time and place shall be given before the time of the adjourned meeting to the Directors who were not present at the time of the adjournment. This notice may be waived in the same manner as set forth under Section 6.10.

Section 6.14 Action Without Meeting

Any action required or permitted to be taken by the Board of Directors may be taken without a meeting if all directors individually or collectively consent in writing to that action and, if subject to Corporations Code §5224(a), the number of directors then in office constitutes a quorum. Such action by written consent shall have the same force and effect as a unanimous vote of the Board of Directors. Such written consent or consents shall be filed with the minutes of the proceedings of the Board.

Section 6.15 Compensation of Directors

The Board may authorize the advance or reimbursement of actual reasonable expenses incurred by a director or member of a committee in carrying out his or her duties. Directors shall not otherwise be compensated.

Section 6.16 Restriction on Interested Directors

Not more than 49 percent of the persons serving on the Board of Directors at any time may be interested persons. An interested person is:

- (i) any person compensated by the Corporation for services rendered to it within the previous 12 months, whether as a full-time or part-time employee, independent contractor, or otherwise;
- (ii) any shareholder, employee or officer of any corporation, or partner or employee of any partnership, which has rendered compensated services to the Corporation within the previous 12 months; and
- (iii) any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, mother-in-law, or father-in-law of any person described in (a) or (b) of these Bylaws.

Any violation of the provisions of this paragraph shall not, however, affect the validity or enforceability of any transaction entered into by the Corporation.

ARTICLE 7: COMMITTEES

Section 7.1 Committees of Directors

The Board of Directors may, by resolution adopted by a majority of the Directors then in office, designate one or more committees consisting of two or more Directors, and only of directors, to serve at the pleasure of the Board. Any member of any committee may be removed, with or without cause, at any time by the Board. Any committee, to the extent provided in the resolution of the Board, shall have all or a portion of the authority of the Board, except that no committee, regardless of the Board resolution, may:

- a) Fill vacancies on the Board of Directors or on any committee;
- b) Amend or repeal the Articles of Incorporation or Bylaws or adopt new Bylaws;
- c) Amend or repeal any resolution of the Board;
- d) Designate any other committee of the Board or appoint the members of any committee;
- e) Approve any transaction:
 - (i) to which the Corporation is a party and as to which one or more Directors has a material financial interest, or
 - (ii) between the Corporation and one or more of its Directors or between the Corporation and any corporation or firm in which one or more of its Directors has a material financial interest.

Section 7.2 Compensation Committee

At any time this Corporation compensates its CEO/Chair of the Board or Treasurer, the Corporation shall have a Compensation Committee consisting of at least three Directors and exclusively of Directors. Directors who are also employees of the Corporation may not serve on the Compensation Committee.

Section 7.3 Compensation Review

The Compensation Committee shall review the compensation of the CEO/Chair of the Board, Treasurer, Vice President (if any) and Chief Investment Officer (if any), as well as of such other Officers of the Corporation as the Compensation Committee determines appropriate. This review shall occur when such officer is hired, when the term of employment of such officer is renewed or extended, and when the compensation of such officer is modified, unless the modification applies to substantially all of the employees of this corporation. Based on its review, the Compensation Committee shall recommend just and reasonable compensation amounts to the Board. At the request of the CEO/Chair of the Board or the Board, the Compensation Committee shall review any issue involving staff compensation and benefits, including but not limited to housing, health, and retirement plans.

Section 7.4 Advisory Committees

The Board may establish one or more Advisory Committees to the Board. The members of any Advisory Committee may consist of directors or nondirectors. Advisory committees may not exercise the authority of the Board to make decisions on behalf of the corporation, but shall be limited to making recommendations to the Board or the Board's authorized representatives and to implementing Board decisions and policies. Advisory Committees shall be subject to the supervision and control of the Board.

Section 7.5 Audit Committee

At all times that this Corporation is required by applicable law to have an independent audit, or at any time the Corporation voluntarily chooses to do so, the Corporation shall have an Audit Committee consisting of at least two Directors and which may include nonvoting advisors. Directors who are employees of the Corporation or who receive, directly or indirectly, any consulting, advisory, or other compensatory fees from the Corporation (other than for service as Director) may not serve on the Audit Committee. The CEO/Chair of the Board and Treasurer, if also Directors, may serve on the Audit Committee only if such persons are volunteers and are not compensated by this Corporation. The Audit Committee shall perform the duties and adhere to the guidelines set forth from time to time by the Board. These duties include, but are not limited to:

- a) assisting the Board in choosing an independent auditor and recommending termination of the auditor, if necessary;
- b) negotiating the auditor's compensation;
- c) conferring with the auditor regarding the Foundation's financial affairs, and

- d) reviewing and accepting or rejecting the audit.

Members of the Audit Committee shall not receive compensation for their service on the Audit Committee in excess of that provided to Directors for their service on the Board. If the Corporation has a Finance Committee, a majority of the members of the Audit Committee may not concurrently serve as members of the Finance Committee, and the Chair of the Audit Committee may not serve on the Finance Committee.

Section 7.6 Meeting and Action of Committees

The Board of Directors may adopt rules for any committee not inconsistent with the provisions of these Bylaws.

ARTICLE 8: RECORDS AND REPORTS

Section 8.1 Maintenance of Articles and Bylaws

The Corporation shall keep at its principal executive office the original or a copy of its Articles and Bylaws as amended to date.

Section 8.2 Maintenance of Other Corporate Records

The accounting books, records, and minutes of the proceedings of the Board of Directors and any committee(s) of the Board of Directors shall be kept at such place or places designated by the Board of Directors, or, in the absence of such designation, at the principal executive office of the Corporation. The minutes shall be kept in written or typed form, and the accounting books and records shall be kept in either written or typed form or in any other form capable of being converted into written, typed, or printed form.

Section 8.3 Inspection by Directors

Every Director shall have the absolute right at any reasonable time to inspect all books, records, and documents of every kind and the physical properties of the Corporation and each of its subsidiary corporations. This inspection by a Director may be made in person or by an agent or attorney, and the right of inspection includes the right to copy and make extracts of documents.

Section 8.4 Annual Report

Within 120 days after the end of the Corporation's fiscal year, the CEO/Chair of the Board shall furnish or cause to be furnished a written report to all directors containing the following information:

- a) The assets and liabilities, including the trust funds, of the Corporation as of the end of the fiscal year;

- b) The principal changes in assets and liabilities, including trust funds, during the fiscal year;
- c) The revenue or receipts of the Corporation, both unrestricted and restricted for particular purposes, for the fiscal year;
- d) The expenses or disbursements of the Corporation, for both general and restricted purposes, during the fiscal year;
- e) Any transaction during the previous fiscal year involving more than \$50,000 in which the Corporation (or its parent or subsidiaries, if any) was a party and in which any director or officer of the Corporation has a direct or indirect financial interest, or any of a number of such transactions in which the same person had a direct or indirect financial interest and which transactions in the aggregate involved more than \$50,000; and
- f) The amount and circumstances of any indemnifications or advances aggregating more than \$10,000 paid during the fiscal year to any director or officer of the Corporation pursuant to Article 9 of these Bylaws, unless such indemnification has already been approved pursuant to Section 9.1.

For each transaction, the report must disclose the names of the interested persons involved in such transaction and state such person's relationship to the corporation, the nature of such person's interest in the transaction and, where practicable, the value of such interest. The report shall be accompanied by any report of independent accountants or, if there is no such report, by the certificate of an authorized officer of this Corporation that such statements were prepared without an audit from the books and records of this Corporation. Such report may be furnished to the directors by electronic transmission in accordance with these Bylaws.

Section 8.5 Financial Audit

The Corporation shall obtain a financial audit for any tax year in which it receives or accrues gross revenue of \$2 million or more, excluding grant or contract income from any governmental entity for which the governmental entity requires an accounting. Any audited financial statements obtained by the Corporation, whether or not required by law, shall be made available for inspection by the Attorney General and by the general public within 9 months after the close of the fiscal year to which the statements relate. For 3 years, such statements (a) shall be available at the Corporation's principal, regional, and district offices during regular business hours and (b) shall be made available either by mailing a copy to any person who so requests in person or in writing, or by posting them on the Corporation's website.

Section 8.6 Budget

Prior to the annual meeting of the Board of Directors in June of each fiscal year there shall be caused to be prepared under the supervision of the CEO/Chair of the Board a budget of estimated income and estimated expenditures for the year, and such budget shall be adopted at the first meeting of the new Board of Directors, and having been adopted shall serve and stand as the

limit of expenditures, for the respective purposes set forth in the budget unless otherwise ordered by action of the Board.

ARTICLE 9: INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 9.1 Right to Indemnification

This Corporation shall indemnify any person who was or is a party, or is threatened to be made a party, to any action or proceeding by reason of the fact that such person is or was an Officer, Director, or agent of this Corporation, or is or was serving at the request of this Corporation as a director, officer, employee, or agent of another foreign or domestic corporation, partnership, joint venture, or other enterprise, against expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with such proceeding, to the fullest extent permitted under the California Nonprofit Corporation Law.

In determining whether indemnification is available to the Director, Officer, or agent of this Corporation under California law, the determination as to whether the applicable standard of conduct set forth in Corporations Code §5238 has been met shall be made by a majority vote of a quorum of Directors who are not parties to the proceeding. If the number of Directors who are not parties to the proceeding is less than two-thirds of the total number of Directors seated at the time the determination is to be made, the determination as to whether the applicable standard of conduct has been met shall be made by the court in which the proceeding is or was pending. The indemnification provided herein shall not be deemed exclusive of any other rights to which those indemnified may be entitled, and shall continue as to a person who has ceased to be an agent and shall inure to the benefit of the heirs, executors, and administrators of such a person.

Section 9.2 Insurance

This Corporation shall have the power and shall use its best efforts to purchase and maintain insurance on behalf of any Director, Officer, or agent of the Corporation, against any liability asserted against or incurred by the Director, Officer, or agent in any such capacity or arising out of the Director's, Officer's, or agent's status as such, whether or not the Corporation would have the power to indemnify the agent against such liability under Section 8.1 of these Bylaws; provided, however, that the Corporation shall have no power to purchase and maintain such insurance to indemnify any Director, Officer, or agent of the Corporation for any self-dealing transaction, as described in California Corporations Code §5233.

ARTICLE 10: CONTRACTS AND LOANS WITH DIRECTORS AND OFFICERS

Section 10.1 Contracts with Directors and Officers

- a) No Director or Officer of this Corporation, nor any other corporation, firm, association, or other entity in which one or more of this Corporation's Directors or Officers are directors or have a material financial interest, shall be interested, directly or indirectly, in any contract or other transaction with this Corporation, unless:

- (i) the material facts regarding such Director's or Officer's financial interest in such contract or transaction and/or regarding such common directorship, officership, or financial interest are fully disclosed in good faith and are noted in the minutes, or are known to all members of the Board prior to consideration by the Board of such contract or transaction;
 - (ii) such contract or transaction is authorized in good faith by a majority of the Board by a vote sufficient for that purpose without counting the vote or votes of such interested Director(s);
 - (iii) prior to authorizing or approving the transaction, the Board considers and in good faith determines after reasonable investigation under the circumstances that the Corporation could not obtain a more advantageous arrangement with reasonable effort under the circumstances; and
 - (iv) this Corporation enters into the transaction for its own benefit, and the transaction is fair and reasonable to this Corporation at the time the transaction is entered into.
- b) The provisions of this Section do not apply to a transaction which is part of an educational or charitable program of the Corporation if it:
- (i) is approved or authorized by the Corporation in good faith and without unjustified favoritism; and
 - (ii) results in a benefit to one or more Directors or Officers or their families because they are in the class of persons intended to be benefited by the educational or charitable program of this Corporation.

Section 10.2 Loans to Directors and Officers

The Corporation shall not make any loan of money or property to or guarantee the obligation of any Director or Officer, unless approved by the Attorney General of the State of California; provided, however, that the Corporation may advance money to a Director or Officer of the Corporation for expenses reasonably anticipated to be incurred in the performance of the duties of such Director or Officer, provided that in the absence of such advance such Director or Officer would be entitled to be reimbursed for such expenses by the Corporation.

ARTICLE 11: FISCAL YEAR

The fiscal year of the Corporation shall end on June 30.

ARTICLE 12: AMENDMENTS

These Bylaws may be adopted, amended, or repealed by a majority vote of the entire Board of Directors; provided, however, that amendment or repeal of Section 6.3 and Section 6.5, or this ARTICLE 12 shall require the unanimous approval of the Board of Directors.

ARTICLE 13: PRIVATE FOUNDATION RESTRICTIONS

In any period in which the Corporation is a private foundation, as defined in Internal Revenue Code §509, this Corporation shall make distributions at such time and in such manner as not to subject the Corporation to tax under Internal Revenue Code §4942, and the Corporation shall not (i) engage in any act of self-dealing, as defined in Internal Revenue Code §4941(d), (ii) retain any excess business holdings, as defined in Internal Revenue Code §4943(c), (iii) make any investments in such manner as to subject the Corporation to tax under Internal Revenue Code §4944, or (iv) make any taxable expenditures, as defined in Internal Revenue Code §4945(d).

ARTICLE 14: SUPPORTING ORGANIZATION RESTRICTIONS

This Corporation shall not accept any contribution from any “prohibited person.” For purposes of this Section, a “prohibited person” is:

- a) a person who controls, directly or indirectly, either alone or with persons listed described in (ii) and (iii) below,
- b) the governing body of this Corporation or any successor organization;
 - (i) a member of the family of an individual listed in (i) above; or
 - (ii) a corporation, partnership, trust, or estate more than 35 percent of which is actually or constructively controlled by persons described in (i) or (ii) above.

For purposes of this Section, a member of an individual’s family includes his or her spouse, ancestors, children, grandchildren, great-grandchildren, and spouses of children, grandchildren, and great-grandchildren, as well as the individual’s brothers and sisters, by whole or half blood, and their spouses.

ARTICLE 15: EMERGENCY PROVISIONS

Section 15.1 Emergency.

The emergency bylaw provisions of this section are adopted in accordance with California Corporations Code §5151(g). Notwithstanding anything to the contrary herein, this section applies solely during an emergency, which is the limited period of time during which a quorum cannot be readily convened for action as a result of the following events or circumstances until the event or circumstance has subsided or ended and a quorum can be readily convened in accordance with the notice and quorum requirements in Sections 5.9 and 5.11 of these bylaws:

- a) A natural catastrophe, including, but not limited to, a hurricane, tornado, storm, high water, wind-driven water, tidal wave, tsunami, earthquake, volcanic eruption, landslide, mudslide, snowstorm, or drought, or regardless of cause, any fire, flood, or explosion;
- b) An attack on this state or nation by an enemy of the United States of America, or on receipt by this state of a warning from the federal government indicating that an enemy attack is probable or imminent;
- c) An act of terrorism or other man-made disaster that results in extraordinary levels of casualties or damage or disruption severely affecting the infrastructure, environment, economy, government function, or population, including, but not limited to, mass evacuations; or
- d) A state of emergency proclaimed by the governor of the state in which one or more Directors are resident, or by the President of the United States.

Section 15.2 Emergency Actions.

During an emergency, the Board may:

- a) Modify lines of succession to accommodate the incapacity of any director, officer, employee, or agent resulting from the emergency;
- b) Relocate the principal office or authorize the officers to do so;
- c) Give notice to a director or directors in any practicable manner under the circumstances, including, but not limited to, by publication and radio, when notice of a meeting of the board cannot be given to that director or directors in the manner prescribed by Section 5.9 of these bylaws; and
- d) Deem that one of more officers present at a board meeting is a director, in order of rank and within the same rank in order of seniority, as necessary to achieve a quorum.
- e) During an emergency the board may not take any action that is not in the corporation's ordinary course of business. Any actions taken in good faith during an emergency under this section may not be used to impose liability on a director, officer, employee, or agent.

ARTICLE 16: NON-DISCRIMINATION POLICY

The Officers, Directors, Committee Members, employees, and persons served by this Corporation shall be selected entirely on a non-discriminatory basis with respect to age, sex, race, religion, national origin, and sexual orientation. It is the policy of the Corporation not to discriminate on the basis of race, creed, ancestry, marital status, gender, sexual orientation, age, physical disability, veteran's status, political service or affiliation, color, religion, or national origin.

ARTICLE 17: CONSTRUCTION AND DEFINITIONS

Section 17.1 Construction and Definitions

Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the California Nonprofit Corporation Law shall govern the construction of these Bylaws. Without limiting the generality of the above, the masculine gender includes the feminine and neuter, the singular number includes the plural, and the plural number includes the singular.

Section 17.2 Electronic Transmission

Subject to any guidelines and procedures that the Board of Directors may adopt from time to time, the terms “written” and “in writing” as used in these Bylaws include any form of recorded message in the English language capable of comprehension by ordinary visual means and may include electronic transmissions, such as facsimile or e-mail, provided:

- a) for electronic transmissions *from* the Corporation, the Corporation has obtained an unrevoked written consent from the recipient to the use of such means of communication;
- b) for electronic transmissions *to* the Corporation, the Corporation has in effect reasonable measures to verify that the sender is the individual purporting to have sent such transmission; and
- c) the transmission creates a record that can be retained, retrieved, reviewed, and rendered into clearly legible tangible form.

CERTIFICATE OF SECRETARY

I, the undersigned, the duly elected Secretary of Clovis Rotary Foundation, Inc., a California nonprofit public benefit corporation, do hereby certify:

That the foregoing Bylaws consisting of 18 pages were adopted as the Bylaws of the Corporation by the Directors of the Corporation on _____(date), and the same do now constitute the Bylaws of said Corporation.

IN WITNESS WHEREOF, I have hereunto subscribed my name on this _____ day of _____, 2019.

Signature

Typed Name

Secretary