

**BYLAWS
OF
BENZIE SUNRISE ROTARY FOUNDATION, INC.**

NAME

- 1.1 *Name.* This corporation shall be known as the Benzie Sunrise Rotary Foundation, Inc. (the "Foundation").

OFFICES AND SEAL

- 2.1 *Principal Office.* The principal office of the Foundation shall be at such place within the County of Benzie, and State of Michigan as the Foundation Board of Directors may determine from time to time.
- 2.2 *Seal.* A Seal may be used by the Foundation Board of Directors which shall have inscribed thereon the name of the Foundation, and the words "Seal," or "Corporate Seal." Said Seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

**MEMBERSHIP AND MEMBERSHIP
MEETINGS**

- 3.1 *Membership.* All persons who are members in good standing of the Rotary Club of Benzie Sunrise shall be members of the Foundation.
- 3.2 *Annual Meeting of Membership.* The annual meeting of the members shall be held during a regular meeting of the Rotary Club of Benzie Sunrise during June of each year. The purpose of this meeting shall be to elect directors for the Foundation Board and to transact any other business that may come before the meeting.
- 3.3 *Special Meetings.* Special meetings of the members may be called by the Foundation Board of Directors or by the president. Such meetings shall also be called by the president or secretary at the written request of not less than ten percent (10%) of the members. Such requests for special meetings shall state the purpose or purposes of the proposed special meeting. Business transacted at special meetings shall be confined to the stated purpose.
- 3.4 *Meeting Location.* All membership meetings shall be held at the Foundation's principal office or at any other place determined by the Foundation Board of Directors and stated in the notice of the meeting.

- 3.5 *Notice.* Except as otherwise provided by statute, written notice of the time, place, and purposes of a membership meeting shall be given not less than ten (10) days nor more than sixty (60) days before the date of the meeting. Notice may be given either personally, by electronic transmission, or by mailing the notice, postage prepaid, in the United States postal service or by use of a nationally recognized overnight delivery service, plainly addressed to each member of record entitled to vote at the meeting at his or her last address as it appears on the books of the Foundation.
- 3.6 *Record Date.* The Foundation Board of Directors may fix in advance a record date for the purpose of determining members entitled to notice of and to vote at a membership meeting or an adjournment of the meeting, or to express consent to or to dissent from a proposal without a meeting, or for the purpose of any other action. The date fixed shall not be more than sixty (60) days nor less than ten (10) days before the date of the meeting, nor more than sixty (60) days before any other action.
- 3.7 *Membership List.* The secretary of the Foundation or the agent of the Foundation having charge of the membership records of the Foundation shall make and certify a complete list of the members entitled to vote at a membership meeting or any adjournment. The list shall be arranged alphabetically with the address of each member, be produced at the time and place of the membership meeting, be subject to inspection by any members during the whole time of the meeting, and be prima facie evidence of the members entitled to examine the list or vote at the meeting.
- 3.8 *Quorum.* Unless a greater or lesser quorum is required by statute, one-third of the membership shall constitute a quorum at the meeting. Whether or not a quorum is present, the meeting may be adjourned by vote of the members present. No person shall vote by proxy.
- 3.9 *Voting.* Each member is entitled to one vote on each matter submitted to a vote. The election of directors shall be by votes cast in writing. For all other matters, a vote may be cast either orally or in writing, unless a written vote is specifically called for by the Foundation Board of Directors. When an action, other than the election of directors, is to be taken by a vote of the members, it shall be authorized by a majority of the votes cast by the members entitled to vote, unless a greater vote is required by statute. Directors shall be elected by a plurality of votes cast at any election.

BOARD OF DIRECTORS

- 4.1 *Powers.* The business, property, and affairs of the Foundation shall be managed by the Foundation Board of Directors.

- 4.2 *Number.* There shall be eight (8) directors on the Foundation Board, six of whom shall be elected by the membership as described in Article 4.3 The seventh Director shall be the President of the Club, and the eighth Director shall be the Treasurer of the Club, who also shall serve as Treasurer of the Foundation.
- 4.3 *Terms of Office.* Foundation Directors shall be elected at the annual membership meeting. The business and affairs of the Foundation shall be managed by or under the direction of the Board of Directors. The directors elected by the members shall be divided into three classes, designated Class I (2 directors), Class II (2 directors) and Class III (2 directors). At the first annual meeting of members, Class I directors shall be elected for a one-year term, Class II directors for a two-year term and Class III directors for a three- year term. The classes shall be determined by the casting of lots. At each succeeding annual meeting of shareholders, successors to the class of directors whose term expires at that annual meeting shall be elected for a three-year term. Each director shall serve his or her term until his or her successor is elected and qualified, or until the director's death, resignation, or removal. No director may be elected to more than two (2) consecutive terms. The serving by a director of any partial term shall be deemed a full term for purposes of this section.
- 4.4 *Resignation.* A director may resign at any time by providing written notice to the Foundation. Notice of resignation will be effective on acceptance by the president or at a later time designated in the notice. A successor shall be appointed as provided in Section 4.6 of the bylaws.
- 4.5 *Removal.* Any director may be removed with or without cause by a majority vote of the members entitled to vote at an election of directors.
- 4.6 *Board Vacancies.* A vacancy on the board shall be filled at a meeting of the members pursuant to section 3.3. Each person so elected shall be a director for a term of office continuing until the next election of directors by the members.
- 4.7 *Annual Meeting.* An annual meeting of the Foundation Board shall be held each year as soon after the annual membership meeting as is practical.

[4.8 has been deleted.]

- 4.9 *Meetings.* Meetings of the Foundation Board, other than the annual meeting, may be called by the president or secretary, or by any two directors, for such time and place as determined by those persons authorized to call meetings. Notice of the time and place of any such meetings shall be given to each director in any manner, including personal, mail, facsimile, or email, at least three (3) days before the meeting.
- 4.10 *Statement of Purpose of Meeting.* Neither the business to be transacted at, nor the purpose of, any meeting of the board need be specified in the notice for that meeting.
- 4.11 *Waiver of Notice.* The attendance of a director at a board meeting shall constitute a waiver of notice of the meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. In addition, the director may submit a signed waiver of notice that shall constitute a waiver of notice of the meeting.
- 4.12 *Meeting by Telephone or Similar Equipment.* A director may participate in a meeting by conference telephone, email or any similar communications equipment through which all persons participating in the meeting can hear or communicate with each other, although neither the Foundation nor the Foundation Board of Directors shall have any obligation to facilitate such participation. Participation in a meeting pursuant to this section constitutes presence in person at the meeting.
- 4.13 *Quorum.* A majority of the directors then in office constitutes a quorum for the transaction of any business at any meeting of the board. Actions voted on by a majority of the directors present at a meeting where a quorum is present shall constitute authorized actions of the Foundation board.
- 4.14 *Consent to Corporate Actions.* Any action required or permitted to be taken pursuant to Foundation board authorization may be taken without a meeting if, before or after the action, all directors consent to the action in writing or by email. Written consents shall be filed with the minutes of the board's proceeding.
- 4.15 *Loans.* No loans shall be contracted on behalf of the Foundation and no evidence of indebtedness shall be issued in its name unless authorized by a resolution of the Foundation Board of Directors. Such authority may be general or confined to specific instances.
- 4.16 *Residual Powers.* In addition to the powers and authorities by these bylaws expressly conferred upon it, the Foundation Board of Directors may exercise all such powers of the Foundation and do all such lawful acts and things as are not by statute or by the Articles of Incorporation or by these bylaws directed or required to be exercised or done by the members.

4.17 *Conflicts of Interest.*

- A. Disclosure. When a member of the Foundation Board or an officer is affiliated with an organization seeking to provide services or facilities to the Foundation, or when a member of the Board or officer has any duality of interest or possible conflict of interest real or apparent, such affiliation or conflict of interest should be disclosed to the Foundation Board of Directors and made a matter of record, either when the interest becomes a matter of Board action or as part of a periodic procedure to be established by the Foundation Board. An affiliation with an organization will be considered to exist when a Foundation Board member or officer or a member of his or her immediate family or close relative is an officer, director, trustee, partner, employee or agent of the organization, or has any other substantial interest or dealings with the organization.
- B. Voting. Any Foundation Board member or officer having a duality of interest or possible conflict of interest on any matter should not vote or use his or her personal influence on the matter, and should not be counted in determining a quorum for the meeting at which the matter is voted upon, even though permitted by law. The Foundation Board should obtain and rely on appropriate comparability data, when appropriate. The minutes of the meeting should reflect that the disclosure was made, that the interested Foundation Board member abstained from voting, that his or her presence was not counted in determining a quorum, and that comparability data was considered and used as a basis for making the decision.
- C. Statement of Position. The foregoing requirements should not be construed to prevent a Foundation Board member or officer from stating his or her position on the matter under consideration, nor from answering questions of other Foundation Board members relating to the matter.

OFFICERS

- 5.1 *Number.* The officers of the Foundation shall be elected by the Foundation Board at the Foundation Board's first meeting after the annual election of directors by a majority vote. The officers shall be a president, a secretary, and a treasurer. There may also be such other officers as the Foundation Board deems appropriate, who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Foundation Board. Two or more offices may be held by the same person, but such person shall not execute, acknowledge, or verify an instrument in more than one capacity if the instrument is required by law or by the president or by the Foundation Board to be executed, acknowledged, or verified by two or more officers.
- 5.2 *Term of Office.* Each officer shall hold office for the term of one year and until a successor is appointed and qualified. An officer may resign at any time by providing

written notice to the Foundation. Notice of resignation will be effective on acceptance by the President or at a later time designated in the notice.

- 5.3 *Removal.* Any officer may be removed with or without cause at any time by a majority of the whole Foundation Board of Directors.
- 5.4 *Vacancies.* A vacancy in any office for any reason may be filled by a majority vote of the Foundation Board.
- 5.5 *President.* The president shall be the chief executive officer of the Foundation, shall preside at all Foundation Board meetings, and shall have authority over the general control and management of the business and affairs of the Foundation. The president shall sign all corporate documents and agreements on behalf of the Foundation, including without limitation, bonds, mortgages and other contracts, unless the president or the Foundation Board instructs that the signing be done with or by some other officer, agent, or employee. The president shall see that all actions taken by the Foundation Board are executed and shall perform all other duties incident to the office. This is subject, however, to the president's right and the right of the Foundation Board to delegate any specific power to any other officer of the Foundation. The president shall be ex officio a member of all standing committees, and shall have the general powers and duties of supervision and management usually vested in the office of president.

[5.6 has been deleted.]

- 5.7 *Secretary.* The secretary shall attend all meetings of the Foundation Board and all meetings of the members, record all votes and prepare and maintain the minutes of all such meetings in a book to be kept for that purpose; and shall perform like duties for the standing committees when required. The secretary shall give, or cause to be given, notice of all meetings of the members and of the Foundation Board of Directors, and shall perform such other duties as may be prescribed by the Foundation Board of Directors. The secretary shall keep in safe custody all of the records of the Foundation, including the Seal of the Foundation, and when authorized by the Foundation Board, affix said Seal to any instrument requiring it, and when so affixed it shall be attested by the signature of the secretary or by the signature of the treasurer.
- 5.8 *Treasurer.* The treasurer shall be the treasurer of the Club and shall (a) have charge and custody over corporate funds and securities; (b) keep accurate books and records of corporate receipts and disbursements; (c) deposit all moneys and securities received by the Foundation at such depositories in the Foundation's name that may be

designated by the Foundation Board; (d) complete all required corporate filings; (e) disburse the funds of the Foundation as may be ordered by the Foundation Board, taking proper vouchers for such disbursements, (f) render to the president and directors, at the regular meetings of the Foundation Board, or whenever otherwise required, an accurate account of all transactions as treasurer and of the financial condition of the Foundation, and (g) perform all duties incident to the office and other duties assigned by the president or the Foundation Board.

- 5.9 *Compensation.* No officer or agent of the Foundation shall receive compensation or salary unless specially voted by the Foundation Board of Directors.
- 5.10 *Delegation.* In case of the absence of any officer of the Foundation, or for any other reason that the Foundation Board may deem sufficient, the Foundation Board may delegate, for such time as the Foundation Board may determine, the powers or duties, or any of them, of such officer to any other officer, or to any director, provided a majority of the entire Foundation Board approves of such delegation.
- 5.11 *Checks.* The Foundation Board may, from time to time, authorize the making, signature or endorsement of checks, drafts, notes and other negotiable paper or other instruments for the payment of money and designate the persons who will be authorized to make, sign or endorse the same on behalf of the Foundation. All checks, drafts and notes of the Foundation, in excess of \$500.00, shall be signed by two officers.
- 5.12 *Deposits.* All funds of the Foundation not otherwise employed shall be deposited from time to time to the credit of the Foundation in such banks, trust companies, or other depositories as the Foundation Board may select.
- 5.13 *Powers as to Other Documents.* The Foundation Board may authorize any officer or officers, agent or agents to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Foundation, unless otherwise restricted by law. Such authority may be general or confined to specific instances.
- 5.14 *Fiscal Year.* The fiscal year shall begin the first day of July in each year and end on June 30.

COMMITTEES

- 6.1 *General Powers.* The Foundation Board, by resolution adopted by a vote of a majority of its directors, may designate one or more committees, each committee consisting of one or more directors. The Foundation Board may also designate one or more directors as alternate committee members who may replace an absent or disqualified member at a committee meeting. If a committee member is absent or disqualified from voting, then members present at a meeting who are not disqualified from voting may, whether or not they constitute a

quorum, unanimously appoint an alternate committee member to act at the committee meeting in place of the absent or disqualified member. All committees designated by the Foundation Board shall serve at the pleasure of the Foundation Board.

A committee designated by the Foundation Board may exercise any powers of the Foundation Board in managing the Foundation's business and affairs, to the extent provided by resolution of the Foundation Board. However, no committee shall have the power to

- (a) amend the articles of incorporation;
- (b) adopt an agreement of merger or consolidation;
- (c) amend the bylaws of the Foundation;
- (d) fill vacancies on the Foundation Board;
- (e) fix compensation of the directors for serving on the Foundation Board or on a committee;
- (f) recommend to members the sale, lease, or exchange of all or substantially all of the Foundation's property and assets;
- (g) recommend to the members a dissolution of the Foundation or a revocation of a dissolution; or
- (h) terminate memberships.

6.2 *Meetings.* Committees shall meet as directed by the Foundation Board, and their meetings shall be governed by the rules provided for meetings of the Foundation Board. Minutes shall be recorded at each committee meeting and shall be presented to the Foundation Board.

6.3 *Consent to Committee Actions.* Any action required or permitted to be taken pursuant to authorization of a committee may be taken without a meeting if, before or after the action, all members of the committee consent to the action in writing. Written consents shall be filed with the minutes of the committee's proceedings.

GENERAL OPERATING PROCEDURES

7.1 *Purpose.* The primary purpose of the Foundation shall be to provide financial resources that in the spirit of Rotary, will support projects which will assist in the development of our youth and enhance the quality of life in our local community. Notwithstanding anything to the contrary contained in this section 7.1, the Foundation may provide financial or other support approved by the Foundation Board for any (i) mission, undertaking or project of Rotary International or any Rotary Club or Rotary District or (ii) local, state, national or international emergency, disaster or catastrophe.

7.2 *General Foundation Account.* The Foundation Board of Directors shall create and maintain a General Foundation Account. Unless otherwise designated to an account specifically created by the Foundation Board, all funds received by the Foundation

shall be deposited into the General Foundation Account. Disbursements shall be made from the General Foundation Account in accordance with the Foundation's purpose pursuant to the procedures set forth in these bylaws.

- 7.2 *Rotary Reserve Account.* The Foundation Board of Directors may create and maintain a Rotary Reserve Account. The purpose of said Rotary Reserve Account is to provide for orderly and timely income to the Foundation's General Foundation Account. The amount, type, and term of investments utilized by the Rotary Reserve Account, as well as all other administrative details of the Rotary Reserve Account shall be managed by the Foundation Board of Directors, unless otherwise provided for in these bylaws.
- 7.3 *Withdrawals from the Rotary Reserve Account.* A four/fifth (4/5) majority vote of the whole Foundation Board of Directors shall be required to withdraw any funds from the Rotary Reserve Account other than accrued interest.
- 7.4 *Separate Funds.* The Foundation Board of Directors may, from time to time, create and maintain separate accounts for charitable purposes and endeavors.
- 7.5 *Standard Operating Procedures.* The Foundation Board should establish a set of Standard Operating Procedures, specifically covering the proper and approved procedures for tax reporting, check generation, check signing, and other fiduciary duties. These procedures are to be in accordance with standard nonprofit accounting procedures to maintain the integrity and fiduciary responsibilities of the Foundation. The president shall cause a biennial review of these Standard Operating Procedures, and compliance with same, such review to be approved by the Foundation Board.

AMENDMENTS

- 8.1 *Amendments.* These bylaws may be altered or amended or repealed by the vote of majority of the members at any regular or special meeting of the members called for that purpose, or by the vote of a majority of the Foundation Board of Directors at any regular or special meeting of the Foundation Board called for that purpose; provided, however, that the supermajority provision of Section 7.3 may only be amended by the vote of majority of the members at any regular or special meeting of the members called for that purpose, or by the vote of 4/5 of the entire Foundation Board of Directors at any regular or special meeting of the Foundation Board called for that purpose.

ASSETS

9.1 *Dissolution.* In the event of dissolution of the Foundation, all assets real or personal shall be distributed to such organizations as are qualified as tax exempt under section 501 (c)(3) of the 1954 Internal Revenue Code as amended or the corresponding provision of any future United States Internal Revenue Law, by vote of the Foundation Board. No dissolution is possible without the majority vote of the members entitled to vote thereon, as provided by statute.

9.2 *Dedication of Assets.* The property of this Foundation is irrevocably dedicated to charitable purposes and no part of the net income or assets of this Foundation shall ever inure to the benefit of any director, officer or members thereof or to the benefit of any private individual.

INDEMNIFICATION

10.1.1 *Nonderivative Actions.* Subject to all of the other provisions of this article, the Foundation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding. This includes any civil, criminal, administrative, or investigative proceeding, whether formal or informal (other than an action by or in the right of the Foundation). Such indemnification shall apply only to a person who was or is a director or officer of the Foundation, or who was or is serving at the request of the Foundation as a director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise, whether for profit or not for profit. The person shall be indemnified and held harmless against expense (including attorney fees), judgments, penalties, fines, and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding, if the person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Foundation or its members. With respect to any criminal action or proceeding, the person must have had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or on a plea of nolo contendere or its equivalent, shall not by itself create a presumption that (a) the person did not act in good faith and in a manner that the person reasonably believed to be in or not opposed to the best interests of the Foundation or its members or (b) with respect to any criminal action or proceeding, the person had reasonable cause to believe that his or her conduct was unlawful.

10.2 *Derivative Actions.* Subject to all of the provisions of this article, the Foundation shall indemnify any person who was or is a party to, or is threatened to be made a party to, any threatened, pending, or completed action or suit by or in the right of the Foundation to procure a judgment in its favor because (a) the person was or is a director or officer

of the Foundation or (b) the person was or is serving at the request of the Foundation as a director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, or other enterprise, whether or not for profit. The person shall be indemnified and held harmless against expenses (including actual and reasonable attorney fees) and amounts paid in settlement incurred by the person in connection with such action or suit if the person acted in good faith and in a manner the person reasonably believe to be in or not opposed to the best interests of the Foundation or its members. However, indemnification shall not be made for any claim, issue, or matter in which such person has been found liable to the Foundation unless and only to the extent that the court in which such action or suit was brought has determined on application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnification for the expenses which the court considers proper.

- 10.3 *Expenses of Successful Defense.* To the extent that a person has been successful on the merits or otherwise in defense of any action, suit, or proceeding referred to in sections 10.1 or 10.2 of this article or in defense of any claim, issue, or matter in the action, suit, or proceeding, the person shall be indemnified against expenses (including actual and reasonable attorney fees) incurred in connection with the action and in any proceeding brought to enforce the mandatory indemnification provided by this article.
- 10.4 *Contract Right; Limitation on Indemnity.* The right to indemnification conferred in this article shall be a contract right and shall apply to services of a director or officer as an employee or agent of the Foundation as well as in such person's capacity as a director or officer. Except as provide in section 10.3 of this article, the Foundation shall have no obligations under this article to indemnify any person in connection with any proceeding, or part thereof, initiated by such person without authorization by the Foundation Board.
- 10.5 *Determination That Indemnification Is Proper.* Any indemnification under sections 10.1 or 10.2 of this article (unless ordered by a court) shall be made by the Foundation only as authorized in the specific case. The Foundation must determine that indemnification of the person is proper in the circumstances because the person has met the applicable standard of conduct set forth in sections 10.1 or 10.2, whichever is applicable. Such determination shall be made in any of the following ways:
- (a) By a majority vote of a quorum of the Foundation Board consisting of directors who were not parties to such action, suit, or proceeding.
 - (b) If the quorum described in clause (a) above is not obtainable, then by a committee of directors who are not parties to the action. The committee shall consist of not less than two disinterested directors.
 - (c) By independent legal counsel in a written opinion.
 - (d) By the members.

- 10.6 *Proportionate Indemnity.* If a person is entitled to indemnification under sections 10.1 or 10.2 of this article for a portion of expenses, including attorney fees, judgments, penalties, fines, and amounts paid in settlement, but not for the total amount, the Foundation shall indemnify the person for the portion of the expenses, judgments, penalties, fines, of amounts paid in settlement for which the person is entitled to be indemnified.
- 10.7 *Expense Advance.* Expenses incurred in defending a civil or criminal action, suit, or proceeding described in sections 10.1 or 10.2 of this article may be paid by the Foundation in advance of the final disposition of the action, suit, or proceeding on receipt of an undertaking by or on behalf of the person involved to repay the expenses, if it is ultimately determined that the person is not entitled to be indemnified by the Foundation. The undertaking shall be an unlimited general obligation of the person on whose behalf advances are made but need not be secured.
- 10.8 *Nonexclusivity of Rights.* The indemnification or advancement of expenses provided under this article is not exclusive of other rights to which a person seeking indemnification or advancement of expenses may be entitled under a contractual arrangement with the Foundation. However, the total amount of expenses advanced or indemnified from all sources combined shall not exceed the amount of actual expenses incurred by the person seeking indemnification or advancement of expenses.
- 10.9 *Indemnification of Employees and Agents of the Foundation.* The Foundation may, to the extent authorized from time to time by the Foundation Board, grant rights to indemnification and to the advancement of expenses to any employee or agent of the Foundation to the fullest extent of the provisions of this article with respect to the indemnification and advancement of expenses of directors and officers of the Foundation.
- 10.10 *Former Directors and Officers.* The indemnification provided in this article continues for a person who has ceased to be a director or officer and shall inure to the benefit of the heirs, executors, and administrators of that person.
- 10.11 *Insurance.* The Foundation may purchase and maintain insurance on behalf of any person who (a) was or is a director, officer, employee, or agent of the Foundation or (b) was or is serving at the request of the Foundation as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise.

Such insurance may protect against any liability asserted against the person and incurred by him or her in any such capacity or arising out of his or her status as such, whether or not the Foundation would have power to indemnify against such liability under this article or the laws of the state of Michigan.

- 10.12 *Changes in Michigan Law.* If there are any changes in the Michigan statutory provisions applicable to the Foundation and relating to the subject matter of this article, then the indemnification to which any person shall be entitled shall be determined by such changed provisions, but only to the extent that any such change permits the Foundation to provide broader indemnification rights than such provisions permitted the Foundation to provide before any such change.