

Bma 00240 BLD:las 021789.1

**BYLAWS
OF
SAGUARO (TUCSON) ROTARY CLUB FOUNDATION**

ARTICLE I NAME AND PLACE OF BUSINESS

SECTION 1: NAME

NAME: The name of the Corporation is the Saguaro (Tucson) Rotary Club Foundation (the "Corporation").

SECTION 2: PLACE OF BUSINESS

PLACE OF BUSINESS: The principal office shall be located at the offices of the Saguaro (Tucson) Rotary Club, Tucson, Arizona.

SECTION 3: OTHER OFFICES

OTHER OFFICES: Offices for carrying out the purpose and policies of the Corporation may be located within or outside of Tucson as deemed appropriate by the Board of Directors.

ARTICLE II PURPOSES AND POLICIES

SECTION 1: GENERAL PURPOSE

The general purpose of the Corporation is to provide a means of receiving charitable contributions, by inter vivos gift or testamentary disposition, from members of the Corporation, from members of other Rotary Clubs within and outside of Tucson, and from the general public; and to disburse funds, in the name of Rotary, for charitable, civic, educational and similar uses and purposes; all in a manner that contributions received qualify as deductions under Sections 170, 2055, 2016 and 2522 of the Internal Revenue Code of 1986 (or any corresponding provision of any future United States Internal Revenue Law).

SECTION 2: SPECIFIC PURPOSES

The Specific purposes of the Corporation shall include

- (a) To provide scholarship or stipends for students at local Tucson high schools, at the University of Arizona and at other institutions of higher education.
- (b) To provide support for the Special Olympics Organizations.
- (c) To provide assistance and support for such civic, educational or charitable uses and purposes as the Board of Directors shall, from time to time, determine.
- (d) To solicit and receive money or property as inter vivos gift or testamentary devise or as the charitable beneficiary of a Charitable Remainder Trust, and, in the discretion of the Board of the directors, to act as Trustee of such a Trust.

- (e) To create and act as a Trustee of a Pooled Income Fund, in the discretion of the Board of Directors.
- (f) To administer and manage the Corporation so as to maintain a tax-exempt status, for income tax purposes, and so as to minimize Federal Excise Taxes.

SECTION 3: POLICIES

The policies of the Corporation shall include the following:

- (a) To maintain a general fund and such other funds as the Board of Directors shall, from time to time, determine and to allocate money or property received, to one or more funds, as may be designated by the contributor of the money or property.
- (b) To make student loans, grants, in the discretion of the Board of Directors.
- (c) To make charitable or other permitted grants in the discretion of the board of Directors.
- (d) To solicit grants or contributions of money or property, by inter vivos or testamentary disposition, of present interests or future interests, from members of the Corporation, other Rotary members, and from the general public.

ARTICLE III MEMBERSHIP AND DUES

The Corporation shall have no stockholders or shareholders. The members shall be the Board of Directors. There shall be no dues.

ARTICLE IV BOARD OF DIRECTORS

SECTION 1: NUMBER OF DIRECTORS

The number of Directors of the Corporation shall be determined, from time to time, by the Board of Directors of the Corporation, but in no event less than nine (9), including ex officio members.

SECTION 2: QUALIFICATION AND REPRESENTATION

The Directors of the Corporation shall be persons of good character. All of the Directors of the Corporation shall be members of the Corporation.

SECTION 3: ELECTION, RESIGNATION AND REMOVAL OF DIRECTORS

The members of the Board of Directors of the Corporation shall consist of five (5) ex officio members from the board of Directors of the Corporation as follows: the Past President, President, President-Elect, Secretary, and Treasurer. The remaining members of the Board of Directors of the Corporation, consisting of not less than four (4) persons, shall be elected by the members of the Corporation on the second Tuesday in June of each year. A nominating committee, composed of the five (5) most recent past presidents of the Corporation, shall submit a proposed slate of candidates to the members of the Club, but nominations from the floor shall also be permitted.

SECTION 4: TERM OF OFFICE

Each Director of the Corporation shall serve a term of one (1) year or until his successor shall have been duly elected and shall have qualified, or until his death, resignation or until removed.

SECTION 5: PRESIDENT OF BOARD

The President of the Board of Directors of the corporation shall be the President-Elect of the Corporation and all other officers of the Corporation shall be elected by the Corporation's Board of Directors, from its members, at its annual meeting.

SECTION 6: RESIGNATION

Any Director may resign at any time, either by oral tender of resignation at any meeting of the Board of Directors or by giving written notice thereof to the President or the Secretary of the Corporation. Such resignation shall take effect at the time specified therefore and, unless otherwise specified with respect thereto, the acceptance of such resignation shall not be necessary to make it effective

SECTION 7: REMOVAL

A Director may be removed, with or without cause, by a vote of the Board of Directors at any time.

SECTION 8: VACANCIES

Any vacancy occurring in the Board of Directors and any directorship to be filled by reason of an increase in the number of Directors shall be filled by election by the Board of Directors. A Director elected to fill a vacancy occurring in the Board of Directors shall be elected for the unexpired term of his predecessor in office, unless that Director himself sooner resigns or is removed.

SECTION 9: ANNUAL AND QUARTERLY MEETINGS

The annual meeting of the Board of Directors shall be held on the first Friday in September of each year, unless such date shall fall on a legal holiday, in which case the annual meeting shall be held on the next succeeding business day, for the purposes of electing Directors and Officers and for the transaction of such other business as may come before the meeting. The annual meeting shall be in the place and at the time specified in the notice of said meeting. In addition, the Board of Directors shall meet at least once during each calendar quarter. The annual meeting shall be the Directors meeting held in the first quarter. The other required quarterly meetings shall be in the place and at the time specified in the notice of these meetings.

SECTION 10: SPECIAL MEETING

Unless otherwise provided by resolution of the Board of Directors, all meetings of the Board of Directors other than annual and quarterly meetings shall be special meetings. Special meetings of the Board of Directors may be called by or at the request of any three members of the board of Directors or by the President, and shall be held at such place and time as a person or persons calling such meeting shall specify.

SECTION: 11 NOTICE

Notice of the annual meeting of the Board of Directors shall be given at least ten (10) days, but not more than forty (40) days, prior thereto by a writing delivered personally or mailed to each Director, or by telegram. Notice of quarterly and special meetings of the Board of Directors shall be given in the manner determined by the Board of Directors consistent with Arizona Law. If mailed, notice shall be deemed to be delivered when deposited in the United States mail as so addressed with postage thereon prepaid. If notice be delivered by telegram, such notice shall be deemed to be delivered when the telegram is

delivered to the telegram company and the fee is paid. The attendance of a Director at a meeting shall constitute a waiver of notice of such 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. Unless otherwise required by law or specified by the Articles of Incorporation or the Bylaws, neither the business to be transacted nor the purpose of any meeting of the Board of Directors need be specified in the notice or the waiver of notice of such meeting. Notice of any meeting may be waived by any or all of the Directors.

SECTION 12: QUORUMS

A majority of the number of Directors then elected and serving on the Board of Directors shall constitute a quorum for the transaction of business of any meeting of the Board. The Directors may continue to transact business during a meeting at, which a quorum is initially present, notwithstanding the withdrawal of Directors, if any action is approved by at least a majority of the required quorum for that meeting.

SECTION 13: MANNER OF ACTING

The act of a majority of the Directors present at a meeting duly held at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by law, by the Articles of Incorporation or by these Bylaws.

SECTION 14: COMPENSATION

A Director shall not receive any compensation for his services as a member of the board.

SECTION 15: INFORMAL ACTION

Any action required by law to be taken at a meeting of Directors, or any action which may be taken at a meeting of Directors, may be taken without a meeting if a consent in writing, setting forth the actions so taken, shall be signed by all of the Directors. Such action by written consent shall have the same force and effect as an unanimous vote of the Board. Such written consent or consents shall be filed with the minutes of the proceedings of the Board.

SECTION 16: PARTICIPATION IN MEETINGS BY MEANS OF CONFERENCE TELEPHONE

Members of the Board of Directors, or any committee of the Board, may participate in a meeting of the Board or of such committee by means of a conference telephone or similar communications device whereby all persons participating in the meeting can hear each other, and participation by such means shall constitute presence in person at such meeting.

SECTION 17: ADJOURNMENTS

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

SECTION 18: PRESUMPTION OF ASSENT

A Director of the Corporation who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken, unless his dissent shall be entered in the minutes of the meeting, or unless he shall give his written dissent to such action with the person acting as the Secretary of the meeting before the adjournment thereof, or shall forward such dissent by certified mail to the Secretary of the Corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of such action.

SECTION 19: PROXIES

At any meeting of the Board of Directors, a Director entitled to vote may vote by proxy executed in writing by the Director or by his duly authorized attorney-in-fact. No proxy shall be valid after six (6) months from the date of its execution unless otherwise provided in the proxy.

ARTICLE V OFFICERS

SECTION 1: TITLES

The officers of the Corporation shall be a President, a Secretary and a Treasurer, and such other officers and assistant officers as the Board may deem necessary. Any two or more offices may be held by the same person, except the offices of President and Secretary.

SECTION 2: ELECTION OF OFFICERS

The officers of the Corporation shall be elected annually by the Board of Directors at the regular meeting of the Board of Directors. If the election of any officer is not held at such meeting, such election shall be held as soon as conveniently possible thereafter. The Board of Directors shall take into account and carefully consider the recommendations, if any, of the nominating committee whenever the Board elects officers of the corporation. New offices may be created and filled, and vacancies may be filled, at any meeting of the board of Directors. Each officer shall hold office until his successor shall have been duly elected and qualified, unless such officer is otherwise removed. Each officer shall serve at the pleasure of the Board, subject to the rights, if any, of an officer under any contract of employment.

SECTION 3: REMOVALS

Any officer elected or appointed by the Board of Directors may be removed by the Board of Directors, with or without cause, whenever in its judgment the best interest of the corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the officers so removed.

SECTION 4: RESIGNATIONS

Any officer may resign at any time by giving written notice to the President or Secretary. Any resignation shall take effect at the date of the receipt of that notice or at any later time specified in that notice; and, unless otherwise specified in such notice, the acceptance of the resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any, of the Corporation under any contract of which the officer is a party.

SECTION 5: PRESIDENT

The President shall be the chief executive officer of the Corporation and as such shall exercise general supervision of all operations and personnel of the Corporation, subject to the control of the Board of Directors.

SECTION 6: VICE-PRESIDENT

The Vice-President, if any is elected by the Board of Directors, shall perform such duties as may from time to time be assigned to him or them by the President or the Board of Directors.

SECTION 7: SECRETARY

The Secretary shall keep a record of the minutes of all meetings of the Directors, shall give notice of meetings as provided by these Bylaws, shall have custody of all books, records and papers of the Corporation, except those in the custody of the Treasurer or some other person authorized to have

charge thereof by the Board of Directors, and shall perform such other duties as may from time to time be assigned to him by the Board of Directors. The Secretary shall also have the power to attest and affix the corporate seal to any contract, deed or other instrument executed in the name of the Corporation.

SECTION 8: TREASURER

The Treasurer shall receive and disburse all corporate funds and shall keep an accurate and detailed record of all receipts and disbursements, which records shall at all times be subject to inspection by any member of the Board of Directors. He shall deposit all corporation funds coming into his hands in such bank or banks as may be designated by the Board of Directors. All checks, drafts, notes, or orders drawn against the accounts or funds of the Corporation shall be signed by the President, Secretary, Treasurer or such other officer, agent, or employee authorized by resolution of the Board of Directors.

SECTION 9: ADDITIONAL OFFICERS

Officers and assistant officers, in addition to those hereinabove described, who are elected or appointed by the Board of Directors, shall perform such duties as shall be assigned to them by the President or the Board of Directors.

SECTION 10: COMPENSATION AND EXPENSES

Officers shall serve without compensation or salary. Expenses incurred in connection with the performance of their official duties may be reimbursed to officers upon approval by the Board of Directors.

SECTION 11: VACANCIES

A vacancy in any office due to death, resignation, removal, disqualification or other cause may be filled by the Board of Directors for the unexpired portion of the term of such office.

ARTICLE VI COMMITTEES

SECTION 1: COMMITTEE

The Board of Directors, by resolution adopted by a majority of the Directors, may designate and appoint one or more committees, each of which shall consist of one or more Directors and such number of persons who are not Directors as the board may determine, which committees, to the extent provided in said resolution, shall have and exercise the authority of the Board of Directors in the management of the Corporation, except no such committee may exercise the authority of the Board of Directors in reference to the following matters: (i) filling vacancies on, or increasing or decreasing the members of, the Board of Directors; and (ii) adoption, amendment or repeal of these Bylaws.

SECTION 2: REMOVAL

Any member of a committee established under this section may be removed by the Board of Directors whenever in their judgment the best interest of the Corporation shall be served by such removal.

SECTION 3: TERM

Each member of a committee established under this section shall continue as such until the next regular annual meeting of the Board of Directors and until his successor is appointed, unless the committee shall be sooner terminated or unless any such member is removed from such committee, or unless such member shall cease to qualify as a member thereof.

ARTICLE VII FINANCES

SECTION 1: ANNUAL AUDIT

Books of the Corporation shall be audited as of the end of the fiscal year by an auditing committee or commercial accounting firm appointed or designated by the President of the Corporation. If practicable, the audit report shall be completed by and be available at the annual meeting, and shall otherwise be available to all members of the Board.

SECTION 2: ACCOUNTS

All receipts of the Corporation shall be deposited in accounts maintained by the Treasurer and all disbursements by the corporation shall be made through accounts maintained by the Treasurer.

ARTICLE VIII INDEMNIFICATION

The Corporation shall indemnify and hold harmless each person who shall serve at any time hereafter as a Director or Officer of the corporation, or committee chairman or member thereof, from and against any and all claims and liabilities to which such persons shall become subject by reason of having been a Director, Officer, chairman, or committee member of the Corporation, or by reason of any action alleged to have been taken or omitted by him as such and shall reimburse each such person for all legal and other expenses reasonably incurred by him in connection with any such claim of liabilities; provided, however, that no such shall be indemnified against, or be reimbursed for, any expenses incurred in connection with any claim or liability arising out of his own negligence or willful misconduct.

ARTICLE IX DEALINGS WITH DIRECTORS, OFFICERS OR COMMITTEE MEMBERS

SECTION 1: PERMITTED DEALINGS WITH DIRECTORS, OFFICERS AND COMMITTEE MEMBERS

No contract or business transaction between the Corporation and one or more of its Directors, Officers, chairmen, or committee members, or a corporation, partnership, association, or other organization in which a Corporation Director, Officer, chairman, or committee member is a Director, Officer, or employee or in which he has a financial interest, shall be void or voidable solely for this reason, or solely because the Director, Officer, chairman or committee member is present at or participates in the meeting of the Board or committee thereof which authorizes the contract or business transaction, or solely because his or their votes are counted for such purposes, if:

- (a) The material facts as to his relationship or interest in the contract or business transaction are disclosed or are known to the Board or committee, and the Board or committee in good faith authorizes the contract or business transactions by the affirmative votes of a majority of the disinterested Directors or committee members be less than a quorum; or
- (b) The contract or transaction is fair as to the Corporation as of the time it is authorized, approved or ratified, by the Board or committee thereof.

SECTION 2: DETERMINING QUORUM

Common or interested Directors or committee members may be counted in determining the presence of a quorum at a meeting of the Board or of a committee which approves the contract or business transaction.

ARTICLE X CORPORATE SEAL

The Board of Directors may, but is not required to, provide for a suitable corporate seal.

ARTICLE XI CONTRACTS, CHECKS, DEPOSITS AND FUNDS

SECTION 1: CONTRACT

The Board of Directors may authorize any Officer or Officers, agent or agents of the Corporation, 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 the Corporation, and such authority may be general or confined to specific instances.

SECTION 2: CHECKS

All checks, drafts or orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation, shall be signed by such Officer or Officers, agent or agents of the Corporation in such manner as shall from time to time be determined by resolution of the Board of Directors.

SECTION 3: DEPOSITS

All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Board of Directors may select.

SECTION 4: GIFTS

The Board of Directors may accept on behalf of the Corporation any contribution, gift, bequest, or devise for the general purposes or for any special purpose of the Corporation.

SECTION 5: LOANS TO DIRECTORS AND OFFICERS

No loan shall be made by or to this Corporation and no evidences of indebtedness shall be issued in its name, unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances. No loans shall be made by the Corporation to any of its Directors or Officers.

ARTICLE XII FISCAL YEAR

The fiscal year of the corporation shall begin July 1 and end June 30 of each year.

ARTICLE XIII CHANGE OF BYLAWS

These Bylaws may be altered, amended or repealed, and new Bylaws may be adopted, by a majority of the Directors present at any regular meeting or at any special meeting of the Board.

ARTICLE XIV CONSTRUCTION AND DEFINITIONS

Unless the context requires otherwise, the general provision, rules of construction, and definitions in Chapter 5 of Title 10 of Arizona Revised Statutes, 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, the plural number includes the singular, and the term "person" includes both a corporation or other organization and a natural person. The rules contained in the current edition of

Roberts' Rules of Order govern the Corporation in all cases in which they are applicable, and in which they are not inconsistent with these Bylaws, the Articles of Incorporation, or any existing law.

Adopted: July 8, 1988

Bruce L. Dusenberry
President

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AMENDMENT TO THE BYLAWS OF

SAGUARO (TUCSON) ROTARY CLUB FOUNDATION

Amend ARTICLE IV, SECTION 4 entirely to read

SECTION 4 TERM OF OFFICE

Each of the five ex officio members of the Board of Directors shall serve a term of one (1) year corresponding to his term as an officer of the Club. The remaining at-large members of the Board of Directors shall each serve a term of two (2) years, with one-half (1/2) of such members elected each year to serve two (2) year terms (except in the 1989-1990 corporate year, when one-half (1/2) of the at-large members elected with the highest vote totals shall serve two (2) year terms, and the remaining one-half (1/2) shall serve one (1) year terms).

Amendment adopted at Special Meeting of the Board of Directors held on July 7, 1989.