

Approved at Special Membership Meeting
February 22, 1980 and
As Amended to February 5, 1993

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Restated By-Laws  
of the  
RYE ROTARY FOUNDATION, INC.

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ARTICLE I
NAME

The name of the foundation is:

"RYE ROTARY FOUNDATION, INC."

and is referred to in these by-laws as the corporation or the foundation.

ARTICLE II
MEMBERSHIP

All members of the Rotary Club of Rye, New York, Inc. (hereinafter referred to as Rye Rotary) are members of the corporation. Membership shall be available without regard to race, color, creed, sex, or national origin.

ARTICLE III
PURPOSES

The purposes for which the corporation is formed are those set forth in its Certificate of Incorporation, as from time to time amended. Namely:

To function as a corporate entity, as a subdivision of the Rye Rotary Club which is affiliated with Rotary International; to further the ideals of Rotary, namely, promotion of the civic responsibilities of its members, and in maintaining high ethical standards in all human

relations, professional, business and social; to set up and maintain scholarships and grants to institutions of higher learning for worthy individuals who are chosen for that purpose; to collect, raise, receive by bequest, maintain and distribute funds for other worthwhile community needs by this Foundation; to do everything necessary and proper to accomplish any and all of the objects herein.

Notwithstanding any other provision of these articles, the corporation is organized exclusively for one or more of the following purposes: religious, charitable, scientific, testing for public safety, literary or educational purposes, or to foster national or international amateur sports competition (but only if no part of its activities involve the provision of athletic facilities or equipment), or for the prevention of cruelty to children or animals, as specified in section 501 (c) (3) of the Internal Revenue Code of 1954.

The Corporation is not formed for any pecuniary or financial gain, and no part of the assets, income, or profit of the corporation is distributable to, or inures to the benefit of its trustees or officers except to the extent permitted under the Not-For-Profit Corporation Law of the State of New York. No part of the activities of the corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign or in behalf of any candidate for public office, or any ballot issue.

ARTICLE IV

MEMBERSHIP MEETINGS

The annual meeting of the membership shall be held in January of each year or subsequently as fixed by the Board of Trustees. Ten days' written notice of any membership meeting, including the purposes of the meeting if other than the annual meeting, shall be given to the membership. Said notice shall include a proposed slate of Trustees to be elected if it is for the annual meeting. Publication in an appropriate weekly bulletin of the Rye Rotary shall suffice. Fifty (50 %) per cent of the membership but not less than ten (10) members shall constitute a quorum at the annual meeting or any meeting of the membership. A meeting of the membership may be called by resolution of the Board or the Board of Directors of Rye Rotary.

ARTICLE V

BOARD OF TRUSTEES

1. The Board of Trustees (hereinafter sometimes referred to as the Board) of the corporation shall consist of five (5) members of the corporation, and shall be elected at the annual meeting to hold office until the next annual meeting.

2. Each year an initial slate shall be nominated by the Nominating Committee of the Rye Rotary at the same time it proposes a slate for the election of the officers and directors of Rye Rotary. In default of the proposed slate, the Board may proposed the same. In either event nominations may be made from the floor at the annual meeting.

3. A majority of the Board, then in office, shall constitute a quorum. A vacancy occurring on the Board shall be filled by a majority vote of the remaining members of the Board.

4. The duties of the Board shall be (a) to transact necessary business in the intervals between meetings of the membership of the corporation; (b) to present a written report at the annual meeting of the membership of the corporation; and (c) to appoint the officers and supervise their activities.

5. Meetings of the Board shall be held at the call of the President, any two of its members or upon the resolution of the Board of Directors of Rye Rotary.

6. Any action of the Board may be taken without a meeting provided that a written resolution is circulated among its members and affirmatively endorsed by a majority of the Board then in office. Said resolution shall be posted to the corporation's minute book in the appropriate order with the minutes of meetings.

ARTICLE VI

OFFICERS

1. The officers of the corporation shall consist of a President, and a Secretary-Treasurer. They shall serve without compensation but shall be entitled to reimbursement for their ordinary and necessary out-of-pocket expenses in the discharge of their duties for the corporation.

2. The officers shall be appointed by a majority vote of the Board from among its members and serve at its pleasure. They shall serve until the appointment of their successors notwithstanding the election, in whole or part, of a new Board.

3. The President shall preside at all meetings of the corporation and of the Board and shall perform such other duties as may be prescribed by the Board.

4. The Secretary-Treasurer shall keep the minutes of all meetings of the corporation and of the Board; shall keep a full and accurate account of receipts and expenditures; and shall file any necessary documents or tax returns as required by law and post copies thereof to the minute book.

ARTICLE VII

COMMITTEES

1. There shall be a scholarship selection committee which shall: (a) consist of at least one Trustee and such other members as the Board of Trustees shall appoint for a term of office to expire on July 1st of each year; (b) have a Chairman designated by the President from among the Trustee members; and (c) make a written report to the Board for each academic year recommending candidates for the various scholarships and possible renewals.

2. In addition to a scholarship selection committee, the corporation shall have such committees as the President shall from time to time appoint to serve at his/her pleasure and during his/her term.

3. In the event that no members are appointed to the scholarship selection committee to serve after the terms of their predecessors expire on July 1st, then the Board shall assume the functions of the committee.

ARTICLE VIII

INDEMNIFICATION OF OFFICERS AND TRUSTEES

The corporation, to the fullest extent permitted by §§ 722, 723 and 724 of the New York Not-For-Profit Corporation Law, as the same may be amended and supplemented, shall indemnify any and all persons whom it shall have power to indemnify under said sections from and against any and all of the expenses, liabilities or other matters referred to in, or covered by, said sections.

The indemnification provided for herein shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any by-law, agreement, vote of membership or trustees, or otherwise, both as to action in his/her official capacity and as to action in any other capacity while holding such office.

The indemnification provided for herein shall continue as to a person who has ceased to be a trustee, director, officer, employee or agent of the corporation, and shall inure to the benefit of the heirs, executors and administrators of such person.

ARTICLE IX

SCHOLARSHIPS

The foundation, subject to available funds, shall each year grant one "Lester Kelley" scholarship and one "Marc Saracino" scholarship and any other "named memorial scholarships" which are funded by their own restricted portion of the corpus, each to a graduating senior of Rye high school.

All scholarships are for the initial year only and renewals shall be at the sole discretion of the Board under such criteria that it may establish and limited to the funding hereinafter noted.

The Board upon the recommendation of the Scholarship Selection Committee, if one is functioning, will designate the awardees for each scholarship or renewal or may split a scholarship between two or more candidates.

1. The "Lester Kelley" scholarship is dedicated to the memory of Lester Kelley the Charter President of Rye Rotary and shall be in the amount of one thousand dollars and paid out of the unrestricted portion of the corpus of the foundation.

2. The "Marc Saracino" scholarship is dedicated to the memory of Marc Saracino a Charter Member of Rye Rotary and shall be limited to the funds accumulated from the net proceeds of the prior years' Marc Saracino memorial golf outing as sponsored by Rye Rotary (hereinafter referred to as the "Saracino Fund") but shall not exceed one thousand dollars. At the sole option of the Board any deficiency for an annual award may be advanced out of the unrestricted portion of the corpus of the foundation for the account of the Saracino Fund.

3. Each "named memorial scholarship" shall be named as designated by the donors of the funds in a particular person's memory or for a particular purpose and shall be limited to the income of its particular restricted portion of the corpus of the foundation. In any event each shall not exceed one thousand dollars.

4. Recognizing that the policy of the corporation is to increase the corpus foundation: renewals of the Marc Saracino scholarship are limited to the funds available in the Saracino Fund; renewals of the Lester Kelley scholarship are limited to the net income (after payment of the general expenses of the foundation) of the unrestricted portion of the corpus of the foundation; and renewals of any "named memorial scholarship" are limited to the accumulated income of its particular restricted portion of the corpus of the foundation.

ARTICLE X

FISCAL POLICIES OF THE CORPORATION

1. The long term policy of the corporation is to increase the restricted and unrestricted portions of the corpus of the foundation so that each will generate sufficient net income to enable it on an annual basis to fund its respective scholarships without reliance on outside donations.

2. The corporation's fiscal year shall commence on October 1st and end on the following September 30th, notwithstanding that its trustees serve from the annual meeting at which they are elected (usually in January) to the next annual meeting.

3. Except as hereinafter noted it shall operate on cash basis and on "fund accounting."

(a) The accounts of the foundation shall consist of several funds, viz: the unrestricted portion of the corpus, one or more restricted portions of the corpus, and the "Saracino Fund."

(b) Unrealized (paper) capital gains shall not be reflected on the foundation's financial statements, but a reserve chargeable against income shall be shown for unrealized capital losses on its year end statement. Realized capital gains and losses shall chargeable to income.

(c) Where a gain or loss is attributable to an asset of co-mingled funds, it shall be prorated on the net value of the respective funds prior to the realization of the gain or loss, or if unrealized then as of the year end.

(d) Except where a cost or expense can be identified as relating only to a particular restricted portion of the corpus of the foundation it will charged to the unrestrict portion of the corpus.

ARTICLE XI

FUNDS OF THE CORPORATION

1. The unrestricted portion of the corpus of the foundation shall be a minimum sum of Fifty Thousand (50,000.00) Dollars. Any donations or bequests to the foundation which are not earmarked for a restricted portion of the corpus shall be added to the unrestricted portion of the corpus. Until the unrestricted portion of the corpus attains its minimum corpus, its income less the general expenses of the foundation shall be added to the unrestricted portion of the corpus and not used for any other purpose.

2. The Board shall also have the power to increase the minimum of the unrestricted portion of the corpus by appropriate resolution entered in its minutes.

3. Any donation or bequests to the foundation not earmarked shall be added to the unrestricted portion of the corpus.

4. The foundation may also accept monies donated for one or more restricted portions of the corpus each to fund a "named memorial scholarship."

5. The foundation may co-mingle the investment of the restricted and unrestricted portions of its corpus and the "Saracino Fund" and shall hold its assets only in the following: (a) savings bank interest bearing accounts; (b) savings bank certificates of deposit; (c) United States securities; (d) United States short-term notes; and (e) money market funds.

6. Monies of the foundation may only be withdrawn from its bank accounts or other investments upon the signature of the President, the Secretary-Treasurer, or any two of the Trustees or otherwise pursuant to written appropriation of the Board of Trustees. All appropriations shall be for specific projects and shall be so noted in the corporation's minutes.

ARTICLE XII

AMENDMENTS and SUPERSEDES

1. These by-laws may be amended, repealed, or altered in whole or in part by a two-thirds vote at any regular or special meeting of the membership, provided ten days' written notice of the same is given to the membership.

2. In the event the Board denies a request from Rye Rotary for an appropriation, the membership of the foundation, at a special meeting, shall have the power by two-thirds vote of the total membership to supersede the fiduciary duties of the Board and override the decision of the Board. Each such appropriation by the membership shall hold the individual members of the Board harmless from a breach of their fiduciary duties, shall be for a specific project and shall be so noted in the corporation's minutes which shall include the roll call of the vote by which it was passed.

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