

The Bylaws of the

POTTSTOWN ROTARY COMMUNITY ENDOWMENT FUND

a Pennsylvania nonprofit Corporation

**Adopted July 5, 2006
Revised August 30th 2022**

ARTICLE I -- INTRODUCTORY PROVISIONS

1. Name. This Corporation is incorporated under the Pennsylvania Nonprofit Corporation Law of 1988 (hereinafter referred to as the "Act") and shall be known as the Pottstown Rotary Community Endowment Fund, hereinafter sometimes referred to as the "Corporation."

2. Purpose. The Corporation is organized to achieve the following objectives: To provide humanitarian service, encourage high ethical standards in all vocations, and help build goodwill and peace in the community; and, to do all things and to have all powers and privileges as are necessary, convenient or incidental to the conduct, promotion or attainment of the activities or purposes of the Corporation, insofar as the same are permitted under the Nonprofit Corporation Law of 1988 or any other applicable statute or law.

3. Definitions. Terms used herein without definition herein shall have the meanings specified for such terms in the Pennsylvania Nonprofit Corporation Law of 1988, as it may be amended from time to time.

4. Compliance. Every Member, Director, and Officer of the Corporation shall comply with these Bylaws.

ARTICLE II – OFFICES

1. Registered Office. The Corporation's registered office shall be at Pottstown, Pennsylvania, 19465, until changed by action of the Board of Directors.

2. Other Offices. The Corporation may also have offices at such other places within or without the Commonwealth of Pennsylvania as the Board of Directors may from time to time appoint or the business of the Corporation may require.

ARTICLE III -- CORPORATE SEAL

The corporate seal shall have inscribed thereon the name of the Corporation, the year of its organization and the words "Corporate Seal, Pennsylvania".

ARTICLE IV -- MEMBERS; MEETINGS

1. Membership.

(a) Members shall be all members, in good standing, of the Pottstown Rotary.

(b) Requirements and conditions for membership, if any, shall be established from time to time by resolution of the Corporation's Board of Directors. A person or entity shall not be deemed a Member unless and until such person or entity has been accepted as a Member by the Board of Directors or other party authorized by the Board to accept such membership.

(c) Members shall not have any voting rights pertaining to the Corporation, except as specifically provided for in these Bylaws.

2. Place of Meeting. Meetings of the Members, if any, shall be held at the registered office of the Corporation or at such other place or places, either within or without the Commonwealth of Pennsylvania, as may from time to time be fixed by the Board of Directors.

3. Transferability and Assignment. Membership in the Corporation is not transferable or assignable.

4. Suspension and Termination of Membership. The Board of Directors, by affirmative vote of two-thirds of all the members of the Board, may suspend or expel a Member for cause after an appropriate hearing, and may, by a majority vote of those present at any regularly constituted meeting, terminate the membership of any Member who becomes ineligible for membership, or suspend or expel any member who shall be in default in the payment of any dues or assessments.

ARTICLE V – DIRECTORS

1. Authority; Term. The Board of Directors shall have full power to conduct, manage, and direct the business and affairs of the Corporation, subject only to those limitations stated in the Act. All Directors shall be natural persons of full age. Directors who are elected shall serve a term of three (3) years each or until their successors are elected and have qualified.

2. Number of Directors. The Board of Directors shall be composed of at least seven (7) members. The Board of Directors, by affirmative vote of two-thirds of all the members of the Board, may increase the number of Directors which shall compose the Board of Directors.

3. Selection and Election of Directors.

(a) Upon the expiration of the terms of the current Directors, new Directors shall be installed at the January Board meeting (hereinafter referred to as the “Installation Meeting”).

(b) Nominating Committee. The selection of candidates for election to the Board of Directors shall be performed by the nominating committee. The Nominating Committee shall consist of three(3) of the then current members of the Board of Directors of the Pottstown Rotary, appointed by the President of the Pottstown Rotary, and three(3) of the then current members of the Board of Directors of the Corporation, appointed by the President of the Corporation.

(c) The Nominating Committee shall meet during the month of October which is immediately prior to the Installation Meeting. The membership shall receive written notification of the Nominating Committee's meeting and any Member, in good standing, who desires to be considered for a directorship shall give notice to the Nominating Committee of his

or her interest and thereafter shall be interviewed by the Nominating Committee for possible candidacy.

(d) During the month of November immediately prior to the Installation Meeting, the nominating committee shall present to the membership a slate candidates. Each candidate must have previously agreed to accept the responsibility of directorship. No Board member who has served two consecutive three year terms may be nominated; a one year period must elapse before eligibility for directorship is restored to the Director.

(e) Elections. Ballots listing the Candidates for directorship shall be distributed to the membership during the month of December which is immediately prior to the Installation Meeting. Ballots must be returned to the President no later than the January 1 immediately prior to the Installation Meeting.

4. Vacancy. If a position on the Board of Directors becomes vacant for any reason, the balance of the existing term for the vacant position shall be filled by a majority vote of the members of the Board of Directors.

5. Meetings, Generally. The meetings of the Board of Directors may be held at such times and at such place or places within this Commonwealth or elsewhere as a majority of the Directors may from time to time appoint, or as may be designated in the notice calling the meeting.

6. Regular Meetings. Regular meetings of the board shall be held every other month at a place and time designated by the President with concurrence of the board. Meetings of the board may be held telephonically or via internet In no event shall more than ninety (90) days elapse between regular meetings of the Board of Directors.

7. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Corporation, or by any two (2) Directors.

8. Notice.

(a) Notice of every special meeting of the Board of Directors, and notice of the place and time of every regular meeting which is not held at a place and time previously established by the Board of Directors or these Bylaws, shall be given to each Director by telephone or email at least 24 hours , or five (5) days (in the case of notice by first class mail) before the time at which the meeting is to be held. Every such notice shall state the time and place of the meeting. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in a notice of a meeting.

(b) Before or at any meeting of the Board, any Director may, in writing, waive notice of such meeting, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any such meeting shall be a waiver of notice by him of the time and place thereof unless such attendance is solely for the purpose of objecting to the notice given. If all of the Directors then serving on the Board are present at any meeting thereof, no notice shall

be required and business may be transacted at such meeting unless one or more of the Directors are attending solely for the purpose of objecting to the notice given.

9. Quorum. A majority of the Directors in office shall be necessary to constitute a quorum for the transaction of business, and the acts of a majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors.

10. Effects of Presence. Any Director present at any meeting shall be deemed to have assented to any action taken at such meeting unless the Director's dissent is entered in the minutes or unless the Director's written dissent is filed with the Secretary at or immediately following the adjournment thereof, provided that no Director may dissent from any action from which the Director voted in favor at the meeting.

11. Action by Written Consent. Any action which may be taken at a meeting of the Directors may be taken without a meeting if consent or consents in writing, setting forth the action so taken, shall be signed by all of the Directors in office and shall be filed with the Secretary of the Corporation.

12. Committees. The Board of Directors may, by resolution adopted by a majority of the Directors in office, establish one or more committees to consist of one or more Directors of the Corporation. Any such committee, to the extent provided in the resolution of the Board of Directors or in the Bylaws, shall have and may exercise any or all of the powers and authority of the Board of Directors, except that no such committee shall have any power of authority as to the following:

- (a) The submission to Members of any action required by statute to be submitted to the Members for their approval;
- (b) The filling of vacancies in the Board of Directors;
- (c) The adoption, amendment or repeal of the Bylaws;
- (d) The amendment or repeal of any resolution of the Board; or
- (e) Action on matters committed by the Bylaws or resolution of the Board of Directors to another committee of the Board.

13. Alternate Committee Members. The Board may designate one or more Directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he, she or they constitute a quorum, may unanimously appoint another Director to act at the meeting in the place of any such absent or disqualified member.

14. Non-Board Members / Committee Members. The Board of Directors may elect an individual who is not a current member of the Board of Directors as a member of a

committee. Such non board member shall serve at the pleasure of the Board of Directors, shall have no duties or responsibilities, and shall be entitled to attend all committee meetings, and shall have no liability whatsoever for any actions or admissions of the Corporation, its members, directors, officers or agents. A non board committee member shall be entitled indemnification and insurance coverage by the Corporation to the extent available for any other committee member.

15. Removal.

(a) The Board of Directors may declare vacant the office of any Director who has unexcused absences from three (3) consecutive regular meetings of the Board.

(b) The Board of Directors may declare vacant the office of a Director if the Director is declared of unsound mind by an order of court or is convicted of felony, or if within sixty (60) days after notice of his or her selection, he or she does not accept such office, either in writing or by attending a meeting of the Board of Directors.

(c) A majority of the Board of Directors must vote in the affirmative to declare an office of a Director vacant under this paragraph.

16. Fiduciary Duty.

(a) A director of the Corporation shall stand in a fiduciary relation to the Corporation and shall perform his duties as a director, including his/her duties as a member of any committee of the Board upon which he/she may serve, in good faith, in a manner he/she reasonably believes to be in the best interest of the Corporation, and with such care, including reasonable inquiry, skill and diligence, as a person of ordinary prudence would use under similar circumstances. In performing his/her duties, a director shall be entitled to rely in good faith on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared by any of the following:

(i) One (1) or more officers or employees of the Corporation whom the director reasonably believes to be reliable and competent in the matters presented;

(ii) Counsel, public accountants or other persons as to matters which the director reasonably believes to be within the professional or expert competence of such person;

(iii) A committee of the Board upon which the director does not serve, duly designated in accordance with law, as to matters within its designated authority, which the director reasonably believes to merit confidence.

(b) A director shall not be considered to be acting in good faith in he/she has knowledge concerning the matter in questions that would cause his reliance to be unwarranted.

(c) In discharging the duties of their respective positions, the Board of Directors, committees of the Board and individual directors may, in considering the best interest of the Corporation, consider the effects of any action upon employees, upon suppliers and

customers of the Corporation and upon communities in which offices or other establishments of the Corporation are located, and all other pertinent factors. The consideration of those factors shall not constitute a violation of this section.

(d) Absence breach of fiduciary duty, lack of good faith or self-dealing, actions taken as a director or any failure to take any action shall be presumed to be in the best interest of the Corporation. A director of the Corporation shall not be personally liable for monetary damages as such for any action taken, or any failure to take any action, unless:

(i) The director has breached or failed to perform the duties of his/her office under this section;

(ii) The breach or failure to perform constitutes self-dealing, willful misconduct or recklessness.

(e) The provisions of this section shall not apply to:

(i) The responsibility or liability of a director pursuant to any criminal statute; or

(ii) The liability of a director for the payment of taxes pursuant to local, State or Federal Law.

17. Salary. The salaries of the Directors, if any, shall be fixed from time to time by resolution of the Board of Directors. In all cases, any salaries received by Directors of this Corporation shall be reasonable and given in return for services actually rendered to or for the Corporation. All officer salaries shall be approved in advance in accordance with the Corporation's Conflict of Interest policy.

ARTICLE VI - OFFICERS

1. The officers of the Corporation shall be a president, one or more vice presidents, a secretary, a treasurer, and such other officers as may be elected in accordance with the provisions of this Article. Officers shall be directors of the Corporation and shall be of full age. The Board of Directors may secure the fidelity of any or all such officers by bond or otherwise and shall be empowered to obtain directors and officers liability-insurance in favor of the Corporation and its directors and officers from time to time.

2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors and following each annual meeting of the Members.

3. Term. The officers of the Corporation shall be elected annually by the Board and shall serve at the pleasure of the Board or until their successors shall have been appointed, subject to the other provisions of these Bylaws.

4. Duties. The officers shall have such authority and shall perform such duties as are provided by these Bylaws and as shall from time to time be prescribed by the Board of Directors. The duties of the officers are as follows:

(a) President. The President shall be the chief executive officer of the Corporation and shall preside at all meetings of the Members and Board of Directors; shall have general and active management of the affairs of the Corporation; shall see that all orders and resolutions of the Board are carried into effect, subject, however, to the right of the Directors to delegate any specific powers, except such as may be by statute exclusively conferred on the President, to any other officer or officers of the Corporation. The President shall execute bonds, mortgages, leases, deeds and other written instruments and documents (if requiring a seal, under the seal of the Corporation). The President shall have the general powers and duties of supervision and management usually vested in the office of President.

(b) Vice President. There shall be at least one (1) Vice President, each of whom, subject to any Board resolutions, may and shall act in all cases for and as the President in the latter's absence, inability or refusal to act, and shall perform such other duties as may be required of the Vice President(s) from time to time by the Board of Directors.

(c) Secretary. The Secretary, or delegate shall attend all sessions of the Board and all meetings of the Members and act as clerk thereof, and record all the votes of the Corporation and the minutes of all its transactions in a book to be kept for that purpose, and shall perform like duties for all committees of the Board of Directors when required. The Secretary shall give, or cause to be given, notice of all meetings of the Members and of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors or President. The Secretary shall keep in safe custody the corporate seal of the Corporation and affix the same to any instrument as appropriate.

(d) Treasurer. The Treasurer shall have custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation, and shall keep the moneys of the Corporation in a separate account to the credit of the Corporation. The Treasurer shall disburse the funds of the Corporation as may be ordered by the Board, taking proper vouchers for such disbursements, and shall render to the President and Directors, at the regular meetings of the Board or whenever they may require it, an account of all transactions as Treasurer and of the financial condition of the Corporation. The Treasurer shall cause an annual audit or other review (the scope of which shall be determined from time to time by the Board of Directors) of the Corporation books to be made by an independent accountant at the completion of each fiscal year.

6. Compensation. The salaries of the officers, if any, shall be fixed from time to time by resolution of the Board of Directors. In all cases, any salaries received by officers of this Corporation shall be reasonable and given in return for services actually rendered to or for the Corporation. All officer salaries shall be approved in advance in accordance with the Corporation's Conflict of Interest policy.

7. Execution of Instruments. No agreement, check, deed, lease or other instrument, which shall bind the Corporation for an amount exceeding Five Hundred Dollars (\$500.00), shall be binding upon the Corporation unless entered into on its behalf and signed by two (2) officers of the Corporation. An agreement, check, deed, lease or other instrument, which shall bind the

Corporation for an amount less than Five Hundred Dollars (\$500.00), shall be binding upon the Corporation if executed by the President or Treasurer.

ARTICLE VII – VACANCIES

1. If the office of any officer or agent, one or more, becomes vacant for any reason, the Board of Directors may choose a successor or successors, who shall hold office for the unexpired term in respect of which such vacancy occurred.

2. Any officer or agent may be removed from office with or without cause by the Board by an affirmative vote of the majority of the entire Board whenever in its judgment the best interests of the Corporation will be served thereby, but such removal shall be without prejudice to the contract rights of any person so removed. Any officer may resign at any time giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

ARTICLE VIII - BOOKS AND RECORDS

1. The Corporation shall keep an original or duplicate record of the proceedings of the Members and the Directors, the original or a copy of its Bylaws, including all amendments thereto to date, certified by the Secretary of the Corporation. The Corporation shall also keep appropriate, complete and accurate books or records of account. The records provided for herein shall be kept at either the registered office of the Corporation in this Commonwealth or at its principal place of business wherever situated.

2. Every Member shall, upon written demand stating the purpose thereof, have a right to examine, in person or by agent or attorney, during the usual hours for business for any proper purpose, the membership register, books and records of account, and records of the proceedings of the Members and Directors, and to make copies or extracts therefrom at reasonable cost. A proper purpose shall mean a purpose reasonably related to the interest of such person as a Member. In every instance where an attorney or other agent shall be the person who seeks the right to inspection, the demand shall be accompanied by a power of attorney or such other writing which authorizes the attorney or other agent to so act on behalf of the Member. The demand shall be directed to the Corporation at its registered office in this Commonwealth or at its principal place of business wherever situated.

ARTICLE IX - REAL PROPERTY

1. The Corporation shall make no purchase of real property and shall not sell, mortgage, lease away or otherwise dispose of its real property unless authorized by a vote of two-thirds (2/3) of the members in office of the Board of Directors. If the real property is subject to a trust, the conveyance away shall be free of trust and the trust shall be impinged upon the proceeds of such conveyance.

ARTICLE X - ANNUAL REPORT

1. The Board shall direct the president and treasurer to present at the annual meeting of the board a report showing in appropriate detail the following:

(a) The assets and liabilities, including the trust funds, of the Corporation as of the end of the fiscal year immediately preceding the date of the report.

(b) The principal changes in assets and liabilities including trust funds, during the year immediately preceding the date of the report.

(c) The revenue or receipts of the Corporation, both unrestricted and restricted to particular purposes, for the year immediately preceding the date of the report, including separate data with respect to each trust fund held by or for the Corporation.

(d) The expenses or disbursements of the Corporation, for both general and restricted purposes, during the year immediately preceding the date of the report, including separate data with respect to each trust fund held by or for the Corporation.

2. The annual report of the Board shall be filed with the minutes of the annual meeting of the Board.

ARTICLE XI – NOTICES

1. Except as otherwise specifically provided herein, whenever written notice is required to be given to any person, it may be given to the person either personally or by sending a copy thereof by first class or express mail, postage prepaid, or courier service, charges prepaid, or by email with read receipt to the email of the person appearing on the books of the Corporation, or, in the case of Directors, supplied by the Directors to the Corporation for the purpose of notice; and a certificate or affidavit by the Secretary or an Assistant Secretary shall be prima facie evidence of the giving of any notice required by these Bylaws. If the notice is sent by mail, email, it shall be deemed to have been given to the person entitled thereto when deposited in the United States mail or with a email read receipt or courier service for delivery to that person; Delivery shall also be deemed to have been made when the notice is placed in the Member's mailbox. A notice of meeting shall specify the place, day and hour of the meeting and any other information required by statute or these Bylaws. Except as may be otherwise specifically provided herein, when a special meeting is adjourned, it shall not be necessary to give any notice of the adjourned meeting or of the business to be transacted at an adjourned meeting, other than by announcement at the meeting at which such adjournment is taken.

2. Whenever any written notice is required to be given under the provisions of statute or by the Articles of Incorporation or by these Bylaws, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Except as otherwise required by statute, neither the business to be transacted at nor the purpose of a meeting need be specified in the

waiver of notice of such meeting. In the case of a special meeting of Members, such waiver of notice shall specify the general nature of the business to be transacted. Attendance of a person at any meeting shall constitute a waiver of notice of such meeting, except where a person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting was not lawfully called or convened.

ARTICLE XII - MISCELLANEOUS PROVISIONS

1. The fiscal year of the Corporation shall begin on the first day of January in each year.
2. One or more persons may participate in a meeting of the Board or of the Members by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this section shall constitute presence in person at such meeting.
3. The provisions hereof shall be deemed independent and severable, and the invalidity, partial invalidity or unenforceability of any one provision or a portion hereof shall not affect the validity or enforceability of any other portion or portions hereof.
4. The headings introducing the text of the several sections of these Bylaws are solely for the convenience of reference and shall not constitute part of these Bylaws or affect their meaning in any way.
5. All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular and plural, as the identity of the person or persons or entities may require.

ARTICLE XIII - LIMITATION OF PERSONAL LIABILITY OF DIRECTORS; INDEMNIFICATION OF DIRECTORS, OFFICERS AND OTHER AUTHORIZED REPRESENTATIVES

1. Limitation of Personal Liability of Directors. A director of the Corporation shall not be personally liable for monetary damages as such for any action taken, or any failure to take any action, unless:

(a) the director has breached or failed to perform the duties of his or her office as defined in Section 2 below; and

(b) the breach or failure to perform constitutes self dealing, willful misconduct or recklessness. The provisions of this Section shall not apply to (a) the responsibility or liability of a director pursuant to any criminal statute; or (b) the liability of a director for the payment of taxes pursuant to local, state or federal law.

2. Standard of Care and Justifiable Reliance.

(a) A director of the Corporation shall stand in a fiduciary relationship to the Corporation, and shall perform his or her duties as a director, including his or her duties as a member of any committee of the Board upon which he or she may serve, in good faith, in a manner he or she reasonably believes to be in the best interests of the Corporation, and with such care, including reasonable inquiry, skill and diligence, as a person of ordinary prudence would use under similar circumstances. In performing his or her duties, a director shall be entitled to rely in good faith on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by any of the following:

(i) One or more officers or employees of the Corporation whom the director reasonably believes to be reliable and competent in the matters presented;

(ii) Counsel, public accountants or other persons as to matters which the director reasonably believes to be within the professional or expert competence of such person;

(iii) A committee of the Board upon which he or she does not serve, duly designated in accordance with law, as to matters within its designated authority, which committee the director reasonably believes to merit confidence. A director shall not be considered to be acting in good faith if he or she has knowledge concerning the matter in question that would cause his or her reliance to be unwarranted.

(b) In discharging the duties of their respective positions, the Board, committees of the board and individual director may, in considering the best interests of the Corporation, consider the effects of any action upon employees, upon persons with whom the Corporation has business and other relations and upon communities which the offices or other establishments of or related to the Corporation are located, and all other pertinent factors. The consideration of those factors shall not constitute a violation of subsection (a) of this Section.

(c) Absent breach of fiduciary duty, lack of good faith or self-dealing, actions taken as a director or any failure to take any action shall be presumed to be in the best interests of the Corporation.

3. Indemnification in Third Party Proceedings. The Corporation 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, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that he or she is or was a representative of the Corporation, or is or was serving at the request of the Corporation as a representative of another Corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner reasonably believed to be in, or not opposed to, the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or

proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not of itself create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in, or not opposed to, the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

4. Indemnification in Derivative Actions. The Corporation 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 or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he or she is or was a representative of the Corporation, or is or was serving at the request of the Corporation as a representative of another Corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred in connection with the defense or settlement of such action or suit if he or she 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 Corporation and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his or her duty to the Corporation unless and only to the extent that the Court of Common Pleas of Philadelphia County or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Common Pleas or such other court shall deem proper.

5. Mandatory Indemnification. Notwithstanding any contrary provision of the articles of Incorporation or these by-laws, to the extent that a representative of the Corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in either Section 3 or Section 4 above, he or she shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection therewith.

6. Determination of Entitlement to Indemnification. Unless ordered by a court, any indemnification under Section 3 or 4 above shall be made by the Corporation only as authorized in the specific case upon determination that indemnification of the representative is proper in the circumstances because he or she has met the applicable standard of conduct set forth in such paragraph. Such determination shall be made:

(a) by the Board by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding; or

(b) if such a quorum is not obtainable, or, even if obtainable, a majority vote of a quorum of disinterested directors so directs, by independent legal counsel in a written opinion.

7. Advancing Expenses. Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Corporation in advance of the final disposition of such action, suit or proceeding as authorized by the Board in a specific case upon receipt of an undertaking by or on behalf of the representative to repay such amount unless it shall ultimately

be determined that he is entitled to be indemnified by the Corporation as authorized in paragraphs 1 through 3 above.

8. Indemnification of Former Representatives. Each such indemnity may continue as to a person who has ceased to be a representative of the Corporation and may inure to the benefit of the heirs, executors and administrators of such person.

9. Insurance. The Corporation shall have the power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of another Corporation, partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred by such person in any capacity or arising out of such person's status as such, whether or not the Corporation would otherwise have the power to indemnify such person against such liability.

10. Reliance on Provisions. Each person who shall act as an authorized representative of the Corporation shall be deemed to be doing so in reliance upon the rights of indemnification provided by this Article.

ARTICLE XIV - IRC 501(c)(3) TAX EXEMPTION PROVISIONS

1. Limitations on Activities. No substantial part of the activities of this corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation (except as otherwise provided by Section 501(h) of the Internal Revenue Code), and this corporation shall not participate in, or intervene in (including the publishing or distribution of statements), any political campaign on behalf of, or in opposition to, any candidate for public office. Notwithstanding any other provisions of these bylaws, the Corporation shall not carry on any activities not permitted to be carried on (a) by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code.

2. Prohibition Against Private Inurement. No part of the net earnings of this corporation shall inure to the benefit of, or be distributable to, its members, directors or trustees, officers, or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes of this corporation.

3. Distribution of Assets. Upon the dissolution of this corporation, its assets remaining after payment, or provision for payment, of all debts and liabilities of this corporation, shall be distributed to the Rotary Foundation, or its successors, for one or more exempt purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code or shall be distributed to the federal government, or to a state or local government, for a public purpose. Such distribution shall be made in accordance with all applicable provisions of the laws of this commonwealth.

4. Private Foundation Requirements and Restrictions. In any taxable year in which this corporation is a private foundation as described in Section 509(a) of the Internal Revenue

Code, the corporation 1) shall distribute its income for said period at such time and manner as not to subject it to tax under Section 4942 of the Internal Revenue Code; 2) shall not engage in any act of self-dealing as defined in Section 4941(d) of the Internal Revenue Code; 3) shall not retain any excess business holdings as defined in Section 4943(c) of the Internal Revenue Code; 4) shall not make any investments in such manner as to subject the corporation to tax under Section 4944 of the Internal Revenue Code; and 5) shall not make any taxable expenditures as defined in Section 4945(d) of the Internal Revenue Code.

ARTICLE XVI – CONFLICT OF INTEREST POLICY

1. Purpose. The purpose of this Conflict of Interest Policy is to protect the Corporation's Interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Corporation or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

2. Definitions:

(a) Interested Person: Any director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

(b) Financial Interest: A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

i. An ownership or investment interest in any entity with which the Corporation has a transaction or arrangement; or

ii. A compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement, or

iii. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement.

(c) Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

(d) A financial interest is not necessarily a conflict of interest. A person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

3. Procedures.

(a) Duty to Disclose. In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

(b) Determining Whether a Conflict of Interest Exists. After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

(c) Procedures for Addressing the Conflict of Interest. An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest. The President shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement. After exercising due diligence, the Board of Directors shall determine whether the Corporation can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Corporation's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

4. Violations of the Conflicts of Interest Policy.

(a) If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

(b) If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the Member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

5. Records of Proceedings. The minutes of the governing board and all committees with board delegated powers shall contain:

(a) The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.

(b) The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

6. Compensation.

(a) A voting Member of the governing board who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that Member's compensation.

(b) A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.

(c) No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

7. Annual Statements. Each director, principal officer and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person has received a copy of the conflicts of interest policy, has read and understands the policy, has agreed to comply with the policy, and understands the Corporation is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

8. Periodic Reviews. To ensure the Corporation operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

(a) Whether compensation arrangements and benefits are reasonable, based on competent survey information and the result of arm's length bargaining.

(b) Whether partnerships, joint ventures, and arrangements with management organizations conform to the Corporation's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

9. Use of Outside Experts. When conducting the periodic reviews as provided for in Section 8 of this Article, the Corporation may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

ARTICLE XVII - AMENDMENTS; CONFLICTS

1. These Bylaws may be amended or repealed, or new Bylaws may be adopted, by vote of a majority of the Board of the Corporation in office at any regular or special meeting.

Such proposed amendment, repeal or new Bylaws, or a summary thereof, shall be set forth in any notice of such meeting, whether regular or special. .

2. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles of Incorporation shall control.