

INITIAL BYLAWS
OF
CASTRO VALLEY ROTARY CLUB COMMUNITY FOUNDATION

ARTICLE 1
PRINCIPAL OFFICE

Section 1. Principal Office

The principal office for the transaction of the business of the CASTRO VALLEY ROTARY CLUB COMMUNITY FOUNDATION (hereinafter "Community Foundation") shall be Castro Valley, Alameda County, California.

ARTICLE 2
PURPOSES

Section 1. Objectives and Purposes

The primary objectives and purposes of the Community Foundation shall be:

1. To provide assistance or contributions exclusively for charitable, scientific, educational, or public purposes, to organizations or institutions located in Castro Valley, California (with that area defined to be the area currently in Zip Codes 94546 and 94552).
2. To manage, control, and administer Community Foundation assets prudently in accordance with the Articles of Incorporation or the Bylaws and California law.
3. In furtherance of the above, the Community Foundation shall receive, invest, and administer both unrestricted gifts and bequests and restricted gifts and bequests, as follows:
 - A. All unrestricted gifts and bequests received by the Community Foundation shall be deposited into, and fund, a permanent endowment (hereinafter "endowment") for the Castro Valley community. From the Community Foundation's unrestricted funds and the

permanent endowment, the only distribution shall be for charitable, scientific, educational, or public purposes in Castro Valley as directed by the Rotary Club of Castro Valley's board of directors, who may direct annually any amount from zero up to the following percentages, based upon the average of the fair market value of the endowment as of June 30 of the prior fiscal year and (commencing 2024) the two prior June 30^{ths}:

- (i) No distributions while the endowment value is under one hundred thousand dollars (\$100,000).
- (ii) 2% if the endowment value is between \$100,000 and \$500,000;
- (iii) 3% if the endowment value is between \$500,000 and \$1,000,000;
- (iv) Up to 3.5% if said average value is \$1,000,000 or greater, but with an average annual total rate of return on all unrestricted funds over that 3-year period was over 8%;

B. Restricted gifts and bequests may not be accepted by the Community Foundation without the prior written approval of the Community Foundation board of trustees as to all aspects of the donor's restrictions, including investment restrictions, asset class, distribution restrictions, etc.

C. The ideals of Rotary (including its "Four-Way Test") shall be a guiding principle for the administration and management of the endowment and of the Community Foundation, but all within the parameters of endowment spent solely inside of Castro Valley for the benefit of the Castro Valley community.

D. Sources of Community Foundation funding include, but are not limited to, activities as approved by the board of directors of the Rotary Club of Castro Valley and grants, contributions, bequests, memorials, and gifts.

E. Contributions or gifts to the Community Foundation may be received from members or

nonmembers of the Rotary Club of Castro Valley.

- F. If deemed appropriate by the board of directors of the Rotary Club of Castro Valley, the Community Foundation may establish, maintain, and govern fundraising programs as the Community Foundation's trustees defer to the judgment of the Club's board of directors as to what fundraising programs should benefit the Community Foundation.

ARTICLE 3

APPROVAL OF BYLAWS AND AMENDMENTS AND VOTING

Section 1. Special Meeting for Initial Approval and Election

1. The active members of the Rotary Club of Castro Valley in good standing and entitled to vote must initially approve these Bylaws by a two-thirds (2/3rd) vote of those in attendance at a meeting designated by the President of the Rotary Club of Castro Valley, preceded by approval of the board of directors of the Rotary Club of Castro Valley by a two-thirds (2/3rd) vote.
2. These initial Bylaws are approved by all incorporators of the Community Foundation.

Section 2. Amendment of Bylaws.

Bylaw amendments shall require two-thirds approval active members of the Rotary Club of Castro Valley in good standing and entitled to vote of those in attendance at a special meeting designated by the President of the Rotary Club of Castro Valley, but after the amendment was approved by the board of directors of the Rotary Club of Castro Valley by a two-thirds (2/3rd) vote.

Section 3. Voting.

When meetings of the Rotary Club of Castro Valley membership or its board of directors and when meetings of the Community Foundation board of trustees are either entirely video meeting (such as zoom) or a hybrid of in person and via video, then voting by those in the video

meeting may be done orally if immediately memorialized by the person voting in that manner in writing via email or fax or original writing hand delivered or sent by US mail, whatever and however is then allowed by law.

ARTICLE 4

MEMBERSHIP AND MEETINGS

Section 1. Membership

The membership of the Community Foundation shall be known as members. As stated above, the members' role in the Community Foundation is to vote on the articles and bylaws and amendments thereto.

Section 2. Qualification of Members

The members of the Community Foundation shall be the persons who from time to time are members in good standing of, and entitled to a vote in, the Rotary Club of Castro Valley.

Section 3. Voting and Other Rights of Members

Each member of the Community Foundation shall be entitled to one vote.

Section 4. Fiscal Year

The fiscal year for the Community Foundation shall conform with the fiscal year of the Rotary Club of Castro Valley commencing on July 1 and ending on June 30.

Section 5. Annual Meeting

The annual meeting of the members of this Community Foundation shall be held on any Tuesday in October of each year at the time and place of the regular weekly meeting of the Rotary Club of Castro Valley, or at any other time and place determined by a resolution of the board of trustees. (See ARTICLE 5 below.) No notice of any such annual meeting need be given if it is held on the first Tuesday in October at the time and place of the regular weekly meeting of the Rotary Club of Castro Valley; otherwise, written notice of the time and place of the annual

meeting shall be sent to each member by mail or email, addressed to them at their address as it is shown on the records of the Rotary Club of Castro Valley, or by publication in the email newsletter (or U.S. Mail newsletter) of the Rotary Club of Castro Valley sent to all of its members. Any notice shall be mailed or emailed or delivered at least five days before the date of the meeting.

Section 6. Special Meetings

Special meetings of the members of the Community Foundation for any purpose or purposes may be called at any time by the President of the Community Foundation or by any two trustees. (See ARTICLE 5 below.)

Written notice or email notice or telephonic notice of the time and place of special meetings of the members shall be given in the same manner as for annual meetings of the members.

Section 7. Quorum

A quorum for any meeting of the members shall be one-third of the members in good standing of, and entitled to vote in, the Rotary Club of Castro Valley.

Section 8. Liabilities of Members

No person who is now, or who later becomes, a member of the Community Foundation shall be personally liable to its creditors for any indebtedness or liability, and any and all creditors of the Community Foundation shall look only to the assets of this Community Foundation for payment.

ARTICLE 5

TRUSTEES

Section 1. Number of Trustees

The Community Foundation shall have three (3) "designated trustees" and a minimum of

five (5) and a maximum of eight (8) "elected trustees" Collectively, they shall be known as the board of trustees. The number may be changed by amendment of this Bylaw. The trustees must be members in good standing of, and entitled to vote in, the Rotary Club of Castro Valley.

The initial trustees shall be the following:

1. Designated Trustee, Gary Howard, as the Rotary Club of Castro Valley immediate past president.
2. Designated Trustee, Dwight Perry, as the Rotary Club of Castro Valley current president.
3. Designated Trustee, Lytrel Carter, as the Rotary Club of Castro Valley incoming president.
4. Heidi Hausauer.
5. K.J. Page.
6. Murline Monat.
7. James J. Phillips.
8. Cliff Sherwood.

Section 2. Designated Trustees

The designated trustees shall be the immediate past president of the Rotary Club of Castro Valley and the current president of the Rotary Club of Castro Valley, and the president elect of the Rotary Club of Castro Valley.

Section 3. Elected Trustees

Except as stated in Section 4 below for the initial elected trustees, the term of office for elected trustees of the Community Foundation shall be three (3) fiscal years or longer until his or her successor is elected and qualifies. Successors for such trustees whose terms of office are then

expiring shall be elected at the annual meeting of the members nearest expiration of such terms. None of the elected trustees may be members of the board of directors of the Rotary Club of Castro Valley.

Section 4. Trustee Election

1. Two of the initial elected trustees shall serve a one-year term, two of the other initial elected trustees shall serve an initial two-year term, and the other initial elected trustees shall serve a three-year term. Thereafter, trustees may be elected to serve another term (with all succeeding terms being a three-year term). There should be no limit on the number of three-year terms for any trustees, so long as that trustee is not removed for cause (see below) and so long as that trustee is reelected (see below) and is not on the board of directors of the Rotary Club of Castro Valley.
2. When there is a vacancy in the office of an elected trustee, the Community Foundation board of trustees may, by majority vote, nominate a Castro Valley Rotarian to replace that trustee. But such nomination must be approved by the board of directors of the Rotary Club of Castro Valley and by majority vote of its membership at a regular club meeting.
3. When a trustee wishes to serve another three-year term, that trustee may do so if approved by majority vote of the Rotary Club of Castro Valley's board of directors and majority vote of its membership at a regular club meeting.
4. On or before the first Tuesday of March of each year, the board of trustees shall present to the members its nominees to fill vacancies in the offices of elected trustees upon the expiration of terms of office in that year. Members may nominate candidates in writing to the board of trustees prior to the regular annual meeting. Any member may nominate a candidate from the floor during the regular annual meeting.
5. Each fiscal year, the board of trustees shall conduct an election by the club members for the

elected trustees at a meeting of club members. The candidates receiving the highest number of votes shall be elected. Each club member present shall cast one vote for each vacancy, with voting being by ballot only.

Section 5. Powers

Subject to the provisions of the California Nonprofit Public Benefit Corporation Law and any limitations in the Articles of Incorporation and Bylaws relating to action required or permitted to be taken or approved by the trustees of the Community Foundation, the activities and affairs of the Community Foundation shall be conducted and all corporate powers shall be exercised by or under the direction of the board of trustees.

Section 6. Trustee Duties

It shall be the duty of the trustees to:

1. Conduct, manage, and control the affairs and business of the Community Foundation and perform any and all duties imposed on them collectively or individually by law, by the Articles of Incorporation of this Community Foundation, or by its Bylaws.
2. When the board of directors of the Rotary Club of Castro Valley submits to the Community Foundation board a written proposal for the above expenditure of funds from the permanent endowment, with that proposed approved by two-thirds vote of the Rotary Club of Castro Valley board of directors and with that proposal also approved by two-third vote of the members in good standing of, and entitled to vote in, the Rotary Club of Castro Valley at one of its regular meetings, then the Community Foundation board of trustees shall deliver a check made payable to Rotary Club of Castro Valley for said amount with the written direction that said funds must be used by the Rotary Club of Castro Valley directors as set forth by said written, Club approved proposal and with the request that the club president or its board of directions gives to the board of trustees written proof that the funds received

were spent in the manner so proposed.

3. The Community Foundation shall present to the Castro Valley Rotary Club, at a regular club meeting to be set by the president of the Castro Valley Rotary Club, a status report and accounting of Community Foundation funds and investments thereof. It is expected that this will begin annually once the endowment reaches \$100,000.
4. Once the permanent endowment reaches \$1,000,000, the Community Foundation board of trustees shall have the funds invested by an outside investment advisory firm, one with experience and expertise representing non-profits, and one which has no Castro Valley Rotarians employed by it.
5. Endowment funds may be used to pay investment advisors, certified public accountants, and, if necessary, attorneys.
6. Over the decades, it is anticipated that there may be demands on the endowment corpus from Castro Valley Rotarians for Rotary International and/or for other worthy causes outside of Castro Valley. Although these are worthy and noble causes, they shall be prohibited from receiving funds from the permanent endowment. (Prospective donors who wish to help those causes can do so by contributions directly to Rotary International or to other charitable organizations.) Likewise, it is anticipated that there may be demands on the endowment corpus to give funds to local, worthy charities located outside of Castro Valley, but those charities are also not eligible. The Castro Valley Rotary Club Community Foundation is solely for the benefit of the charities, institutions, people, structures, institutions, and property inside of Castro Valley and/or for improving the lives directly of Castro Valley residents by funds spent to or for their benefit directly or for the facilities or property in Castro Valley.
7. The Community Foundation is prohibited from loaning funds to any person, organization, or

charity, including, but not limited to, Rotary Club of Castro Valley.

Section 7. Compensation

The trustees shall receive no compensation for their services as trustees. They shall be allowed reasonable advancement or reimbursement for expenses incurred in the performance of their regular duties as specified in Section 6 of this Article.

Section 8. Quorum

A majority of the trustees shall constitute a quorum for the transaction of business.

Section 9. Place of Meeting

1. Regular meetings of the board of trustees shall be held at any place within Castro Valley that has been designated from time to time by resolution of the trustees or by written consent of all the trustees. In the absence of this designation, regular meetings shall be held at the principal office of the Community Foundation.
2. Special meetings of the trustees may be held either at a place designated or at the principal office.
3. Any meeting, regular or special, may be held by conference telephone or similar communications equipment, so long as all trustees participating in such meeting can hear one another.

Section 10. Time of Meeting

1. The regular meetings of the trustees shall be held quarterly on a day determined by the trustees, provided that this day may be changed by arrangement one month in advance for good cause.
2. Special meetings of the trustees shall be called by the President, whenever deemed necessary or upon the request of two (2) trustees, 48-hour notice having been given.

Section 11. Waiver of Notice and Consent to Holding Meetings

The transactions of any meeting of the trustees, however called and noticed and wherever held, shall be as valid if a quorum is present and if either before or after the meeting each of the trustees not present signs a written waiver of notice or a consent to hold the meeting or an approval of the minutes. All such waivers, consents, or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 12. Action Without a Meeting

Any action by the trustees may be taken without a meeting if all trustees, individually or collectively, consent in writing to this action. Such written consent or consents shall be filed with the minutes of the proceedings of the board of trustees.

Section 13. Conduct of Meetings

1. Meetings of the board of trustees shall be presided by the President of the Community Foundation or, in his or her absence, by the Vice-President of the Community Foundation or, in the absence of each of these persons, by a Chairperson chosen by a majority of the trustees present at the meeting. The Secretary of the Community Foundation shall act as Secretary of all meetings of the board, except that in his or her absence, the presiding officer shall appoint another person to act as Secretary of the meeting.
2. Meetings shall be governed by Roberts' Rules of Order as such rules may be revised from time to time, insofar as such rules are not inconsistent with or in conflict with the Bylaws or the Articles of Incorporation of this Community Foundation, or with provisions of law.

Section 14. Indemnification by Community Foundation of Trustees, Officers, Employees and Other Agents

To the extent that a person, who is, or was, a Trustee, the Community Foundation has been successful on the merits in defense of any civil, criminal, administrative or investigative proceeding brought to procure a judgment against such person by reason of the fact that he or she

is, or was, a trustee of the Community Foundation, or has been successful in defense of any claim, issue or matter, therein, such person shall be indemnified against expenses actually and reasonably incurred by the person in connection with such proceeding.

If such person either settles any such claim or sustains a judgment against him or her, then indemnification against expenses, judgments, fines, settlements and other amounts reasonably incurred in connection with such proceedings shall be provided by the Community Foundation but only to the extent allowed by, and in accordance with the requirements of, Section 5238 of the California Nonprofit Public Benefit Corporation Law.

Nothing contained in this Article shall prohibit the Community Foundation from purchasing and maintaining insurance on behalf of any officer, Trustee, employee, or agent of the Community Foundation against any liability asserted against or incurred by any of such persons in such capacity or arising out of such person's status whether or not the Community Foundation has the power to indemnify said persons against such liability under the provisions of this Article or under the provisions of Section 5238 of the California Nonprofit Corporation Law; provided, however, that the Community Foundation shall have no power to purchase or maintain such insurance to indemnify any of said persons of the Community Foundation for a violation of any self-dealing transaction.

Section 15. Non-Liability of Trustees

The trustees shall not be personally liable for the debts, liabilities, or other obligations of the Community Foundation.

Section 16. Removal and Resignation

Any Trustee may be removed, either with or without cause, by the majority vote of the membership, at any time. Any officer may resign at any time by giving written notice to the board of trustees or to the President or Secretary of the Community Foundation. Any such

resignation shall take effect at the date of the receipt of such notice or at any later date specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

A trustee may be removed by cause for any of the following reasons:

- A. The trustee signs a resignation or is resigned by the action of the trustee's attorney-in-fact under a valid durable general power of attorney or by the trustee's conservator of his or her estate.
- B. A trustee shall be removed if the Community Foundation board of trustees received a statement from a physician who has examined the director within 30 days, and with the physician statement providing that, in the physician's opinion, the director has become either substantially unable to manage his or her financial affairs or substantially unable to resist the fraud or undue of others.
- C. A trustee shall be removed effective upon the director being convicted of any felony or being convicted of any misdemeanor that involves theft or misappropriation of funds or fraud of any sort.

ARTICLE 6

OFFICERS

Section 1. Number and Election of Officers

The Officers of the Community Foundation shall be a President, a Vice President, a Treasurer, and a Secretary. Each such officer shall be elected by the board of trustees at its first meeting of each fiscal year to serve until election of a successor and must be a member of the board of trustees and, except for the Secretary, none of the other officers may be a designated trustee or an officer of the Rotary Club of Castro Valley. The board of trustees may appoint or elect other officers.

Section 2. Removal and Resignation

Any officer may be removed, either with or without cause, by the majority vote of the board, at any time. Any officer may resign at any time by giving written notice to the board of trustees or to the President or Secretary of the Community Foundation. Any such resignation shall take effect at the date of the receipt of such notice or at any later date specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 3. President

Subject to the control of the trustees, the President shall have general supervision, direction, and control of the business and affairs of the Community Foundation. The President shall preside at all meetings of the trustees, and shall have such other powers and duties as may be prescribed from time to time by the trustees.

Section 4. Vice President

In the absence or disability of the President, the Vice President shall perform all the duties of the President and in so acting shall have all the powers of the President. The Vice President shall have such other powers and perform such other duties as may be prescribed from time to time by the trustees. The Vice President may receive a duplicate copy of all Community Foundation bank and brokerage statements and a copy of all cancelled checks.

Section 5. Treasurer

The Treasurer shall receive and safely keep all funds of the Community Foundation and deposit them in the bank or banks or other depositories that may be designated by the trustees; shall disburse or cause to be disbursed the funds of the Community Foundation as may be directed by the board of trustees, taking proper vouchers for such disbursements; shall keep and maintain adequate and correct accounts of the Community Foundation's properties and business

transactions, including accounts of its assets, liabilities, receipts, disbursements, gains and losses; and shall prepare, or cause to be prepared, and certify, or cause to be certified, the financial statements to be included in any required reports. The Treasurer shall have such other powers and perform such other duties as may be prescribed from time to time by the trustees.

Section 5. Secretary

The Secretary shall keep a full and complete record of the proceedings of the board of trustees, shall keep the seal of the Community Foundation and affix it to such papers and instruments as may be required in the regular courses of business, shall make service of such notices as may be necessary or proper, shall supervise the keeping of the records of the Community Foundation, and shall discharge such other duties of the office as prescribed by the trustees.

ARTICLE 7

INVESTMENT COMMITTEE

Section 1. Investment Committee

The board of trustees shall have an Investment Committee composed of not less than three (3) trustees. The committee shall act with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of like character and with like aims to accomplish the purposes of the institution. Individual investments shall be considered as part of an overall investment strategy. The committee shall consider present and future financial requirements, expected total returns, general economic conditions, the appropriate level of risk, appropriate levels of income, growth and long-term net appreciation, and the probable safety of the funds. The committee may retain professional money managers, and shall develop an

investment policy that shall be reconsidered at least annually by the full board of trustees, in light of economic conditions and other factors that may affect the Community Foundation's tolerance of risk and need for income and growth.

ARTICLE 8

EXECUTION OF INSTRUMENTS, DEPOSITS AND FUNDS

Section 1. Execution of Instruments

The board of trustees, except as otherwise provided in these Bylaws, may by resolution authorize any officer or agent of the Community Foundation to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Community Foundation, and such authority may be general or confined to specific instances. Unless so authorized, no officer, agent, or employee shall have any power or authority to bind the Community Foundation by any contract.

Section 2. Checks and Notes

Except as otherwise specifically determined by resolution of the board of trustees, or as otherwise required by law, checks, drafts, and orders for the payment of money, shall be signed by the President, Vice President, Treasurer or Secretary. Two signatures will be required.

Section 3. Deposits

All funds of the Community Foundation shall be deposited from time to time to the credit of the Community Foundation in such banks, trust companies, or other depositories as the board of trustees may select.

ARTICLE 9

DEDICATION AND DISSOLUTION

The property of this Community Foundation is irrevocably dedicated to charitable purposes and no part of the net income or assets of this Community Foundation shall never inure to the benefit of any Trustee or officer thereof, or to benefit of any private persons.

If there is ever a dissolution or winding up of the Community Foundation, its assets remaining after payment of, or provision for payment of, all debts and liabilities of this Community Foundation shall be distributed to the Rotary of Castro Valley, provided it has established its tax-exempt status under Internal Revenue Code Section 501(c) (3) (or the corresponding provided of any future United States Internal Revenue law) or to any other non-profit corporations serving exclusively Castro Valley, California.

ARTICLE 10

SELF-DEALING TRANSACTIONS

Section 1. Any duality of interest, possible conflict of interest or “self-dealing transactions” on the part of any Trustee shall be disclosed to the other trustees of the Community Foundation and made a matter of record when appropriate or when the transaction becomes a matter of Community Foundation action.

Section 2. No transaction in which a Trustee has a material financial interest shall be approved unless and until the Community Foundation does all of the following things and enters a record of said things upon the written minutes of the meeting at which said things were done:

1. Makes a finding that the Community Foundation is entering into the transaction for its own benefit.
2. Makes a finding that the transaction is fair and reasonable to the Community Foundation at

the time the Community Foundation enters into the transaction.

3. Prior to consummating the transaction or any part thereof, the Community Foundation authorizes or approves the transaction in good faith by a majority of the trustees then in office without counting the vote of the interested trustee or trustees, and with knowledge of the material facts concerning the transaction and the Trustee's interest in the transaction. No action by a committee of the Community Foundation shall satisfy this requirement.
4. Prior to authorizing or approving the transaction, the Community Foundation considers and in good faith determines after reasonable investigation under the circumstances that the Community Foundation cannot obtain a more advantageous arrangement with reasonable effort under the circumstances or the Community Foundation in fact cannot obtain a more advantageous arrangement with reasonable effort under the circumstances.

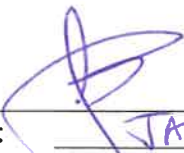
Section 3. The foregoing requirements shall not be construed as preventing the governing Community Foundation Trustee from briefly stating his position in the matter, nor from answering pertinent questions of other trustees since his knowledge may be of great assistance.

Section 4. Any new member of the Community Foundation shall be advised of this policy upon entering on the duties of the office.

These initial Bylaws were approved unanimously by all of the incorporators of the CASTRO VALLEY ROTARY CLUB COMMUNITY FOUNDATION, whose names appear on the articles of incorporation, as well as by all of the trustees of the CASTRO VALLEY ROTARY CLUB COMMUNITY FOUNDATION.

This document was approved unanimously by the Castro Valley Rotary Club board of directors on January 24, 2022 and thereafter by more than a two-third (2/3) vote of the membership of the Castro Valley Rotary Club at its regularly Club meeting on February 22, 2022.

CASTRO VALLEY ROTARY CLUB COMMUNITY
FOUNDATION
A California Non-Profit Corporation

By:  JAMES J PHILLIPS
Title: Secretary
Dated: OCTOBER 18, 2022