

**FIFTH AMENDMENT TO,
AND FIRST RESTATEMENT OF,**

BYLAWS

OF

HAYWARD ROTARY CLUB FOUNDATION

ARTICLE 1

PRINCIPAL OFFICE

Section 1. Principal Office

The principal office for the transaction of the business of the foundation is fixed and located at Hayward, Alameda County, California. The Board of Trustees may at any time or from time to time change the location of the principal office from one location to another in this county.

ARTICLE 2

PURPOSES

Section 1. Objectives and Purposes

The primary objectives and purposes of this foundation shall be:

(a) To provide assistance or contributions exclusively for charitable, scientific, educational, or public purposes, to organizations, institutions, or individuals primarily located in the Hayward community, but not limited to the incorporated territory of the city of Hayward.

(b) To manage, control, and administer foundation assets prudently in accordance with the Articles of Incorporation or by these Bylaws, or as required by law.

(c) To provide for contributions received for designated purposes (such as the Paul Harris Fund) which assets shall be deposited to and managed in accordance with the rules related

to that individual fund.

In furtherance of the above, the Foundation shall receive, invest, and administer both unrestricted gifts and bequests and restricted gifts and bequests, as follows:

1. Unrestricted gifts and bequests shall form the unrestricted funds of the Foundation. From the Foundation's unrestricted funds, the Board's only distribution shall be for charitable purposes in the Hayward community as directed by the Hayward Rotary Club Board of Directors, who may direct any amount from zero up to the following percentages, based upon the average of the fair market value of the unrestricted funds as of June 30 and the two prior June 30^{ths}:

- Up to five percent (5%) if said average value exceeds one million dollars (\$1,000,000) and if the total, average annual total rate of return on all unrestricted funds over that three (3) year period was eight percent (8%) or larger;
- Up to four percent (4%) if said average value was one million dollars (\$1,000,000) or greater, but with an average annual total rate of return on all unrestricted funds over that three (3) year period was under eight percent (8%); and
- Up to three percent (3%) if said average value was under one million dollars (\$1,000,000);

The unrestricted funds shall be administered and invested as required by California law.

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

ARTICLE 3

MEMBER APPROVAL

Section 1. Special Meeting for Initial Approval and Election

(a) The members of the Rotary Club of Hayward in good standing and entitled to vote must initially approve these Bylaws at a special meeting designated by the President of the Rotary Club of Hayward.

(b) Bylaw approval shall require a majority vote of those members present providing the quorum provisions of Article 5, Section 7 are fully satisfied. Each member shall have one vote, with voting by ballot only.

ARTICLE 4

FUNDING

Section 1. Sources of Funding

Sources of foundation funding include, but are not limited to, Rotary Club of Hayward fundraisers, grants, subscriptions, contributions, bequests, memorials, gifts, etc., and other activities as determined by the Board of Directors of the Rotary club of Hayward.

Section, 2. Who May Contribute

Contributions or gifts to the foundation may be received from members or nonmembers of the foundation. But restricted gifts and bequests may not be accepted by the Foundation without the prior written approval of the Foundation board as to all aspects of the donor's restrictions, including investment restrictions, asset class, distribution restrictions, etc.

Section 3. Fundraisers

If deemed appropriate by the Board of Directors of the Rotary Club of Hayward, this foundation may establish, maintain, and govern fundraising programs from various sources in the community and/or external sources.

ARTICLE 5
MEMBERSHIP

Section 1. Membership

The membership of this foundation shall be known as Members.

Section 2. Qualification of Members

The Members of this foundation shall be the persons who from time to time are Members of, and entitled to a vote in, the Rotary Club of Hayward.

Section 3. Voting and Other Rights of Members

Each Member of this foundation shall be entitled to one vote for each vacancy listed on the ballot.

Section 4. Fiscal Year

The fiscal year for this foundation shall conform with the fiscal year of the Rotary Club of Hayward commencing on July 1 and ending on June 30.

Section 5. Annual Meeting

The annual meeting of the Members of this Foundation shall be held on any Monday in October of each year at the time and place of the regular weekly meeting of the Rotary Club of Hayward, or at any other time and place determined by a resolution of the Board of Trustees. No notice of any such annual meeting need be given if it is held on the first Monday in October at the time and place of the regular weekly meeting of the Rotary Club of Hayward; 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 Hayward or by publication in High Gear, the newsletter of the Rotary Club of Hayward. Any notice shall be mailed or emailed or delivered at least five days before the date of the meeting.

Notice given through High Gear shall be in an issue mailed or emailed at least ten days before the date of the meeting.

Section 6. Special Meetings

Special meetings of the Members of the foundation for any purpose or purposes may be called at any time by the President of the foundation or by any two Trustees.

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.

Section 8. Liabilities of Members

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

ARTICLE 6

TRUSTEES

Section 1. Number

The foundation shall have three (3) “Designated Trustees” and a minimum of eight (8) and a maximum of twelve (12) “Elected Trustees” Collectively, they shall be known as the Board of Trustees. The number may be changed by amendment of this Bylaw, or by repeal of this Bylaw and adoption of a new Bylaw, as provided in these Bylaws. The Trustees must be members of the Rotary Club of Hayward.

Section 2. Designated Trustees

The Designated Trustees shall be the immediate past president of the Rotary Club of Hayward and the current president of the Rotary Club of Hayward, and the president elect of the Rotary Club of Hayward.

Section 3. Elected Trustees

The term of office for elected trustees of this foundation shall be two (2) 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.

Section 4. Trustee Election

(a) Half of the Elected Trustees shall be elected for a two-year term, and three (3) Elected Trustees shall be elected for a three-year term. Thereafter, three (3) Elected Trustees will be elected on alternate years for a two-year term, thus staggering terms for continuity.

(b) Should there be a vacancy on the Board of Trustees between elections; the balance of the Trustees shall fill that vacancy by majority vote, if the vacancy is of an elected trustee. If the vacancy is of a Designated Trustee, the vacancy shall be filled with a member of the Hayward Rotary Club board of directions selected by its board.

(c) On or before the first Monday 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.

(d) At a meeting of Members held before the end of fiscal, the Board of Trustees shall conduct an election by the Members for the Elected Trustees. The candidates receiving the

highest number of votes shall be elected. Each member 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, if any, of this foundation, the activities and affairs of this foundation shall be conducted and all corporate powers shall be exercised by or under the direction of the Board of Trustees.

Section 6. Duties

It shall be the duty of the Trustees to:

(a) Conduct, manage, and control the affairs and business of the foundation and perform any and all duties imposed on them collectively or individually by law, by the Articles of Incorporation of this foundation, or by these Bylaws.

(b) Appoint and remove, employee and discharge, and, except as otherwise provided in these Bylaws, by law or by the Articles of Incorporation prescribe the powers, duties, and fix the compensation, if any, of all officers, agents and employees of the foundation.

(c) Supervise all officers, agents and employees of the foundation to assure that their duties are performed properly.

(d) Meet at such times and places as required by these Bylaws.

(e) Register their addresses with the Secretary of the foundation, and notices of meetings mailed or communicated to them at such addresses shall be valid notices.

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

(a) Regular meetings of the Board of Trustees shall be held at any place, within or without the state, 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 foundation.

(b) Special meetings of the Trustees may be held either at a place designated or at the principal office.

(c) 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

(a) The regular meetings of the Trustees shall be held bi-monthly on a day determined by the Trustees, provided that this day may be changed by arrangement one month in advance for good cause.

(b) 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 as though had at a meeting held after regular call and notice, 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

(a.) Meetings of the Board of Trustees shall be presided by the President of the foundation or, in his or her absence, by the Vice-President of the foundation or, in the absence of each of these persons, by a Chairman chosen by a majority of the Trustees present at the meeting. The Secretary of the foundation shall act as Secretary of all meetings of the Board, provided that in his or her absence, the presiding officer shall appoint another person to act as Secretary of the meeting.

(b.) 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 these Bylaws, with the Articles of Incorporation of this foundation, or with provisions of law.

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

To the extent that a person, who is, or was, a Trustee, officer, employee or other agent of this 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, an agent of the 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 this 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 foundation from purchasing and maintaining insurance on behalf of any officer, Trustee, employee, or agent of the 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 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 this foundation shall have no power to purchase or maintain such insurance to indemnify any of said persons of the 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 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 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.

ARTICLE 7

OFFICERS

Section 1. Number and Election of Officers

The Officers of this 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 may, but need not be, an officer of the Rotary Club of Hayward. 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 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 foundation. He 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 shall receive a duplicate copy of all 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 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 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 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 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 foundation, and shall discharge such other duties of the office as prescribed by the Trustees.

ARTICLE 8

INVESTMENT COMMITTEE

Section 1. Investment Committee

The Board of Trustees shall have an Investment Committee comprised 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 foundation's tolerance and risk and need for income and growth. Annually, the Board of Trustees may delegate to the Investment Committee how to implement the Foundation's investment policy under the facts, circumstances, and law then existing.

ARTICLE 9

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 foundation to enter into any contract or execute and deliver any instrument in the name of and on behalf of the 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 foundation by any contract or engagement or to pledge its credit or to render it liable monetarily for any purpose in any amount.

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 foundation shall be deposited from time to time to the credit of the foundation in such banks, trust companies, or other depositories as the Board of Trustees may select.

Section 4. Gifts

The Board of Trustees may accept on behalf of the foundation any contribution, gift, or bequest for the charitable or public purposes of this foundation, subject to the restrictions in Article 2.

ARTICLE 10

AMENDMENT OF BYLAWS

These bylaws may be amended or repealed and new bylaws adopted by the vote of a majority of the Members at any Members' meeting with a quorum present.

ARTICLE 11

DEDICATION AND DISSOLUTION

The property of this foundation is irrevocably dedicated to charitable purposes and no

part of the net income or assets of this foundation shall ever inure to the benefit of any Trustee or officer thereof, or to benefit of any private persons.

On the dissolution or winding up of the foundation, its assets remaining after payment of, or provision for payment of, all debts and liabilities of this foundation shall be distributed to a nonprofit fund, foundation, or foundation which is organized and operated exclusively for charitable purposes primarily in Hayward community, but not limited to the territory of incorporated City of Hayward and which has established its tax exempt status under Internal Revenue Code Section 501(c) (3).

ARTICLE 12

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 Foundation and made a matter of record when appropriate or when the transaction becomes a matter of Foundation action.

Section 2. No transaction in which a Trustee has a material financial interest shall be approved unless and until the 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:

(a) Makes a finding that the foundation is entering into the transaction for its own benefit.

(b) Makes a finding that the transaction is fair and reasonable to the foundation at the time the foundation enters into the transaction.

(c) Prior to consummating the transaction or any part thereof, the 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 Foundation shall satisfy this requirement.

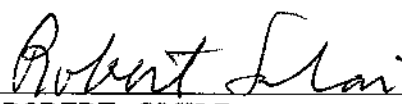
(d) Prior to authorizing or approving the transaction, the foundation considers and in good faith determines after reasonable investigation under the circumstances that the foundation cannot obtain a more advantageous arrangement with reasonable effort under the circumstances or the foundation in fact 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 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 Foundation shall be advised of this policy upon entering on the duties of the office.

Approved by unanimous vote of the HAYWARD ROTARY CLUB FOUNDATION board of directions on September 16, 2009, and submitted to the members of the HAYWARD ROTARY CLUB for their approval at their regular meeting on Monday, October 15, 2009.

HAYWARD ROTARY CLUB FOUNDATION
A California Non Profit Corporation


By: ROBERT SAKAI
Title: SECRETARY