

BYLAWS OF THE SOUTHEAST PORTLAND ROTARY FOUNDATION, INC.

As of September 15, 2014

Article I: Name

The name of this corporation is the Southeast Portland Rotary Foundation, Inc. and its duration shall be perpetual.

Article II: Purpose

The purposes for which this corporation is organized are:

Section 1 – To receive and administer funds for scientific, educational and charitable purposes and, for that purpose, to take and hold by bequest, devise, gift, grant, purchase, lease or otherwise, wither absolutely or jointly with any other person or entity, any property, real or personal, or any undivided interest therein without limitation as to amount or value; to sell, convey or otherwise dispose of any such property; and to invest, reinvest or deal with the principal or the income thereof in such manner as, in the judgment of the Board of Directors, will best promote the purposes of this corporation, without limitation except such limitations, if any, as may be contained in the instrument under which such property is received, the bylaws of this corporation, and any laws applicable thereto.

Section 2 – To do any other act or thing incidental to or connected with the foregoing purposes or in the advancement thereof, but not for the pecuniary profit or financial gain of its directors, officers, or members.

Section 3 – In general, to do any and all other things set forth, to the same extent as a natural person might or could do, and to carry on any business in connection therewith, and do all things not forbidden and with all powers conferred upon corporations by the provisions of the Oregon Nonprofit Corporation Law.

Section 4 – This corporation is organized for scientific, educational and charitable purposes within the meaning of 501(c)(3) of the Internal Revenue Code so as to attract substantial financial support from contributions from a representative number of persons in the State of Oregon, and it has not been formed for pecuniary profit of financial gain. This corporation **shall not**

- a) engage in propaganda;
- b) participate in or intervene in any political campaign;
- c) attempt to influence legislation;
- d) distribute its income for each tax year at such time and in such manner as to become subject to the tax on undistributed income imposed by 4942 of the Internal Revenue Code, or corresponding provisions of any later federal tax laws.
- e) engage in any act of self-dealing as defined in 4941(d) of the Internal Revenue Code, or corresponding provisions of any later federal tax laws;
- f) retain any excess business holdings as defined in 4943(c) of the Internal Revenue Code or corresponding provisions of any later federal tax laws;
- g) make any investments in such manner as to subject it to tax under 4944 of the Internal Revenue Code or corresponding provisions of any later federal tax laws;

- h) make any taxable expenditures as defined in 4945(d) of the Internal Revenue Code or corresponding provisions of any later federal tax laws;
- i) distribute income to or inure to the benefit of any member, trustee, director, or officer of the corporation, except that reasonable compensation may be paid for services rendered to or for the corporation affecting one or more of its purposes.

Article III: Offices

Section 1 – Registered Office. The principal office of the corporation shall be located in Multnomah County, Oregon.

Section 2 – Other Offices. The corporation may also have offices at such other places as the Board of Directors may from time to time determine or as the business of the corporation may require.

Article IV: Membership

Section 1 – Qualification. Any person, partnership, corporation, association, or firm shall be eligible for membership in the corporation.

Section 2 – Classification. Membership in the corporation shall be of two types as follows:

- a) Each member of the Southeast Portland Rotary Club shall be deemed an active member of this corporation.
- b) Members of the public who have made contributions to the corporation may become honorary members by selection by two-thirds (2/3) vote of the Board of Directors. Honorary members shall have all rights and privileges of active members, including the right to vote.

Section 3 – Voting Rights. Each member shall have one vote.

Section 4 – Termination of Membership. Membership may be terminated voluntarily or involuntarily as follows:

- a) A member may voluntarily terminate membership by written notice to the Board of Directors. Termination of membership shall be effective upon receipt of the resignation by the Board of Directors.
- b) A member may be terminated by the Board of Directors if:
 - i. The member has terminated membership in the Southeast Portland Rotary Club.
 - ii. The Board of Directors, by a three-fourths (3/4) vote, determines that the member's continued membership in the corporation is adverse to the interests of the corporation. Prior to termination pursuant to the provisions of this paragraph, the member shall be given an opportunity to be heard by the Board of Directors. The determination of the Board of Directors shall be conclusive, and membership shall terminate on such date as fixed by the Board of Directors.

- iii. The Board of Directors, by a three-fourths (3/4) vote, determines that an honorary member cannot be given notice because that member has failed to advise the corporation of a current address, or the honorary member has died.

Section 5 – Meetings of Members. The annual meeting of the members shall be held during the first regularly scheduled meeting of the SE Portland Rotary Club in the month of December of each year for the purpose of electing a Board of Directors, considering reports of the affairs of the corporation, transacting such other business as may properly be brought before the meeting.

Section 6 – Notice of Special Meetings of Members. Written notice stating the place, day, hour, and purpose of special meetings of members shall be delivered not less than ten (10) and not more than fifty (50) days before the date of the special meeting, by or at the direction of the person or persons calling the meeting, to each active and honorary member.

Section 7 – Quorum. A quorum for any meeting of the members shall consist of the persons representing, either in person or by proxy, fifteen percent (15%) of the active members of the corporation. The vote of a majority of members entitled to cast votes, either in person or by proxy, at a meeting at which a quorum is present shall be necessary for the adoption of any matter voted upon by the members, unless a greater proportion is required by law or by these bylaws.

Section 8 – Proxies. Any member may vote in person by proxy executed in writing by the member. A corporation or partnership may vote by its chief executive officer, by a partner, or by its duly authorized representative to the foundation. No proxy shall be valid after eleven (11) months from the date of its execution unless otherwise provided in the proxy.

Article V: Board of Directors

Section 1 – General Powers. The governing body of this corporation shall be the Board of Directors which has the powers to manage the affairs of the corporation. The Board of Directors shall approve the adoption of an annual budget for the corporation, shall elect the Board officers, and shall administer and dispose of the assets and income of this corporation for charitable purposes in accordance with its articles of incorporation, bylaws and applicable state and federal law.

Section 2 – Number and Qualification. The Board of Directors shall consist of five (5) members of the SE Portland Rotary Club. Three of the directors shall be the current club president, club president-elect, and club immediate past president. The other two directors shall be elected from the Foundation membership at large, and those directors shall hold office for three (3) years. If any person holds more than one of these positions, that person shall still have only one (1) vote as a director.

Section 3 – Compensation. Board directors shall serve without compensation.

Section 4 – Election of Directors. Directors shall be the elected SE Portland Rotary Club officers as outlined in section two (2) of this article and those elected by the corporation's

membership. Each Director shall serve a term of three years and take office after being elected at the corporation's annual meeting in June

Section 5 – Filling of Vacancies. Any vacancy occurring in the Board of Directors shall *be* filled by the Board. A director elected to fill a vacancy shall be elected for the unexpired portion of the term of the director's predecessor in office.

Section 6 – Meetings. Regular meetings of the Board of Directors shall be held quarterly or more often as determined by the Board president. Due notice of regular meetings shall be given to all members of the corporation. Special meetings of the board may be called by the president on two day's notice to each Board director, either verbally or by mail or by email. Special meetings shall be called by the president or vice president in like manner and notice upon the written request of two Board directors.

Section 7 – Quorum. A majority of the total number of Board directors shall constitute a quorum for the transaction of business. The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 8 – Removal. Any director or officer may be removed from office by vote of two-thirds (2/3) of the directors at any meeting of the Board of Directors. Such removal shall be made only after a finding by the Board of Directors that, in its judgment, the best interests of the corporation will be served thereby. Removal may be effected only if notice of the proposed removal is mailed to each director not less than five (5) days prior to the meeting. Any director missing three consecutive meetings or four meetings in a year may be removed by the Foundation board.

Article VI: Notices and Informal Action

Section 1 – Notice to Members or Directors. Whenever, under the provisions of the Oregon Nonprofit Corporation Law and the bylaws, notice is required to be given to any director or member, it shall not be construed to mean personal notice, but such notice may be given in writing, by mail, or email addressed to such director or member, at the address recorded on the stock record books or similar records of the corporation, with postage thereon prepaid, and such notice shall be deemed to be given at the time when the same shall be deposited in the United States mail.

Section 2 – Waiver of Notice. Whenever any notice is required to be given to any member or director under the provisions of the Oregon Nonprofit Corporation Law and the bylaws, a waiver of such notice in writing signed by the person or persons entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Attendance of a member or director at a meeting shall constitute a waiver of notice of such meeting, except where a member or a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any meeting of the Board of Directors need to be specified in the notice, or waiver of notice, of such meeting unless required by these bylaws.

Section 3 – Action Without Meeting. Any action required by the Oregon Nonprofit Corporation Law to be taken at a meeting, may be taken without a meeting if a consent in writing setting forth the action so taken is signed by all of the members or directors entitled to vote on the subject matter thereof.

Article VII: Officers

Section 1 – Principal Officers. The officers of the corporation shall consist of a president, vice president, secretary, and treasurer, each of whom shall be elected by the Board of Directors. The president shall be the immediate past president of the SE Portland Rotary Club, but if that person declines to serve or is unable to serve, then the directors shall appoint another past Club president for that position. Such other officers and assistant officers as may be deemed necessary may be elected or appointed by the Board of Directors. Any of the other corporate officers may, but need not be, a director.

Section 2 – Election and Term of Office. The officers shall be elected annually by the Board of Directors at the corporation's annual meeting. Each officer shall hold office until a successor has been duly elected and qualified, or until death, or until resignation has been accepted by the Board of Directors, or until the officer has been removed.

Section 3 – Removal. Any officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors 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, if any, of the persons so removed.

Section 4 – Duties of Officers.

- a) President.* The president shall be the principal executive officer of the corporation, shall preside at the board meetings and, subject to the control of the Board of Directors, shall supervise and control all of the business and affairs of the corporation. The president shall preside at all meetings of members, sign any deeds, mortgages, bonds, contracts, or other instruments that the Board of Directors has authorized to be executed (except in cases where the signing thereof shall be expressly delegated by the Board of Directors or by these bylaws to some other agent or officer of the corporation shall be required by law to be otherwise signed); and in general, the president shall perform all duties incident to the Board of Directors from time to time.
- b) Vice President.* In the absence of the president, or in the event of the president's death, inability, or refusal to act, the vice president shall perform the duties of the president. When so acting, the vice president shall have all the powers and be subject to all the restrictions upon the president. The vice president shall perform such other duties as from time to time may be assigned by the president or by the Board of Directors.
- c) Secretary.* The secretary shall perform all duties incident to the office of secretary including being the custodian of the corporate records; record and preserve meeting minutes; see that all notices are duly given in accordance with the provisions of these

bylaws or as required by law; keep a register of the post office address of each member; sign (with the president) any deeds, mortgages, bonds contracts or other instruments that the Board of Directors has authorized to be executed; and such other duties as from time to time may be assigned by the president or Board of Directors.

- d) **Treasurer.** The treasurer shall perform all duties incident to the office of treasurer including having charge and custody of and be responsible for all funds and securities of the corporation; receiving and giving receipt for money due and payable to the corporation from any source whatsoever; depositing corporate funds in such banks or other depositories as shall be selected in accordance with the provisions of these bylaws; preparing and distributing annual budget and financial reports and; performing other duties as from time to time may be assigned by the president and Board of Directors.

Section 5 – Compensation. Officers shall serve without compensation.

Article VIII: Corporate Finances

The financial records and affairs of the corporation shall be maintained as follows:

Section 1 – Financial Records. The treasurer shall be the chief financial officer of the corporation and shall be responsible for maintaining the corporation’s accounts and financial statements in accordance with generally accepted accounting principles and in conformity with directions of the Board of Directors.

Budget. The treasurer shall prepare an annual budget that includes anticipated revenues and expenditures for the upcoming fiscal year for review and approval by the Board of Directors.

- a) **Financial Reports.** The treasurer shall prepare and submit all required financial reports including quarterly financial statements for distribution to the membership and tax reports as may be required by the Internal Revenue Service and State of Oregon.
- b) **Audit or Review.** Corporate financial records shall be audited or reviewed, as the Board may deem appropriate, in accordance with such standards as the Board may direct.

Section 2 – Disbursements. No disbursement shall be made from the corporation’s bank accounts except in accordance with guidelines established from time to time in writing by the Board of Directors, which guidelines shall include the number of signatures required for any particular amount of a disbursement.

Section 3 – Fiscal Year. The fiscal year of the corporation shall commence on the first day of July and shall end on the last day of June of each year.

Section 4 – Solicitation of Funds. No funds shall be solicited by or on behalf of the corporation unless the solicitation has been previously authorized by the Board of Directors.

Section 5 – Processing of Grant Requests. The Board of Directors shall establish funding criteria for reviewing and approving funding requests for Foundation funds. All grant requests must be submitted in writing to the SE Portland Rotary Club President for presentation to the membership. Funding requests will then be forwarded to the foundation Board of Directors for final determination.

Article IX: Indemnification of Officers, Directors, Employees and Agents

The corporation shall indemnify every 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 investigate, by reason of the fact that such person 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 the corporation as follows:

Section 1 – Third Party Claims. For all expenses, attorney fees, judgments, fines, and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding if the person 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, such person had no reasonable cause to believe the conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or upon a plea of no contest or its equivalent shall not of itself create a presumption that the person did not act in good faith and in a manner which was reasonable 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 such conduct was unlawful. The provisions of this action shall apply to third party claims and not to an action by or in the right of the corporation.

Section 2 – Actions by the Corporation. Expenses, including attorney fees, actually and reasonably incurred by such person in connection with the defense or settlement if such person acted in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the corporation, 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 any duty to the corporation, unless and only to the extent that a court in which such action or suit is brought shall determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper.

Section 3 – Successful Defense. To the extent that such person has been successful on the merits or otherwise in the defense of any action, suit, or proceeding, such person shall be indemnified against expenses, including attorney fees, actually and reasonably incurred in connection therewith.

Section 4 – Authorization. The indemnification provided herein, unless contrary to court order, shall be made by the corporation only as authorized in the specific case upon a determination that indemnification is proper in the circumstances because the person indemnified has met the applicable standard or conduct set forth in this article. Such determination shall be made:

- a) By the Board of Directors by majority vote of a quorum consisting of directors who are not parties to such action, suit, or proceeding; or
- b) If a quorum is not obtainable or even if obtainable, a quorum of disinterested directors so directs after taking into consideration the written opinion of independent legal counsel.

Section 5 – Prepayment of 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 if authorized by the Board of Directors as provided in this article. Following receipt of an undertaking by or on behalf of the director, officer, employee, or agent to repay such amounts unless final resolution of the matter results in exoneration or a determination that such person has met the applicable standard of conduct set forth in this article.

Section 6 – Other Rights. The indemnification provided in this article shall not exclude any other rights to which those indemnified may be entitled under any resolution adopted by the Board of Directors following notice, both as to the action taken by such person and as to action in any other capacity while such person held office, and shall continue as to a person who has ceased to be a director, officer, employee, or agent and shall inure to the benefit of the heirs, devisees and personal representatives of such person.

Article X: Amendments to Bylaws

These bylaws may be amended by the Board of Directors at any regular or special meeting, notice of which shall include the proposed amendment and shall be given not less than fourteen (14) days prior to such meeting.