**BY-LAWS**

**Of**

**FOUNDATION OF**

**YUCAIPA ROTARY**

**CLUB, INC.**

**A California Nonprofit**

**Public Benefit Corporation**

**ARTICLE I**

**NAME AND OFFICES**

**Section 1.1 Name**

**This corporation shall be known as the**

**FOUNDATION OF YUCAIPA ROTARY**

**CLUB, INC.**

**(The "Corporation")**

**Section 1.2 Principal Office**

**The principal office of the corporation shall be initially located in the county of San Bernardino, State of California. The Board of Directors is granted full power and authority to change said principal office from one location to another, both within and without said county.**

**Initially the address of the Corporation's Principal Office shall be**

**35354 Cabrini Dr.**

**Yucaipa, Ca. 92399**

**ARTICLE II**

**GOALS, OBJECTIVES AND PURPOSES**

**Without in any way limiting the generality of the general purposes and powers of the Corporation set forth in the Articles of Incorporation of the Corporation (the "ARTICLES"), the primary goals and specific objectives and purposes of the Corporation include, without being limited to, soliciting, managing, and disbursing voluntary contributions for the purpose of achieving its charitable objectives.**

**The purpose of the Corporation shall be to function as the charitable arm of the Yucaipa Rotary Club and:**

1. **Provide and promote charitable works in the greater Yucaipa/Calimesa area.**
2. **Support other 501C3 organizations in the greater Yucaipa/Calimesa**

**area.**

1. **Support Rotary International in their charitable works.**

**The Board of Directors has the power from time to time to modify and/or expand the corporate purpose as necessary without diluting the original purpose. The Board of Directors has the power to set aside**

**and/or restrict funds to provide ongoing specific charitable works such as scholarships etc.**

**ARTICLE III**

**MEMBERS**

**SECTION 3.1 Members**

**There shall be two classes of Membership in the**

**FOUNDATION OF YUCAIPA ROTARY CLUB, INC.**

**(the "Foundation"), to wit: (1) Active Members in good standing of the**

**Yucaipa Rotary Club; and (2) Honorary Members who shall be elected to Membership by a majority vote of the Board of Directors of the Foundation.**

**SECTION3.2 Associated Persons**

**Nothing in this Article III shall be construed as limiting the right of the Corporation to refer to persons associated with it as "members" even though such persons are not members, and no such reference shall constitute anyone a member, within the meaning of Section 5000 et. seq. of the Nonprofit Corporation Law of the State of California, as amended (the "Nonprofit Corporation Law"). The Corporation may confer by amendment of the Articles or these By-Laws some or all of the rights of a member, as set forth in the Nonprofit Corporation Law, upon any person or persons; provided, however, that no such person or persons shall be a member within the meaning of said Section 5000 et. seq. unless such person(s) is given the right, pursuant to a specific provision of the Articles and/or By-Laws, to vote for the election of a Director or Directors, to vote for the disposition of all or substantially all of the assets of the Corporation, to vote on a merger or dissolution of the Corporation, and/or to vote on changes to the Articles and/or By-Laws.**

**Section 3.3 Actions by Members**

**Any action which would otherwise require a vote of members**

**shall require only a vote of the Directors, and no meeting of the members shall be required, any provision of the Articles or By-Laws to the contrary notwithstanding. All rights, which would otherwise vest in the members, shall vest in the Directors.**

**ARTICLE IV**

**DIRECTORS**

**Section 4.1 Powers**

**Subject to any limitations stated in the Articles, these By-Laws,**

**and the Nonprofit Corporation Law, and subject to the duties of**

**Directors as prescribed by the Nonprofit Corporation Law, all corporate powers shall be exercised by, or under the direction of, and business and affairs of the Corporation shall be managed by, the Board of Directors. The individual Directors shall act only as members of the Board of Directors, and the individual Directors shall have no power as such.**

**Section 4.2 Number of Directors**

**The authorized number of Directors of the Corporation shall not be less than seven nor more than twenty-five, the exact number to be fixed by the Board of Directors from time to time.**

**Section 4.3 Election, Term of Office, and Qualifications**

**The initial Directors shall be selected by the incorporator(s) of the Corporation. Thereafter, Directors shall be the same as those elected by the Yucaipa Rotary Club at their annual election. The most immediate Past President, President, President Elect, President Elect Nominee, Secretary and Treasurer and the other Directors of the Rotary Club or as otherwise determined by the Board of Directors. Additional Directors, if needed to maintain the number of Directors required by these by-laws or the Board, would be elected at the same time.**

**Section 4.4 Resignation**

**Any director may resign at any time by giving written notice of such resignation to the chairman of the Board, the President, the Secretary, or the Board of Directors of the Corporation. Such resignation shall take effect at the time specified in the notice; provided, however, that if the resignation is not to be effective upon receipt of the notice by the Corporation, the effective date specified is subject to acceptance by the Board of Directors. Except upon notice to the Attorney General of the State of California (the "Attorney General"), no Director may resign if the Corporation would then be left without a duly elected Director or Directors in charge of its affairs. If the resignation is effective at a future time, a successor may be elected to take the office when the resignation becomes effective.**

**Section 4.5 Removal**

**(a) The Board of Directors may remove any number of Directors with or without cause, by a majority of the Directors then in office.**

**(b) No reduction of the authorized number of Directors shall have the effect of removing any Director prior to the expiration of such Directors term of office.**

**Section 4.6 Vacancies**

**(a) A vacancy in the Board of Directors shall be deemed to exist in case of the death, resignation, or removal of any Director, or if the authorized number of Directors is increased, or if the Board of Directors declares vacant the position of any Director whose term has expired.**

**(b) Vacancies on the Board of Directors may be filled by a majority of the Directors then in office or by a sole remaining Director. The term of a Director so elected shall be the unexpired portion of the term of the Director, if any, the Director so elected is replacing.**

**Section 4.7 Annual Meeting**

**The annual meeting of the Board at which Directors shall be elected shall be held on the first regular meeting in April of each year at the principal office of the Corporation, or at such other time or place as the Board of Directors may otherwise establish.**

**Section 4.8 Other Regular and Special Meetings**

**The Board of Directors may establish the time and place for the holding of regular or special meetings of the Board of Directors.**

**Section 4.9 Calling Special Meetings**

**Special meetings of the Board of Directors also shall be held**

**whenever called by the Chairman of the Board or the President or the**

**Secretary or any other three Directors of the Corporation.**

**Section 4.10 Place of Meetings**

**Meetings of the Board of Directors shall be held at any place**

**within the State of California, which may be designated by the Board of Directors and stated in the notice of the meeting. In the absence of such designation, meetings shall be held at the principal office of the Corporation.**

**Section 4.11 Telephonic Meetings**

**Members of the Board of Directors may participate in a regular**

**or special meeting through use of conference telephone or similar communication equipment, so long as all members participating in such meeting can hear one another. Participation in a meeting pursuant to this section 4.11 constitutes presence in person at such meeting.**

**Section 4.12 Notice of Meetings**

**Written notice of the time and place of meetings of the Board of Directors shall be delivered personally to each Directors, or transmitted to each Directors by first class mail, telephone, telegraph, electronically or digitally. In case such notice is sent by mail, it shall be deposited in the United States mail at least five days prior to the time of the holding of the meeting. For purposes of determining whether such five-day requirement has been satisfied, the day of the meeting and the day the notice is given shall each be counted as one full day regardless of the time of day the meeting is held or the notice is given. Each notice shall be deemed given to the Director when deposited, with postage thereon prepaid, in a post office or official depository under the exclusive care and custody of the United States Post Office department and addressed to such Directors at the address designated by him for that purpose or, if none is designated, at his or her last known address. In case such notice is delivered personally, or transmitted by telephone, telegraph, electronically or digitally, it shall be so delivered at least forty-eight hours prior to the time of the holding of the meeting. Such notice may be given by the Secretary of the Corporation or by persons who called said meeting. Such notice need not specify the purpose of the meeting, unless the meeting is to consider the election of a Director, the removal of a Director, and/or an amendment to the By-Laws that will increase the number of Directors of the Corporation.**

**Section 4.13 Quorum**

**A majority of the authorized number of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a meeting duly held at which a quorum is present shall be the act of the Board of Directors, unless the Articles, these By-Laws, or the Nonprofit Corporation Law specifically requires a greater number. In the absence of a quorum at any meeting of the Board of Directors, a majority of the Directors present may adjourn the meeting as provided in Section 4.16 of these By-Laws. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of enough Directors to leave less than a quorum, if any action taken is approved by at least a majority of the required quorum for such meeting. Directors may not vote by proxy.**

**Section 4.14 Adjournment**

**Any meeting of the Board of Directors, whether or not a quorum is present, may be adjourned to another time and place by vote of a majority of the Directors present. Notice of the time and place of the adjourned meeting need not be given to absent Directors if said time and place are fixed at the meeting adjourned: provided, however, that if the meeting is adjourned for more than forty-eight hours, notice of any adjournment to another time and place shall be given prior to the time of the adjournment meeting to the Directors who were not present at the time of the adjournment.**

**Section 4.15 Fees and Compensation**

**Directors shall not receive any stated fees or salary for their services as Directors. Directors may be reimbursed in such amounts as may be determined from time to time by the Board of Directors for expenses paid while acting on behalf of the Corporation.**

**ARTICLE V**

**COMMITTEES**

**Section 5.1 Nominating Committee**

**The Board of Directors may create a standing Nominating Committee consisting of three or more Directors selected annually by the Board of Directors. The Nominating Committee shall recommend to the Board of Directors candidates to serve as members of the Board of Directors to fill vacancies created by the expiration of a Director's term of office, the resignation of a Director, or otherwise.**

**Section 5.2 Executive and Other Committees of the Board of Directors**

**The Board of Directors may create an Executive Committee and/or other committees, consisting of two or more Directors. Such committees shall have such power and authority as may be determined by the Board of Directors, subject to the limitations imposed on such power and authority by the Nonprofit Corporation Law and/or the Articles.**

**Section 5.3 Advisory Committees**

**The Board of Directors may create one or more AD HOC**

**advisory committees, consisting of such persons as may be determined**

**by the Board of Directors or appointed by the person designated by the**

**Board of Directors to fill any such committee(s).**

**ARTICLE VI**

**OFFICERS**

**Section 6.1 Officers**

**The officers of the Corporation shall be the same as those elected**

**by the Yucaipa Rotary Club at their annual election or as determined by the Board. The Corporation may also have, at the discretion of the Board of Directors, one or more assistant Treasurers, and such other officers as may be appointed in accordance with the provisions of Section 6.3 of these By-Laws. One person may hold no more than two offices; however, neither the Secretary nor the Treasurer may serve concurrently as the President or Chairman of the Board.**

**Section 6.2 Election and Term**

**The officers of the Corporation shall have the same Election and term as the Directors, and shall serve at the pleasure of the Board of Directors, subject to the rights, if any, of an officer under contract of employment.**

**Section 6.3 Subordinate Officers, etc**

**The Board of Directors may appoint such other officers as the business of the Corporation may require, each of whom shall hold office for such period, have such authority, and perform such duties as are provided in these By-Laws or as the Board of Directors may from time to time determine.**

**Section 6.4 Resignation**

**Any officer may resign at any time by giving written notice to the Corporation, subject to the rights, if any, of the Corporation under any contract to which the officer is a party. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein, and the acceptance of such resignation shall not be necessary to make it effective.**

**Section 6.5 Vacancies**

**A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled by the Board of Directors.**

**Section 6.6 President**

**The President shall be the Chief Executive Officer of the Corporation and shall, subject to the control of the Board of Directors, have general supervision, direction, and control of the business and affairs and the actions of the other officers on behalf of the Corporation. The President shall be ex officio a voting member of all the standing committees of the Board of Directors and shall have the general powers and duties of management usually vested in the office of the president of a corporation, and shall have such other powers and duties as may be prescribed by the Board of Directors or these By-Laws.**

**Section 6.7 President Elect**

**In the absence or disability of the President, the President Elect**

**shall perform the duties of the President, and when so acting shall have all the powers of, and be subject to all the restrictions upon, the President. The President Elect shall have such other powers and perform such other duties as from time to time may be prescribed for them respectively by the Board of Directors or the By-Laws.**

**Section 6.8 President Elect Nominee**

**Future verbiage to be determined**

**Section 6.9 Past President**

**Future verbiage to be determined**

**Section 6.10 Secretary**

**(a) The Secretary shall keep, or cause to be kept, a book of minutes in written form of the proceedings of the Board of Directors and committees of the Board of Directors. Such minutes shall include, without limitation, all waivers of notice, consents to the holding of meetings, or approvals of the minutes of meetings.**

**(b) The Secretary shall give, or cause to be given, notice of all meetings of the Board of Directors required by these By-Laws of by law to be given, and shall cause the seal of the Corporation to be kept in safe custody, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or these By-Laws.**

**Section 6.11 Treasurer and Chief Financial Officer**

**(a) The Treasurer and Chief Financial Officer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and records of account in written form or any other form capable of being converted into written form.**

**(b) The Treasurer and Chief Financial Officer shall deposit all monies and other valuables in the name and to the credit of the Corporation with such depositories as may be designated by the Board of Directors. The Treasurer shall disburse or provide for the disbursement of all funds of the Corporation as may be ordered by the Board of Directors or as may be appropriately ordered by the appropriate Officers of the Corporation, shall render to the President and the Board of Directors, whenever they request it, an account of all the Treasurer's transactions as Treasurer and Chief Financial Officer and of the financial condition of the Corporation, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors of these By-Laws.**

**Section 6.12 Assistant Secretary**

**An Assistant Secretary, if there shall be such an officer, shall have**

**all the powers and perform all the duties of, the Secretary in the absence**

**of inability of the Secretary to act.**

**Section 6.13 Assistant Treasurer**

**An Assistant Treasurer, if there shall be such an officer, shall**

**have all the powers and perform all the duties of, the Treasurer in the**

**absence or inability of the Treasurer to act.**

**Section 6.14 Directors, Non-Officers**

**The Directors shall perform all duties incident to their positions and**

**any such other duties as may be assigned by the President or the Board**

**of Directors from time to time.**

**ARTICLE VII**

**BOOKS AND RECORDS**

**Section 7.1 Books and Records**

**The Corporation shall keep or cause to be kept adequate and correct books and records of account and minutes of the proceedings of the Board of Directors and committees of the Board of Directors.**

**Section 7.2 Annual Report**

**(a) Except as otherwise provided below in these By-Laws, the Board of Directors shall cause an annual report (the "Annual Report") to be sent to the Directors not later than one hundred twenty days after the close of the Corporation's fiscal year. The Annual Report shall state in appropriate detail the following:**

**(1) The assets and liabilities, including the trust funds, of the Corporation as of the end of the fiscal year;**

**(2) The principle changes in assets and liabilities, including trust funds, during the fiscal year;**

**(3) The revenue or receipts of the Corporation, both unrestricted and restricted to particular purposes, during the fiscal year;**

**(4) The expenses or disbursements of the Corporation, for both general and restricted purposes, during the fiscal year; and**

**(5) Any information required by Section 5000 et. seq. of the Nonprofit Corporation Law.**

**(b) The Annual Report shall be accompanied by any report thereon of independent accountants, or, if there is no such report, the certificate of an authorized officer of the Corporation that such statements were prepared without audit from the books and records of the Corporations.**

**ARTICLE VIII**

**Charitable Contributions to the Foundation**

**Section 8.1 Funding Options**

**Members and other donors may contribute tax deductible gifts to the Foundation in any one or more of the following ways:**

**(1) Endowment Fund. Gifts to the Endowment Fund shall be retained in perpetuity. The income derived from investment of such gifts shall be utilized to make charitable contributions, and any realized gain in value may also be utilized for such purpose.**

**(2) Rotating Fund. Happy Bucks, Fines, Pledges and other cash gifts shall be allocated to the Rotating Fund. Such gifts shall be utilized to make charitable contributions. All cash gifts received by the Foundation which are not restricted under Section 8.3 of this Article VIII shall be allocated to the Rotating Fund.**

**(3) Special Projects Fund. Gifts to the Special Projects Fund may be utilized anytime after receipt.**

**Section 8.2 Assets Contributed**

**Members and other donors may contribute cash, securities, real estate and other assets to the Foundation; however, the Foundation Board of Directors shall have the right, in its discretion, to refuse to accept (1) any asset contributed except cash; and/or (2) any restricted gift. For purposes of these Bylaws, contributions "in-kind" shall include any item which must be stored at the Foundation's expense. The Foundation may be named as a beneficiary under any Will, Trust, life insurance policy, annuity, or other entity.**

**Section 8.3 Restricted Gifts**

**Any Foundation Member or other donor may require that cash gifts exceeding $100 to the Foundation be allocated (1) to one or more of the Funds described in Section 1 of this Article XI; and/or (2) to any category of charity described in Article XII. Any such funds are hereby designated as "Restricted Gifts". All contributions in-kind shall be allocated to the Special Projects Fund.**

**Section 8.4 Investment and Management of Foundation Assets**

**The Board of Directors shall hold, invest, manage and administer all funds and property of the Foundation. In furtherance of this responsibility, in addition to the powers otherwise granted by statute or these Bylaws, the Board of Directors is authorized to do the following:**

**(1) To sell, lease, transfer or exchange all or any part of the property of the Foundation at such prices and upon such terms and conditions and in such manner as they deem best;**

**(2) To execute and deliver any proxies, securities or real estate as they deem suitable for the investment of Foundation funds;**

**(3) To invest and reinvest in such loans, securities or real estate as they deem suitable for the investment of Foundation funds;**

**(4) To adopt budgets and appropriate funds for activities of the Foundation;**

**(5) To select and employ suitable agents and attorneys, including the employment of investment managers to whom may be delegated such powers in managing and investing the funds of the Foundation as the Board of Directors may deem advisable, and as the laws of California may permit, and to pay their reasonable compensation and expenses; and**

**(6) To pay all necessary expenses of administering the Foundation out of the funds of the Foundation, including out-of-pocket expenses incurred by a Director, unless otherwise provided by the Board of Directors.**

**ARTICLE IX**

**Guidelines for Charitable Contributions by the Foundation**

**Section 9.1 Charitable Contributions**

**The Foundation shall make charitable contributions in accordance with the following guidelines:**

**(1) Charitable contributions to Yucaipa area schools and/or to schools in California for educational scholarships for students deemed worthy and needy;**

**(2) Charitable contributions for youth activities and to youth organizations within, or substantially benefiting, the Yucaipa area and/or California;**

**(3). Other charitable organizations, groups or individuals within, or substantially benefiting, the Yucaipa area and/or California;**

**(4) Charitable organizations, groups or individuals which help alleviate suffering in a time of crisis, wherever situated; and**

**(5) Other charitable organizations, groups, or individuals approved by a majority of the Members of the Foundation.**

**Section 9.2 Contributions In-Kind**

**The Foundation may make charitable contributions in-kind to any charitable organizations, group, or individual deemed needy and worthy, wherever situated.**

**ARTICLE X**

**Operations**

**Section 10.1 Execution of Contracts**

**The Board of Directors may authorize any officer, employee, or agent, in the name and on behalf of the Corporation, to enter into any contract or execute and satisfy any instrument, and any such authority may be general or confined to specific instances or otherwise limited. In the absence of any action by the Board of Directors to the contrary, the President shall be authorized to execute such instruments on behalf of the Corporation.**

**Section 10.2 Loans**

**The President or any other officer, employee, or agent authorized by the By-Laws or by the Board of Directors may affect loans and advances at any time for the Corporation from any bank, trust company, or other institution or from any firm, corporation, or individual and for such loans and advances may make, execute, and deliver promissory notes, bonds, or other certificates of evidences of indebtedness of the Corporation, and when authorized by the Board of Directors to do so, may pledge and hypothecate or transfer assets of the Corporation as security for any such loans or advances. Such authority conferred by the Board of Directors may be general or confined to specific instances of otherwise limited. Loans must be approved by a 2/3 majority of the Foundation Board**

**Section 10.3 Checks, Drafts Etc**

**All checks, drafts, and other orders for the payment of money out**

**of the funds of the Corporation and all notes or other evidences of indebtedness of the Corporation shall be signed on behalf of the Corporation in such manner as shall from time to time be determined by resolution of the Board of Directors.**

**ARTICLE XI**

**INDEMNIFICATION OF DIRECTORS AND OFFICERS**

**Section 11.1 Indemnification by Corporation**

**The Directors and Officers shall be indemnified and hold**

**harmless to the extent and in the manner permitted in California**

**Nonprofit Corporation Law.**

**Section 11.2 Insurance**

**The Corporation shall have power to purchase and maintain**

**insurance on behalf of any agent of the Corporation against any liability**

**asserted against or incurred by the agent in such a capacity or arising out of the agent's status as such whether or not the Corporation would have the power to indemnify the agent against such liability under the provisions of this section; provided, however, that the Corporation shall have no power to purchase and maintain such insurance to indemnify any agent of the Corporation for a violation of Section 5000 et. seq. of the Nonprofit Corporation Law (relating to self-dealing transactions).**

**Section 11.3 Amendments to Bylaws**

**These by-laws may be amended at any regular Board meeting, a quorum being present, by a two-thirds vote of all members present, provided that notice of such proposed amendment shall have been delivered to each member at least ten days before such meeting.**

**ARTICLE XII**

**ASSETS AND INVESTMENTS**

**Section 12.1 Dedication of Assets**

**The properties and assets of this Corporation are irrevocable dedicated to the Corporation's being an exempt organization within the meaning of Section 501 © (3) of the United States Internal Revenue Code of 1954m as amended (the "Internal Revenue Code"), and Section 23701 of the California Revenue and Taxation Code, as amended (the "Taxation Code"). (All references to the Internal Revenue Code and the Taxation Code contained in these By-Laws are deemed to include corresponding provisions of any future United Sates of California taxation law, as the case may be.)**

**Section 12.2 Standards, Retention of Property**

**(a) In investing, reinvesting, purchasing, acquiring, exchanging, selling, and managing the Corporation's investments, the Board of Directors shall act in accordance with the provision of Section 5240 of the Nonprofit Corporation Law. The Board of Directors shall avoid speculation, looking instead to the permanent disposition of the funds, considering the probable income, as well as the probable safety of the Corporation's capital.**

**(b) Unless limited by the Articles, the Corporation may continue to hold property properly acquired or contributes to it if and as long as the Board of Directors, acting in accordance with the provisions of Section 5240 of the Nonprofit Corporation Law, may consider that retention is in the best interests of the Corporation. No retention of donated assets violates this Section 10.2, where such retention was required by the donor in the instrument under which the assets were received by the Corporation, except that no such requirement may be effective more than ten years after the death of the donor.**

**(c) Notwithstanding any other provision in these By-Laws, the Corporation may reject any donation, acceptance of which the Board of Directors deems would not further the purposes of the Corporation or the acceptance of which would impose an undue burden on the Corporation.**

**Section 12.3 Endowment Fund**

**(a) The Corporation may receive donations earmarked for an endowment fund from any source in cash or in other property acceptable to the Board of Directors, provided the terms and conditions, if any, are consistent with the purposes and powers of the Corporation as set forth in the Articles and/or these By-Laws. All donations so received together with the income there from (referred to in these By-Laws as the "Fund) shall be held, managed, administered, and paid out in accordance with any terms and conditions with respect thereto. Unless otherwise specifically required, the Corporation may mingle such restricted donations with other assets of the Fund. The Corporation may reject any donation carrying restrictions deemed by the Board of Directors to be incompatible with the purposes of the Fund and/or the Corporation.**

**(b) The Corporation shall keep a complete record of the source of all gifts made to the Fund and shall take such steps as the Board of Directors deems appropriate to recognize and commemorate each such gift, to the end that the memory of the gift and of the donor shall be appropriately preserved.**

**(c) The Corporation shall disburse the Fund or the income there from at such time and in such a manner and in such amounts as the Board of Directors may in its discretion determine for the Corporation or its related activities.**

**ARTICLE XIII**

**DISTRIBUTION OF INCOME AND PROHIBITED ACTIVITIES**

**In the event that the Corporation shall at any time be a private foundation within the meaning of Section 509 of the Code, the Corporation, so long as it shall be such a private foundation, shall distribute its income for each taxable year at such time and in such manner as not to subject it to the tax on undistributed income imposed by Section 4942 of the Code, and the Corporation shall not (i) engage in any act of self-dealing as defined in Section 4941 (d) of the Code; (ii) retain any excess business holding as defined in Section 4943 (c) of the Code; (iii) make any investments in such manner as to subject the Corporation to any tax under Section 4944 of the Code; or (iv) make any taxable expenditures as defined in Section 4945 (d) of the Code.**

**ARTICLE XIV**

**SEAL AND FISCAL YEAR**

**Section 14.1 Seal**

**The Board of Directors may adopt a corporate seal which shall be in the form of a circle and shall bear the full name of the Corporation and the year and state of its incorporation.**

**Section 14.2 Fiscal Year**

**The fiscal year of the Corporation shall end on June 30 of each year unless and until changed by the Board of Directors.**

**ARTICLE XV**

**Conflict of Interest**

**The Corporations policy on Conflict of Interest is attached to these By-Laws as Attachment 1.**

**Certificate of Secretary**

**I, Jack Knight Hereby certify:**

**That I am the duly elected and acting Secretary of**

**FOUNDATION OF YUCAIPA ROTARY**

**CLUB, INC.**

**, a California Nonprofit Public Benefit Corporation; and that the foregoing By-Laws comprising 33 pages, constitute the By-Laws of said Corporation as duly adopted at a meeting of the Board of Directors held on March 1012012.**

**IN WITNESS WHEREOF, I have hereunder subscribed my name this**

**17th day of November 2014**

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**Secretary**

**Appendix A**

**Conflict of Interest Policy**

**Article I-----Purpose**

**The purpose of the conflict of interest policy is to protect this tax-exempt organization's (Organization) interest when it is , contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Organization 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.**

**Article II-----Definitions**

**1. 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.**

**2. Financial Interest**

**A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:**

**a. An ownership or investment interest in any entity with which the Organization has a transaction or arrangement.**

**b. A compensation arrangement with the Organization or with any entity or individual with which the Organization has a transaction or arrangement, or**

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

**Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial. A financial interest is not necessarily a conflict of interest. Under Article III, Section 2, 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.**

**Article III-----Procedures**

**1 . 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.**

**2. 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.**

**3. Procedures for Addressing the Conflict of Interest**

**a. 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.**

**b. The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.**