

**BYLAWS
of the
DANVILLE ROTARY CLUB FOUNDATION, INC.**

**ARTICLE I
Name, Purposes, Offices, Special Rules, and Dissolution**

Section 1. NAME

The Corporation, organized and existing under the laws of the State of Indiana, shall be known as the Danville Rotary Club Foundation, Inc.

Section 2. PURPOSES

- (a) Fulfill the fiduciary duties vested in the Board under the laws of Indiana and these bylaws;
- (a) The Corporation is organized exclusively for charitable, benevolent, eleemosynary and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1971 (“Code”) and the Indiana Not-For-Profit Corporation Act (“Act”), both as now in effect or as may hereafter be amended. Those purposes include, but are not limited to, raising awareness of and providing support to disadvantaged and disabled children, the organizations and/or charities which concentrate on assisting children and other charitable causes related to children and providing for the education and training of and scholarships to law students.
- (b) In furtherance of its purposes, the Corporation shall have all the general powers enumerated in the Act, together with the power to solicit grants and contributions for such purposes.

Section 3. OFFICES

The Corporation shall maintain one or more offices within the state of Indiana at such location or locations as the Board of Directors may from time to time determine.

Section 4. SPECIAL RULES

All of the assets and earnings of the Corporation shall be used exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code.

- (a) No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to its members, directors, officers, or other private persons, except that the Corporation shall be authorized and empowered to pay reasonable

compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth herein. No director, officer, or any private individual shall be entitled to share in the distribution of any of the assets on dissolution of the Corporation.

- (b) No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office.
- (c) The Corporation shall not carry on any activities not permitted to be carried on (i) by a Corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1971 (or the corresponding provision of any future United States Internal Revenue Law) or (ii) by a Corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1971 (or the corresponding provision of any future United States Internal Revenue Law).

Section 5. DISSOLUTION

In the event of the dissolution of the Corporation, the Board of Directors shall, after paying or making provision for the payment of all the liabilities of the Corporation, dispose of all the assets of the Corporation exclusively for the purposes of the Corporation in such manner, or to such organization or organizations organized and operated exclusively for charitable, educational, religious, or scientific purposes as shall at the time qualify as an exempt organization or organizations under Section 501(c)(3) of the Internal Revenue Code of 1971 (or the corresponding provision of any future federal law), or to the federal government or to a state or local government, for a public purpose. Any assets not so disposed of shall be disposed of by a circuit court of the county in which the principal office of the Corporation is then located, exclusively for such purposes or to such organization or organizations, as said court shall determine, which are organized and operated exclusively for such purposes.

Section 6. CONFLICTS OF INTEREST

- (a) Definition of Conflicts of Interest. A conflict of interest will be deemed to exist whenever an individual is in the position to approve or influence policies or actions of the Corporation which involve or could ultimately harm or benefit financially: (i) the individual; (ii) any member of his immediate family (spouse/domestic partners, parents, children, brothers or sisters, and spouses or domestic partners of these individuals); or (iii) any organization in which he or an immediate family member is a director, trustee, officer, member, partner or more than 10% shareholder. Service on the board of another not-for-profit corporation does not constitute a conflict of interest.
- (b) Disclosure of Conflicts of Interest. A director or officer shall disclose a conflict of interest: (i) prior to voting on or otherwise discharging his duties with respect to

any matter involving the conflict which comes before the board of directors or any committee thereof; (ii) prior to entering into any contract or transaction involving the conflict; (iii) as soon as possible after the director or officer learns of the conflict; and (iv) on the annual conflict of interest disclosure form. The secretary of the corporation shall distribute annually to all directors and officers, a form soliciting the disclosure of all conflicts of interest, including specific information concerning the terms of any contract or transaction with the Corporation and whether the process for approval set forth in Section 6 of this Article I was used.

- (c) Approval of Contracts and Transactions Involving Potential Conflicts of Interest. A director or officer who has or learns about a potential conflict of interest should disclose promptly to the Secretary of the Corporation the material facts surrounding any actual or potential conflict of interest, including specific information concerning the terms of any contract or transaction with the corporation. All effort should be made to disclose any such contract or transaction and have it approved by the board of directors before the arrangement is entered into. Following receipt of information concerning a contract or transaction involving a potential conflict of interest, the board of directors shall consider the material facts concerning the proposed contract or transaction including the process by which the decision was made to recommend entering into the arrangement on the terms proposed. The board of directors shall approve only those contracts or transactions in which the terms are fair and reasonable to the corporation and the arrangements are consistent with the best interests of the corporation. Fairness includes, but is not limited to, the concepts that the corporation should pay no more than fair market value for any goods or services which the corporation receives and that the corporation should receive fair market value consideration for any goods or services that it furnishes others. The board of directors shall set forth the basis for its decision with respect to approval of contracts or transactions involving conflicts of interest in the minutes of the meeting at which the decision is made, including the basis for determining that the consideration to be paid is fair to the corporation.
- (d) Validity of Actions. No contract or other transaction between the corporation and one or more of its directors or officers, or between the corporation and any other corporation, firm, association or other entity in which one or more of its directors or officers are directors or officers, or have a substantial financial interest, shall be either void or voidable for this reason alone or by reason alone that such director or directors or officer or officers are present at the meeting of the board of directors, or of a committee thereof, which authorizes such contract or transaction, or that his or their votes are counted for such purpose, if the material facts as to such director's or officer's interest in such contract or transaction and as to any such common directorship, officership or financial interest are disclosed in good faith or known to the board of directors or committee, and the board of directors or committee authorizes such contract or transaction by a vote sufficient for such purpose without counting the vote or votes of such interested director or

officers. Common or interested directors may be counted in determining the presence of a quorum at a meeting of the board of directors or committee which authorizes such contract or transaction, although such interested officer's or director's vote will not be counted in determining whether such contract or transaction is authorized by the board of directors or committee. At the time of the discussion and decision concerning the authorization of such contract or transaction, the interested director or officer should not be present at the meeting.

ARTICLE II
Board of Directors

Section 1. GENERAL

The affairs of the Corporation shall be managed by its Board of Directors (the "Board").

Section 2. POWERS

The Board shall:

- (a) Fulfill the fiduciary duties vested in the Board under the laws of Indiana and these bylaws;
- (b) Monitor the accomplishment of the goals and philosophy of the Corporation and carry out periodic evaluations of the operation of such Corporation according to these goals and philosophy;
- (c) Participate in establishing strategic goals for the Corporation and approve short-range and long-range strategic plans of the Corporation;
- (d) Establish suitable procedures for conducting the business of the Board;
- (e) Approve annual budgets;
- (f) Safeguard the assets of the Corporation;
- (g) Approve policies concerning relationships with external groups and organizations, such as professional societies, governmental agencies, civic groups and other similar organizations;
- (h) Assure that all actions of the Corporation and its affiliates and subsidiaries are consistent with the purposes of the Corporation;
- (i) Elect the officers of the Corporation; and
- (j) Do all else necessary to promote the well-being of the Corporation.

Section 3. NUMBER OF DIRECTORS

The number of directors of the Corporation shall be no less than six (6) and no more than eleven (11). **[Note the minimum needed is three and the spread can be no more than 5]**

Section 4. ELECTION OF DIRECTORS

The Board shall elect directors at its annual meeting (provided there is a quorum present at such meeting) from the slate presented by the Nominating Committee and any additional nominations that were made at the May meeting of the Board.

Section 5. TERM OF OFFICE

Directors shall hold office for a period of five years or until the director's prior death, resignation or removal. A director may be elected to two successive five-year terms ("term-limitation"). After serving two successive five year terms, a director shall be eligible for election to the Board only after a one-year absence from serving as a director. The directors listed on the attached Schedule 1 are excepted from the term limitation in this section so that they may complete the initial term listed on Schedule 1 and one additional five-year term thereafter if nominated and elected to serve for an additional five-year term.

Section 6. RESIGNATION AND REMOVAL

- (a) Resignation. A director may resign at any time upon written notice to the Chair; or in the case of the Chair of the Board (the "Chair"), to the Secretary of the Corporation. Such resignation shall take effect at the time specified therein. Any director missing three (3) consecutive meetings without adequate excuse shall be considered resigned.
- (b) Removal. Any director may be removed, with or without cause, by an affirmative vote of three-fourths of the Board of Directors for any reason it deems sufficient; At least twenty (20) days notice of the intention to remove a director must be provided for any special meeting at which such motion is to be presented.

Section 7. VACANCIES

Any vacancy on the Board may be filled by the majority vote of the Board of Directors present at any meeting at which there is a quorum. The individual designated to fill the vacancy shall hold office for the unexpired term of his or her predecessor or, if there is no predecessor, until the next annual meeting of the Board.

Section 8. ANNUAL MEETING

The annual meeting of the Board for the transaction of such business as may come before the Board shall be held in August of each year.

Section 9. REGULAR MEETINGS

- (a) The Board shall hold two regular meetings during the year, at such time and place as the Board may designate, or in the absence of Board designation, as the Chair may designate.

- (b) Except as herein otherwise provided, all meetings of the Corporation shall be governed by Robert's Rules of Order.

Section 10. SPECIAL MEETINGS

Special meetings of the Board may be called at the written request of the Chair, the Secretary or any two (2) directors (in which case such written request shall be provided to the Secretary). All special meetings shall be held at such time and place as shall be designated by the Chair or Secretary.

Section 11. NOTICE

Written notice of the time, place and purpose or purposes of a meeting or special meeting shall be served on each director of the Corporation no less than seven (7) days prior to the meeting. The attendance of a director at any meeting, shall constitute a waiver of notice of such meeting, except where a director participates in a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully convened. Notice shall be given by regular mail, facsimile, electronic mail or hand delivery. Notice of meetings delivered by electronic means shall satisfy the requirements of these Bylaws if sent pursuant to a method, service or procedure generally recognized as trustworthy. Any communication required or permitted by these Bylaws to be "written" or "in writing" shall include any communication transmitted or received by electronic means. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the board need be specified in the notice or waiver of notice of such meeting, unless specifically required by law or by these bylaws.

Section 12. QUORUM AND CONDUCT OF MEETING

One-third of the voting directors constituting the Corporation's Board of Directors shall constitute a quorum at any meeting of the Board of Directors. The act of a majority of the voting directors at a meeting at which a quorum is present shall be the act of the Board unless the act of a greater proportion is required by law or by the Articles of Incorporation of the Corporation or these bylaws. Meetings may be held by means of conference telephone, other communications equipment by means of which all persons participating in the meeting can communicate with each other, or any means provided by law. Attendance by communications equipment shall constitute presence in person at the meeting of the person or persons so participating.

Section 13. INFORMAL ACTION BY DIRECTORS

Any action required to be taken at a meeting of the Directors of the Corporation, or any other action which may be taken at a meeting of Directors, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all the Directors entitled to vote with respect to the subject matter thereof. Electronic signatures shall be acceptable for this purpose. Consent delivered by electronic mail shall satisfy the requirements of these Bylaws if sent pursuant to a method, service or procedure generally recognized as trustworthy.

Section 14. COMPENSATION

Directors shall receive no compensation for their services as such but may be reimbursed for reasonable expenses incurred by them in conducting the legitimate business of the Corporation. Nothing herein shall prohibit payment of compensation to an individual who serves as a director for services rendered to the Corporation in another capacity.

ARTICLE III
Officers

Section 1. DESIGNATION

The Officers of the Corporation shall be the Chair, Vice Chair, Secretary, and Treasurer. Any two or more offices, other than Chief Executive Officer, may be held by the same person.

Section 2. TERM OF OFFICE

No Officer shall hold the same Officer position for more than four (4) years consecutively.

Section 3. ELECTION

Officers shall be elected by the Board of Directors from any of those individuals who serve as directors at the regular annual meeting of the Board from the slate presented to the Board at its August meeting.

Section 4. GENERAL DUTIES

The Officers of the Corporation shall perform the duties prescribed for each, respectively, by these bylaws, or by the Board of Directors.

Section 5. CHAIR OF THE BOARD

The Chair of the Board shall preside at all meetings of the Board of Directors, chair the Executive Committee, and appoint the members of Standing Committees unless otherwise indicated in these bylaws.

Section 6. VICE CHAIR

The Vice Chair shall perform such duties as the Chair or the Board of Directors may from time to time determine. The Vice Chair may serve in the absence of the Chair and may be authorized by the Board to assume and exercise the authorities otherwise granted and assigned to the Chair.

Section 7. SECRETARY

The Secretary shall keep the minutes of meetings of the Board and Executive Committee in proper books for such purposes, shall have charge of the papers of the Corporation, shall countersign all deeds, leases and conveyances of real property executed by the Corporation, and shall perform other duties as the Board may prescribe or as may be incident to the office of Secretary.

Section 8. TREASURER

The Treasurer shall see that a true and correct accounting of the financial transactions of the Corporation is made and that reports of such transactions are presented to the Board. The Treasurer shall perform such other duties as the Board may prescribe or as may be incident to the office of Treasurer.

ARTICLE IV
Committees

Section 1. TYPES OF COMMITTEES

Committees of the Board shall be standing or special. Standing committees shall be those provided for in Section 2 of this Article and such other standing committees as the Board may authorize from time to time. Individuals who are not on the Board may serve on any committee unless otherwise specified by these bylaws or by the Board. All actions of committees are subject to the approval or rejection by the Board of Directors.

Section 2. STANDING COMMITTEES

There shall be the following standing committees of the Board:

- (a) EXECUTIVE COMMITTEE. The Executive Committee shall be comprised of the Officers of the Corporation, and an At-Large Director. The At-Large Director is a voting member of the Executive Committee and shall generally be the immediate past Chair of the corporation. In the event that the immediate past Chair is unable or unwilling to serve in this capacity, the At-Large Director shall be elected by the Board. The Chair shall serve as Chair of the Executive Committee. The Executive Committee shall have and may exercise, when the Board of Directors is not in session, the powers of the Board of Directors in the management of the affairs of the Corporation subject to any limitations imposed by the Board of Directors. The Executive Committee shall coordinate the annual planning calendar, set the Board's meeting agenda, review and evaluate committee/Corporate goals, plans and priorities and oversee strategic planning. The Executive Committee will have and maintain first-hand knowledge of the agenda and priorities of each committee.

- (b) FINANCE COMMITTEE. The Finance Committee shall consist of the Treasurer and at least one other Board member with appropriate expertise appointed by the Chair, and such other persons who may be appointed by the Chair. The Committee shall be responsible for the financial affairs of the Corporation. The Committee shall oversee the fiscal management system; review and recommend the proposed annual budget and any special project budgets; monitor income and expenditures and insure adequate internal fiscal controls. The Committee shall plan for and manage the investment of the Corporation's funds; monitor property and equipment leasing, acquisition and utilization; and ensure adequate insurance coverage for the Corporation.

- (c) FUNDRAISING COMMITTEE. The Committee shall consist of at least two members of the Board appointed by the Chair, such other persons who may be appointed by the Chair. The Committee shall set the long-term direction and strategies for fund development; develop an annual fundraising plan, which meets budgetary needs; oversee implementation of all fundraising initiatives; work with

the Program and Finance Committees to determine funding priorities; and recommend fundraising policies to the Board of Directors..

- (d) BOARD DEVELOPMENT COMMITTEE. The Committee shall consist of at least two members of the Board appointed by the Chair and such other persons who may be appointed by the Chair. The Committee shall create and implement an annual recruitment plan for the Board; carry out an annual Board education plan; define and manage the Board recruitment process; recommend criteria for Board membership to the Board; and design and implement a Board self-evaluation process.
- (e) NOMINATING COMMITTEE. The Committee shall consist of at least three members of the Board and shall be elected annually by the Board at its March meeting, provided that the Chair of the Board shall not be eligible to serve on the Nominating Committee. The Committee shall select its own chair. The Committee shall prepare a slate of directors and officers to be presented to the Board at its May meeting for a vote at its annual meeting. The Committee shall slate one person for each open Board position and one person for each officer position. Upon presentation of the slate by the Nominating Committee at the August meeting, Board members may nominate additional candidates for Board positions, but may not make additional nominations for officer positions. The Committee shall serve until the completion of the Corporation's annual meeting.
- (f) SCHOLARSHIP COMMITTEE.
- (g) CHILDREN'S COMMITTEE.

Section 3. SPECIAL COMMITTEES

Special committees may be appointed by the Chair for special tasks as circumstances warrant. A special committee shall limit its activities to the accomplishment of the task for which it is appointed, and shall have no power to act except such as is specifically conferred by action of the Board. Upon completion of the task for which appointed, such special committee shall be discharged.

Section 4. TENURE OF OFFICE

Unless otherwise specified in these bylaws, each member of a committee shall continue to serve until the election or appointment of a successor, or until his or her resignation or removal. Vacancies may be filled by appointment made in the same manner as provided in the case of the original appointment.

Section 5. COMMITTEE CHAIR

Except as otherwise provided in these bylaws, one member of each standing committee and each special committee shall be appointed by the Chair to serve as chair of their respective committees.

Section 6. QUORUM AND MANNER OF ACTING

One-third of the number of members of a committee shall constitute a quorum of the committee. Ex-officio members shall be counted in determining the number of members on a committee. An affirmative vote of a majority of the quorum shall determine actions by the committee. Meetings may be held by means of conference telephone, other communications equipment by means of which all persons participating in the meeting can communicate with each other. Attendance by communications equipment shall constitute presence in person at the meeting of the person or persons so participating.

Section 7. RULES

Each committee may adopt rules for its operations not inconsistent with these bylaws or with rules adopted by the Board.

ARTICLE VI
Indemnification

Section 1. INDEMNIFICATION

The Corporation shall indemnify, officers, directors, employees, committee members and volunteers to the maximum extent permitted by applicable law, provided that they have acted in good faith. The Corporation shall be required to purchase insurance for such indemnification if authorized by the Board of Directors.

ARTICLE VII
Contracts, Loans, Checks and Deposits

Section 1. CONTRACTS

The Board may authorize any officer or other person to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authorization may be general or confined to specific instances.

Section 2. LOANS

No loans shall be contracted on behalf of the Corporation and no evidence of indebtedness shall be issued in its name unless authorized by or under the authority of the Board of the Corporation. Such authorization may be general or confined to specific instances.

Section 3. CHECKS

All checks, drafts or other orders for the payment of money, notes or other evidence of indebtedness issued in the name of the Corporation shall be signed by two persons as designated by the Board from among its officers or other persons as may be authorized by the Board.

Section 4. DEPOSITS

All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as may be selected by the Board.

ARTICLE VIII
Miscellaneous

Section 1. AUDIT

The Board of Directors shall retain outside auditors to examine the books of the Corporation and report their findings to the Board of Directors following the close of the fiscal year.

Section 2. POLICIES AND PROCEDURES

The Board of Directors may from time to time promulgate policies and procedures as it deems necessary to govern the operation of the Corporation.

Section 3. SEAL

The Corporation may have a seal which shall be in such form as the Board may adopt.

Section 4. FISCAL YEAR

The fiscal year of the Corporation shall be determined by the Board.

ARTICLE IX
Books and Records

The Corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of the Board of Directors and committees having any of the authority of the Board.

ARTICLE X
Waiver of Notice

Whenever any notice whatsoever is required to be given under the provisions of the Indiana General Not-For-Profit Corporation Act of 1971, as amended, or under the provisions of the Articles of Incorporation or the bylaws of the Corporation, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE XI
Amendments

These bylaws may be amended by affirmative vote of two-thirds (2/3) of the directors at any meeting of the Board of Directors at which a quorum is present. A copy of the proposed amendments must be delivered to directors not less than fifteen (15) days prior to the meeting at which action thereon is proposed.

Original Bylaws adopted on _____