

BYLAWS OF THE ROTARY CLUB OF MARYVILLE FOUNDATION

Article 1 Name and Location

- Section 1. The name of this corporation shall be The Rotary Club of Maryville Foundation (hereafter known as “Foundation”).
- Section 2. The location of the principal office shall be in Blount County, Tennessee.

Article 2 Objectives

- Section 1. The Foundation shall operate as a non-profit corporation under the laws of the State of Tennessee, and no part of the income of this corporation shall inure to the benefit of any individual member.
- Section 2. The principal objectives of this corporation are:
- a) To financially support educational scholarships given each year and to further endow any special service projects sponsored by the Maryville Rotary Club (hereafter known as “Club”).
 - b) The objectives and activities of this corporation shall be limited to objectives and activities as will qualify it for non-profit status under the provisions of the 501(c)(3) Internal Revenue Code.

Article 3 Board of Directors

- Section 1. The management of the property and affairs of the corporation shall be vested in its Board of Directors (also known as “Foundation Board” and “Board”).
- Section 2. Number, Qualification, Term and Elections.
- a) Membership – The Board shall be composed three (3) Directors.
 - b) Qualification – Only active members in good standing of the Rotary Club of Maryville shall be eligible for election to the Board of Directors.
 - c) Term – The directors shall hold office for a three (3) year term or until their successors are duly elected and qualified.
 - d) Election – The directors shall be elected by the Board of Directors of the Rotary Club of Maryville (hereafter known as “Club Board”) at the first Club Board meeting after the annual meeting each December. The Foundation Board will take office the following July. Directors

will serve in staggered terms. No director may serve more than two (2) consecutive terms.

- Section 3. Vacancies – Any vacancy on the Foundation Board due to the death or resignation of a director may be filled by the majority vote of the Club Board at any regular or special meeting of the Board. Any successors elected shall serve for the unexpired term of the deceased or resigning director.
- Section 4. Removal – Any director may be removed time by a two-thirds (2/3) majority vote of the Club membership present at any regular or special meeting of the organization. Failure to fulfill the duties of a Director of the Foundation Board may constitute automatic dismissal by 2/3 vote of the Club Board.
- Section 5. Meetings of the Board of Directors.
- a) Regular meetings of the Board of Directors shall be held at such times and places as the Board shall decide.
 - b) Special meetings of the Board of Directors may be called by the Club President, and shall be called by the President when a request is made for such meeting. The president shall cause notice of the time, place, and purpose of all special meetings to be given to the members of the Board of Directors at least three (3) days prior to the designated date.
- Section 6. Power and Duties. The Board of Directors shall have the following powers and duties in addition to those given by the charter of this corporation and/or applicable law.
- a) It shall have control of and be responsible for the property and affairs of the corporation and determine matters of policy pertaining thereto.
 - b) It shall provide for a budget for this corporation and supervise the expenditure of its funds. The proposed budget, including a full financial report, shall be presented to the Club membership at a Club Board meeting to be held in July of each year. The budget shall be subject to revision at that time. The budget, as presented or revised, shall be ratified by a two thirds (2/3) affirmative vote of the Club Board present.
 - c) It shall cause to be prepared and presented to the membership each year a statement of the affairs of this corporation for the preceding year.

Article 4 Voting, Proxies, Quorum

- Section 1. Voting – Each Director shall likewise be entitled to one vote on a matter requiring Board approval at all meetings of the Board.
- Section 2. Proxy Voting – At meetings of the Foundation Board, Directors may vote on any matter by proxy, duly given in writing and filed with the secretary of the corporation prior to the commencement of the meeting.
- Section 3. Vote Required to Adopt – A simple majority shall be sufficient to pass any motion at any meeting of the Board of Directors.
- Section 4. Quorum – A quorum at any meeting of the Board of Directors shall consist of a simple majority present.
- Section 5. Manner of Voting – All voting at meetings of the Board shall be by voice or a show of hands, except where otherwise specified, or where a written ballot is requested by a majority of those directors present.

Article 5 Contracts, Loans, Checks, and Deposits

- Section 1. Contracts – The Board of Directors may authorize any Club officer or officer's agent or agents of the corporation 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.
- Section 2. Loans – No loan shall be contracted on behalf of the Foundation, and no evidences of indebtedness shall be issued in its name.
- Section 3. Checks, Drafts, etc – All checks, drafts, or other orders for the payment of money, notes, or other evidence of indebtedness issued by or in the name of this Foundation shall be signed by such Directors or Director, or Director's agent or agents of this Foundation and in such a manner as shall from time to time be authorized by resolution of the Board of Directors.
- Section 4. Deposits. All funds of the Foundation, not otherwise employed, shall be deposited from time to time to the credit of the Foundation in such bank or other depositories, as the Board of Directors shall authorize by resolution.
- Section 5. The fiscal year of the Foundation shall commence on July 1st and end on June 30th.
- Section 6. Any Director or agent of the Foundation authorized to disburse corporate funds may be required to give bond if required by the Board of Directors.

Article 6 Amendments

Section 1. These bylaws may be amended by an affirmative vote of a simple majority of voting Club members present at any meeting called for this purpose. A quorum must be present at such a meeting. Written notice to the membership shall be provided at least 30 days prior to such meeting and shall contain the proposed amendment or amendments.

Section 2. Initiation of action to amend these by-laws may be by:

- a) Action of the Board of Directors.
- b) Recommendation of a committee appointed by the Club President.
- c) Written request to the Club President by three (3) Club members in good standing.

Section 3. Power to amend these by-laws is vested in the voting Club membership working under the conditions of Article 6, sections 1 – 3.

Article 7 Limited Personal Liability of Directors

No person who is or was a Director of the Foundation, nor such person's heirs, executors, administrators, or legal representatives (collectively referred to as a "Director"), shall be personally liable to the Foundation [or its Members] for monetary damages for breach of fiduciary duty as a Director. However, this provision shall not eliminate or limit the liability of a Director: (1) for any breach of a Director's duty of loyalty to the Foundation, (b) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, or (c) under T.C.A. § 48-58-304 of the Act. No repeal or modification of the provisions of this Article, either directly or by the adoption of provisions inconsistent with the provisions of this Article, shall adversely affect any right or protection, as set forth herein, existing in favor of a particular individual at the time of such repeal or modification.

Article 8 No Private Inurement

No part of the net earnings of the Foundation shall inure to the benefit of, or be distributable to, its Directors, members of the Club Board, or other private persons. However, the Foundation shall be authorized and empowered to pay reasonable compensation for services rendered to it or on its behalf, pay reimbursements for expenses incurred on its behalf, and make payments and distributions in furtherance of the purposes set forth in Article 2 hereof.

Article 9 No Legislative or Political Activity

No substantial part of the activities of the Foundation shall be the carrying on of propaganda, or otherwise attempting to influence legislation; and the Foundation shall not

participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of (or in opposition to) any candidate for public office.

Article 10 Distributions on Dissolution

Upon the dissolution of the Foundation, after paying or making provision for the payment of all liabilities of the Foundation then outstanding and unpaid, the Board of Directors of the Foundation shall distribute the assets of the Foundation for one or more exempt purposes within the meaning of section 501 (c) (3) of the Internal Revenue Code or corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose.