

**BY-LAWS
OF
THE EDMONDS ROTARY CLUB FOUNDATION**

Version August 21, 2006

ARTICLE I

Purpose

The purpose of the Foundation is to receive charitable contributions or bequests, manage the assets of the Foundation, and distribute funds for special purposes to worthwhile charitable causes consistent with the goals of Rotary and the requirements of the Federal Tax Laws relating to 501(c)(3) organizations. Requests for funds for special projects may originate from outside entities seeking support for such projects, the Board of Directors of the Rotary Club of Edmonds or from the Foundation's membership. A project which is turned down by the Rotary Club of Edmonds would not be funded by the Foundation unless the Rotary Club of Edmonds referred the requestor to the Foundation.

ARTICLE II

Membership

Section 1: The membership of The Edmonds Rotary Club Foundation shall consist of only one class of members. The members shall be every member in good standing of The Rotary Club of Edmonds. Members of The Rotary Club of Edmonds who have terminated their membership, or shall hereafter terminate their membership, or shall no longer be members in good standing of The Rotary Club of Edmonds shall cease to be members of this Foundation. Newly admitted members of The Rotary Club of Edmonds shall be, by virtue of their membership in the organization, members of this Foundation.

Section 2: The annual meeting of the membership of The Edmonds Rotary Club Foundation shall be held on the 1st Tuesday of December in each year. The fiscal year shall be July 1 to June 30 next following. Special meetings of the Foundation may be called from time to time at the discretion of the Board of Directors.

Section 3: At any meeting of the membership of the Foundation, the members present shall constitute a quorum. Each member so present shall be entitled to one vote. There shall be no proxy voting.

ARTICLE III

Management

Section I: The business and property of the Edmonds Rotary Club Foundation shall be managed by a board of five Directors. Two elected directors shall hold office for staggered three year terms. The third, fourth

and fifth Directors shall be the president, the president-elect and treasurer of the Rotary Club of Edmonds.

Section 2: Nominations for the initial position of elected directors of the Edmonds Rotary Club Foundation shall be made by the Nominating Committee of the Edmonds Rotary Club at the same time as they nominate the directors of the Club. Subsequent nominations will be made by a nominating committee appointed by the Foundation President in early October each year an election is to be held. Said nominations shall be announced for three weeks prior to the 1st Tuesday of December. Nominations from the floor will also be accepted at such time as the nomination committee nominees are announced and upon receiving a second, will be placed on the ballot. All nominations shall be voted for at the annual meeting on the 1st Tuesday of December by secret written ballot. The nominations made in October 2003, shall be for two directors, position 1 to serve until 1 July 2006 and position 2 until 1 July 2007.

Section 3. Election of directors for the Edmonds Rotary Club Foundation shall be conducted at the annual meeting of the Foundation held immediately after the annual meeting of the Club on the 1st Tuesday of December by secret written ballot. One director of the Foundation shall be elected each year by a majority vote of the membership of the Foundation in attendance except in 2003 when two positions shall be voted upon. The term of the elected director shall commence on the first of July next following except for the initial election when the terms shall commence immediately.

Section 4: No elected Director shall continue in office for more than two terms consecutively.

Section 5: The Board of Directors of the Foundation shall hold regular monthly meetings, unless at the discretion of the President of the Foundation there is insufficient business pending to justify such a meeting. Special meetings of the Board may be called by the President as are necessary for the competent management of the affairs of the Foundation. Meetings may be held by teleconferencing provided all directors are in attendance.

Section 6: Each member of the Board of Directors shall possess one vote in matters coming before the Board. All voting at meetings of the Board of Directors shall be by each member in person and voting by proxy shall not be allowed. Three members of the Board of Directors shall constitute a quorum.

Section 7: Any director shall be removed from office by a 2/3rds vote of the membership at any regular or special meeting of the membership of the Foundation. Removal action may be initiated by the board, or by a petition delivered to the board signed by 10 or more members of the Foundation. Notice of the proposed removal of a director must be given to such director and to the membership by the board in writing 14 days prior to the date of

the meeting at which such removal is to be voted upon. The notice must state the cause for the proposed removal.

Section 8: Unexcused absence from three consecutive meetings of the Board of Directors shall be due cause for automatic removal of a director. Excused absences shall be approved by the President of the Board unless objected to by another member of the board in which case the approval shall be put to a vote of the board.

Section 9: Any vacancy occurring on the Board of Directors by reason of the death, resignation, or removal of a director shall be filled by vote of the remaining members of the board. The person filling the vacancy shall serve for the remainder of the term of the replaced member.

Section 10: At the regularly scheduled July meeting, the members of the Board of Directors shall elect from their number the following officers, namely: President, Vice-President, Secretary and Treasurer except that the president of the Rotary Club shall not be eligible for the Presidency of the Foundation Board. In the case of the initial board, the officers shall be elected at the first meeting held after the election. All such officers shall be officers of the Foundation. At the discretion of the Directors, the offices of Secretary and Treasurer may be combined. Also at the discretion of the Directors, they may appoint an Executive Secretary, or Executive Secretary-Treasurer, as the case may be, who need not be a member of the Foundation.

Section 11: The Board is authorized to invest the funds of the Foundation in interest bearing or growth vehicles, including but not limited to money market funds or bonds.

ARTICLE IV Duties of Officers

Section 1: President. The President of the Board of Directors shall supervise all activities of the Foundation; preside at all meetings of the Board of Directors and of the membership of the Foundation; call such meetings of the membership as shall be deemed necessary, other than the annual meeting of the membership; and perform such other duties usually inherent in such office.

Section 2: Vice President. The Vice-President shall act for the President in his absence and perform such other acts as the President may direct.

Section 5: Secretary. It shall be the duty of the Secretary to keep all records of the Board of Directors and of the Foundation and to perform such other acts as the President may direct.

Section 4: Treasurer. The Treasurer shall receive and be accountable for all funds belonging to the Foundation, make deposits of funds, pay all obligations incurred by the Foundation when payment is authorized by the

Directors, maintain bank accounts in depositories designated by the Board of Directors and render periodic financial reports.

ARTICLE V Amendments

These By-Laws may be amended by a vote of the Directors of the Foundation at which four of the directors vote to approve the amendment, at any regular meeting of the Board of Directors or any special meeting duly called for the purpose. Provided, however, such amended By-Laws shall not go into effect until after 60 days have elapsed after written notice of the amendment has been provided to each member of the Foundation by regular US Mail or e-mail to members whose e-mail addresses are registered with the Foundation or the Club. If, during the 60 days period, ten members of the Foundation petition the board in writing requesting a vote of the members on the approved amendment to the bylaws, such amendment shall be suspended until approved by the Foundation's members at a regular or special meeting of the members.

ARTICLE VI Committees

The President may appoint such committees as deemed necessary.

ARTICLE VII Compensation

No compensation for services shall be paid or allowed to officers or directors of the Foundation, but reimbursement for expenses incurred by any of them may be authorized by the Board of Directors. This provision shall not apply to the employment of an Executive Secretary or Executive Secretary-Treasurer as otherwise permitted herein nor to other employees of the Foundation.

ARTICLE VIII Indemnification

The Foundation shall indemnify any person who is made a party to a proceeding because such person is or was a director or officer of the Foundation to the full extent permitted by the Revised Code of Washington.