

Amended on -
Draft dated 10/1/26

BYLAWS OF
ROTARY CHARITIES OF TRAVERSE CITY

a Michigan nonprofit corporation

ARTICLE I
PURPOSES AND POWERS

Section 1. Purposes and Powers. The powers and purposes of Rotary Charities of Traverse City (the “Corporation”) shall be as set forth in its Articles of Incorporation.

ARTICLE II
MEMBERSHIP AND MEETINGS OF MEMBERS

Section 1. Membership. Membership in the Corporation is limited to persons from time to time comprising the Membership of the Rotary Club of Traverse City No. 754 (the “Rotary Club”). Each Member of the Rotary Club eligible to vote and in good standing shall be a Member of the Corporation.

Section 2. Place of Meetings. All meetings of the Members shall be held in the City of Traverse City, Michigan, except as may be otherwise provided by resolution of the Board of Trustees.

Section 3. Annual Meeting. The annual meeting of the Members shall be held on the fourth Tuesday in September of each year for the purpose of electing Trustees and such other business as properly comes before the meeting.

Section 4. Delayed Annual Meeting. If for any reason the annual meeting of the Members shall not be held on the day herein designated, such meeting may be called and held as a special meeting, and the same proceedings and action may be taken at that meeting as at an annual meeting.

Section 5. Special Meetings of Members. Special meetings of the Members may be called at any time by the Chairperson, or by Board Resolution adopted by a majority of the Board of Trustees.

Section 6. Notice of Meeting. Not less than (10) but no more than sixty (60) days before the date fixed for the holding of any meeting of the Members, written notice of the time, place and purposes of the meeting shall be given to each Member entitled to vote at the meeting, in writing or by electronic transmission. No business not mentioned in the notice shall be transacted at the meeting. Every notice shall be deemed duly served when the same has been deposited in the United States mail with postage fully prepaid, plainly addressed to the Member at the Member’s last address appearing in the Membership records of the Rotary Club or when sent via email to the last email address of record. Notices of meetings may be set forth in a mailing of the Bulletin of the Rotary Club so long as it is addressed and mailed, postage prepaid, to each member or shareholder entitled to vote at the meeting, not less than 10 or more than 60 days before the meeting.

Section 7. Quorum. One-third (33 1/3%) of the Members shall constitute a quorum at any meeting of the Members.

Section 8. Voting. At all meetings of the Members, each Member shall be entitled to one (1) vote in person (including voting facilitated by a video conference platform) upon each question properly submitted to vote. The vote of the majority of those present, so long as a quorum is present, shall decide any question except as otherwise may be provided in the Articles of Incorporation, these By-Laws, or by law.

Section 9. Required Annual Information. Each year, the Corporation shall provide to the Members its financial report for the previous year (alternatively, the Corporation may present such report at the Annual Meeting). The Corporation’s financial report shall include, at a minimum, the following information: the Corporation’s income statement, year-end balance sheet, including trust funds and funds restricted by donors or by the Board of Trustees, and its statement of source and application of funds, if the Corporation prepares that statement.

ARTICLE III

BOARD OF TRUSTEES

Section 1. Management of Corporation. The property, business and affairs of the Corporation shall be managed and controlled by its Board of Trustees, except as the Articles of Incorporation, these By-Laws, or any statute may specifically require action by the Members of the Corporation. The “Board of Trustees” shall refer to the “Board of Directors” and each Trustee, a “Director” as defined in the Michigan Nonprofit Corporation Act (the “Act”).

Section 2. Members of the Board; Qualifications. The Board of Trustees shall consist of ten (10) Members, one of whom shall be ex-officio, with vote, the President of the Rotary Club or such President’s designee which may be the President Elect, or any other member of the Rotary Club. The remaining nine (9) Members shall be voting Members of the Rotary Club, in good standing for not less than **three (3) years** as of the date elected to the office. In addition, **there may be up to three (3) “Affiliate Trustees” from other Rotary clubs, each of whom must be a member in good standing of another Rotary club within Grand Traverse, Leelanau, Benzie, Kalkaska or Antrim Counties for not less than three (3) years from the date designated by the Board of Trustees. Affiliate Trustees shall have all rights and duties of Trustees although they may not vote to fill a vacancy on the Board of Trustees.**

Section 3. Election of Trustees. Members of the Board of Trustees, other than the ex-officio Member, shall be elected for a term of three (3) years at the annual meeting of the Members. The terms of the Trustees shall be staggered so that roughly one-third (1/3) of the elected Trustees terms expire each year. Trustees shall serve until their successors shall be elected and assume the office. The terms of Affiliate Trustees should be staggered so that they do not expire at the same time, whenever practicable to do so. **A Trustee shall not be eligible for election, reelection or appointment for more than three (3) full terms.** An appointed term of two years or more shall be considered a full term.

Section 4. Election Process. The following procedure shall govern the annual election of Members to the Board of Trustees (other than the *ex officio* position):

(a) A Board of Trustees designated committee shall select not less than one (1) candidate for each Trustee vacancy. Only qualified Members or Affiliated Trustees who have agreed to serve, if elected, shall be selected as candidates.

(b) A pre-election special meeting of the Members shall be held at least one full week before the date of the election, at which time additional nominations of qualified Members who have agreed to serve, if elected, may be made from the floor.

(c) Notice to the Members of the date of the pre-election special meeting (which notice shall identify the names of the Board committee candidates) and notice of the date of the election shall be given as provided in Section 6. of ARTICLE II of these by-laws.

(d) The candidates shall be placed in alphabetical order on the paper ballot to be cast at the election.

(e) Those candidates receiving the most votes for the vacancies available are elected as new Trustees.

Section 5. Vacancies. Vacancies in the Board of Trustees, occurring for any reason, shall be filled for the unexpired term by a majority vote of the remaining Trustees (other than Affiliate Trustees). Members appointed to fill a vacancy on the Board shall have the same qualifications (Trustee or Affiliate Trustee, as applicable) as provided in Section 2. above.

Section 6. Annual Meeting. The annual meeting of the Board of Trustees shall be held in the month of October of each year on the day and at the time and place as shall be arranged and determined by the Chairperson after consultation with the Trustees who are to constitute the Board for the ensuing year. Written or electronic notice of the meeting shall be given to each Trustee not less than seven (7) days prior to the meeting. The annual meeting shall be an organizational meeting. If the term of the sitting Chairperson is to expire, election of a Chairperson for an ensuing term shall be the first order of business. A person newly elected to the office of Chairperson shall thereupon take the chair and preside for the remainder of the meeting. Otherwise, the meeting will proceed to the election of the remaining officers, if any, and with such other business as may properly be brought before the meeting.

Section 7. Regular Meetings. Following the annual meeting, regular meetings of the Board of Trustees shall be held not less often than quarterly on the day and at the time and place as may be provided by the Board. Written or electronic notice of each regular meeting shall be given to the Trustees not less than seven (7) days before the date of the meeting, although

notice is not required if the date, time and place of the meeting was determined by resolution of the Board of Trustees.

Section 8. Special Meetings. Special meetings of the Board of Trustees may be called by the Chairperson or by not less than one-third of the Trustees then in office. Notice of the time, place and purpose of each special meeting shall be given by written or electronic notice to each Trustee at least three (3) days before the meeting.

Section 9. Participation by Conference Telephone. A Trustee may participate in a meeting by means of a conference telephone or similar communications equipment through which all persons participating in the meeting can hear each other. Such participation shall constitute presence in person at the meeting.

Section 10. Conduct of Meetings; Quorum. The Chairperson, or a designated Vice Chair, shall preside at meetings of the Board of Trustees. A majority of the members of the Board of Trustees shall constitute a quorum for the transaction of business, but less than a quorum may adjourn any meeting from time to time until a quorum shall be present, whereupon the meeting may be held, as adjourned, without further notice. At a meeting at which all members of the Board of Trustees are present, even though without notice, any business may be transacted.

Section 11. Voting. The affirmative vote of a majority of the Trustees present at a meeting at which a quorum is present shall decide any question or proposal involving the business of the Corporation. Notwithstanding the foregoing, the making of gifts, grants, loans or guarantees by the Corporation shall require the affirmative vote of not less than two-thirds (2/3) of the disinterested Trustees present at a meeting at which a quorum exists; provided, however, that in any event, the affirmative vote of not less than five (5) disinterested Trustees shall be required for the making of gifts, grants, loans or guarantees. In the event there shall be less than five (5) disinterested Trustees in attendance at a meeting to decide a question relating to the making of gifts, grants, loans or guarantees, such question shall be tabled for action at a subsequent meeting of the Board of Trustees. In the event there are still less than five (5) disinterested Trustees at such subsequent meeting, the question shall then be submitted to the Members of the Corporation by written ballot at a duly called special meeting of the Members. A disinterested Trustee is a Trustee who does not have a conflict of interest with respect to the question as determined in accordance with the Corporation's Conflict of Interest Policy.

Section 12. Action Other Than at Meetings. If all the Trustees at the time constituting the Board of Trustees shall severally or collectively consent in writing (including by electronic transmission) to any action to be taken by the Corporation, such action shall be as valid a corporate action as though it had been authorized at a meeting of the Board.

Section 13. Compensation. No compensation shall be paid to Trustees for their services as Trustees but, if authorized by the Board of Trustees, a Trustee may be reimbursed for actual and reasonable out-of-pocket expenses incurred in the service of the Corporation. No compensation shall be paid to a Trustee for services performed for the Corporation in any other capacity unless a resolution authorizing such compensation has been adopted by the Board of Trustees before the services are undertaken.

Section 14. Fidelity Bonds and Trustees' Liability Insurance. The Board of Trustees may require that all officers and employees of the Corporation handling or responsible for corporate funds shall furnish adequate fidelity bond. The premiums for such bonds shall be paid by the Corporation. The Board may also provide for liability insurance coverage for the Trustees, officers, employees and agents of the Corporation and the premiums for such insurance shall be paid by the Corporation.

Section 15. Indemnification. The Corporation shall, to the fullest extent now or hereafter permitted by law, indemnify any Trustee or officer of the Corporation (and, to the extent provided in a resolution of the Board or by contract, may indemnify any volunteer, employee, non-Trustee committee member, Member or agent of the Corporation) who was or is a party to or threatened to be made a party to any threatened, pending or completed action, suit or proceeding, including an action by or in the right of the Corporation, by reason of the fact that such person is or was a Trustee, officer, volunteer, employee, non-Trustee committee member, Member or agent of the Corporation, or is or was serving at the request of the Corporation as a Trustee, officer, volunteer, employee, non-Trustee committee member, member or agent of another Corporation, partnership, joint venture, trust or other enterprise, against expenses, including attorney fees (which expenses may be paid by the Corporation in advance of the final disposition of such action, suit or proceeding as provided by law), judgments,

finances and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding if such person acted (or refrained from acting) in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Corporation, and with respect to any criminal action or proceeding, had no reasonable cause to believe such person's conduct was unlawful. The indemnification herein provided for shall continue as to a person who has ceased to be a Trustee or officer of the Corporation and, to the extent provided in a resolution of the Board or in any contract between the Corporation and such person, may continue as to the person who has ceased to be a volunteer, employee, non-Trustee committee member, Member or agent of the Corporation. Any indemnification of a person who was entitled to indemnification after such person ceased to be a Trustee, officer, volunteer, employee, non-Trustee committee member, Member or agent of the Corporation shall continue to inure to the benefit of that person and to the benefit of the heirs and personal representatives of such person.

(a) Determination. The determination as to whether a Trustee, officer, employee, volunteer, non-Trustee committee member, Member or agent of the Corporation is entitled to indemnification as provided for in this Section 15 shall be made in any of the following ways:

- (i) By the Board, by a majority vote of a quorum consisting of Trustees who were not parties to the action, suit or proceeding;
- (ii) If the quorum described in subdivision (1) is not obtainable, by majority vote of a committee designated by the Board, in which Board action the Trustees who are parties may participate, consisting solely of two (2) or more Trustees not parties to the action or proceeding; or
- (iii) By independent legal counsel in a written opinion.

(b) Changes to Michigan Law. If there are any changes in the Michigan statutory provisions applicable to the Corporation and relating to the subject matter of this Section 15, then the indemnification to which any person shall be entitled shall be determined by such changed provisions, but only to the extent that any such change permits the Corporation to provide broader indemnification rights than such provisions permitted the Corporation to provide before any such change.

(c) Amendment or Repeal. No amendment or repeal of this Section 15 shall apply to or have any effect on any person covered by this Section 15 for or with respect to any acts or omissions of such person occurring before the amendment or repeal.

(d) Severability. The invalidity or unenforceability of any provision of this Section 15 shall not affect the validity or enforceability of the remaining provisions of this Section 15.

Section 16. Dissent. A member of the Board of Trustees whose presence at a meeting of the Board at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless such Trustee's dissent shall be entered in the minutes of the meeting or unless such Trustee shall file written dissent to such action with the person acting as secretary of the meeting before adjournment thereof or shall forward such dissent by registered or certified mail to the Chairperson of the Board immediately after adjournment of the meeting. This right to dissent shall not apply to a Trustee who voted in favor of the action.

Section 17. Policies and Procedures. In the implementation of these bylaws and the Articles of Incorporation, the Board of Trustees shall adopt such policies and procedures as it may deem necessary and proper for the proper and efficient conduct of the Corporation's business and affairs and the protection of its tax-exempt status as an Internal Revenue Code Section 509(a)(3) organization.

Section 18. Insurance. The Corporation may purchase and maintain insurance on behalf of any person who: (a) was or is a Trustee, officer, employee, non-Trustee committee member, Member or agent of the Corporation; or (b) was or is serving at the request of the Corporation as a Trustee, officer, employee, non-Trustee committee member, Member or agent of another corporation, partnership, joint venture, trust, or other enterprise. Such insurance may protect against any liability asserted against the person and incurred by him or her in any such capacity or arising out of his or her status as such, whether or not the

Corporation would have power to indemnify against such liability under Section 15 of this Article III or under the laws of the State of Michigan.

ARTICLE IV

OFFICERS

Section 1. Officers. The officers of the Corporation shall be a **Chairperson, President, Secretary and Treasurer**. The Trustees may appoint such other officers, and describe their duties as in their judgement may be necessary for the conduct of the business and affairs of the Corporation. All officers Chairperson shall be nominated by a Board of Trustees designated committee and elected by and from the Board of Trustees.

Section 2. Election of Officers. The officers of the Corporation shall be elected by the Board of Trustees at the organization meeting of each new Board and shall hold office for a term of up to two (2) years and until their successors shall have been elected and assume office.

Section 3. Removal of Officers. Upon an affirmative vote of a majority of the members of the Board of Trustees, any officer may be removed, either with or without cause.

Section 4. Vacancies. The Board of Trustees shall fill all vacancies in any office for the unexpired term; provided, however, that Affiliate Trustees shall not have a vote in filling vacancies. Upon expiration of a term, an officer may be elected to another office or to the same office for one or more succeeding terms.

Section 5. Chairperson. The Chairperson shall preside at all meetings of the Members and of the Board of Trustees. The Chairperson shall have all of the general powers and duties of management which are usually vested in the office of Chairperson of the Board of a Michigan nonprofit corporation, and shall have such other powers and duties as may be prescribed by the Board of Trustees or these By-Laws.

Section 6. Vice Chair. The Vice Chair (in the order of rank, if more than one) shall take the place of the Chairperson and perform the Chairperson's duties whenever the Chairperson shall be absent or unable to act. If neither the Chairperson nor a Vice Chair is able to act, the Board of Trustees shall appoint some other member of the Board to do so on an interim basis. The Vice Chair (or Vice Chairs, if more than one) shall also perform such other duties as shall from time to time be prescribed by the Board of Trustees.

Section 7. President & CEO. The President shall be the Chief Executive Officer of the Corporation, responsible for oversight of the Corporation's daily operations. The President shall have all duties incidental to that office and otherwise as assigned by the Board of Trustees. The President shall be known as the "President & CEO." The President & CEO shall not be a voting Trustee but shall have the right to receive notice of, and to attend, all meetings of the Board of Trustees and Members, as well as all committees thereof, except to the extent that the Board of Trustees determines to adjourn into executive session without the President & CEO.

Section 8. Treasurer. The Treasurer shall oversee the accounting records of the Corporation and the deposit of funds in such accounts and depositories, and subject to such controls, as may from time to time be designated by the Board of Trustees.

Section 9. Secretary. The Secretary shall take, or cause to be taken, minutes of the meetings of the Corporation's Board of Trustees and of its Members. The Secretary shall call all meetings and perform other duties incidental to the office or otherwise prescribed by the Board of Trustees.

Section 10. Audits. The Corporation's accounts shall be examined annually by a certified public accounting firm and reviewed by an Audit Committee of not less than three (3) members of the Board, who, satisfied that the Treasurer's annual financial statement is correct, shall recommend to the Board of Trustees that it approve the same by resolution. The Board of Trustees shall appoint the certified public accounting firm and the Audit Committee. The Board of Trustees may require such other audits or reviews by certified public accountants, as it may deem necessary and prudent in the light of the nature and extent of the Corporation's business and holdings.

ARTICLE V

COMMITTEES

Section 1. Committees. The Board of Directors, by resolution adopted by a majority of the entire Board, may designate a committee, or committees, of the Board, as it shall deem appropriate. Provided, however, that any such committee shall not have the power or authority to:

- (a) Amend the Articles of Incorporation of the Corporation;
- (b) Adopt an agreement of merger or consolidation;
- (c) Amend the Bylaws of the Corporation or any resolution of the Board;
- (d) Fill vacancies on the Board; or
- (e) Fix compensation of the Trustees for serving on the Board or on any committee thereof.

Section 2. Procedure. All committees, and each member thereof, shall serve at the pleasure of the Board. The Board shall have the power at any time to increase or decrease the number of members of any such committee, to fill vacancies thereon, to change any member thereof, and to change the functions or terminate the existence thereof. The Board may designate one or more Trustees as alternate members of a committee, who may replace an absent or disqualified member at a meeting of the committee. Except as otherwise provided herein, the Board shall designate the Chairperson of each committee. All such committees shall keep minutes of all meetings, which shall be submitted to the succeeding meeting of the Board for approval. Regular or special meetings of any such committee may be held in like manner as provided in these Bylaws for regular or special meetings of the Board, and a majority of any such committee shall constitute a quorum at any such meeting.

Section 3. Committee Action Without a Meeting. If and when all of the members of a committee shall severally or collectively consent in writing to any action authorized to be taken by such committee, either before or after the action is taken, such action shall be as valid committee action as though it had been authorized at a meeting of the committee and the written consents shall be filed with the minutes of the proceedings of such committee.

ARTICLE VI

EXECUTION OF INSTRUMENTS

Section 1. Checks and Drafts. All checks, drafts and orders for payment of money shall be signed and countersigned by officers or agents as the Board of Trustees shall, from time to time, designate for such purpose.

Section 2. Contracts and Conveyances. When the execution of any contract, conveyance of other instrument has been authorized without specification of the executing officers, the Chairperson, or any Vice Chair, and the Treasurer may execute the same in the name and on behalf of the Corporation and may affix the corporate seal thereto. The Board of Trustees shall have the power to designate an officer or authorized agent with authority to execute any instrument on behalf of the Corporation.

ARTICLE VII

POWER OF BOARD TO BORROW MONEY

Section 1. Borrowing Money. The Board of Trustees shall have full power and authority to borrow money whenever in the discretion of the Board the exercise of said power is required in the general interests of this Corporation, and in such cases, the Board of Trustees may authorize officers of the Corporation to make, execute and deliver in the name and behalf of this Corporation such notes, bonds, and other evidence of indebtedness as the Board shall deem proper, and the Board shall have full power to mortgage the property of the Corporation, or any part thereof, as security for such indebtedness, and no action on the part of the Members of the Corporation shall be requisite to the validity of any such note, bond, evidence of indebtedness or mortgage.

ARTICLE VIII
CONFLICTS OF INTEREST

Section 1. Conflict of Interest Policy. The Corporation shall, at all times, maintain a written Conflict of Interest Policy. The current Conflict of Interest Policy of the Corporation shall be attached to these Bylaws as **Exhibit A**.

ARTICLE IX
CORPORATE YEAR

Section 1. Corporation Affairs. The affairs of the Corporation shall be administered on a year beginning the day of the annual meeting of the Board of Trustees and ending at the annual meeting of the year following.

Section 2. Fiscal Year. The books of account and all financial records shall be maintained on a fiscal year beginning July one and ending on the following June thirty.

ARTICLE X
DISSOLUTION AND DISTRIBUTION OF CAPITAL ASSETS

Section 1. Upon dissolution, the assets of the Corporation shall be distributed in such manner and to such qualified organizations as provided in the Corporation's Articles of Incorporation.

Section 2. Dissolution and distribution of the assets of the Corporation shall not occur without the prior approval of a two-thirds vote of the Members of the Corporation at a meeting called for such purpose, and, further, no distribution of the assets of the Corporation shall be made except as set forth in the Articles of Incorporation. For purposes of this Article, "distribution of assets" means distribution of all or substantially all of the assets of the Corporation but does not mean distributions made, from time to time, in furtherance of its charitable purposes.

ARTICLE XI
AMENDMENTS

These By-Laws may be amended at any annual or special meeting of the Members, a quorum being present, by a majority of the votes cast. Amendments may be proposed by the Board of Trustees or by a petition signed by at least one-fourth of the Members. A copy of a proposed amendment shall accompany the notice of the meeting at which the proposed amendment is to be voted upon.

EXHIBIT A

Conflict of Interest Introduction – for Board, Staff, and Volunteers

At Rotary Charities, we expect our board, staff, and volunteers to be active participants in our communities. As such, situations may arise that involve real or apparent conflicts of interest.

Conflict of interest exists when board, staff, or volunteers:

- Serve as board members of grant applicant organizations
- Are the immediate family members of board members of applicant organizations
- Are themselves or have immediate family members employed by or doing business with applicant organizations

Conflict of interest situations are expected, and must be handled responsibly.

Why Rotary Charities should avoid conflicts of interest:

- They can create substantial legal liability if they violate the law
- They can compromise the decision-making process and in some cases prevent the board from acting in the best interest of Rotary Charities or the public
- They carry the risk of negative public perception, which can reflect negatively on Rotary Charities and the charitable sector as a whole

Conflicts of interest are handled responsibly when:

- Rotary Charities is given notification by its board, staff, and volunteers of any anticipated potential conflict of interest situations that may arise in the charity's normal course of business
- The board, staff, or volunteer in conflict, or perceived conflict, discloses his, her, or their situation to the other members of the decision-making body, prior to deliberation by the body of the issue in question
- The board, staff, or volunteer in the conflict, or the perceived conflict situation, abstains from deliberation and voting on the issue in question. The abstention should be noted in the minutes of the meeting in which it takes place.

Questions a foundation should ask itself about a conflict:

1. Is the transaction a conflict of interest or could it be perceived as such by others?
2. Is it prohibited by the self-dealing rules under the IRS?
3. Is the transaction unfair to the charity or public?
4. How would the transaction look on the front page of the newspaper?
5. Has the foundation followed its Conflict of Interest policy and documented such?

Our Conflict of Interest Policy assists us in educating the board, staff, and volunteers about their responsibilities, and allows for full disclosure of conflict of interest situations responsibly. Each member of the board and staff, and all grant review volunteers, should review, complete, and sign the Conflict of Interest Questionnaire annually.