

AMENDED
AND
RESTATED
BYLAWS of
SALEM ROTARY FOUNDATION

ARTICLE 1
Name

The name of this organization is Salem Rotary Foundation.

ARTICLE 2
Corporation

2.1 Salem Rotary Foundation is a nonprofit corporation incorporated under the laws of the State of Oregon.

2.2 Salem Rotary Foundation, formerly Salem Rotary Education Foundation, is registered with the Department of the Treasury, Internal Revenue Service, as an organization exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code.

ARTICLE 3
Purpose

3.1 Purposes. The purposes of this corporation are:

(a) To establish, promote, maintain and conduct a charitable, benevolent, eleemosynary, cultural and educational foundation or trust, for fostering, developing, promoting and encouraging the health, education and the general welfare primarily of young people, primarily of the City of Salem, Oregon, and its environs.

(b) To receive and disburse designated, specified or restricted gifts, grants or funds for such other charitable, scientific, literary or educational purposes as authorized and contemplated under the provisions of Section 501(c)(3) of the Internal Revenue Code of 1986, or the corresponding section of any

future federal tax code, including the making of distributions to organizations that qualify as exempt organizations under said section of the Internal Revenue Code.

3.2 Powers. In carrying out its purposes, this corporation shall have all of the powers to engage in any lawful activity conferred by law on Oregon nonprofit corporations, and such additional powers as may be reasonably inferred therefrom as are not inconsistent therewith.

ARTICLE 4 Office and Agent

4.1 The registered agent of the corporation shall be an individual who resides in Oregon and the registered office of the corporation shall be the residence or office address of the registered agent. The name and address of the registered agent and registered office of the corporation may be changed by delivering to the office of the Secretary of State for filing a statement of the change as provided by ORS 65.114.

ARTICLE 5 Members

5.1 The members of this corporation shall be the members of the Rotary Club of Salem, and those persons who in the future shall become members of said club. There shall be no separate classification of the members of this corporation.

5.2 Annual and regular meetings of the members of the corporation shall be held in accordance with ORS 65.201.

ARTICLE 6 Board of Directors

6.1 General Powers. All corporate powers shall be exercised by, or under the authority of, the Board of Directors and the business and affairs of the corporation shall be managed under the direction of the Board of Directors.

6.2 Number, Qualifications, Selection, Tenure, and Election of Directors.

(a) The authorized number of directors shall be seven, who shall

be members of the corporation.

(b) Candidates for election as directors shall be nominated by the sitting Board of Directors at a meeting of the board held prior to the annual meeting of the corporation.

(c) Directors shall serve staggered terms of three years each on the board.

(d) Elections of directors shall be held during the annual meeting of the corporation each year. At each such annual meeting of the corporation, two or three persons (depending on the number of vacancies to be filled during that year's meeting) shall be elected. Directors shall be eligible to serve successive terms. Except for directors selected to fill mid-term vacancies on the board, the term of each director shall commence at the start of the fiscal year immediately following the election.

(e) Any vacancy among board members shall be filled by vote of the board at the board meeting immediately following the occurrence of the vacancy. The member chosen shall serve for the unexpired term of the Board member replaced.

(f) Directors shall not be entitled to compensation for their service on the Board, but shall be entitled to reimbursement for reasonable expenses incurred by them in the performance of their duties.

6.3 Meetings of the Board of Directors.

(a) Regular Meetings. Regular meetings of the Board of Directors shall be held on call of the President or Secretary-Treasurer.

(b) Special Meetings. Special meetings of the Board of Directors may be called by the President or three directors at any reasonable time by giving each director written notice at least two days before the date of such meeting, but the attendance of such director or his or her written consent to the holding thereof shall be deemed a waiver of such notice.

(c) Quorum. Four members of the Board of Directors shall constitute a quorum necessary for the transaction of any business of the corporation.

(d) Order of Business. Business at the meetings of the board shall be transacted in such order as from time to time the directors may determine.

(e) At all meetings of the Board of Directors, the President, or in his or her absence, the Vice President, shall preside.

(f) The Board of Directors may meet in person or it may meet through the use of any means of communication by which all members participating may simultaneously hear each other during the meeting.

6.4 Directors' Action without a Meeting. Unless the articles of incorporation provide otherwise, any action required or permitted to be taken by the Board of Directors at a meeting may be taken without a meeting if all the directors take the action, each one provides a written consent describing the action taken, and the consents are filed with the records of the corporation. Action taken by consent is effective when the last director signs the consent, unless the consent specifies a difference effective date. A signed consent has the effect of a meeting vote and may be so described in any document.

6.5 Administration of Gifts to Corporation. The Board of Directors of the corporation shall administer the corpus and income of specific gifts, devises or bequests in compliance with the instructions of the donor or testator within the limitations of the objects and purposes of the corporation. The directors and their successors, except as specifically restricted by the terms of a gift, devise or bequest, shall have power to:

(a) Manage, sell, lease, transfer or exchange all or any part of said property at such price and upon such terms, conditions and in such manner as they may deem best;

(b) Invest and reinvest in such loans, securities or real or personal property as they deem suitable for the investment of trust funds;

(c) Expend the income from or the corpus of any property of this corporation for any purpose which in the opinion of the directors may be proper in advancing the purpose of the corporation or as specifically prescribed by the donors of specific trusts;

(d) Pay the expenses incident to or arising out of the performance of the objectives of this corporation; and

(e) Employ in and about the execution of their trust suitable agents to whom may be delegated with right of revocation reserved, such administrative functions as the directors may deem advisable.

ARTICLE 7 Officers

7.1 Enumeration.

(a) The officers of this corporation shall consist of a President, Vice President and a Secretary-Treasurer, all of whom shall be members of the Board of Directors and who shall be elected by a majority vote thereof.

(b) The Board of Directors in its discretion at any time may by resolution appoint an Assistant Secretary-Treasurer who need not be a member of this corporation.

7.2 Removal.

All officers of the corporation shall be subject to removal for cause at any time by a majority vote of the Board of Directors.

7.3 Duties of Officers.

(a) The President shall preside at all meetings of the Board of Directors and of the members and shall perform such other duties as the Board of Directors may from time to time authorize.

(b) The Vice President, in the absence of the President, or in case the President shall be unable or unwilling to act shall perform the duties pertaining to the office of President.

(c) The Secretary-Treasurer shall: (1) subscribe to the minutes of all meetings of the members and of the Board of Directors; (2) have charge of all funds belonging to the corporation and shall keep and deposit the same for and on behalf of the corporation in a bank or banks to be designated by the Board of Directors; (3) mail notices to the members and directors of the holding of any meetings as prescribed by these Bylaws; and (4) perform such other duties as may be authorized or directed by the Board of Directors. Periodic reconciliations of all financial accounts of the corporation shall be performed by an individual designated by the Board of Directors who is not the Secretary-Treasurer.

(d) The Assistant Secretary-Treasurer, in the event of appointment thereof by the Board of Directors, shall, under the direction of the Secretary-Treasurer

or in the absence of that officer, perform the duties of the Secretary-Treasurer.

(e) All funds and properties of the corporation shall be under the supervision of the Board of Directors and shall be handled and disposed of in such manner and by such officers or agents of this corporation as the Board of Directors may by proper resolutions authorize from time to time. The board may from time to time cause the financial books, records and affairs of the corporation to be audited by competent independent accountants when the board deems it prudent to do so.

7.4 Compensation of Officers. Officers of the corporation shall not be entitled to compensation for their services as officers, but shall be entitled to reimbursement for reasonable expenses incurred by them in the performance of their duties.

ARTICLE 8 INDEMNIFICATION OF DIRECTORS, OFFICERS, AGENTS AND EMPLOYEES

8.1 Indemnification of Directors. Unless otherwise provided in the articles of incorporation, the corporation shall indemnify any individual made a party to a proceeding because the individual is or was a director of the corporation, against liability incurred in the proceeding, but only if the corporation has authorized the payment in accordance with ORS 65.404 and a determination has been made in accordance with the procedures set forth in ORS 65.404 that the director met the standards of conduct in Section 8.1 (1) - (4).

(a) Standard of Conduct. The individual shall demonstrate that:

(i) The individual conducted himself or herself in good faith, and

(ii) The individual reasonably believed that the individual's conduct was in the best interests of the corporation, or at least not opposed to its best interests; and

(iii) In the case of any criminal proceeding, the individual had no reasonable cause to believe his or her conduct was unlawful.

(b) The corporation shall not indemnify a director under this section 8.1:

(i) In connection with a proceeding by or in the right of the corporation in which the director was adjudged liable to the corporation; or

(ii) In connection with any other proceeding charging improper personal benefit to the director, whether or not involving action in the director's official capacity, in which the director was adjudged liable on the basis that personal benefit was improperly received by the director.

(c) Indemnification in Derivative Actions Limited.

Indemnification permitted under this Section 8.1 in connection with a proceeding by or in the right of the corporation is limited to reasonable expenses incurred in connection with the proceeding.

(d) Mandatory Indemnification. In addition, unless limited by the Articles of Incorporation, the corporation shall indemnify a director who was wholly successful on the merits or otherwise, in the defense of any proceeding to which the director was a party because of being a director of the corporation against reasonable expenses incurred by the director in connection with the proceeding.

8.2 Advances for Expenses of Directors. Unless otherwise provided in the articles of incorporation, the corporation may pay for or reimburse the reasonable expenses incurred by a director who is a party to a proceeding in advance of final disposition of the proceeding, if:

(a) The director furnishes the corporation with a written affirmation of the director's good faith belief that the director has met the standard of conduct described in Section 8.1;

(b) The director furnishes the corporation with a written undertaking, executed personally or on the director's behalf, to repay the advance if it is ultimately determined that the director did not meet the standard of conduct (which undertaking must be an unlimited general obligation of the director but need not be secured and may be accepted without reference to financial ability to make repayment); and

(c) A determination is made that the facts then known to those making the determination would not preclude Indemnification under Section 8.2 OR ORS 65.387 - 65.414.

ARTICLE 9
Fiscal Year

The fiscal year of the corporation shall run from July 1 to June 30.

ARTICLE 10
Amendment of Bylaws

The Bylaws of the corporation shall be subject to alteration or amendment by a majority vote of the Board of Directors at any regular meeting or at any special meeting called for such purpose.