

AMENDED AND RESTATED BYLAWS
OF
THE PACIFIC GROVE ROTARY CLUB LEGACY CA,
A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION

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ARTICLE I OFFICES

Section 1.1 Principal Office. The principal office of this corporation shall be located within the County of Monterey, California, at such address as the board of directors shall from time to time determine. The board of directors is granted full power and authority to change the principal office from one location to another. The corporation may establish or maintain additional offices at such other places as the board of directors may determine.

ARTICLE II PURPOSES

Section 2.1 General and Specific Purposes; Limitations. This corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. This corporation is organized under the California Nonprofit Public Benefit Corporation Law exclusively for charitable purposes within the meaning of Internal Revenue Code §501(c)(3) (or the corresponding section of any future United States internal revenue law). Within the context of these general purposes, the specific purposes of this corporation are to engage in charitable endeavors and to provide funding for other charitable programs in the community, and to participate in other charitable programs identified by Rotary International and the Pacific Grove Rotary Club Legacy CA.

Notwithstanding any other provision of these Bylaws, this corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the purposes of this corporation, and this corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from federal income tax under Internal Revenue Code §501(c)(3) (or the corresponding provision of any future federal internal revenue law), or (b) by a corporation, contributions to which are deductible under Internal Revenue Code §170(c)(2) (or the corresponding provision of any future federal internal revenue law).

Section 2.2 Dedication of Assets. The corporation's assets are irrevocably dedicated to public and charitable purposes. No part of the net earnings, properties, or assets of the corporation, on dissolution or otherwise, shall inure to the benefit of any private person or individual, or to any director or officer of the corporation. On liquidation or dissolution, all properties and assets remaining after payment, or provision for payment, of all debts and liabilities of the corporation, shall be distributed to such organization (or organizations) organized and operated exclusively for charitable, literary or educational purposes which has (or have) established its (or their) tax exempt status under Internal Revenue Code section 501(c)(3) (or the corresponding provisions of any future federal internal revenue law).

Section 2.3 Stewardship of Assets.

History.

The original Legacy Fund was established in 1991. The purpose of the fund as established by the creators, was to support projects located in Pacific Grove, or the Pacific Grove School District. The creators of the fund decided not to use any of the funds until it reached

\$200,000. Rotary Club of Pacific Grove members donated to the fund, and a percentage of club fundraising activities were also donated to the fund in various years. The original creators did not specify in writing whether the corpus or interest could be used after reaching \$200,000, but there was a shared belief that the spirit of the fund was to respect the \$200,000 and its purchasing power, and to try to maintain a critical mass of corpus so that the interest could help fund future projects. In 2017, the Legacy Fund also took on a new role of handling the majority of annual giving that the Rotary Club of Pacific Grove board used to do. Funds are raised by the Rotary Club of Pacific Grove, and then the portion of funds allocated for donations to the community are then given to the Legacy Fund. The Legacy Fund then determines the process and handles giving the money to worthy community causes.

In order to distinguish between the purpose of these two pools of money, the Legacy Fund is now divided into two giving subfunds: 1) Pacific Grove Endowment Fund and 2) Annual Giving Fund.

1) Pacific Grove Endowment Fund

The Pacific Grove Endowment Fund is the historical fund that is required to be used to support projects located in Pacific Grove or the Pacific Grove School District. The original donors restricted the funds to this key purpose. It comprises the original \$200,000 plus additional contributions since reaching that goal. In order to respect the spirit of the original creators to maintain a critical mass of funds and its purchasing power, the membership hereby establishes a unitrust approach to the use of the funds whereby 4% of the balance of the fund on July 1st of each year shall be moved into a separate holding account for giving. The Legacy Board shall have the authority to adjust this percentage by majority vote. It should be documented in written policies.

Any excess investment earnings shall be added to the corpus. On the average, a balanced portfolio should return enough excess funds to maintain the purchasing power and grow the corpus slightly over time. Should the fund drop below a baseline, the annual transfer to the holding fund will cease to the extent needed to reach the baseline. The baseline is established as \$200,000 as of July 1st, 2019 and will increase by 3.15% of the prior year baseline each July 1st thereafter (3.15% is the average annual historical US inflation rate from 1913-2018). The Rotary Club of Pacific Grove membership may adjust the baseline percentage in the future by amending these bylaws, but is cautioned in doing so, if it is to maintain the purchasing power of the baseline for the future. The holding account may be accumulated to fund larger projects if the Legacy Board desires. Future donations by the Rotary Club of Pacific Grove or individual donors to the Pacific Grove Endowment Fund will be added to the corpus.

2) Annual Giving Fund

The Annual Giving Fund handles donations from the Rotary Club of Pacific Grove from fundraising activities each year or from individual donors. The donations received during the current fiscal year generally serve as the budget for giving in the following fiscal year. The Annual Giving Fund may be used in Pacific Grove, the surrounding communities, or for other Rotary projects, including international projects. This mirrors the giving the Rotary Club of Pacific Grove board handled prior to 2016. Since the intent of this fund is to give away the funds

annually, the fund should not accumulate more than 200% of the prior year donations received. This fund is completely separate from the giving of the Pacific Grove Endowment Fund, and should be maintained in a separate account.

The Legacy Board shall maintain written policy guidelines on the process of selecting recipients, handling and processing grant requests from the community, and recognizing donors in accordance with IRS regulations. The Legacy Board shall also maintain an internal control policy. Policies should be reviewed and approved by the Legacy Board each year.

ARTICLE III MEMBERSHIP

Section 3.1 Members. This corporation shall have one class of voting members. Any person dedicated to the purposes of the corporation and who is a member, other than an honorary member, of the Rotary Club of Pacific Grove shall be eligible for membership.

Section 3.2 Dues, Fees, and Assessments. No member shall be required to pay dues, fees, or assessments.

Section 3.3 Membership Rights. Members shall have the right to vote, as set forth in these bylaws, on the election of directors, on the disposition of all or substantially all of the corporation's assets upon dissolution, on any merger and its principal terms and any amendment of those terms, and on any election to dissolve the corporation. In addition, those members shall have all rights afforded members under the California Nonprofit Public Benefit Corporation Law.

ARTICLE IV BOARD OF DIRECTORS

Section 4.1 Power of Board. Subject to the provisions and limitations of the Articles of Incorporation, these Bylaws and the California Nonprofit Public Benefit Corporation Law and any other applicable laws, the activities and affairs of this corporation shall be conducted and all corporate powers shall be exercised by or under the direction of the board of directors. The board of directors may delegate the management of the activities of the corporation to any person or persons, or committee or committees, however composed, provided that the activities and affairs of the corporation shall be managed and all corporate powers shall be exercised under the ultimate direction of the board of directors.

Section 4.2 Number of Directors. The number of directors of the Corporation shall be no less than seven (7) nor more than nine (9) unless and until changed by a resolution duly adopted by the membership. The number of directors shall be seven (7) until changed, within the limits specified above, by a resolution amending such exact number duly adopted by the Board of Directors.

Section 4.3 Restriction on Interested Persons. No persons serving on the board of directors may be "interested persons." An interested person is (a) any person compensated by

the corporation for services rendered to it within the previous 12 months, whether as a full-time or part-time employee, independent contractor or otherwise, excluding any reasonable compensation paid to a director as a director, and (b) any brother, sister, ancestor or descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law or father-in-law of any such person. However, any violation of this paragraph shall not affect the validity or enforceability of any contract or transaction entered into by the corporation.

Section 4.4 Election and Term of Office. All directors of the corporation shall be members, other than honorary members, of the Rotary Club of Pacific Grove at the time of their appointment and during their entire term while serving as director. At least one month prior to the meeting for the election of Directors, the Chair shall ask for nominations from the members, which shall be presented to all members at the meeting for the election of Directors. If the number of nominees equals the number of board positions to fill, then by voice vote, the directors of the corporation shall be elected by majority vote of the members of the Rotary Club of Pacific Grove at its annual meeting. If there are more nominees than the number of board positions to fill, by written ballot, the directors of the corporation shall be elected by majority vote of the members of the Rotary Club of Pacific Grove at its annual meeting. All nominees shall be listed on the ballot, and members shall vote for the number of directors being elected. The nominees receiving the most votes shall be elected.. The Rotary Club of Pacific Grove shall elect directors for three (3) year terms. At all times, no more than two directors of the corporation may be concurrently serving as directors of the Rotary Club of Pacific Grove. Directors shall not serve more than two consecutive full terms and thereafter shall not be eligible for re-election until at least one term of three years has elapsed.

Section 4.5 Removal Without Cause. Any director may be removed from office without cause by the affirmative vote of a 2/3 majority of the directors then in office at any regular or special meeting of the board of directors or by a simple majority of the membership at any regular or special club meeting provided notice of the meeting is given in accordance with Section 5211 of the California Nonprofit Public Benefit Corporation Laws. Any director may also be removed for cause in accordance with the provision of Section 4.7 below.

Section 4.6 Resignation and Vacancies. Any director may resign effective upon giving written notice to the Board Chair, Chair-Elect, or the board of directors, unless the notice specifies a later time for the effectiveness of such resignation. If the resignation is effective at a future time, a successor may be elected to take office when the resignation becomes effective. Except upon notice to the California Attorney General, no director may resign if the corporation would then be left without a duly elected director or directors in charge of its affairs.

Section 4.7 Vacancies on Board of Directors; Removal for Cause. A vacancy on the board of directors shall occur in the event of the death, resignation or removal of any director, or if the authorized number of directors is increased. The board of directors may by resolution declare vacant the office of any director who (a) has been declared of unsound mind by a final order of court, or convicted of a felony, or found by final order or judgment of any court to have breached a duty under the California Nonprofit Corporation Law, or (b) or fails to attend three (3) consecutive meetings of the board of directors. Vacancies in the board of directors shall be filled in the same manner prescribed in these Bylaws for the election of the director whose office is vacant, provided that such vacancy shall be filled as they occur and not

on an annual basis. No reduction of the authorized number of directors shall have the effect of removing any director prior to the expiration of that director's term of office. A director elected to fill a vacancy on the board of directors shall hold office until the expiration of the term of office of the director whose departure created the vacancy filled, unless the board of directors shall otherwise determine.

Section 4.8 Place of Meetings. Meetings of the board of directors may be held at any place within Monterey County, California which has been designated in the notice of the meeting or, if not stated in the notice or there is no notice, at the principal office of the corporation.

Section 4.9 Annual Meetings. The board of directors shall hold an annual meeting for the purpose of adopting an annual budget and conducting all other business as may properly come before the board of directors. Annual meetings of the board of directors shall be held at such date and time as shall be designated by the board of directors. The Annual Meeting shall be open to all Members.

Section 4.10 Regular Meetings. Regular meetings of the board of directors shall be held on such dates and at such time as may be fixed by the board. Regular meetings shall be open to all Members.

Section 4.11 Special Meetings. Special meetings of the board of directors for any purpose or purposes may be called at any time by the Board Chair (if any), or any two directors. Notice of the time and place of special meetings shall be given to each director by (a) personal delivery of written notice; (b) first-class mail, postage pre-paid; (c) telephone, including a voice messaging system or other system or technology designed to record and communicate messages, or by electronic transmission, either directly to the director or to a person at the director's office who would reasonably be expected to communicate that notice promptly to the director; (d) facsimile; (e) electronic mail; or (f) other electronic means. All such notices shall be given or sent to the director's address or telephone number as shown on the corporation's records.

Notices sent by first-class mail shall be deposited in the United States mails at least four (4) days before the time set for the meeting. Notices given by personal delivery, telephone, or electronic transmission shall be delivered, telephoned, or sent, respectively, at least forty-eight (48) hours before the time set for the meeting. The notice, or any waiver of notice, need not specify the purpose of the meeting.

Special Meetings shall be open to all Members.

Section 4.12 Quorum and Action of the Board. A majority of directors in office constitutes a quorum of the board of directors for the transaction of business, except for purposes of adjournment as provided in Section 4.15 of these Bylaws. Unless a greater number is required by law, the Articles of Incorporation or these Bylaws, every action taken or decision made by a majority of directors present at a duly held meeting at which a quorum is present shall be an act of the board of directors, subject to the more stringent provisions of the California Nonprofit Public Benefit Corporation Law, including, without limitation, those provisions relating to (a) approval of contracts or transactions in which a director has a direct or indirect material financial interest, (b) approval of certain transactions between corporations having common directorships, (c) creation of and appointments to committees of the board, and (d) indemnification of directors.

A meeting at which a quorum is initially present may continue to transact business, despite the withdrawal of some directors, if any action taken or decision made is approved by at least a majority of the required quorum for that meeting.

Section 4.13 Participation in Meetings by Conference Telephone. Members of the board of directors may participate in a meeting through the use of conference telephone, electronic video screen communication, or other communications equipment if all of the following apply: (a) each member participating in the meeting can communicate with all of the other members concurrently, (b) each member is provided the means of participating in all matters before the board of directors, including the capacity to propose or to interpose an objection to a specific action to be taken by the corporation, and (c) the corporation adopts and implements some means of verifying both that (i) a person communicating by telephone, electronic video screen, or other communications equipment is a director or other person entitled to participate in the board meeting, and (ii) all actions of, or votes by, the board of directors are taken or cast only by the director and not by any other person not permitted to participate as a director. Participation in a meeting pursuant to this Section 4.13 constitutes presence in person at such meeting.

Section 4.14 Waiver of Notice. Notice of a meeting need not be given to any director who signed a waiver of notice or a written consent to holding the meeting or an approval of the minutes thereof, whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to such director. All such waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meetings.

Section 4.15 Adjournment. A majority of the directors present, whether or not a quorum is present, may adjourn any meeting to another time and place. If the meeting is adjourned for more than twenty-four (24) hours, notice of any adjournment to another time or place shall be given prior to the time of the adjourned meeting to the directors who were not present at the time of the adjournment.

Section 4.16 Action Without Meeting. Any action required or permitted to be taken by the board of directors may be taken without a meeting, if all members of the board of directors consent in writing to such action. Such action by written consent shall have the same force and effect as any other action taken by the board at a duly called meeting at which a quorum is present. Such written consent or consents shall be filed with the minutes of the proceedings of the board of directors. Written consent of all members of the board via electronic transmission may be sought and obtained in any manner consistent with California Corporations Codes Section 20 and 21. However, if consent is sought through electronic transmission, then the following shall be required: (a) the transmission to the directors must clearly explain that their formal consent to an action is being solicited, that their replies should unambiguously state their consent or refusal to consent, and that the action will not take effect unless all directors approve it; (b) all responses by directors to a written consent conducted via electronic transmission shall be printed out and filed with the board's regular minutes; and (c) once all director replies have been submitted, the secretary of the corporation shall notify the directors via electronic submission whether or not the action has been unanimously approved.

Section 4.17 Committees. The board of directors may, by resolution adopted by a majority of the number of directors then in office, provided that a quorum is present, create one or more committees, each consisting of two or more directors, to serve at the pleasure of the board of directors. Appointments to such committees shall be by the Chair. The Chair may appoint one or more directors as alternate members of any such committee, who may replace any absent member at any meeting of the committee. Any such committee shall have all the authority of the board to the extent provided in the board resolution or resolutions creating and empowering the committee; provided that, no committee may do any of the following:

(a) Take any final action on any matter that, under the California Nonprofit Public Benefit Corporation Law requires the approval of the members or approval of a majority of members of a nonprofit public benefit corporation (notwithstanding that this corporation has no members) or approval of the board or a majority of the board;

(b) Elect directors or fill vacancies on the board;

(c) Amend or repeal bylaws or adopt new bylaws;

(d) Amend or repeal any resolution or action taken by the board that by its express terms is not so amendable or repealable;

(e) Create any other committees of the board or appoint the members of committees of the board, including any appointments to fill vacancies on committees of the board; or

(f) Approve any contract or transaction in which one or more directors has a direct or indirect material financial interest, except as special approval is provided for in Section 5233(d)(3).

Section 4.18 Meetings and Actions of Committees. Meetings and actions of committees of the board of directors shall be governed by, held and taken under the provisions of this Article IV applicable to meetings and actions of the board of directors; except that the time and place for meetings of such committees and the calling of special meetings of committees can be set either by board resolution or the resolution of the committee. The board may adopt rules for the governance of any committee as are consistent with these bylaws. If the board has not adopted rules, the committee may do so.

Section 4.19 Fees and Compensation. The corporation shall not pay any compensation to directors for services rendered to the corporation as a director, except that directors may be reimbursed for expenses incurred in the performance of their duties to the corporation, in reasonable amounts as approved by the board of directors.

ARTICLE V OFFICERS

Section 5.1 Officers. The officers of the corporation shall be a Chair, Chair-Elect, a Secretary, Treasurer, Investment Director, Community Liaison, and International Service Director. The same person may hold any number of offices, except that the Secretary, Chair-Elect, or Treasurer may not serve concurrently as Chair of the Board.

Section 5.2 Election. The officers of the corporation (except such officers as may be elected or appointed in accordance with the provisions of Section 5.3 or Section 5.5 of this Article V), shall be chosen annually by, and shall serve at the pleasure of the board of directors, and shall hold their respective offices for a term of three (3) years or until their resignation, removal, or other disqualification from service.

Section 5.3 Removal and Resignation. Officers serve at the pleasure of the board of directors. Any officer may be removed with or without cause by the board of directors at any time. Any officer may resign at any time by giving written notice to the corporation. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein and, unless otherwise specified in that notice, the acceptance of the resignation shall not be necessary to make it effective. Any officer may be removed from office by the affirmative vote of a 2/3 majority of the directors then in office at any regular or special meeting of the board of directors, or by simple majority vote of the membership at any regular or special meeting of the Rotary Club of Pacific Grove.

Section 5.4 Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled in the manner prescribed in these bylaws for regular election or appointment to such office, provided that such vacancies shall be filled as they occur and not on an annual basis.

Section 5.5 Board Chair. The Board Chair, if any, shall preside at all meetings of the board of directors and exercise and perform such other powers and duties as may be assigned from time to time by the board of directors. The Board Chair shall give, or cause to be given, notice of all meetings of the board of directors and its committees required by law or by these Bylaws to be given, shall call all meetings of the board, set the agenda for all board meetings, shall keep the seal of the corporation in safe custody, and shall have such other powers and perform such other duties as may be prescribed by the board of directors.

Section 5.6 Chair-Elect. The Chair-Elect shall serve as a director and perform such other duties as may be prescribed by the Chair or the board. In the absence of the Chair, it shall be the duty of the Chair-Elect to preside at meetings of the corporation and to perform other duties as ordinarily performed by the Chair.

Section 5.7 Secretary. The Secretary shall keep or cause to be kept, at the principal office of the corporation, in the Secretary's possession, or such other place as the board of directors may order, a book of minutes of all meetings of the board of directors and its committees. The minutes shall include the time and place of meetings, whether regular or special, and if special, how authorized, the notice thereof given, and the names of those present

and the proceedings thereof. The Secretary shall keep, or cause to be kept, at the principal office or in the Secretary's possession, in the State of California the original or a copy of the corporation's Articles and Bylaws, as amended to date.

Section 5.8 Treasurer. The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and accounts of the properties and business transactions of the corporation. The Treasurer shall cause to be given to the directors such financial statements and reports as are required to be given by law, these bylaws or by the board. The books of account shall be open at all reasonable times to inspection by any director. The Treasurer shall deposit, or cause to be deposited, all money and other valuables in the name and to the credit of the corporation with such depositories as may be designated by the board of directors. The Treasurer shall disburse the funds of the corporation as may be ordered by the board of directors, shall render to any member of the board of directors, whenever requested, an account of all transactions as Treasurer and of the financial condition of the corporation, and shall have such other powers and perform such other duties as may be prescribed by the board of directors.

Section 5.9 Investment Director. {TC} The Investment Director shall serve as the board of director's liaison with the corporation's contracted investment manager and report investment activities of the corporation to the board of director's. The Investment Director shall maintain a written investment policy that shall be approved annually by the Board of Directors.

Section 5.10 Community Liaison. {TC} The Community Liaison shall receive all requests for funding, and present as much to the board of directors for consideration. The Community Liaison shall also report to the board of directors regarding past funding grants made by the corporation.

Section 5.11 International Service Director. {TC} The International Service Director shall receive all requests for funding of international projects, and present as much to the board of directors for consideration. The International Service Director shall also report to the board of directors regarding past international funding grants made by the corporation.

Section 5.12 Contracts with Directors. No director of this corporation nor any other corporation, firm, association, or other entity in which one or more of this corporation's directors are directors or have a material financial interest, shall be interested, directly or indirectly, in any contract or transaction with this corporation, unless (a) the material facts regarding that director's financial interest in such contract or transaction or regarding such common directorship, officership, or financial interest are fully disclosed in good faith and noted in the minutes, or are known to all members of the board prior to the board's consideration of such contract or transaction; (b) such contract or transaction is authorized in good faith by a majority of the board by a vote sufficient for that purpose without counting the votes of the interested directors; (c) before authorizing or approving the transaction, the board considers and in good faith decides after reasonable investigation that the corporation could not obtain a more advantageous arrangement with reasonable effort under the circumstances; and (d) the corporation for its own benefit enters into the transaction, which is fair and reasonable to the corporation at the time the transaction is entered into.

This Section does not apply to a transaction that is part of an educational or charitable program of this corporation if it (a) is approved or authorized by the corporation in good faith and without unjustified favoritism and (b) results in a benefit to one or more directors or their families because they are in the class of persons intended to be benefited by the educational or charitable program of this corporation.

Section 5.13 Loans to Directors and Officers. This corporation shall not lend any money or property to or guarantee the obligation of any director or officer without the approval of the California Attorney General; provided, however, that the corporation may advance money to a director or officer of the corporation for expenses reasonably anticipated to be incurred in the performance of his or her duties if that director or officer would be entitled to reimbursement for such expenses by the corporation.

ARTICLE VI INDEMNIFICATION, INSURANCE AND DIRECTOR LIABILITY

Section 6.1 Definitions. For the purposes of this Article VI, “agent” means any person who is or was a director, officer, employee, or other agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, or other enterprise, or was a director, officer, employee, or agent of a foreign or domestic corporation which was a predecessor corporation of the corporation or of another enterprise at the request of such predecessor corporation; “proceeding” means any threatened, pending, or completed action or proceeding, whether civil, criminal, administrative, or investigative; and “expenses” includes without limitation attorneys’ fees and any expenses of establishing a right to indemnification under Sections 6.4 or 6.5(b) of these Bylaws.

Section 6.2 Indemnification in Actions by Third Parties. The corporation shall have power to indemnify any person who was or is a party or is threatened to be made a party to any proceeding (other than an action by or in the right of the corporation to procure a judgment in its favor, an action brought under §5233 of the California Nonprofit Public Benefit Corporation Law, or an action brought by the Attorney General or a person granted relator status by the Attorney General for any breach of duty relating to assets held in charitable trust) by reason of the fact that such person is or was an agent of the corporation, against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with such proceeding if such person acted in good faith and in a manner such person reasonably believed to be in the best interests of the corporation and, in the case of a criminal proceeding, had no reasonable cause to believe the conduct of such person was unlawful. The termination of any proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in the best interests of the corporation or that the person had reasonable cause to believe that the person’s conduct was unlawful.

Section 6.3 Indemnification in Actions by or in the Right of the Corporation. The corporation shall have power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action by or in the right of the

corporation, or brought under §5233 of the California Nonprofit Public Benefit Corporation Law, or brought by the Attorney General or a person granted relator status by the Attorney General for any breach of duty relating to assets held in charitable trust, to procure a judgment in its favor by reason of the fact that such person is or was an agent of the corporation, against expenses actually and reasonably incurred by such person in connection with the defense or settlement of such action if such person acted in good faith, in a manner such person believed to be in the best interests of the corporation, and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances. No indemnification shall be made under this Section 6.3:

(a) In respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation in the performance of such person's duty to the corporation, unless and only to the extent that the court in which such proceeding is or was pending shall determine upon application that, in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for the expenses which such court shall determine;

(b) Of amounts paid in settling or otherwise disposing of a threatened or pending action, with or without court approval; or

(c) Of expenses incurred in defending a threatened or pending action, which is settled or otherwise disposed of without court approval unless it is settled with the approval of the Attorney General.

Section 6.4 Indemnification Against Expenses. To the extent that an agent of the Corporation has been successful on the merits in defense of any proceeding referred to in Sections 6.2 or 6.3 of these Bylaws or in defense of any claim, issue, or matter therein, the agent shall be indemnified against expenses actually and reasonably incurred by the agent in connection therewith.

Section 6.5 Required Determinations. Except as provided in Section 6.4 of these Bylaws, any indemnification under this Article VI shall be made by the corporation only if authorized in the specific case, upon a determination that indemnification of the agent is proper in the circumstances because the agent has met the applicable standard of conduct set forth in Sections 6.2 or 6.3 of these Bylaws, by:

(a) A majority vote of a quorum consisting of directors who are not parties to such proceeding; or

(b) The court in which such proceeding is or was pending upon application made by the corporation or the agent or the attorney or other person rendering services in connection with the defense, whether or not such application by the agent, attorney, or other person is opposed by the corporation.

Section 6.6 Advance of Expenses. Expenses incurred in defending any proceeding may be advanced by the corporation prior to the final disposition of such proceeding upon receipt of an undertaking by or on behalf of the agent to repay such amount unless it shall be determined ultimately that the agent is entitled to be indemnified as authorized in this Article VI.

Section 6.7 Other Indemnification. No provision made by the corporation to indemnify its or its subsidiary's directors or officers for the defense of any proceeding, whether contained in the Articles of Incorporation, Bylaws, a resolution of directors, an agreement or otherwise, shall be valid unless consistent with this Article VI. Nothing contained in this Article VI shall affect any right to indemnification to which persons other than such directors and officers may be entitled by contract or otherwise.

Section 6.8 Forms of Indemnification Not Permitted. No indemnification or advance shall be made under this Article VI, except as provided in Sections 6.4 or 6.5(b), in any circumstances where it appears:

(a) That it would be inconsistent with a provision of the Articles of Incorporation, these Bylaws, or an agreement in effect at the time of the accrual of the alleged cause of action asserted in the proceeding in which the expenses were incurred or other amounts were paid, which prohibits or otherwise limits indemnification; or

(b) That it would be inconsistent with any condition expressly imposed by a court in approving a settlement.

Section 6.9 Personal Liability of Volunteer Directors or Executive Officers. To the fullest extent permitted by the California Nonprofit Public Benefit Corporation Law, as now in effect or as may hereafter be amended, there shall be no personal liability to a third party for monetary damages on the part of a volunteer director or volunteer officer of the corporation, caused by the director's or officer's negligent act or omission in the performance of that person's duties as a director or officer, provided that the person's act or omission was (a) within the scope of the director's or officer's duties, performed in good faith and was not reckless, wanton, intentional or grossly negligent, and (b) the damages are covered pursuant to a liability insurance policy issued to the corporation (either in the form of general liability policy or a director's and officer's liability policy) or personally to the director or officer. In the event the damages are not covered by insurance, the volunteer director or volunteer officer shall not be personally liable for the damages if the board of directors and the person have made all reasonable efforts in good faith to obtain available liability insurance. "Volunteer" means the rendering of services without compensation. "Compensation" means remuneration whether by way of salary, fee, or other consideration for services rendered. However, the payment of per diem, mileage, or other reimbursement expenses to a director or officer does not affect that person's status as a volunteer within the meaning of this Section. Nothing in this paragraph shall limit the liability of the corporation for any damages caused by acts or omissions of the volunteer director or volunteer officer.

Section 6.10 Insurance. The corporation shall have the power to purchase and maintain insurance on behalf of any agent of the corporation against any liability asserted against or incurred by the agent in such capacity or arising out of the agent's status as such whether or not the corporation would have the power to indemnify the agent against such liability under the provisions of this Article VI, provided, however, that the corporation shall have no power to purchase and maintain such insurance to indemnify any agent of the corporation for a violation of § 5233 of the California Nonprofit Public Benefit Corporation Law (or any successor provision thereto).

Section 6.11 Non-Applicability to Fiduciaries of Employee Benefit Plans. This Article VI does not apply to any proceeding against any trustee, investment manager, or other fiduciary of an employee benefit plan in such person's capacity as such, even though such person may also be an agent of the corporation as defined in Section 6.1 of these Bylaws. The corporation shall have power to indemnify such trustee, investment manager, or other fiduciary to the extent permitted by subdivision (f) of Section 207 of the California General Corporation Law.

If any part of this Article VI shall be found in any action, suit or proceeding to be invalid or ineffective, the validity and the effectiveness of the remaining parts shall not be affected.

ARTICLE VII MAINTENANCE AND INSPECTION OF BOOKS AND RECORDS; ANNUAL REPORTS

Section 7.1 Maintenance of Corporate Records. The corporation shall keep the following:

- (a) Adequate and correct books and records of account: and
- (b) Written minutes of the proceedings of its board and committees of the board.

Minutes shall be kept in written form. Other books and records shall be kept in either written or in any other form capable of being converted into written form.

Section 7.2 Director's Right of Inspection. Every director shall have the right at any reasonable time to inspect and copy all books, records and documents of every kind and to inspect the physical properties of the corporation and the records of each subsidiary. The inspection may be made in person or by the director's agent or attorney. The right of inspection includes the right to copy and make extracts of documents.

Section 7.3 Annual Report. The board of directors shall cause an annual report to be sent to the directors within sixty (60) days after the end of the corporation's fiscal year. That report shall contain the following information in appropriate detail:

- (a) The assets and liabilities, including the trust funds, of the corporation as of the end of the fiscal year;
- (b) The principal changes in assets and liabilities, including trust funds;
- (c) The corporation's revenue or receipts, both unrestricted and restricted to particular purposes;
- (d) The corporation's expenses or disbursements for both general and restricted purposes;
- (e) Any information required by Section 7.4 of these Bylaws; and

(f) An independent accountants' report or, if none, the certification of an authorized officer of the corporation that such statements were prepared without audit from the corporation's books and records.

Section 7.4 Annual Statement of Certain Transactions and Indemnifications. As part of the annual report to all directors the corporation shall, within sixty (60) days after the end of the corporation's fiscal year, annually prepare and furnish to each director a statement of any transaction or indemnification of the following kind:

(a) Any transaction (i) in which the corporation or any subsidiary was a party, (ii) in which an "interested person" had a direct or indirect material financial interest, and (iii) which involved more than Five Thousand Dollars (\$5,000) or was one of several transactions with the same interested person involving, in the aggregate, more than Five Thousand Dollars (\$5,000). For this purpose, an "interested person" is any director or officer of the corporation or any or subsidiary of it (but mere common directorship shall not be considered such an interest). The statement shall include a brief description of the transaction, the names of interested persons involved, their relationship to the corporation, the nature of their interest in the transaction and, if practicable, the amount of that interest, provided that if the transaction was with a partnership in which the interested person is a partner, only the interest of the partnership need be stated.

(b) Any indemnifications or advances aggregating more than Five Thousand Dollars (\$5,000) paid during the fiscal year to any officer or director of the corporation under Sections 6.2 and 6.3 of these bylaws unless the indemnification has already been approved by the directors.

ARTICLE VIII MISCELLANEOUS

Section 8.1 Fiscal Year. The fiscal year of the corporation shall be the twelve (12) month period from July 1 through the following June 30, or such other period as may be fixed by the Board of Directors.

Section 8.2 Corporate Seal. The corporate seal shall be circular in form, shall have the name of the corporation inscribed thereon and shall contain the words "Corporate Seal" and "California" and the year the corporation was formed in the center, or shall be in such form as may be approved from time to time by the board of directors.

Section 8.3 Checks, Notes and Contracts. The board of directors shall determine who shall be authorized from time to time on the corporation's behalf to sign checks, drafts, or other orders for payment of money; to sign acceptances, notes, or other evidences of indebtedness; to enter into contracts; or to execute and deliver other documents and instruments.

Section 8.4 Amendment of Articles of Incorporation and Bylaws. The Articles of Incorporation and Bylaws of the corporation may be adopted, amended or repealed in whole or in part upon the approval thereof by the membership; provided that, if any provision of these bylaws requires the vote of a larger proportion of the membership than is otherwise required by law, that provision may not be altered, amended or repealed except by that greater vote.

CERTIFICATE OF SECRETARY

OF

THE PACIFIC GROVE ROTARY CLUB LEGACY CA

The undersigned hereby certifies as follows:

1. I am the duly elected, qualified and acting Secretary of THE PACIFIC GROVE ROTARY CLUB LEGACY CA, a California nonprofit public benefit corporation (the “Corporation”); and,

2. The foregoing bylaws were adopted as the bylaws of the Corporation by the Members of the Rotary Club of Pacific Grove on _____.

Dated: _____

Signature

_____, Secretary
Print Name