

**CERTIFICATE OF RESOLUTION
OF THE LA JOLLA GOLDEN TRIANGLE ROTARY CLUB FOUNDATION
REGARDING APPROVAL OF FUNDING OF CLUB COMMITTEE BUDGETS**

The undersigned certifies that he is Secretary of La Jolla Golden Triangle Rotary Club Foundation (“Foundation”), and that, as such, he is authorized to execute this Certificate on behalf of the Foundation and certifies as follows:

That the following is a true copy of the resolution unanimous duly adopted by the Directors of the Foundation by email votes as of July 15, 2014, and that the same has not been repealed or amended and remains in full force and effect. I further certify that the authority thereby conferred is not inconsistent with the Articles or By-Laws of the Foundation. This Resolution will be formally ratified at the annual meeting of the Board later this year.

WHEREAS, the Directors of the Foundation from time to time will be responsible to approve the budgets for the Avenues of Service (“Club Committee Budgets”) of the La Jolla Golden Triangle Rotary Club (“Club”);

WHEREAS, the Club qualifies under IRC 501(c)(4) as a “social welfare organization” and as such has a different mission and must comply with less stringent IRS requirements than the Foundation which is an entity organized under IRC 501(c)(3);

WHEREAS, the Directors believe that it is in the best interests of the Foundation and the Club to ensure that at all times the Foundation be very careful to receive funds and at all times to utilize funds consistent with the Foundation Articles and By Laws and comply with IRS requirements for IRC 501(c)(3) entities;

WHEREAS, the corporate purpose for which the Foundation is organized is to promote, enhance, and finance the charitable purposes of the La Jolla Golden Triangle Rotary Club;

WHEREAS, in most cases the Club Committee Budgets fund projects consistent with the charitable purposes of the La Jolla Golden Triangle Rotary Club (collectively “Charitable Projects”) including but not limited to international and community projects to support youth, prevent poverty and hunger, enhance the environment, prevent illiteracy, support educational opportunities and international exchanges for students, teachers, and other professionals, and vocational and career development. The fact that such Charitable Projects include the occasional funding of food and refreshments during the Charitable Projects is incidental to the charitable purpose of the project. The Foundation remains fully supportive of such Charitable Projects;

WHEREAS, on occasion Club Committee Budgets have also requested the funding of activities such as networking “mixers” or similar social events within the Club and for the primary purpose of strengthening the Club (collectively “Club Events”) in order to be able to pay for the food and beverage expense associated with such Club Events. Although such Club Events are designed to strengthen the Club the charitable purpose is incidental. Such Club Events consistent with the mission and requirements of a “social welfare organization” organized under IRC 501(c)(4) but can be characterized as more “social” than “charitable”;

WHEREAS, the Directors deeply respect all activities supported by the Club Committee Budgets, but the Directors believe that funding such Club Events is inconsistent with IRS requirements for IRC 501(c)(3) entities which require that none of the Foundation’s earnings may inure to any private shareholder or individual. The Directors feel that funding such social events blurs the line of this requirement. Consequently, the Club must exclusively fund any such Club Events, as the Foundation will not fund any such Club Events and will only fund Charitable Projects. The fact that a portion of the budget for any Charitable Project involves incidental funding of food, beverages or refreshments will not impact the Foundation’s potential funding of such Charitable Projects.

NOW, THEREFORE, BE IT RESOLVED, as follows:

The Foundation will no longer fund any line item in any of the Club Committee Budgets which the Special Committee of the Foundation believes to be a Club Event, but will only fund Charitable Projects. Furthermore, the Foundation requests that in the future any requests for funding do not include any Club Events.

Witness the signature of the undersigned this 15th day of July, 2014.



Eric O. Freeberg
Secretary