

**ROTARY CLUB OF SAN DIEGO, INC.
BOARD OF DIRECTORS
November 18, 2011**

RESOLUTION

**FIRST AMENDED & RESTATED
CLUB CREDIT POLICY**

1. Recitals

1.1 Pursuant to Section 10.7 of the ROTARY CLUB OF SAN DIEGO, INC. BYLAWS (First Amended and Restated) effective July 1, 2009 (the "**Bylaws**") governing the involuntary termination of a Member's membership interest, the Board on November 19, 2010 approved a "**Credit Policy**" relating to the giving of Termination Notices to Members who fail to pay Club Charges when due.

1.2 The Club's Finance Committee has recommended the Board amend and restate the Club Credit Policy as set forth in this resolution.

2. Resolutions

BE IT RESOLVED THAT:

2.1 Except as subsequently approved or repealed by the Board, the following credit policies and procedures (the "**Credit Policy**") shall be followed prior to the giving of a Termination Notice under Section 10.7 of the Bylaws:

FIRST AMENDED & RESTATED
CREDIT POLICY OF THE ROTARY CLUB OF SAN DIEGO, INC.

1. The Club shall maintain an account for each Member (each a "**Member Account**") registering the Club Charges payable by such Member, the date each such Club Charge is invoiced and the date and amount that each payment is received or other credit is made in satisfaction of such Club Charges.

2. The Finance Committee shall direct the Executive Director or the Secretary/Treasurer to give a Member a Suspension Notice (as defined below) if any Member Account (other than a Member Account for a Member participating in the Clarification of Financial Obligations program) evidences either that (each a "**Suspension Notice Event**"): (a) any Club Charge owed by its Member has remained unpaid for 90 days after invoicing and the total amount of unpaid Club Charges (including delinquent Club Charges) exceeds \$1,000; or (b) any Club Charge owed by its Member has remained unpaid for 180 days regardless of the total amount of unpaid Club Charges.

3. A "**Suspension Notice**" shall notify the Member suffering a Suspension Notice Event that, except as required by Governing Law:

(a) the Member's right to participate as a Voting Member of the Club or in any Regular Meeting/Event (as defined in the Bylaws) is suspended;

(b) such suspension shall last until a "**Reinstatement Payment**" is received by the Club as hereinafter provided or the Member's membership interest is terminated, whichever occurs first;

(c) at any time prior to the giving of a Termination Notice (as provided in Section 10.7 of the Bylaws), the Member may make a Reinstatement Payment in immediately available funds equal to all unpaid Club Charges invoiced prior to 30 days before the date of the Club's receipt of the Reinstatement Payment; and

(d) if the Club fails to receive the Reinstatement Payment within 60 days after the Suspension Notice:

(1) a Termination Event (as defined in the Bylaws) shall be deemed to have occurred;

(2) the Executive Director or the Secretary/Treasurer shall give a Termination Notice to the Member as provided in Section 10.7 of the Bylaws, the giving of which shall be deemed approved by the Board; and

(3) the Member's membership interest shall terminate in accordance with and when provided by Section 10.7 of the Bylaws.

4. If the Club receives a Reinstatement Payment prior to the giving of a Termination Notice, the Member's membership interest shall no longer be deemed suspended and the Member may resume participating as a Voting Member and in Regular Meetings/Events.

While the Member's membership interest is suspended, the Member shall continue to be obligated to pay all Club Charges except Club Charges directly attributable to a Regular Meetings/Events in which such Member cannot participate by reason of the suspension.

5. This Credit Policy shall be effective as of December 1, 2011.

6. Notwithstanding the foregoing, nothing in this Credit Policy shall prevent the Club upon approval of the Board from: (a) amending or revoking the Credit Policy at anytime (including retroactively), either in general or with respect to a specific Member; and (b) in compliance with Section 10.7 of the Bylaws, giving a Termination Notice to a Member upon the occurrence of a Termination Event, including a failure to timely pay Club Charges regardless of the number of days such Club Charges have remained unpaid after invoicing.

2.2 Each officer of the Club hereby is authorized and directed to do, or cause to be done, all such acts and things and to make, execute, and deliver or cause to be made, executed and delivered, all such agreements, documents, instruments or certificates, in the name and on behalf of the Club as such officer may deem necessary, advisable or appropriate to effectuate or carry out the purpose and intent of the foregoing resolution and Credit Policy and to perform the obligations of the Club thereunder, the execution thereof to be conclusive evidence of the exercise by such officers of the discretionary authority herein conferred.