

BRF
Permanent Book

Buckhead Rotary Foundation, Inc.

P. O. Box 12151
Atlanta, Ga., 30355

Phone 770-833-4777

MARGER APPROVALS February 7, 2008

To: Board of Directors

Buckhead Rotary Foundation -

Bill Perkins
Ed Blazer
Steve Betha
George Ivey

Chuck Kennedy
Lee Nunn
Julia Chabannes
Greg Davis

John Dykes, Secretary/Treasurer

cc: Charlie Crawford, President BRC.
John Saunders, Chair, Otis Jackson Trust, w/attachments
Jerry Hux, Trustee, " " " ,
Ben Bowen, Trustee, " " " ,
George Ivey, Trustee, " " " ,

Subject: Meeting Minutes, Feb 4, 2008

The subject meeting was held at Anthony's, at 11:30 am. Present were Kennedy, Chabannes, Blazer, Davis, Ivey, Nunn, and Dykes. Betha was represented by written Proxy.

A Quorum Call revealed that 6 of the 8 total voting directors were present in person and 1 was represented by proxy. It was noted that the Secretary/Treasurer is a Director Emeritus, and does not have a vote. A Quorum being present, the meeting proceeded, chaired by the Foundation's Chair/President Lee Nunn.

The minutes of the previous meeting had been previously distributed, and no corrections or objections have been received.

☒ The Treasure presented a brief financial report, including the balance sheet, current Auction Summary, list of Table Sponsors to date, and the status of the club's charitable funding for fiscal 2008.

☒ The proposed program to donate \$1000 cash to the Rotary International Foundation in the name of every Rotarian adding at least \$2000 to their will for the Buckhead Rotary Foundation was tabled so as to provide sufficient time for discussion of the proposed combination of the Otis Jackson Trust with the Foundation,

☒ The Secretary then reported on the status of the proposed combination of the Otis Jackson Scholarship Trust with the Buckhead Rotary Foundation. The proposed requirements of the merger are outlined in the Memorandum of Understanding which had been previously distributed along with the corresponding resolutions, and agreed by the directors of the Foundation, the Otis Jackson Trust, and the Buckhead Rotary Club.

The two resolutions approved by the club's board of directors at its January 21, 2008 meeting were

presented - a resolution : 1) approving the combination of the Foundation and Trust; and 2) Amending the club's by-laws to provide for a permanent "Otis Jackson Scholarship Committee" which will perform the functions formerly done by the Trustees of the Otis Jackson Trust. These resolutions were in agreement with the Memorandum of Understanding.

The Secretary then pointed out that an agreed condition of the combination was that the Foundation's Articles of Incorporation would be amended to 1) specifically provide for the continuance of the Otis Jackson Scholarship at Oglethorpe University, and 2) establish a formula for determining the amount of the scholarship (Essentially \$10,000 per year to increase at the same rate as the corpus of the Foundation,) and 3) in the event of dissolution of the Foundation the remaining Foundation funds would first be distributed to Oglethorpe University in a defined amount to provide for the continuance of the Otis Jackson scholarship, and the balance distributed to a then determined 501c(3), not excluding Oglethorpe University.

Upon motion duly made and seconded, the proposed Amendments to Article VII and Article IX of the Buckhead Rotary Foundation Articles of Incorporation were approved. This Amendment is attached to these minutes.

The Board then addressed modifications to its by-laws to establish giving level designations in the name of Otis Jackson and Frank Stevenson. These modifications were not included in the Memorandum of Understanding. Upon discussion, the previously distributed resolution to add a Frank Stevenson Fellow designation at the \$2500 level *was tabled*, as it failed to address the status of the existing Otis Jackson Fellows, and the continuance of an Otis Jackson designation.

A proposed solution was, that in addition to designating the present "Emerald" \$2500 giving level as the "Frank Stevenson Fellow", to add a giving level at \$1500 to be designated "Otis Jackson" Fellow, and possibly either asking the existing Otis Jackson Fellows to add to their contributions, and /or leaving them in limbo until they "officially" reach the \$1500 level. As indicated above, the proposal was tabled and *referred to the Otis Jackson board for proposed solutions*.

The Board then considered the combination of the Otis Jackson Trust with the Buckhead Rotary Foundation, pursuant to the terms and conditions of the Memorandum of Understanding (attached). Upon motion duly made and seconded, the combination was approved by all Directors present and by proxy. The official Motion is attached.

Finally, upon motion made, seconded, and approved, the Secretary/Treasurer was authorized to act on behalf of and in the name of the Board to: sign documents; file government documents; and do all other acts to accomplish the merger as described and approved.

It was noted that the approval by the Otis Jackson Trustees of the combination would be the final and triggering act. It was suggested that the effective date of the combination be July 1, 2008.

Secretary's Note: These minutes attempt to summarize the discussions and actions at the meeting, and in no way are to be construed as an interpretation, description, or modification of the various formal motions approved by the parties, and attached to these minutes.. These various documents were distributed, and stand on their own. These minutes will be distributed by email and will not include the attachments, which were distributed at the meeting. The Secretary will supply copies upon request.

Respectively Submitted

John H Dykes /sig/
Secretary/Treasurer

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MEMORANDUM OF UNDERSTANDING

VER JS/R8

Otis Jackson/BRF Merger

- 1) ***Club approves*** the combination subject to approval of OJ Trustees & BRF Directors of the terms and conditions
- 2) ***Club amends bylaws*** to provide for an Otis Jackson Committee within the Community Service area.

Said Committee would:

- a) Be responsible for preparing the annual scholarship application, and coordinating solicitation of applications from eligible Oglethorpe University students.
 - b) Be responsible for reviewing all applications and conducting interviews of the finalists and select the annual scholarship recipient or recipients, subject to the approval of the BRF B/D. Said applications, selection, and award must be made within the terms of the Guidelines attached hereto.
 - c) Be responsible for maintaining contact with the Otis Jackson Scholar throughout the year, and seek to increase the scholar's participation in Club activities, including meetings, social functions, and other club activities.
 - d) Continue to update and report to the club on the status of the Otis Jackson Scholarship program to make sure that it continues and is promoted as a signature program of the Club.
 - e) Be composed of not less than three past presidents of the Buckhead Rotary Club, selected by the committee, and approved by the club's current President. The Committee may select as many Club members who are not Past Presidents, as it deems desirable. The initial committee members shall be John Saunders, Ben Bowen, George Ivey, and Jerry Hux, to serve until replaced.
- 3) The Otis Jackson Trustees approve termination of the OJ Trust, and the distribution of funds to the Buckhead Rotary Foundation, Inc, a 501©3 Georgia non-profit corporation after the BRF Articles of Incorporation have been amended as follows:

Amendment to Article VII of the Buckhead Rotary Foundation Articles of Incorporation

New Article 'C' and existing Articles 'D' and 'E' become "E" and 'F' respectively

The Buckhead Rotary Foundation will establish and maintain an "Otis Jackson Scholarship Program" that will award a scholarship or scholarships each year selecting as soon as practical after May 1st of each year, and no later than July 31st of each year, an individual or individuals to receive proceeds from the BRF for the upcoming school year. The designated scholarship beneficiaries each year shall be students - at Oglethorpe University in Atlanta, Georgia, enrolled in a program intended to result in the conferring of a recognized degree, who in the opinion of a selection committee clearly demonstrate the qualities and character traits of superior integrity, service above self and outstanding ability associated with the late Otis M. Jackson. The primary criteria for selection shall be character, leadership, scholarship, and athletic ability.

The Scholarship beneficiaries shall be selected without regard to sex, race, creed, or country of national origin. The selection committee shall be a Standing Committee of the BRC, consisting of three or more Past Presidents of the BRC. In the absence of a standing committee of the BRC, the selection committee shall consist of three or more members of the Board of the BRF as selected by the BRF Board. The Scholarship Beneficiaries must be approved by a majority of the members of the B/D of the BRF. The Scholarship Funds shall be paid to Oglethorpe University for the credit of the selected students to be used exclusively for educational purposes, including but not limited to tuition, room, board, and personal expenses of the beneficiary while attending Oglethorpe University

No part of the scholarship will inure or be payable to or for the benefit of any member of the Buckhead Rotary Club, or any said member's family, and no family member may be a Scholarship beneficiary

The maximum aggregate amount of scholarship funds that may be paid in a year to one or more Otis Jackson scholarship recipients shall be determined each year as follows.

The Base Amount of scholarship(s) shall be a maximum of \$10,000 for the 2008/2009 school year.

The "Base Amount" of Total Liabilities and Net Assets shall be the sum of:

- a) the amount of Total Liabilities and Net Assets of the Buckhead Rotary Foundation as reported in its Federal Tax Return for the fiscal year ended June 30, 2007

PLUS:

- b) the total amount transferred from the Otis Jackson Trust to the Buckhead Rotary Foundation prior to the liquidation of the Trust.

The maximum scholarship(s) to be determined in the June 31 to July 31st, period of 2009, for the 2009/2010 school year, shall be determined by:

E

The Rotary Club of Buckhead hereby amends its by-laws as follows:

Add the following to the Existing by-laws upon completion of the combination of the Otis Jackson Trust with the Buckhead Rotary Foundation, and the dissolution of the Otis Jackson Trust:

Article II, Section 5

The Buckhead Rotary Club will maintain a permanent Otis Jackson Scholarship Committee within the Community Service area. The committee shall elect its own Chair, and shall consist of not less than three active Past Presidents of the Buckhead Rotary Club, selected by the Committee and approved by the Club's current President. The Committee may select as many Club members who are not Past Presidents, as it deems desirable. The initial Committee members shall be John Saunders, Ben Bowen, George Ivey and Jerry Hux, to serve until replaced.

The Otis Jackson Scholarship Committee shall:

- a) Be responsible for preparing the annual scholarship application, and coordinating solicitation of applications from eligible Oglethorpe University students.
- b) Be responsible for reviewing all applications and conducting interviews of the finalists and select the annual scholarship recipient, subject to the approval of the Board of Directors of the Buckhead Rotary Foundation. Said applications, selection, and award must be made within the terms contained in the Articles of Incorporation of the Buckhead Rotary Foundation.
- c) Be responsible for maintaining contact with the Otis Jackson Scholar throughout the year, and seek to increase the scholar's participation in Club activities, including meetings, social functions, and other club activities.
- d) Continue to update and report to the club on the status of the Otis Jackson Scholarship program to make sure that it continues and is promoted as a signature program of the Club.
- e) Maintain regular communications with Oglethorpe University, the Rotary Club of Buckhead, and the Buckhead Rotary Foundation.

The above resolution was APPROVED at a meeting of the Board of Directors held on January 21, 2008

By: *R. M. Hux* Date *Jan. 21, 2008*

Title: *Secretary*

1) Calculating the increase in the "Total Liabilities and Net Assets" of the Buckhead Rotary Foundation as of June 30, 2008 as a multiple of the "Base Amount" as of June 30, 2007.

2) Multiplying this multiple by \$10,000, and rounding to the nearest \$1000.

Thereafter the maximum Scholarship amount shall be calculated in the same manner for any given school year, with the multiple of Total Liabilities and Net Worth being calculated as the value in the fiscal year ending in the preceding calendar year divided by the "Base Amount of Total Liabilities and Net Worth in the base year, and this result multiplied by \$10,000;

As an example only – For a scholarship to be determined in the June-July 2013 for the 2013/2014 school year. Assume a Base Amount of \$600,000 as of June 30, 2007. Assume that the Total Liabilities and Net Assets of the Buckhead Rotary Foundation as of June 30, 2012 are \$700,000. The calculation is the assumed \$700,000 divided by the assumed base of \$600,000 or a multiple of 1.1667. And the maximum scholarship amount under these assumed conditions would be the Base Scholarship of \$10,000 times 1.1667 equaling \$11,667 which is rounded to the nearest \$1000, resulting in a proforma maximum scholarship amount for the 2013/2014 school year of \$12,000.

Amendment to Article IX of the BRF Articles of Incorporation:

1) Delete existing Article IX in its entirety

2) Replace it with:

Upon dissolution of the Corporation's affairs, the Board of Directors shall, after paying or making provision for payment of all liabilities of the corporation, shall 1) contribute to Oglethorpe University, a non-profit 501©3 organization, upon their agreement to continue in perpetuity one or more annual Otis Jackson Scholarships of not less than the aggregate amount of the scholarships awarded by the BRF in the most recent year prior to the calculations, an amount (the "Contribution") calculated as the aggregate amount of the scholarships awarded by the BRF in the most recent year prior to the calculations times 25. But no more than the total funds available. In the case that such amount is not available, then the BRF shall negotiate with Oglethorpe University for an appropriate continuance of the Otis Jackson Scholarship program, and - 2) Distribute, transfer, convey, deliver and pay over all of the remaining assets, if any, then remaining in the hands of the Corporation to any organization's not excluding Oglethorpe University, qualifying under section 501©3 of the code as an exempt organization.

IN WITNESS WHEREOF, the undersigned has executed these Amended Articles of Incorporation this _____ day of _____, 2008

Lee Nunn, Chairman
For the Board of Directors



***Motion by the Board of Directors of the
Rotary Club of Buckhead***

It is hereby resolved that the proposed combination of the Otis Jackson Scholarship Trust into the Buckhead Rotary Foundation is approved, pursuant to the terms and conditions to be established by their respective boards.

*

At the meeting of the Board of the Rotary Club of Buckhead on Jan 21, 2008
the above motion was approved, and is so recorded in the minutes.

Signed: , Secretary

Amendment to Article VII of the Buckhead Rotary Foundation Articles of Incorporation

Insert following Article 'C' and re-letter existing Articles:

The Buckhead Rotary Foundation will establish and maintain an "Otis Jackson Scholarship Program" that will award a scholarship or scholarships each year selecting as soon as practical after May 1st of each year, and no later than July 31st of each year, an individual or individuals to receive proceeds from the BRF for the upcoming school year. The designated scholarship beneficiaries each year shall be students at Oglethorpe University in Atlanta, Georgia, enrolled in a program intended to result in the conferring of a recognized degree, who in the opinion of a selection committee clearly demonstrate the qualities and character traits of superior integrity, service above self and outstanding ability associated with the late Otis M. Jackson. The primary criteria for selection shall be character, leadership, scholarship, and athletic ability.

The Scholarship beneficiaries shall be selected without regard to sex, race, creed, or country of national origin. The selection committee shall be a Standing Committee of the BRC, consisting of three or more Past Presidents of the BRC. In the absence of a standing committee of the BRC, the selection committee shall consist of three or more members of the Board of the BRF as selected by the BRF Board. The Scholarship Beneficiaries must be approved by a majority of the members of the B/D of the BRF. The Scholarship Funds shall be paid to Oglethorpe University for the credit of the selected students to be used exclusively for educational purposes, including but not limited to tuition, room, board, and personal expenses of the beneficiary while attending Oglethorpe University

No part of the scholarship will inure or be payable to or for the benefit of any member of the Buckhead Rotary Club, or any said member's family, and no family member may be a Scholarship beneficiary

The maximum aggregate amount of scholarship funds that may be paid in a year to one or more Otis Jackson scholarship recipients shall be determined each year as follows.

The Base Amount of scholarship(s) shall be a maximum of \$10,000 for the 2008/2009 school year.

The "Base Amount" of Total Liabilities and Net Assets shall be the sum of:

- a) the amount of Total Liabilities and Net Assets of the Buckhead Rotary Foundation as reported in its Federal Tax Return for the fiscal year ended June 30, 2007

PLUS:

- b) the total amount transferred from the Otis Jackson Trust to the Buckhead Rotary Foundation prior to the liquidation of the Trust..

~~MINUTES~~

~~MINUTES~~

(A)

Motion by the Board of Directors of the Buckhead Rotary Foundation

It is hereby resolved that the proposed combination of the Otis Jackson Scholarship Trust into the Buckhead Rotary Foundation is approved pursuant to the terms and conditions of the Memorandum of Understanding attached hereto.

Those voting for

Julia Chabannes

~~Terry Hux (by proxy)~~

Ed Blazer

Chuck Kennedy

George Ivey

~~Robert Dwyer~~ + NON VOTING DIRECTOR

Greg Davis

Lee Winn

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Those voting against:

* TERM EXPIRED

STEVE BETARD by PROXY
(Ad Secretary)

At the meeting of the Board on Feb 4, 2008, the above vote and proxy's were recorded..

Signed:

Chair

8 VOTING OR 8 TOTAL
PLUS 1 PROXY