

Friendswood Rotary Club

Reverse Draw Fundraiser

Standing Rules

The following Standing Rules govern Friendswood Rotary Club's (Club) Annual Reverse Draw Charity Fundraiser (Reverse Draw). Any modification of these rules must be presented to and approved by a majority of the following: the current Standing Rules Committee, the current Reverse Draw Chair, and the current Club President at least one week before presentment at a regular meeting of the Club Board of Directors for consideration and action.

1. **Ticket sales at event venue.** No ticket sales may be conducted by the Club at the event venue before the event has begun. For purposes of these rules, the drawing begins when the first ticket drawn is called by the emcee. After the drawing begins, the Club may sell, to the persons who are physically present at the drawing and for a price other than the price printed on the ticket, any remaining unsold tickets. The Rules Committee may adjust the selling price of remaining tickets from time to time during the event, in their sole discretion, subject to Texas law.
2. **Ticket resale.** Any resale of tickets during the event by a ticket holder must be conducted through the Club. Both the buyer and seller must be physically present at the drawing, and each ticket resold must be for an amount greater than the original purchase price of the ticket. As required by Texas law, 10% of any such resale will be retained by the Club. All ticket sales must comply with Texas laws regarding charitable raffles. See TEX. OCCUPATIONS CODE §§ 2002.001-2002.058.
3. **Physical presence.** Neither a ticket nor ticket holder is required to be physically present at the event to participate or win any prize.
4. **Auction tickets**
 - a Before the drawing begins, the Club may withhold any number of unsold tickets. At certain intervals during the drawing, those withheld tickets may be auctioned to the attending ticket holders, starting with a minimum bid. The number of tickets withheld and auctioned, the intervals for auctions, and the starting minimum bids for each ticket, will be determined in the sole discretion of the Club.
 - b An "attending ticket holder" means any person who is physically present and holds any reverse-draw ticket for the current drawing, whether that ticket has not been drawn or has been drawn with or without a prize.
 - c All payments for tickets auctioned in accordance with this section must be in cash, check, or real-time money transfer (e.g., Venmo, credit card, if available) paid to the

Club before drawing resumes. If payment for an auctioned ticket is not received within 5 minutes of the end of the auction, the Club will void the sale and reopen auction of the ticket.

5. **Club-held ticket restrictions.** Except for tickets withheld under Section 4 (Auction tickets), no ticket held by the Club is eligible for a Consolation Prize described in Section 8(a). If such a ticket is drawn as a winner of a Consolation Prize under Section 8(a), it will be discarded, and the next drawn ticket will win that Consolation Prize. Tickets held by the Club are, however, eligible for any Halftime, Final Consolation, and Grand Prizes, under Sections 8(b), 8(c), and 8(d).

6. **T-10 Raffle.**

- a The Club may withhold no more than one ticket as the “T-10 Ticket.”
- b The T-10 Ticket may be the prize of a separate, randomized “T-10 Raffle.”
- c Tickets to enter the T-10 Raffle are separate from reverse-draw tickets and will be sold during the event. No sales of tickets to enter the T-10 Raffle may be conducted by the Club at the event venue before the event has begun. *See* Section 1 (defining when the event begins).
- d The price of each ticket to enter the T-10 Raffle will be set at a uniform amount by the Club. There is no limit to the number of tickets the Club may sell to enter the T-10 Raffle.
- e When only nine tickets remain to be drawn in the Reverse Draw, there will be a pause before all sales of tickets to the T-10 Raffle will stop. The duration of the pause is at the sole discretion of the Reverse Draw Chairperson or their designee.
- f After sales of tickets to the T-10 Raffle stop, the winner of the T-10 Raffle will be determined, and that winner will be eligible to win the Reverse Draw in the same manner as the other holders of tickets remaining in the Reverse Draw.

7. **Randomized drawing; procedures.** The Club must randomize the drawing and may do so by any means it deems appropriate.

8. **Prizes**

- a The Club may award “Consolation Prizes” given for tickets drawn at regular intervals to be determined by the Club, which intervals may vary from year-to-year.

- b The Club may establish a “Halftime Prize” given for a ticket chosen at approximately the mid-draw break.¹
- c The Club may establish a “Final Consolation Prize.” If established, the Final Consolation Prize will be awarded to a ticket drawn randomly from among all tickets that, after the Grand Prize winner has been determined, did not win any of the other available prizes.
- d The final ticket drawn wins the “Grand Prize,” the amount and value of which will be determined each year in the sole discretion of the Club.
- e The decision whether to establish Consolation Prizes, a Halftime Prize, and a Final Consolation Prize, and the amount and value of each, will be determined each year in the sole discretion of the Club.

9. **Consolation Prizes won by donor.** If a ticket holder wins their own donated Consolation Prize, the ticket holder must take that prize.

10. **Alliances**

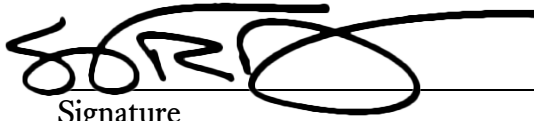
- a The holders or Authorized Representatives of the top 10 “live” but undrawn tickets (Top Ten) will be invited to assemble at the front of the room and may negotiate among themselves regarding “alliances” or resale of a ticket to a third party, in accordance with Section 2. above. The Reverse Draw Chairperson or their designee has sole discretion to determine the time allotted for such discussions before each Top Ten ticket is drawn.
- b For purposes of these rules, an “Authorized Representative” is (i) a person in physical possession of the actual ticket; (ii) a person authorized in writing by the ticket holder to represent them; (iii) the Club member who sold the ticket, if they represent to the Club in writing they are the ticket holder’s representative; or (iv) an immediate relative of the ticket holder, confirmed by personal knowledge of an attending Rotarian, and approved in the sole discretion of a Rules Committee member after the person represents to the Club in writing they are the ticket holder’s representative.
- c If no ticket holder or Authorized Representative is present for a Top Ten drawn ticket, no one else may negotiate an “alliance” for or sell that ticket. **It is strongly advised to get written permission to represent a ticket holder and the best contact phone number for anyone to whom you sell a ticket but won’t be physically present at the event.**
- d No holder of an undrawn Top Ten ticket may join or withdraw from an existing “alliance” without the unanimous consent of all members of that “alliance.”

¹ For example, if 400 tickets were eligible for distribution, the holder of the ticket drawn on the 200th draw would win the Halftime Prize. If 300 tickets were eligible for distribution, the holder of the ticket drawn on the 150th draw would win the Halftime Prize.

- e Any alliance must be documented **in writing**, list the tickets and ticket holders involved with their signatures, describe the agreement of the alliance, and designate one member of the alliance (Alliance Designee) to take possession of the grand prize if awarded to an alliance member. **The Alliance Designee, and not the Club, is responsible for executing the terms of the alliance. The Club fulfills all obligations to the alliance and its members by delivering the grand prize to the Alliance Designee.**
 - f If the Alliance Designee determines that the grand prize, because of the denominations of gold purchased by the Club, cannot be fairly divided according to the terms of the alliance, the Alliance Designee may ask the Club to return all or part of the undivided gold to Williams Coin with instructions to deal directly with the Alliance Designee to distribute the grand prize according to the terms of the alliance. Any additional expense incurred with Williams Coin necessary to accomplish division of the grand prize under this Section must be paid by alliance members in proportion to their share of the grand prize involved. **If the Alliance Designee asks the Club to return the grand prize to Williams Coin, then the Club fulfills all obligations to the alliance and its members by delivering the grand prize to Williams Coin or the Alliance Designee.**
11. **Tax forms.** All winners of a prize with a value of more than \$600 must complete an IRS “W-9” Form before receiving their prize.
12. **Compliance with law.** Nothing in these Standing Rules, nor any other activities of the Club related to the Reverse Draw, is intended to violate any State or other laws regulating the Reverse Draw. The Club reserves the right to take all action necessary to correct any such activities to bring them into compliance with the law.
13. **Resolution of issues.** All questions, objections, and issues regarding the conduct of the Reverse Draw which arise during the event, whether or not addressed by these Standing Rules, must be resolved by majority vote of the Rules Committee during the event insofar as necessary and possible, or at a later date if necessary. If less than three uninvolved Rules Committee members are present, the uninvolved Rules Committee members present may appoint uninvolved, present Club members in good standing as ad hoc Rules Committee member(s) to make a committee of three, who may consider and resolve any such questions, objections, and issues by majority vote. The decisions of the Rules Committee are final unless expressly stated herein to the contrary. The rules committee will be made up of three Club members who are present and will be present for the entirety of the drawing. These members can be made of the current President, Reverse Draw Chairman, Reverse Draw Treasurer, or any Past President.


-END-

APPROVED:




Signature

Scott R. Dayton
Name (printed)



Signature
2025-Mar-08 10:33

Ralph Hobradschk
Name (printed)

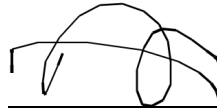


Signature
2025-Mar-06 13:50

Scott MacKenzie
Name (printed)

Signature

Name (printed)



Signature
2025-Mar-11 15:04

David Smith
Name (printed)



Signature
2025-Mar-07 09:59

James W. Woltz
Name (printed)

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Name (printed)

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Name (printed)

APPROVED BY BOARD 03/12/25