

**BYLAWS**  
**OF**  
**OREGON COFFEE BOARD**

**SECTION 1      PURPOSES AND POWERS**

**1.1      Purposes.** Oregon Coffee Board, an Oregon non-profit corporation (the “**Corporation**”), may engage in any lawful activity intended to promote its purposes set forth in its Articles of Incorporation and these Bylaws. The primary purposes of the Corporation are to:

(a)      promote, in every lawful manner, the common interests of the Corporation’s members operating in Oregon;

(b)      hold membership in other associations, although the Corporation shall not be deemed to have approved the action of other associations by virtue of its membership in such other associations unless the board of directors of the Corporation so approves of such action;

(c)      employ agents to collect information of value to its members regarding laws, provisions, directives, and orders as may be made by the United States, the state of Oregon, and the political subdivisions thereof, and to disseminate such information to its members and the general public; and

(d)      perform such other acts as may be necessary, in the opinion of the board of directors, to carry out the purpose of the Corporation; provided, however, in no event may the Corporation fix or set the prices and terms upon which its members buy and sell coffee, limit or control the amounts of coffee produced or purchased, boycott customers or suppliers, or allocate markets and customers.

**1.2      General Powers.** The Corporation has perpetual duration and succession in its corporate name and has the same powers as an individual to do all things necessary or convenient to carry out its affairs.

**SECTION 2      MEMBERSHIP**

**2.1      Permissible Members.** Membership in the Corporation shall be available to any individual, partnership, corporation, association or other entity that pays the Corporation’s membership dues, as such dues are established from time to time by the board of directors. Provided, however, the Corporation shall have three classes of membership, and members shall be classified as Regular Members, Associate Members, or Enthusiast Members, as such classes are described below.

**2.2      Regular Members.** Regular Members shall be comprised of members that are:

- (a) producers producing common brands, names, and formulas of coffee at facilities located within the State of Oregon;
- (b) importers whose primary business is the importation of coffee, and who have a base of operations located within the State of Oregon;
- (c) retailers whose primary business is selling coffee within the State of Oregon; and
- (d) tradespeople (coffee professionals, coffee media producers, and coffee consultants) who have a base of operations (headquarters, etc.) located within the State of Oregon.

**2.3 Associate Members.** Associate Members shall be comprised of persons that do not qualify to be Regular Members, but are businesses operating in an industry related to the production, importation, distribution, wholesaling, or retailing of coffee. A person may be admitted as an Associate Member even if it does not conduct any business activity in the State of Oregon.

**2.4 Enthusiast Members.** Enthusiast Members shall be comprised of those persons that do not qualify as Regular Members or Associate Members, but who wish to participate in the programs and public events organized by the Corporation for the benefit of its members. Enthusiast Members shall not be entitled to vote or participate in member meetings and shall not be deemed members of the Corporation for purposes of the Corporation's Articles of Incorporation, these Bylaws, and Oregon law.

**2.5 Determination of Membership Classification.** All membership applications shall be reviewed by the board of directors or a membership committee established by the board of directors ("**Membership Committee**"). The board of directors or Membership Committee shall make the final determination as to the proper classification for all applicants for membership.

### **SECTION 3 ADMISSION OF MEMBERS**

#### **3.1 Admission Procedure.**

(a) An eligible person may become a member by applying for membership through an online process established by the Corporation and paying the applicable membership dues. Once an applicant member has paid its initial membership dues, it will receive a temporary membership status until such status and its membership classification are approved by the board of directors or Membership Committee. All Enthusiast membership applicants will be automatically approved; provided, however the board of directors or Membership Committee may revoke such approval if it is determined upon further review that automatic approval was unwarranted. The online process and other admission procedures established by the Corporation may be changed from time to time.

(b) All membership applications and admissions are subject to the review and discretionary approval of the board of directors or the Membership Committee.

(c) No person may be admitted as a member without expressly consenting to such person's membership in the Corporation.

**3.2 Membership Dues.** Each member shall be required to pay annual membership dues as established by the board of directors from time to time. Such annual dues shall be required for each year (consecutive 12-month period) during which such person is a member. The initial annual membership dues for Regular Members and Associate Members shall vary based upon such applicant members' gross annual sales and such initial dues shall be determined in accordance with the following table, which may be adjusted and modified by the board of directors from time to time:

<u>Member Classification</u>	<u>Gross Annual Sales</u>	<u>Annual Membership Dues</u>
Regular/Associate	\$5,000,000 or more	\$1,000.00
Regular/Associate	\$1,000,000 - \$4,999,999	\$750.00
Regular/Associate	\$500,000 - \$999,999	\$500.00
Regular/Associate	\$250,000 - \$499,999	\$200.00
Regular/Associate	less than \$250,000	\$100.00
Enthusiast	N/A	\$50.00

## **SECTION 4 MEMBERS' RIGHTS AND OBLIGATIONS**

### **4.1 Differences in Rights and Obligations of Members.**

(a) Regular Members and their representatives shall be entitled to all rights provided to members of non-profit corporations pursuant to the Oregon Nonprofit Corporation Act (the "Act"), including rights associated with voting, dissolution, redemption and transfer.

(b) Except as otherwise provided in the Corporation's Articles of Incorporation and these Bylaws, Associate Members shall have the same rights as Regular Members, provided, however, Associate Members and their representatives shall not have the right to serve on the board of directors or as officers of the Corporation.

(c) Except as otherwise provided in Section 2.4, Enthusiast Members and their representatives shall have no membership rights, including but not limited to the right to vote, serve on the board of directors, serve as officers of the Corporation, participate in member meetings, or inspect the Corporation's records.

**4.2 Transfers.** Except as provided in Section 7.3 pertaining to proxies or as set forth in or authorized by the Articles of Incorporation or these Bylaws, no member may transfer a membership or any right arising therefrom.

**4.3 Member's Liability for Dues, Assessments and Fees.** A member may become liable to the Corporation for dues, assessments, or fees. A provision of the Corporation's Articles of Incorporation or these Bylaws or a resolution adopted by the board of directors authorizing or imposing dues, assessments, or fees does not, of itself, create liability to pay the obligation, but nonpayment shall constitute grounds for suspending or expelling the member, or suspending or terminating the member's membership.

## **SECTION 5 RESIGNATION AND TERMINATION**

**5.1 Resignation.** A member may resign at any time. Provided, however, the resignation of a member does not relieve the member from any obligations the member may have to the Corporation as a result of obligations incurred or commitments made prior to resignation.

### **5.2 Termination, Expulsion or Suspension.**

(a) No member may be expelled or suspended, and no membership or memberships may be terminated or suspended, except pursuant to a procedure that is fair and reasonable and carried out in good faith.

(b) A procedure is fair and reasonable when either:

(1) the member is given not less than 15 days' prior written notice of the expulsion, suspension, or termination and the reasons therefor; and an opportunity to be heard, orally or in writing, not less than five days before the effective date of the expulsion, suspension or termination, by a person or persons authorized to decide that the proposed expulsion, termination or suspension not take place; or

(2) the procedure is fair and reasonable taking into consideration all of the relevant facts and circumstances.

(c) Members who fail to pay their membership dues within 30 days of the issuance of a dues notice shall be notified of such nonpayment in writing. If payment is not made within 60 days of the issuance of such dues notice, the Corporation shall issue a notice of intent of membership termination. If payment is not received within 90 days of the issuance of the dues notice, that member will be dropped from the membership roll and forfeit all rights and privileges of membership.

(d) Any written notice given by mail must be given by first class or certified mail sent to the last address of the member shown on the Corporation's records.

(e) Any proceeding challenging an expulsion, suspension, or termination, including a proceeding in which defective notice is alleged, must be commenced within one year after the effective date of the expulsion, suspension or termination.

(f) A member who has been expelled or suspended, or whose membership has been suspended or terminated, may be liable to the Corporation for dues, assessments or fees as a result of obligations incurred by the member prior to expulsion, suspension or termination.

## **SECTION 6 MEMBERSHIP MEETINGS AND ACTION WITHOUT MEETINGS**

### **6.1 Annual and Regular Meetings.**

(a) The Corporation will hold a membership meeting annually at a time fixed by the board of directors.

(b) The Corporation will hold regular membership meetings on the \_\_\_\_\_ Wednesday of August at \_\_\_\_\_:00 PT, or at other times fixed by the board of directors.

(c) Annual and regular membership meetings may be held in or out of the State of Oregon at the Corporation's principal office or at any other place fixed by the board of directors.

(d) At the annual meeting:

(1) the president, and any other officer the board of directors or the president may designate, will report on the activities and financial condition of the Corporation; and

(2) the members will consider and act upon such other matters as may be raised consistent with the notice requirements of Section 6.4.

(e) At regular meetings the members will consider and act upon such matters as may be raised consistent with the notice requirements of Section 6.4.

(f) The failure to hold an annual or regular meeting does not affect the validity of any corporate action.

### **6.2 Special Meeting.**

(a) The Corporation will hold a special meeting of members:

(1) on call of the board of directors or the person or persons authorized to do so by the Articles of Incorporation or these Bylaws; or

(2) except as provided in the Articles of Incorporation or these Bylaws, if the holders of at least five percent of the voting power of the Corporation sign, date and deliver to the

Corporation's secretary one or more written demands for the meeting describing the purpose or purposes for which it is to be held.

(b) If not otherwise fixed under Section 6.6, the record date for members entitled to demand a special meeting is the date the first member signs the demand.

(c) If a notice for a special meeting demanded under Section 6.2(a)(2) is not given pursuant to Section 6.4 within 30 days after the date the written demand or demands are delivered to the Corporation's secretary then, regardless of the requirements of Section 6.2(d), a person signing the demand or demands may set the time and place of the meeting and give notice pursuant to Section 6.4.

(d) Special meetings of members may be held in or out of the State of Oregon at the Corporation's principal office or at any other place fixed by the board of directors.

(e) Only matters within the purpose or purposes described in the meeting notice required by Section 6.4 may be conducted at a special meeting of members.

### **6.3 Action Without Meeting.**

(a) Action required or permitted by the Oregon Nonprofit Corporation Act to be taken at a members' meeting may be taken without a meeting if the action is taken by all the members entitled to vote on the action. The action must be evidenced by one or more written consents describing the action taken, signed by all the members entitled to vote on the action, and delivered to the Corporation for inclusion in the minutes or filing with the corporate records. Action taken under this Section 6.3 is effective when the last member signs the consent, unless the consent specifies an earlier or later effective date.

(b) If not otherwise determined under Section 6.6, the record date for determining members entitled to take action without a meeting is the date the first member signs the consent under Section 6.3(a).

(c) A consent signed under this Section 6.3 has the effect of a meeting vote and may be described as such in any document.

### **6.4 Notice of Meeting.**

(a) The Corporation must give notice consistent with these Bylaws of meetings of members in a fair and reasonable manner. The Corporation must give notice to members entitled to vote at the meeting and to any other person specified in the Oregon Nonprofit Corporation Act, the Articles of Incorporation or these Bylaws.

(b) Any notice which conforms to the requirements of Section 6.4(c) is fair and reasonable, but other means of giving notice may also be fair and reasonable when all the

circumstances are considered, provided, however, that notice of matters referred to in Section (c)(1) must be given as provided in Section 6.4(c).

(c) Notice is fair and reasonable if:

(1) the Corporation notifies its members of the place, date and time of each annual, regular and special meeting of members no fewer than seven days, or if notice is mailed by other than first class or registered mail, no fewer than 30 nor more than 60 days before the meeting;

(2) notice of annual or regular meeting includes a description of any matter or matters which must be approved by the members under Section 10.2, Section 12.5, Section 12.7, Section 13.1, ORS 65.414(1)(a), ORS 65.437, ORS 65.487, ORS 65.534 or ORS 65.624; and

(3) notice of a special meeting includes a description of the purpose or purposes for which the meeting is called.

(d) Unless these Bylaws require otherwise, if an annual, regular or special meeting of members is adjourned to a different date, time or place, notice need not be given of the new date, time or place, if the new date, time or place is announced at the meeting before adjournment. If a new record date for the adjourned meeting is or must be fixed under Section 6.6, however, notice of the adjourned meeting must be given under this Section 6.4 to the persons who are members as of the new record date.

## **6.5 Waiver of Notice.**

(a) A member may at any time waive any notice required by the Oregon Nonprofit Corporation Act, the Articles of Incorporation or these Bylaws. The waiver must be in writing, be signed by the member entitled to the notice and be delivered to the Corporation for inclusion in the minutes or filing with the corporate records.

(b) A member's attendance at a meeting waives objection to:

(1) lack of notice or defective notice of the meeting, unless the member at the beginning of the meeting objects to holding the meeting or transacting business at the meeting; and

(2) consideration of a particular matter at the meeting that is not within the purpose or purposes described in the meeting notice, unless the member objects to considering the matter when it is presented.

## **6.6 Record Date.**

(a) The board of directors may fix a future date as the record date in order to determine the members entitled to notice of a members' meeting, to demand a special meeting, to vote or to take any other lawful action. If no such record date is fixed, then:

(1) to determine the members entitled to notice of a members' meeting, the record date will be the day before the day on which first notice is mailed or otherwise transmitted to members in accordance with Section 16, or if notice is waived, the day preceding the day on which the meeting is held;

(2) to determine the members entitled to demand a special meeting, the record date will be as set forth in Section 6.2(b);

(3) to determine the members entitled to take action without a meeting, the record date will be as set forth in Section 6.3(b);

(4) to determine the members entitled to vote at a members' meeting, the record date will be the date of the meeting; and

(5) to determine the members entitled to exercise any rights in respect to any other lawful action, the record date will be the day on which the board adopts the resolution relating thereto, or the 60<sup>th</sup> day prior to the date of such other action, whichever is later.

(b) A record date fixed under this Section 6.6 may not be more than 70 days before the meeting or action requiring the determination of members.

(c) A determination of members entitled to notice of or to vote at a membership meeting is effective for any adjournment of the meeting unless the board fixes a new record date, which it must do if the meeting is adjourned to a date more than 120 days after the date fixed for the original meeting.

## **6.7 Action by Written Ballot.**

(a) Any action which may be taken at any annual, regular or special meeting of members may be taken without a meeting if the Corporation delivers a written ballot to every member entitled to vote on the matter.

(b) A written ballot must set forth each proposed action and provide an opportunity to vote for or against each proposed action.

(c) Approval by written ballot pursuant to this Section 6.7 will be valid only when the number of votes cast by ballot equals or exceeds any quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that



would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.

(d) All solicitations for votes by written ballot must:

(1) indicate the number of responses needed to meet the quorum requirements;

(2) state the percentage of approvals necessary to approve each matter other than election of directors;

(3) specify the manner(s) in which the ballot may be delivered (i.e. fax, e-mail, or regular mail) to the Corporation; and

(4) specify a reasonable time by which a ballot must be received by the Corporation in order to be counted.

(e) Except as otherwise provided in the Articles of Incorporation or these Bylaws, a written ballot may not be revoked.

**6.8 Organization of Meeting.** At each annual, regular, and special members' meeting:

(a) the president, or if the president is absent then the chairperson of the board of directors, or if no chairperson of the board of directors has been appointed or is present, then any vice president, or if no vice president has been appointed or is present then any individual chosen by members having a majority of votes present at the meeting, will act as chairperson of the meeting; and

(b) the secretary, or if the secretary is absent then any assistant secretary, or if no assistant secretary has been appointed or is present, then any individual chosen by members having a majority of votes present at the meeting, will act as secretary of the meeting.

## **SECTION 7 MEMBERS' VOTING**

### **7.1 Members' List for Meeting.**

(a) The Corporation will prepare an alphabetical list of the names, addresses and membership dates and classification of all its Regular Members and Associate Members (main list of members). The Corporation will prepare on a current basis through the time of the membership meeting a list of members, if any, who are entitled to vote at the meeting, but are not part of the main list of members.

(b) The list of members must be available for inspection by any member entitled to vote for the purpose of communication with other members concerning the meeting, beginning two business days after notice of the meeting is given for which the list was prepared and continuing through the meeting, at the Corporation's principal office or at a reasonable place

identified in the meeting notice in the city or other location where the meeting will be held. A member, the member's agent or the member's attorney is entitled, on written demand setting forth a proper purpose, to inspect and, subject to the requirements of Section 15.2 and Section 15.4, to copy the list at a reasonable time and at the member's expense, during the period it is available for inspection.

(c) The Corporation will make the list of members available at the meeting, and any member, the member's agent or the member's attorney is entitled to inspect the list for any proper purpose at any time during the meeting or any adjournment.

(d) Refusal or failure to prepare or make available the membership list does not affect the validity of action taken at the meeting.

## **7.2 Voting Entitlement of Members.**

(a) Each Regular Member and Associate Member is entitled to one vote on each matter voted on by such members, including each matter on which such member is entitled to vote under the Oregon Nonprofit Corporation Act, the Articles of Incorporation, or these Bylaws. Persons not retaining a right to vote on more than one occasion for the election of a director or directors will not be deemed members.

(b) If a membership stands of record in the names of two or more persons, their acts with respect to voting will have the following effect:

- (1) if only one votes, such act binds all; and
- (2) if more than one votes, the vote will be divided on a pro rata basis.

## **7.3 Proxies.**

(a) A member may appoint a proxy to vote or otherwise act for the member by signing an appointment form either personally or by the member's attorney-in-fact.

(b) An appointment of a proxy is effective when received by the secretary or other officer or agent authorized to tabulate votes. An appointment is valid for 11 months unless a different period is expressly provided in the appointment form.

(c) An appointment of a proxy is revocable by the member.

(d) The death or incapacity of the member appointing a proxy does not affect the right of the Corporation to accept the proxy's authority unless notice of the death or incapacity is received by the secretary or other officer or agent authorized to tabulate votes before the proxy exercises authority under the appointment.

(e) Appointment of a proxy is revoked by the person appointing the proxy:

- (1) attending any meeting and voting in person; or
- (2) signing and delivering to the secretary or other officer or agent authorized to tabulate proxy votes either a writing stating that the appointment of the proxy is revoked or a subsequent appointment form.

(f) Subject to Section 7.4 and any express limitation on the proxy's authority appearing on the face of the appointment form, the Corporation is entitled to accept the proxy's vote or other action as that of the member making the appointment.

**7.4 Adjournment.** Unless otherwise provided in the Articles of Incorporation or these Bylaws, a majority of votes represented at a meeting of members, whether or not a quorum, may adjourn the meeting from time to time to a different time and place without further notice to any member of any adjournment, except as such notice may be required by Section 6.4(d). At the adjourned meeting at which a quorum is present, any business may be transacted that might have been transacted at the meeting originally held.

#### **7.5 Corporation's Acceptance of Votes.**

(a) If the name signed on a vote, consent, waiver or proxy appointment corresponds to the name of a member, the Corporation, if acting in good faith, is entitled to accept the vote, consent, waiver or proxy appointment and give it effect as the act of the member.

(b) If the name signed on a vote, consent, waiver or proxy appointment does not correspond to the record name of a member, the Corporation if acting in good faith is nevertheless entitled to accept the vote, consent, waiver or proxy appointment and give it effect as the act of the member if:

- (1) the member is an entity and the name signed purports to be that of an officer or agent of the entity;

- (2) the name signed purports to be that of an attorney-in-fact of the member and, if the Corporation requests, evidence acceptable to the Corporation of the signatory's authority to sign for the member has been presented with respect to the vote, consent, waiver or proxy appointment;

- (3) two or more persons hold the membership as cotenants or fiduciaries and the name signed purports to be the name of at least one of the coholders and the person signing appears to be acting on behalf of all the coholders;

- (4) the name signed purports to be that of an administrator, executor, guardian or conservator representing the member and, if the Corporation requests, evidence of fiduciary status acceptable to the Corporation has been presented with respect to the vote, consent, waiver or proxy appointment; or

(5) the name signed purports to be that of a receiver or trustee in bankruptcy of the member, and, if the Corporation requests, evidence of this status acceptable to the Corporation has been presented with respect to the vote, consent, waiver or proxy appointment.

(c) The Corporation is entitled to reject a vote, consent, waiver or proxy appointment if the secretary or other officer or agent authorized to tabulate votes, acting in good faith, has reasonable basis for doubt about the validity of the signature on it or about the signatory's authority to sign for the member.

(d) The Corporation and its officer or agent who accepts or rejects a vote, consent, waiver or proxy appointment in good faith and in accordance with the standards of this Section 7.5 are not liable in damages to the member for the consequences of the acceptance or rejection.

(e) Corporate action based on the acceptance or rejection of a vote, consent, waiver or proxy appointment under this Section 7.5 is valid unless a court of competent jurisdiction determines otherwise.

## **7.6 Quorum Requirements.**

(a) Unless the Articles of Incorporation or these Bylaws provide for a higher quorum, those votes represented at a meeting of members will constitute a quorum.

(b) An amendment to the Articles of Incorporation or these Bylaws to decrease the quorum for any member action may be approved by the members, or, unless prohibited by the Articles of Incorporation or these Bylaws, by the Board of Directors.

(c) An amendment to the Articles of Incorporation or these Bylaws to increase the quorum required for any member action must be approved by the members.

## **7.7 Voting Requirements.**

(a) Unless the Oregon Nonprofit Corporation Act, the Articles of Incorporation or these Bylaws require a greater vote or voting by class, if a quorum is present, the affirmative vote of a majority of the votes represented and voting is the act of the members.

(b) An amendment to the Articles of Incorporation or these Bylaws to add to, change or delete the vote required for any member action must be approved by the members.

## **7.8 Voting for Directors.**

(a) Directors are elected by a plurality of the votes cast by the members entitled to vote in the election at a meeting at which a quorum is present.

- (b) Cumulative voting is not authorized for the election of directors.

## **SECTION 8 BOARD OF DIRECTORS**

### **8.1 Duties of Board.**

(a) All corporate powers will be exercised by or under the authority of, and the affairs of the Corporation managed under the direction of, the board of directors, subject to any limitation set forth in the Articles of Incorporation and except as provided in Section 8.1(b).

(b) The Articles of Incorporation may authorize a person or persons, or the manner of designating a person or persons, authorized to exercise some or all of the powers which would otherwise be exercised by a board. To the extent so authorized any such person or persons will have the duties and responsibilities of the directors, and the directors will be relieved to that extent from such duties and responsibilities.

### **8.2 Qualifications of Directors.**

(a) All directors must be individuals and Regular Members or individual representatives of Regular Members that are entities; provided, however, no more than one individual representative of a Regular Member that is an entity may serve as a director at a single time.

(b) At least two directors must be Regular Members or individual representatives of Regular Members that purchase over one million (1,000,000) pounds of coffee per year.

(c) At least two directors must be Regular Members or individual representatives of Regular Members that purchase less than one hundred thousand (100,000) pounds of coffee per year.

### **8.3 Number of Directors.**

(a) The board of directors must consist of one or more individuals.

(b) Following the first annual member meeting, the Corporation's board of directors shall have nine members. The number of directors may be fixed or changed periodically, within the minimum and maximum, by the members or the board of directors.

### **8.4 Election and Appointment of Directors, Nomination of Potential Directors.**

(a) All the directors, except the initial directors, will be elected at the first annual meeting of members, and at each annual meeting thereafter, unless the Articles of Incorporation or these Bylaws provide some other time or method of election, or provide that some of the directors are appointed by some other person or are designated.

(b) No less than sixty (60) days prior to the regular annual meeting of the members, the directors shall appoint a nominating committee of four members, not more than one of whom shall be a presiding director. Within ten (10) days of their appointment, the nominating committee shall solicit the Regular Members and Associate Members to submit the names of qualified individuals to the committee for consideration for nomination for election. The nominating committee shall provide the members entitled to vote a list setting forth the Regular Members and individual representatives of Regular Members nominated and qualified to be elected to the Board of Directors at least thirty (30) days preceding the election. In no event may more than one individual representative of a Regular Member be nominated for an election and no individual representative of a Regular Member may be nominated if an individual representative of that Regular Member is currently serving as a director for a term that will continue beyond the upcoming election.

### **8.5 Terms of Directors Generally.**

(a) The term of each director will be two years, with the exception of four of the nine directors elected during the first inaugural election. Except for designated or appointed directors, directors may not serve more than six consecutive years. Directors may be elected for successive terms.

(b) A decrease in the number of directors or term of office does not shorten an incumbent director's term.

(c) Except as provided in the Articles of Incorporation or these Bylaws:

(1) the term of a director filling a vacancy in the office of an elected director expires at the next election of directors; and

(2) the term of a director filling any other vacancy expires at the end of the unexpired term which such director is filling.

(d) Despite the expiration of a director's term, the director continues to serve until the director's successor is elected, designated or appointed and qualifies, or until there is a decrease in the number of directors.

**8.6 Staggered Terms for Directors.** Five directors shall be elected in even-numbered years and four directors shall be elected in odd-numbered years. Four of the directors elected at the first inaugural election shall serve for a term of one year that will expire on August \_\_\_\_, 2015.

### **8.7 Resignation of Directors.**

(a) A director may resign at any time by delivering written notice to the board of directors, its presiding officer or to the president or secretary.

(b) A resignation is effective when the notice is effective under Section 16 unless the notice specifies a later effective date.

(c) Once delivered, a notice of resignation is irrevocable unless revocation is permitted by the board of directors.

### **8.8 Removal of Directors Elected by Members or Directors.**

(a) The members may remove one or more directors elected by them with or without cause.

(b) Except as provided in Section 8.8(f), a director may be removed under Section 8.8(a) or Section 8.8(b) only if the number of votes cast to remove the director would be sufficient to elect the director at a meeting to elect directors.

(c) An elected director may be removed by the members only at a meeting called for the purpose of removing the director and the meeting notice must state that the purpose, or one of the purposes, of the meeting is removal of the director.

(d) An entire board of directors may be removed under Section 8.8(a) to Section 8.8(b).

(e) A director elected by the board of directors may be removed with or without cause, by the vote of two-thirds of the directors then in office or such greater number as is set forth in the Articles of Incorporation or these Bylaws. However, a director elected by the board to fill the vacancy of a director elected by the members may be removed by the members, but not the board.

(f) If at the beginning of a director's term on the board, the Articles of Incorporation or these Bylaws provide that the director may be removed for reasons set forth in the Articles of Incorporation or these Bylaws, the board may remove the director for such reasons. The director may be removed only if a majority of the directors then in office vote for the removal.

### **8.9 Removal of Designated or Appointed Directors.**

(a) A designated director may be removed by an amendment to the Articles of Incorporation or these Bylaws deleting or changing the designation.

(b) If a director is appointed:

(1) except as otherwise provided in the Articles of Incorporation or these Bylaws, the director may be removed with or without cause by the person appointing the director;

(2) the person removing the director must do so by giving written notice of the removal to the director and either the presiding officer of the board or the Corporation's president or secretary; and

(3) a removal is effective when the notice is effective under Section 16 unless the notice specifies a future effective date.

#### **8.10 Vacancy on Board.**

(a) Except as provided in Section 8.10(b) and Section 8.10(c), if a vacancy occurs on the board of directors, including a vacancy resulting from an increase in the number of directors:

(1) the members entitled to vote for directors may fill the vacancy;

(2) the board of directors may fill the vacancy; or

(3) if the directors remaining in office constitute fewer than a quorum of the board of directors, they may fill the vacancy by the affirmative vote of a majority of all the directors remaining in office.

(b) Except as provided in these Bylaws, if a vacant office was held by an appointed director, only the person who appointed the director may fill the vacancy.

(c) A vacancy that will occur at a specific later date, by reason of a resignation effective at a later date under Section 8.7(b) or otherwise, may be filled before the vacancy occurs but the new director may not take office until the vacancy occurs.

**8.11 Compensation of Directors.** The board of directors shall serve without compensation.

**8.12 Chairperson of the Board of Directors.** The board of directors may appoint a chairperson of the board of directors at any time. The chairperson of the board of directors will preside at all meetings of the board of directors and will perform other duties prescribed by the board of directors.

### **SECTION 9 MEETINGS AND ACTION OF BOARD**

#### **9.1 Regular and Special Meetings.**

(a) If the time and place of a director's meeting is fixed by these Bylaws or is regularly scheduled by the board of directors, the meeting is a regular meeting. All other meetings are special meetings.

(b) The board of directors may hold regular or special meetings in or out of the State of Oregon.



(c) Unless the Articles of Incorporation or these Bylaws provide otherwise, the board of directors may permit any or all directors to participate in a regular or special meeting by, or conduct the meeting through, use of any means of communication by which either of the following occurs:

(1) all directors participating may simultaneously hear or read each other's communications during the meeting; or

(2) all communications during the meeting are immediately transmitted to each participating director, and each participating director is able to immediately send messages to all other participating directors.

(d) If a meeting is conducted through the use of any means described in Section 9.1(c):

(1) all participating directors must be informed that a meeting is taking place at which official business may be transacted; and

(2) a director participating in the meeting by this means is deemed to be present in person at the meeting.

## **9.2 Action Without Meeting.**

(a) As used in this Section 9.2:

(1) “**Electronic**” has the meaning given that term in ORS 84.004.

(2) “**Electronic signature**” has the meaning given that term in ORS 84.004.

(3) “**Sign**” includes an electronic signature.

(4) “**Written**” includes a communication that is transmitted or received by electronic means.

(b) Unless the Articles of Incorporation or these Bylaws provide otherwise, action required or permitted by the Oregon Nonprofit Corporation Act to be taken at the board of directors' meeting may be taken without a meeting if the action is taken by all members of the board of directors. The action must be evidenced by one or more written consents describing the action taken, signed by each director, and included in the minutes or filed with the corporate records reflecting the action taken.

(c) Action taken under this Section 9.2 is effective when the last director signs the consent, unless the consent specifies an earlier or later effective date.

(d) A consent signed under this Section 9.2 has the effect of a meeting vote and may be described as such in any document.

### **9.3 Call and Notice of Meetings.**

(a) Unless the Articles of Incorporation, these Bylaws or the Oregon Nonprofit Corporation Act provide otherwise, regular meetings of the board may be held without notice of the date, time, place or purpose of the meeting.

(b) Unless the Articles of Incorporation or these Bylaws provide for a longer or shorter period, special meetings of the board must be preceded by at least two days' notice to each director of the date, time and place of the meeting. Unless the Oregon Nonprofit Corporation Act provides otherwise, the notice need not describe the purpose of the special meeting unless required by the Articles of Incorporation or these Bylaws.

(c) Unless the Articles of Incorporation or these Bylaws provide otherwise, the presiding officer of the board, the president or 20 percent of the directors then in office may call and give notice of a meeting of the board.

### **9.4 Waiver of Notice.**

(a) A director may at any time waive any notice required by the Oregon Nonprofit Corporation Act, the Articles of Incorporation or these Bylaws. Except as provided in Section 9.4(b), the waiver must be in writing, must be signed by the director entitled to the notice, must specify the meeting for which notice is waived and must be filed with the minutes or the corporate records.

(b) A director's attendance at or participation in a meeting waives any required notice to the director of the meeting unless the director, at the beginning of the meeting, or promptly upon the director's arrival, objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to any action taken at the meeting.

### **9.5 Quorum and Voting.**

(a) Unless the Articles of Incorporation or these Bylaws require a greater number or a lesser number as authorized under Section 9.5(b), a quorum of the board of directors consists of a majority of the fixed number of directors.

(b) The Articles of Incorporation or these Bylaws may authorize a quorum of the board of directors to consist of no fewer than one-third of the fixed or prescribed number of directors determined under Section 9.5(a).

(c) If a quorum is present when a vote is taken, the affirmative vote of a majority of directors present when the act is taken is the act of the board of directors unless the Articles of

Incorporation or these Bylaws require the vote of a greater number of directors. A director is considered present regardless of whether the director votes or abstains from voting.

(d) A director who is present at a meeting of the board of directors or a committee of the board of directors when corporate action is taken is deemed to have assented to the action taken unless:

(1) the director objects at the beginning of the meeting, or promptly upon the director's arrival, to holding the meeting or transacting the business at the meeting;

(2) the director's dissent or abstention from the action taken is entered in the minutes of the meeting; or

(3) the director delivers written notice of dissent or abstention to the presiding officer of the meeting before its adjournment or to the Corporation immediately after adjournment of the meeting. The right of dissent or abstention is not available to a director who votes in favor of the action taken.

## **9.6 Committees.**

(a) The board of directors may create one or more committees of the board of directors which exercise the authority of the board of directors and appoint members of the board to serve on them or designate the method of selecting committee members. Each committee must consist of two or more directors, who serve at the pleasure of the board of directors.

(b) The creation of a committee and appointment of directors to the committee or designation of a method of selecting committee members must be approved by the greater of:

(1) a majority of all the directors in office when the action is taken; or

(2) the number of directors required by the Articles of Incorporation or these Bylaws to take action under Section 9.5.

(c) The provisions of Section 9.1 to Section 9.5 governing meetings, action without meetings, notice and waiver of notice, and quorum and voting requirements of the board of directors, apply to committees and their members as well.

(d) Except as provided in Section 9.6(e), to the extent specified by the board of directors or in the Articles of Incorporation or these Bylaws, each committee of the board may exercise the authority of the board of directors.

(e) A committee of the board may not:

(1) authorize distributions;

(2) approve or recommend to members dissolution, merger or the sale, pledge or transfer of all or substantially all of the Corporation's assets;

(3) elect, appoint or remove directors or fill vacancies on the board or on any of its committees; or

(4) adopt, amend or repeal the Articles of Incorporation or these Bylaws.

(f) The creation of, delegation of authority to, or action by a committee does not alone constitute compliance by a director with the standards of conduct described in Section 10.1.

## **SECTION 10 STANDARDS OF CONDUCT**

### **10.1 General Standards for Directors.**

(a) A director must discharge the duties of a director, including the director's duties as a member of a committee:

(1) in good faith;

(2) with the care an ordinarily prudent person in a like position would exercise under similar circumstances; and

(3) in a manner the director reasonably believes to be in the best interests of the Corporation.

(b) In discharging the duties of a director, a director is entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, if prepared or presented by:

(1) one or more officers or employees of the Corporation whom the director reasonably believes to be reliable and competent in the matters presented;

(2) legal counsel, public accountants or other persons as to matters the director reasonably believes are within the person's professional or expert competence; or

(3) a committee of the board of which the director is not a member, as to matters within its jurisdiction, if the director reasonably believes the committee merits confidence.

(c) A director is not acting in good faith if the director has knowledge concerning the matter in question that makes reliance otherwise permitted by Section 10.1(b) unwarranted.

(d) A director is not liable to the Corporation, any member or any other person for any action taken or not taken as a director, if the director acted in compliance with this Section 10.1.

(e) A director will not be deemed to be a trustee with respect to the Corporation or with respect to any property held or administered by the Corporation, including without limit, property that may be subject to restrictions imposed by the donor or transferor of such property.

## **10.2 Director Conflict of Interest.**

(a) A conflict of interest transaction is a transaction with the Corporation in which a director of the Corporation has a direct or indirect interest. A conflict of interest transaction is not voidable or the basis for imposing liability on the director if the transaction is fair to the Corporation at the time it was entered into or is approved as provided in Section 10.2(b).

(b) A transaction in which a director has a conflict of interest may be approved:

(1) in advance by the vote of the board of directors or a committee of the board of directors if the material facts of the transaction and the director's interest were disclosed or known to the board of directors or a committee of the board of directors; or

(2) if the material facts of the transactions and the director's interest were disclosed or known to the members and they authorized, approved or ratified the transaction.

(c) For purposes of this Section 10.2, a director of the Corporation has an indirect interest in a transaction if:

(1) another entity in which the director has a material interest or in which the director is a general partner is a party to the transaction; or

(2) another entity of which the director is a director, officer or trustee is a party to the transaction, and the transaction is or should be considered by the board of directors of the Corporation.

(d) For purposes of Section 10.2(b), a conflict of interest transaction is authorized, approved or ratified if it receives the affirmative vote of a majority of the directors on the board of directors or on the committee who have no direct or indirect interest in the transaction. A transaction may not be authorized, approved or ratified under this Section 10.2 by a single director. If a majority of the directors who have no direct or indirect interest in the transaction votes to authorize, approve or ratify the transaction, a quorum is present for the purpose of taking action under this Section 10.2. The presence of, or a vote cast by, a director with a direct or indirect interest in the transaction does not affect the validity of any action taken under Section 10.2(b)(1) if the transaction is otherwise approved as provided in Section 10.2(b).

(e) For purposes of Section 10.2(b)(2), a conflict of interest transaction is authorized, approved or ratified by the members if it receives a majority of the votes entitled to be counted under this Section 10.2(e). Votes cast by or voted under the control of a director who has a direct or indirect interest in the transaction, and votes cast by or voted under the control of an entity described in Section 10.2(c) may be counted in a vote of members to determine whether to

authorize, approve or ratify a conflict of interest transaction under Section 10.2(b)(2). A majority of the members, whether or not present, that are entitled to be counted in a vote on the transaction under this Section 10.2(e) constitutes a quorum for the purpose of taking action under this Section 10.2.

### **10.3 Loans to or Guarantees for Directors and Officers.**

(a) The Corporation may not lend money to or guarantee the obligation of a director of the Corporation unless:

(1) the particular loan or guaranty is approved by a majority of the votes of members entitled to vote, excluding the votes of members under the control of the benefited director; or

(2) the Corporation's board of directors determines that the loan or guarantee benefits the Corporation and either approves the specific loan or guarantee or a general plan authorizing the loans and guarantees.

(b) The fact that a loan or guarantee is made in violation of this Section 10.3 does not affect the borrower's liability on the loan.

## **SECTION 11 OFFICERS**

### **11.1 Required Officers, Qualifications, Compensation.**

(a) The Corporation must have a president and a secretary, and will have such other officers as are elected or appointed by the board.

(b) The president, vice president, treasurer and secretary must be members of the board of directors.

(c) The same individual may simultaneously hold more than one office in the Corporation; provided a single individual may not simultaneously serve as the president, vice president or past president.

(d) Except for an appointed executive director, all officers of the Corporation shall serve without compensation.

**11.2 Duties and Authority of Officers.** Each officer has the authority and will perform the duties set forth in these Bylaws or, to the extent consistent with these Bylaws, the duties and authority prescribed by the board of directors or by direction of an officer authorized by the board of directors to prescribe the duties of other officers.

### **11.3 Standards of Conduct for Officers.**

- (a) An officer must discharge the officer's duties:
  - (1) in good faith;
  - (2) with the care an ordinarily prudent person in a like position would exercise under similar circumstances; and
  - (3) in a manner the officer reasonably believes to be in the best interests of the Corporation.
- (b) In discharging the duties of an officer, an officer is entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, if prepared or presented by:
  - (1) one or more officers or employees of the Corporation whom the officer reasonably believes to be reliable and competent in the matters presented; or
  - (2) legal counsel, public accountants or other persons as to matters the officer reasonably believes are within the person's professional or expert competence .
- (c) An officer is not acting in good faith if the officer has knowledge concerning the matter in question that makes reliance otherwise permitted by Section 11.3(b) unwarranted.
- (d) An officer is not liable to the Corporation, any member or other person for any action taken or not taken as an officer if the officer acted in compliance with this Section 11.3.

#### **11.4 Resignation and Removal of Officers.**

- (a) An officer may resign at any time by delivering notice to the Corporation. A resignation is effective when the notice is effective under Section 16 unless the notice specifies a later effective date. If a resignation is made effective at a later date and the Corporation accepts the later effective date, the board of directors or any other person as authorized under the Articles of Incorporation or these Bylaws may fill the pending vacancy before the effective date if the board or any other person provides that the successor does not take office until the effective date.
- (b) The board of directors or any other person authorized under the Articles of Incorporation or these Bylaws to elect or appoint an officer may remove any officer the board or any other person is entitled to elect or appoint, at any time with or without cause.
- (c) Once delivered, a notice of resignation is irrevocable unless revocation is permitted by the board of directors.

#### **11.5 Contract Rights of Officers.**

- (a) The appointment of an officer does not itself create contract rights.

(b) Removal or resignation of an officer does not affect the contract rights, if any, of the Corporation or the officer.

#### **11.6 President.**

(a) The president will supervise, direct, and control the affairs of the Corporation. The president may prescribe the duties of other officers, to the extent consistent with these Bylaws. The president also will perform all duties commonly incident to the office of president and other duties prescribed by the board of directors.

(b) The president shall serve for a term of one year, and following the completion of such term, the president shall succeed to the office of past president and the vice president shall succeed to the office of president. Provided, however, if a vice president becomes the president during the term of the preceding president (i.e. before the completion of such predecessor's full year of service), such successor president may serve for the duration of his/her predecessor's term and for a succeeding full one year term.

(c) The board of directors shall appoint a board member to serve as the initial president of the Corporation to serve the initial one year term.

**11.7 Vice President.** The board of directors shall appoint a board member qualified to serve as vice president. Except for the initial vice president, to be qualified for office, the appointed vice president must have served on the board of directors of the Corporation for a full two-year term. The vice president will perform the duties of the president if the president dies or becomes incapacitated. In addition, the vice president will assume the role of president following the completion of the preceding president's term in office. The vice president also will perform all duties commonly incident to the office of vice president and other duties prescribed by the board of directors or an authorized officer.

**11.8 Treasurer.** The board of directors may appoint a treasurer. If appointed, the treasurer will:

(a) have general charge of and be responsible for all funds and securities of the Corporation;

(b) receive and give receipts for monies due and payable to the Corporation from any source and deposit the monies in the name of the Corporation in banks, trust companies, or other depositories selected by the board of directors or an authorized officer; and

(c) perform all duties commonly incident to the office of treasurer and other duties prescribed by the board of directors or an authorized officer.

**11.9 Secretary.** The secretary will:



(a) prepare minutes of the directors' and members' meetings and authenticate records of the Corporation;

(b) ensure that all notices by the Corporation under the Oregon Nonprofit Corporation Act, the Articles of Incorporation or these Bylaws are given;

(c) keep and maintain the records of the Corporation specified in Section 15.1(a) and Section 15.1(e); and

(d) perform all duties commonly incident to the office of secretary and other duties prescribed by the board of directors or an authorized officer.

**11.10 Past President.** Upon completion of his/her one year of service as the president, the president shall become the past president. The past president shall attend board meetings and participate in board discussions for continuity purposes, but shall not have a vote unless he/she was elected or appointed as a director in accordance with Section 8.4.

#### **11.11 Executive Director.**

(a) The board of directors may appoint an executive director who shall be responsible for the general administration of the Corporation's activities.

(b) The executive director shall be the directing head of the business offices of the Corporation and shall work under the immediate direction of the president. The executive director shall attend all board meetings and committee meetings, but shall not be a member of the board or any committee. Provided, however, the presiding officer at any board or committee meeting may request the absence of the executive director at any board or committee meeting. The executive director shall cooperate with the treasurer in the preparation of all budgets and financial statements presented to the board of directors. The executive director shall also perform such other duties as may be assigned to him/her by the president or the board of directors.

(c) With board approval, the executive director may sign checks drawn on funds of the Corporation in payment of the debts and obligations of the Corporation. Provided, however, any check in the amount of \$500 or more must be approved and signed by two authorized persons or officers, aside from the executive director.

(d) The executive director may be compensated for his/her services in the board's discretion.

## **SECTION 12 INDEMNIFICATION**

**12.1 Definitions.** As used in this Section 12:

(a) **"Corporation"** includes any domestic or foreign predecessor entity of the Corporation in a merger or other transaction in which the predecessor's existence ceased upon consummation of the transaction.

(b) **"Director"** means an individual who is or was a director of the Corporation or an individual who, while a director of the Corporation, is or was serving at the Corporation's request as a director, officer, partner, trustee, employee, or agent of another foreign or domestic business or nonprofit corporation, partnership, joint venture, trust, employee benefit plan or other enterprise. A director is considered to be serving an employee benefit plan at the Corporation's request if the director's duties to the Corporation also impose duties on, or otherwise involve services by, the director to the plan or to participants in or beneficiaries of the plan. "Director" includes, unless the context requires otherwise, the estate or personal representative of a director.

(c) **"Expenses"** include attorney fees.

(d) **"Liability"** means the obligation to pay a judgment, settlement, penalty, fine, including an excise tax assessed with respect to an employee benefit plan, or reasonable expenses actually incurred with respect to a proceeding.

(e) **"Officer"** means an individual who is or was an officer of the Corporation or an individual who, while an officer of the Corporation, is or was serving at the Corporation's request as a director, officer, partner, trustee, employee or agent of another foreign or domestic corporation, partnership, joint venture, trust, employee benefit plan or other enterprise. An officer is considered to be serving an employee benefit plan at the Corporation's request if the officer's duties to the Corporation also impose duties on or include services by the officer to the employee benefit plan or to participants in or beneficiaries of the plan. "Officer" includes, unless the context requires otherwise, the estate or personal representative of an officer.

(f) **"Party"** includes an individual who was, is or is threatened to be made a named defendant or respondent in a proceeding.

(g) **"Proceeding"** means any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative and whether formal or informal.

## **12.2 Authority to Indemnify.**

(a) Except as provided in Section 12.2(d), the Corporation will indemnify an individual against liability incurred in a proceeding to which the individual was made a party because the individual is or was a director if:

- (1) the conduct of the individual was in good faith;

(2) the individual reasonably believed that the individual's conduct was in the best interests of the Corporation, or at least was not opposed to the Corporation's best interests; and

(3) in the case of a criminal proceeding, the individual did not have reasonable cause to believe the conduct of the individual was unlawful.

(b) A director's conduct with respect to an employee benefit plan for a purpose the director reasonably believed to be in the interests of the participants in and beneficiaries of the plan is conduct that satisfies the requirement of Section 12.2(a)(2).

(c) Terminating a proceeding by judgment, order, settlement or conviction or upon a plea of nolo contendere or the equivalent of nolo contendere does not, of itself, determine that the director did not meet the standard of conduct described in this Section 12.2.

(d) The Corporation may not indemnify a director under this Section 12.2 in connection with:

(1) a proceeding by or in the right of the Corporation in which the director was adjudged liable to the Corporation; or

(2) a proceeding that charged the director with and adjudged the director liable for improperly receiving a personal benefit.

(e) Indemnification permitted under this Section 12.2 in connection with a proceeding by or in the right of the Corporation is limited to reasonable expenses incurred in connection with the proceeding.

(f) The Corporation may not amend the Articles of Incorporation or these Bylaws so as to eliminate or impair a director's right to indemnification after an act or omission occurs that subjects the director to a proceeding or to liability for which the director seeks indemnification under the terms of the Articles of Incorporation or these Bylaws.

**12.3 Mandatory Indemnification.** Unless limited by the Articles of Incorporation, the Corporation must indemnify a director who was wholly successful, on the merits or otherwise, in the defense of any proceeding to which the director was a party because of being a director of the Corporation, against reasonable expenses incurred by the director in connection with the proceeding.

## **12.4 Advance for Expenses.**

(a) The Corporation will pay for or reimburse the reasonable expenses incurred by a director who is a party to a proceeding in advance of final disposition of the proceeding if:

(1) the director furnishes the Corporation a written affirmation of the director's good faith belief that the director has met the standard of conduct described in Section 12.2; and

(2) the director furnishes the Corporation a written undertaking, executed personally or on the director's behalf, to repay the advance if the director is ultimately determined not to have met the standard of conduct.

(b) The undertaking required by Section 12.4(a)(2) must be an unlimited general obligation of the director but need not be secured and may be accepted without reference to financial ability to make repayment.

(c) The Corporation may not amend or rescind the Articles of Incorporation, these Bylaws, or the resolution that authorizes the payments so as to eliminate or impair a director's right to payments after an act or omission occurs that subjects the director to a proceeding for which the director seeks payment.

## **12.5 Determination and Authorization of Indemnification.**

(a) The Corporation may not indemnify a director under Section 12.2 unless authorized in the specific case after a determination has been made that indemnification of the director is permissible in the circumstances because the director has met the standard of conduct set forth in Section 12.2.

(b) A determination that indemnification of a director is permissible must be made:

(1) by the board of directors by majority vote of a quorum consisting of directors not at the time parties to the proceeding;

(2) if a quorum cannot be obtained under Section 12.5(b)(1), by a majority vote of a committee duly designated by the board of directors, consisting solely of two or more directors not at the time parties to the proceeding;

(3) by special legal counsel selected by the board of directors or its committee in the manner prescribed in Section 12.5(b)(1) or Section 12.5(b)(2) or, if a quorum of the board cannot be obtained under Section 12.5(b)(1) and a committee cannot be designated under Section 12.5(b)(2), the special legal counsel will be selected by majority vote of the full board of directors including directors who are parties to the proceeding; or

(4) if the Corporation is a mutual benefit corporation, by the members, but directors who are at the time parties to the proceeding may not vote on the determination.

(c) Authorization of indemnification and evaluation as to reasonableness of expenses will be made in the same manner as the determination that indemnification is permissible, except that if the determination is made by special legal counsel, authorization of indemnification and evaluation as to reasonableness of expenses will be made by those entitled under Section 12.5(b)(3) to select counsel.

(d) If the Corporation is a public benefit corporation, a director may not be indemnified until 20 days after the effective date of written notice to the Attorney General of the State of Oregon of the proposed indemnification.

**12.6 Indemnification of Officers, Employees and Agents.** Unless the Articles of Incorporation provide otherwise:

(a) an officer of the Corporation is entitled to mandatory indemnification under Section 12.3 to the same extent as a director;

(b) the Corporation will indemnify and advance expenses under this Section 12 to an officer of the Corporation to the same extent as to a director; and

(c) the Corporation may indemnify and advance expenses under this Section 12 to an employee or agent of the Corporation to the same extent as to a director.

**12.7 Non-Exclusivity of Rights.** The indemnification and provisions for advancement of expenses provided in this Section 12 will not be deemed exclusive of any other rights to which directors, officers, employees or agents may be entitled under the Articles of Incorporation or these Bylaws, any agreement, general or specific action of the board of directors, vote of members or otherwise, and will continue as to a person who has ceased to be a director, officer, employee or agent and will inure to the benefit of the heirs, executors and administrators of such a person.

**12.8 Report to Members and Other Persons of Indemnification.** If the Corporation indemnifies or advances expenses to a director under this Section 12 in connection with a proceeding by or in the right of the Corporation, the Corporation will report the indemnification or advance in writing to:

(a) the members with or before the notice of the next meeting of members; and

(b) any person having the right to designate or appoint the director no later than 90 days after the first indemnification or advance.

## **SECTION 13 AMENDMENT OF BYLAWS**

### **13.1 Amendment by Directors and Members.**

(a) The board of directors may amend or repeal these Bylaws unless:

(1) the Articles of Incorporation or the Oregon Nonprofit Corporation Act reserve this power exclusively to the members, or to a party authorized under Section 13.2, or both, in whole or in part; or

(2) the members entitled to vote on these Bylaws, in amending or repealing a particular bylaw, provide expressly that the board of directors may not amend or repeal that bylaw.

(b) The Corporation's members entitled to vote on these Bylaws, subject to Section 13.2, may amend or repeal these Bylaws even though these Bylaws may also be amended or repealed by the board of directors.

**13.2 Approval by Third Persons.** The Articles of Incorporation may require an amendment to these Bylaws to be approved in writing by a specified person or persons other than the board.

## **SECTION 14 DISTRIBUTIONS**

**14.1 Prohibited Distributions.** Except as authorized by Section 14.2, the Corporation may not make any distributions.

**14.2 Authorized Distributions.** Unless prohibited by the Articles of Incorporation or these Bylaws:

(a) The Corporation may purchase its memberships;

(b) the Corporation may make distributions upon dissolution in conformity with ORS 65.621 to ORS 65.674; and

(c) the Corporation may make distributions to a member which is a religious or public benefit corporation or a foreign nonprofit corporation which, if incorporated in the State of Oregon, would qualify as a religious or public benefit corporation.

## **SECTION 15 RECORDS**

### **15.1 Corporate Records.**

(a) The Corporation will keep as permanent records minutes of all meetings of its members and board of directors, a record of all corporate action taken by the members or

directors without a meeting, and a record of all actions taken by committees of the board of directors in place of the board of directors on behalf of the Corporation.

(b) The Corporation will maintain appropriate accounting records.

(c) The Corporation or its agent will maintain a record of its members, in a form that permits preparation of a list of the name and address of all members, in alphabetical order by class showing the number of votes each member is entitled to vote.

(d) The Corporation will maintain its records in written form or in another form capable of conversion into written form within a reasonable time.

(e) The Corporation will keep a copy of the following records for inspection:

(1) articles or restated articles of incorporation and all amendments to them currently in effect;

(2) bylaws or restated bylaws and all amendments to them currently in effect;

(3) resolutions adopted by the board of directors relating to the characteristics, qualifications, rights, limitations and obligations of members of any class or category of members;

(4) the minutes of all meetings of members and records of all actions approved by the members for the past three years;

(5) written communications required by the Oregon Nonprofit Corporation Act and those regarding general membership matters made to members within the past three years;

(6) a list of the names and business or home addresses of the current directors and officers;

(7) the last three annual financial statements, if any, which may be consolidated or combined statements of the Corporation and one or more of its subsidiaries or affiliates, as appropriate, including a balance sheet and statement of operations, if any, for that year, and which must be prepared on the basis of generally accepted accounting principles if financial statements are prepared for the Corporation on that basis;

(8) the last three accountant's reports if annual financial statements are reported upon by a public accountant; and

(9) the most recent annual report delivered to the Secretary of State.

## **15.2 Inspection of Records by Members.**

(a) Subject to Section 15.3(c), a member is entitled to inspect and copy, at a reasonable time and location specified by the Corporation, any of the records of the Corporation described in Section 15.1(e) if the member gives the Corporation written notice of the member's demand at least five business days before the date on which the member wishes to inspect and copy.

(b) A member is entitled to inspect and copy, at a reasonable time and reasonable location specified by the Corporation, any of the following records of the Corporation if the member meets the requirements of Section 15.2(c) and gives the Corporation written notice of the member's demand at least five business days before the date on which the member wishes to inspect and copy:

(1) excerpts from any records required to be maintained under Section 15.1(a), to the extent not subject to inspection under Section 15.2(a);

(2) accounting records of the Corporation; and

(3) subject to Section 15.4, the membership list.

(c) A member may inspect and copy the records identified in Section 15.2(b) only if:

(1) the member's demand is made in good faith and for a proper purpose;

(2) the member describes with reasonable particularity the purpose and the records the member desires to inspect; and

(3) the records are directly connected with this purpose.

(d) This Section 15.2 does not affect the right of a member to inspect records under Section 7.1 or, if the member is in litigation with the Corporation, to the same extent as any other litigant.

## **15.3 Scope of Inspection Right.**

(a) A member's agent or attorney has the same inspection and copying rights as the member the agent or attorney represents.

(b) The right to copy records under Section 15.2 includes, if reasonable, the right to receive copies made by photographic, xerographic or other means.

(c) The Corporation may impose a reasonable charge, covering the costs of labor and material, for copies of any documents provided to the member. The charge may not exceed the estimated cost of production or reproduction of the records.



(d) The Corporation may comply with a member's demand to inspect the record of members under Section 15.2(b)(3) by providing the member with a list of its members that was compiled no earlier than the date of the member's demand.

**15.4 Limitations on Use of Membership List.** Without consent of the board, a membership list or any part of a membership list may not be obtained or used by any person for any purpose unrelated to a member's interest as a member. Without limiting the generality of this Section 15.4, without the consent of the board, a membership list or any part thereof may not be:

(a) used to solicit money or property unless such money or property will be used solely to solicit the votes of the members in an election to be held by the Corporation;

(b) used for any commercial purpose; or

(c) sold or purchased by any person.

## **SECTION 16 NOTICE**

**16.1 Oral or Written Notice.** Notice may be oral or written unless otherwise specified for a particular kind of notice.

**16.2 Methods of Notice.** Notice may be communicated in person, by telephone, telegraph, teletype or other form of wire or wireless communication, or by mail or private carrier, including publication in a newsletter or similar document mailed to a member's or director's address. If these forms of personal notice are impracticable, notice may be communicated by a newspaper of general circulation in the area where the meeting is to be held, or by radio, television or other form of public broadcast communication.

**16.3 Written Notice by the Corporation to Members.** Written notice by the Corporation to a member, if in a comprehensible form, is effective when mailed if it is mailed postpaid and is correctly addressed to the member's address shown in the Corporation's current records of members.

**16.4 When Oral Notice is Effective.** Oral notice is effective when communicated if communicated in a comprehensible manner.

**16.5 When Written Notice is Effective.** Except as provided in Section 16.3, personal written notice, if in a comprehensible form, is effective at the earliest of the following:

(a) when received;

(b) five days after its postmark, if mailed by United States mail correctly addressed and with first class postage affixed;

(c) on the date shown on the return receipt, if sent by registered or certified mail, return receipt requested, and the receipt is signed by or on behalf of the addressee;

(d) thirty days after its deposit in the United States mail if mailed correctly addressed and with other than first class, registered or certified postage affixed; or

(e) the date specified by the Articles of Incorporation or these Bylaws with respect to notice to directors.

**16.6 When Written Notice is Correctly Addressed.**

(a) Written notice is correctly addressed to a member of the Corporation if addressed to the member's address shown in the Corporation's current list of members.


(b) A written notice or report delivered as part of a newsletter, magazine or other publication sent to members will constitute a written notice or report if addressed or delivered to the member's address shown in the Corporation's current list of members, or in the case of members who are residents of the same household and who have the same address in the Corporation's current list of members, if addressed or delivered to one of such members, at the address appearing on the current list of members.


(c) Written notice is correctly addressed to the Corporation if addressed to its registered agent or, if none is of record, to its principal office shown in its most recent annual report or, if none, in the Articles of Incorporation.

**SECTION 17 DEFINITIONS**


All terms used in these Bylaws that are defined in the Oregon Nonprofit Corporation Act will have the meanings ascribed to them in the Oregon Nonprofit Corporation Act.


These Bylaws were adopted by the board of directors of the OREGON COFFEE BOARD on 6/6/14, 2014.

  
\_\_\_\_\_  
Mark Stell

  
\_\_\_\_\_  
Don Dominguez

  
\_\_\_\_\_  
DeeAnn Jurgens

  
\_\_\_\_\_  
Mary Ellen Singer *Signer Mays*

  
\_\_\_\_\_  
Dan Welch