

**AMENDED AND RESTATED  
BYLAWS  
OF  
SIUSLAW VALLEY CHARTER SCHOOL**

**ARTICLE I: NAME OF CORPORATION**

**Section 1.1 Name.** The name of the corporation is Siuslaw Valley Charter School (hereinafter “Corporation” or “School”). The Corporation is incorporated as a public benefit corporation according to its Nonprofit Articles of Incorporation as originally filed and registered with the Secretary of State of the State of Oregon on March 30, 2022. The Corporation is organized and shall be operated at all times to comply with Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, the Oregon Nonprofit Corporation Act, ORS Chapter 65, the Public Charter School laws, ORS Chapter 338, and any other federal, state and local laws to qualify for nonprofit, tax-exempt status and as a public charter school in Oregon.

**Section 1.2 Charter School Contract.** The Corporation has entered into a Charter School Contract with the Siuslaw School District (“District”) to operate the School. The School operates under the provisions of the Public Charter School laws, ORS Chapter 338, and the Charter School Contract. These Bylaws shall not conflict with the Charter School Contract.

**Section 1.3 Offices.** The principal office of the Corporation shall be located in the state of Oregon. The Corporation may have such other offices, either within or without the state of Oregon, as the Board may determine or as the affairs of the Corporation require from time to time.

**ARTICLE II: PURPOSES, OBJECTIVES, AND GOVERNING  
INSTRUMENTS**

**Section 2.1 Charitable, Educational, and Scientific Purposes and Powers.** The purposes of the Corporation, as set forth in the Articles of Incorporation, are exclusively charitable or educational within the meaning of section 501(c)(3) of the Internal Revenue Code of 1986, as amended. In furtherance of such purposes, the Corporation shall have the same powers as an individual to do all things necessary or convenient to carry out the purposes, as set forth in the Articles of Incorporation and these Bylaws. The specific purposes of the Corporation are to open, maintain, and ensure the longevity of one or more charter schools and to ensure the youth of our community the opportunity to obtain a classical education. The assets and income shall only be used to promote these corporate purposes.

**Section 2.2 Governing Instruments.** The Corporation shall be governed by its Articles of Incorporation and these Bylaws.

**Section 2.3 Nondiscrimination Policy.** The Corporation will not practice or permit any unlawful discrimination on the basis of sex, age, race, color, national origin, religion, physical handicap or disability, or any other basis prohibited by law.

**Section 2.4 Limitations on Activities.** No part of the activities of the Corporation shall consist of participating in, or intervening in, any political campaign on behalf of or in opposition to any candidate for public office, nor shall the Corporation operate a social club or carry on business with the general public in a manner similar to an organization operated for profit. Notwithstanding any other provision of these Bylaws, the Corporation shall not carry on any activity not permitted to be carried on by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or the corresponding provisions of any future federal tax law.

### **ARTICLE III: MEMBERSHIP**

The Corporation shall have no members.

### **ARTICLE IV: BOARD OF DIRECTORS**

**Section 4.1 Powers and Duties.** Subject to the provisions of law, its Articles of Incorporation and these Bylaws, but in furtherance and not in limitation of any rights and powers thereby conferred, the Board of Directors (“Board”) shall have the control and management of the business affairs of the Corporation and shall exercise all the powers that may be exercised by the Corporation, unless delegated.

**Section 4.2 Delegation.** The Board by a majority vote of the directors may delegate some or all of its powers to a person, persons, or committee as set forth in these Bylaws.

**Section 4.3 Qualification and Legal Duties.** All directors must be individuals. Directors need not be residents of the State of Oregon. ORS 65.357 requires a director on a board of a nonprofit corporation to discharge the duties of a director, including the director’s duties as a member of a committee (a) in good faith; (b) with the care an ordinarily prudent person in a like position would exercise under similar circumstances; and (c) in a manner the director reasonably believes to be in the best interests of the corporation. Since the School is a public body and the members of the Board are members of a governing body of the public body, directors are also required to act in accordance with ORS 244 (Oregon Government Ethics).

**Section 4.4 Number of Directors.** The number of directors shall be fixed by the Board, but such number shall not be less than five (5) and more than nine (9) directors. The number of Directors may be increased or decreased from time to time by resolution of the Board. No decrease in numbers shall have the effect of shortening the term of any director. In the event that the number of directors is increased and new directors are appointed, the term will extend to the next annual meeting of the directors.

**Section 4.5 Election of Directors.** Directors shall be elected by the Board by majority vote at the annual meeting. The Board may vote to add a director to the Board at a date other than the annual meeting by declaring a vacancy as further described in Section \_\_\_\_.

**Section 4.6 Term of Office.** Each director shall serve a term of two (2) years or until a successor has been elected, designated or appointed and qualifies, or until there is a decrease in the number of directors. Directors shall be limited to six (6) consecutive terms. In order to provide continuity on the Board, director's terms may be staggered so approximately one-half of the director positions expire at each annual meeting.

**Section 4.7 Compensation.** Directors shall serve without compensation. Directors may receive reasonable advancement or reimbursement of expenses incurred in the performance of their duties provided the Board approves such expenses, including those reasonable expenses incurred by a director who is a party to a proceeding in advance of final disposition of the proceeding as further described in Section \_\_\_\_.

**Section 4.8 Removal.** The Board shall have the power to remove any director for cause by the vote of a majority of the Board.

**Section 4.9 Resignation.** Any director may resign from office at any time by delivering a resignation in writing to the President of the Board, and the acceptance of the resignation shall not be necessary to make the resignation effective. Once delivered, a notice of resignation is irrevocable unless revocation is permitted by the Board.

**Section 4.10 Vacancies.** Any newly created directorships and any vacancy occurring on the Board arising at any time and from any cause may be filled by the vote of a majority of the Board at any meeting. A director elected to fill a vacancy shall hold office for the unexpired term of his or her predecessor.

**Section 4.11 Conflict of Interest.**

- 1) Generally, directors are public officials subject to applicable laws governing public officials, including ORS Chapter 244. Directors are also subject to ORS Chapter 65 (the Oregon Nonprofit Corporation Act), governing standards of care for directors and director conflicts of interest. All directors shall comply with the foregoing laws in addition to the terms of these Bylaws.
- 2) A transaction in which a director of this Corporation has a conflict of interest may be approved:
  - a) By the vote of the Board or a committee of the Board if the material facts of the transaction and the director's interest are disclosed or known to the Board or a committee of the Board; or
  - b) By obtaining approval of the:
    - i) Oregon Attorney General; or
    - ii) The circuit court in an action in which the Oregon Attorney General is joined as party.

- 3) A conflict of interest transaction is a transaction with the Corporation in which a director of the Corporation has a direct or indirect financial or other 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 Subsection 2 of this Section.
- 4) For the purposes of this Section, a director of the Corporation has an indirect interest in a transaction if:
  - a) Another entity in which the director, or a member of the director's family, has a current or potential material ownership, investment or other pecuniary interest is a party to the transaction; or
  - b) 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 the Corporation.
  - c) The director has a compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement. Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.
- 5) For purposes of subsection 2 of this Section, and in accordance with subsection 7 of this Section, 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 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 by a single director. If a majority of the directors, who have no direct or indirect interest in the transaction vote to authorize, approve or ratify the transaction, a quorum is present for the purpose of taking action under this Section. 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 subparagraph 2(a) of this Section if the transaction is otherwise approved as provided in subsection 2 of this Section.
- 6) After disclosure of a direct or indirect material interest and all material facts relating thereto, and after any discussion with the interested Board member, the Board may require the interested Board member to leave the meeting of the Board or committee while the determination of a conflict of interest is discussed and voted upon. The remaining Board members shall decide if a conflict of interest exists. In the event that the Board determines that a conflict of interest exists, the interested director shall be allowed to make a presentation at the meeting of the Board or committee, but after the presentation, the Board may require the interested director to leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- 7) The Board or committee, shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement in which a conflict of

interest exists. After exercising due diligence, and where appropriate, the Board or committee shall determine whether the Corporation can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board or committee shall determine by majority vote of the disinterested director whether the transaction or arrangement is in the Corporation's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, the Corporation shall make its decision as to whether to enter into the transaction or arrangement.

## ARTICLE V: MEETINGS

**Section 5.1 Annual Meeting.** A meeting of the Board shall be held annually at such place, on such date, and at such time as may be fixed by the Board, for the purpose of electing directors, and for the transaction of such other business as may be brought before the meeting.

**Section 5.2 Regular Meetings.** Regular meetings of the Board may be held at such times as the Board may from time to time determine with public notice given in accordance with Section \_\_\_\_.

**Section 5.3 Special Meetings.** Special meetings of the Board may be called at any time by the President or by a majority of the directors then in office with public notice given in accordance with Section \_\_\_\_.

**Section 5.4 Emergency Meetings.** On rare occasions, the Board may need to call an emergency meeting. The Board will take all reasonable steps to provide notice of such meetings and will ensure that notice and procedure for such meetings comply with Oregon's Public Meetings Law.

**Section 5.5 Executive Sessions.** The Board may hold an executive session during a regular, special, or emergency meeting only in accordance with ORS 192.660 with public notice given in accordance with Section \_\_\_\_.

**Section 5.6 Notice of Meetings.** The Board shall provide for and give public notice, reasonably calculated to give actual notice to interested persons including news media which have requested notice, of the time and place for holding regular meetings, in accordance with Oregon Public Meetings Law. The notice shall also include a list of the principal subjects anticipated to be considered at the meeting, but this requirement shall not limit the ability of the Board to consider additional subjects. If an executive session only will be held, the notice shall be given to the Board, to the general public and to news media which have requested notice, stating the specific provision of law authorizing the executive session. No special meeting shall be held without at least 24 hours' notice to the Board, the news media which have requested notice and the general public. In case of an actual emergency, a meeting may be held upon such notice as is appropriate to the circumstances, but the minutes for such a meeting shall describe the emergency justifying less than 24 hours' notice. To the extent allowed by law, notice of a

special meeting of the Board may be fulfilled by electronic mail or such other form of electronic communication whereby directors either directly or indirectly receive notice of the meeting. If mailed via the U.S. Postal Service, such notice shall be deemed to be delivered on the earlier of the date of receipt or five days after being deposited in the United States mail in a postage prepaid, sealed envelope appropriately addressed to said director. If sent via electronic mail or other form of electronic communication, such notice shall be deemed to be delivered on the day such electronic communication is sent. Any director may waive notice of any meeting. The attendance of a director at any meeting shall constitute a waiver of notice for such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened

**Section 5.7 Place of Meeting.** Meetings shall be held at the Corporation's principal place of business unless otherwise stated in the notice. The Board may not meet in a place inaccessible to persons with disabilities, or, upon request of a person who is deaf or hard of hearing, to fail to make a good faith effort to have an interpreter for persons who are deaf or hard of hearing provided at a regularly scheduled meeting. the Board may permit any or all directors to participate in any meeting by, or conduct the meeting through the use of, any means of communication by which all directors participating may simultaneously hear each other during this meeting. A director participating in a meeting by this means shall be deemed to be present in person at the meeting. All Board meetings, excluding executive sessions, must provide to members of the general public, to the extent reasonably possible, an opportunity to access and attend the meeting by telephone, video or other electronic or virtual means.

**Section 5.8 Quorum.** At any meeting of the Board, a majority of the directors then in office shall be necessary to constitute a quorum for the transaction of business. However, should a quorum not be present, a majority of the directors present may adjourn the meeting to another time and place, without further notice other than announcement at such meeting, until a quorum shall be present. If a quorum is present at an adjourned meeting, any business may be transacted that might have been transacted at the meeting as originally scheduled. The directors present at a meeting represented by a quorum may continue to transact business until adjournment, even if the withdrawal of some directors results in representation of less than a quorum.

**Section 5.9 Voting.** At all meetings of the Board, each Director shall have one vote. In the event that there is a tie in any vote, the President shall have an additional vote to be the tie-breaker. Where the law requires a majority vote of the Directors in office to establish committees to exercise Board functions, to amend the Articles of Incorporation, to sell assets not in the regular course of business, to merge, or to dissolve, or for other matters, such action is taken by that majority as required by law.

**Section 5.10 Telephone/Electronic Mail Meetings/Online Meetings.** Members of the Board of Directors, or any committee designated by the Board of Directors, may participate in a meeting of the Board of Directors, or any committee, by means of conference telephone, electronic mail, online conferencing (i.e., Skype, GoToMeeting) or similar communications equipment by means of which all persons in the meeting can simultaneously hear or read each other's communications, or 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. Such participation in a meeting shall constitute presence in person at the meeting. Directors shall be notified of the forum in which the meeting will be conducted. All meetings conducted electronically shall be conducted strictly in accordance with Oregon Public Meetings Law.

**Section 5.11 Committees.** The Board of Directors, by resolution adopted by a majority of the Directors in office, may designate and appoint one or more committees. Each duly designated and appointed committee shall consist of two or more Directors, which committees, to the extent provided in said resolution, shall have and exercise the authority of the Board of Directors in the management of the Corporation and shall carry out such responsibilities and functions as are assigned to it by the Board of Directors, except those items prohibited by ORS 65.354. Only a Director may serve as a voting member of a committee that is authorized to exercise the authority of the Board of Directors. All other committees shall serve in an advisory capacity to the Board of Directors and may not exercise the authority of the Board of Directors. The designation and appointment of any such committee and the delegation thereto of authority shall not operate to relieve the Board of Directors or any individual Director of any responsibility imposed upon him or her by law. The Executive Committee will consist of all officers then in office. No committee, including the executive committee, may do any of the following:

- A. authorize distributions;
- B. approve or recommend to the Board of Directors dissolution, merger or the sale, pledge or transfer of all or substantially all of the Corporation's assets;
- C. elect, appoint or remove Directors or fill vacancies on the Board or on any of its committees; or
- D. adopt, amend or repeal the articles or Bylaws.

Each member of a committee shall continue as such until the next regular annual meeting of the Directors of the Corporation and until his/her successor is appointed, unless the committee shall be sooner terminated, or unless such member be removed from such committee, or unless such member shall cease to qualify as a member thereof. One member of each committee shall be appointed chair by the person or persons authorized to appoint the members thereof. Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided in the case of the original appointments. Unless otherwise provided in the resolution of the Board of Directors designating a committee and except as provided in Section 1, a majority of the whole committee shall constitute a quorum and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee. At least two of the committee members present must then be members of the Board of Directors. Each committee may adopt rules for its own government not inconsistent with these Bylaws or with rules adopted by the Board of Directors. Other committees not having and exercising the authority of the Board of Directors in the management of the Corporation may be appointed in such manner as may be designated by a resolution adopted by a majority of the Directors present, and shall not be subject to the provisions of the Oregon Nonprofit Corporation Act governing meetings, action without meetings, notice and waiver of notice, and quorum and voting

requirements of the Board of Directors. The Board of Directors may, from time to time, request such committees to provide the Board with a full and complete report when required. All committees shall comply with Oregon Public Meetings Law to the extent such committee is considered to be a governing body of a public body under the Oregon law.

## **ARTICLE VI: OFFICERS**

**Section 6.1 Election and Qualifications; Term of Office.** The officers of the Corporation shall be a President, one or more Vice-Presidents (as determined by the Board), a Secretary, and a Treasurer. Two or more offices may be held by one person. The President may not serve concurrently as a Vice President. The officers shall be elected annually by the Board at the first meeting of the Board, immediately following the annual meeting. Each officer shall serve a one-year term or until a successor has been elected and qualified.

**Section 6.2 Vacancies.** Any vacancy occurring in any office, whether because of death, resignation or removal, with or without cause, or any other reason, shall be filled by the Board.

**Section 6.3 Chairperson of the Board.** The Chairperson of the Board, if there be such an office, shall, if present, preside at all meetings of the Board, and exercise and perform such other powers and duties as may be from time to time assigned to him/her by the Board.

**Section 6.4 Powers and Duties of the President.** The President shall be the Chief Executive Officer of the Corporation and the Chairperson of the Board. Subject to the control of the Board, the President shall in general supervise and control all of the business and affairs of the Corporation. The President shall, when present, preside at all meetings of the Board. The President may sign, with the President or any other proper officer of the Corporation thereunto authorized by the Board, any deeds, mortgages, bonds, contracts, or other instruments which the Board has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board or by these Bylaws to some other officer or agent of the Corporation, or shall be required by law to be otherwise signed or executed; and, in general, shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board from time to time.

**Section 6.5 Powers and Duties of the Vice President.** The Vice President shall perform the duties of the President in the absence of the President and shall perform such other duties as from time to time may be assigned to the Vice President by the President or by the Board .

**Section 6.6 Powers and Duties of the Secretary.** The Secretary shall: (a) prepare the minutes of the Board's meetings and keep them in one or more books provided for that purpose; (b) authenticate such records of the Corporation as shall from time to time be required; (c) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; (d) be custodian of the corporate records and of the seal of the Corporation, if any, and see that the seal of the Corporation, if any, is affixed to all documents the execution of which on behalf of the Corporation under its seal is duly authorized; (e) keep a register of the post office



address of each director; and (f) in general, perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to the Secretary by the President or the Board.

**Section 6.7 Powers and Duties of the Treasurer.** The Treasurer shall have overall responsibility for all corporate funds. The Treasurer shall perform, or cause to be performed, the following duties: (a) maintenance of full and accurate accounts of all financial records of the corporation; deposit of all monies and other valuable effects in the name and to the credit of the corporation in such depositories as may be designated by the Board; (c) disbursement of all funds when proper to do so; (d) presentation of financial reports as to the financial condition of the corporation to the Board; and € any other duties as may be assigned to the Treasurer by the President or the Board.

**Section 6.8 Executive Director.** An Executive Director may be retained as an independent contractor or an employee by the Board and shall be responsible to the Board. The Board shall supervise and otherwise direct the activities of the Executive Director. The Executive Director shall be a member of all committees appointed by the President but without a vote. The Board shall prescribe the duties and responsibility of the Executive Director. In the event the Executive Director is also a member of the Board, this Section shall not limit the Executive Director's right to fully participate in the governance of the Corporation as a member of the Board including but not limited to the right to vote and serve on committees of the Board.

**Section 6.9 Delegation.** In case of the absence of any Officer of the Corporation, or for any other reason that the Board may deem sufficient, the Board may at any time and from time to time delegate all or any part of the powers or duties of any officer to any other Officer or to any director or directors.

**Section 6.10 Removal.** Any Officer may be removed from office at any time, with or without cause, by a vote of a majority of the directors in office at any meeting of the Board.

**Section 6.11 Resignation.** Any Officer may resign his or her office at any time. Such resignation will be made in writing and take effect immediately without acceptance by the Corporation.

## **ARTICLE VII: SHARES OF STOCK AND DIVIDENDS**

The Corporation shall not have or issue shares of stock. No dividend shall be paid and no part of the income of the Corporation shall be distributed to its Directors or officers. The Corporation may pay compensation in a reasonable amount to its Directors or officers for services rendered as provided by the articles, other provisions of these Bylaws, or resolution of the Board of Directors.

## **ARTICLE VIII: BANK ACCOUNTS, CHECKS, CONTRACTS, AND INVESTMENTS**

**Section 8.1 Bank Accounts, Checks and Notes.** The Board is authorized to select the banks or depositories it deems proper for the funds of the Corporation. The Board shall determine who shall be authorized from time to time on the Corporation's behalf to sign checks, drafts, or other orders for the payment of money, acceptances, notes or other evidence of indebtedness.

**Section 8.2 Contracts.** The Board may authorize any Officer or Officers, agent or agents, in addition to those specified in these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances. Unless so authorized by the Board, no Officer, agent or employee shall have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or render it liable for any purpose or to any amount. No loans shall be contracted on behalf of the Corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board. Such authority may be general or confined to specific instances.

**Section 8.3 Investments.** The funds of the Corporation may be retained in whole or in part in cash or be invested and reinvested from time to time in such property, real, personal or otherwise, or stocks, bonds, or other securities, as the Board may deem desirable.

**Section 8.4 Loans to Directors Prohibited.** No loan shall be made by the Corporation to its directors or officers. The directors of the Corporation who vote for or assent to the making of a loan to a director or officer of the Corporation, and any officer or officers participating in the making of such loan, shall be jointly and severally liable to the Corporation for the amount of such loan until the repayment thereof. Any director against whom a claim shall be asserted under or pursuant to this Article VII shall be entitled to contribution from the other directors who voted for the action upon which the claim is asserted. To the extent that any director is required to pay such claim, that director shall be subrogated to the rights of the Corporation against the debtor on the loan.

## **ARTICLE IX: ARTICLE BOOKS AND RECORDS**

**Section 9.1 Books and Records.** The Corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its Board and committees having any of the authority of the Board, and shall keep at its registered or principal office a record giving the names and addresses of the directors entitled to vote. All books and records of the Corporation may be inspected by any director, or his/her agent or attorney, for any proper purpose at any reasonable time. The Corporation shall comply with Oregon Public Records law (ORS 192.311 to 192.478).

**Section 9.2 Financial Statements.** At the close of each taxable year the directors shall engage an accountant to prepare a financial statement for the Corporation.

## ARTICLE X: FISCAL YEAR

The fiscal year of the Corporation shall be a fiscal year commencing July 1 and ending June 30 of each year.

## ARTICLE XI: INDEMNIFICATION

**Section 11.1 Indemnity Under Law.** The Corporation shall indemnify and advance the expenses of each person to the full extent permitted by law.

**Section 11.2 Additional Indemnification.**

- (a) The Corporation hereby agrees to hold harmless and indemnify each of its Directors, Officers, employees and agents (the “Indemnitee”) from and against, and to reimburse the Indemnitee for, any and all judgments, fines, liabilities, amounts paid in settlement and reasonable expenses, including attorneys’ fees actually and necessarily incurred, as a result of or in connection with any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, other than one by or in the right of the Corporation to procure a judgment in its favor, including an action, suit or proceeding by or in the right of any other corporation of any type or kind, domestic or foreign, or any partnership, joint venture, trust, employee benefit plan or other enterprise for which the Indemnitee served in any capacity at the request of the Corporation, to which the Indemnitee is, was or at any time becomes a party, or is threatened to be made a party, or as a result of or in connection with any appeal therein, by reason of the fact that the Indemnitee is, was or at any time becomes a Director or Officer of the Corporation, or is or was serving or at any time serves such other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise in any capacity, whether arising out of any breach of the Indemnitee’s fiduciary duty as a Director, Officer, employee or agent of such other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise under any state or federal law or otherwise; provided, however, that no indemnity pursuant to this Section 2 shall be paid by the Corporation (i) if a judgment or other final adjudication adverse to the Indemnitee establishes that the Indemnitee’s acts were committed in bad faith or were the result of active and deliberate dishonesty and were material to the cause of action so adjudicated, or that the Indemnitee personally gained in fact a financial profit or other advantage to which the Indemnitee was not legally entitled; or (ii) if a final judgment by a court having jurisdiction in the matter shall determine that such indemnification is not lawful. The termination of any such civil or criminal action or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create any presumption that the Indemnitee acted in bad faith and/or was dishonest.

- (b) The obligation of the Corporation to indemnify contained herein shall continue during the period the Indemnatee serves as a Director, Officer, employee or agent of the Corporation and shall continue thereafter so long as the Indemnatee shall be subject to any possible claim or threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that the Indemnatee was a Director or Officer of the Corporation or served at the request of the Corporation in any capacity for any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise.
- (c) Promptly after receipt by the Indemnatee of notice of the commencement of any action, suit or proceeding, the Indemnatee will, if a claim in respect thereof is to be made against the Corporation under this Section 2, notify the Corporation of the commencement thereof; but the omission so to notify the Corporation will not relieve it from any liability which it may have to the Indemnatee otherwise than under this Section 2. With respect to any such action, suit or proceeding as to which the Indemnatee notifies the Corporation of the commencement thereof:
  - (i) The Corporation will be entitled to participate therein at its own expense; and,
  - (ii) Except as otherwise provided in the last sentence of this subpart ii, to the extent that it may wish, the Corporation jointly with any other indemnifying party similarly notified will be entitled to assume the defense thereof, with counsel satisfactory to the Indemnatee. After notice from the Corporation to the Indemnatee of its election so to assume the defense thereof, the Corporation will not be liable to the Indemnatee under this Section 2 for any legal or other expenses subsequently incurred by the Indemnatee in connection with the defense thereof other than reasonable costs of investigation or as otherwise provided in the last sentence of this subpart ii. The Indemnatee shall have the right to employ his or her own counsel in such action, suit or proceeding but the fees and expenses of such counsel incurred after notice from the Corporation of its assumption of the defense thereof shall be at the expense of the Indemnatee unless (A) the employment of counsel by the Indemnatee has been authorized by the Corporation in connection with the defense of such action, (B) the Indemnatee shall have reasonably concluded that there may be a conflict of interest between the Corporation and the Indemnatee in the conduct of the defense of such action, or (C) the Corporation shall not in fact have employed counsel to assume the defense of such action, in each of which cases the fees and expenses of counsel for the

Indemnatee shall be borne by the Corporation (it being understood, however, that the Corporation shall not be liable for the expenses of more than one counsel for the Indemnatee in connection with any action or separate but similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances). The Corporation shall not be entitled to assume the defense of any action, suit or proceeding brought by or on behalf of the Corporation or as to which the Indemnatee shall have made the conclusion provided for in clause (B) of the preceding sentence of this subpart ii.

(iii). Anything in this Section 2 to the contrary notwithstanding, the Corporation shall not be liable to indemnify the Indemnatee under this Section 2 for any amounts paid in settlement of any action or claim effected without its written consent. The Corporation shall not settle any action or claim in any manner which would impose any penalty or limitation on the Indemnatee without the Indemnatee's written consent. Neither the Corporation nor any such person will unreasonably withhold their consent to any proposed settlement.

(d). In the event of any threatened or pending action, suit or proceeding which may give rise to a right of indemnification from the Corporation to the Indemnatee pursuant to this Section 2, the Corporation shall pay, on demand, in advance of the final disposition thereof, expenses incurred by the Indemnatee in defending such action, suit, or proceeding, other than those expenses for which the Indemnatee is not entitled to indemnification pursuant to clause (ii) of the proviso to part (a) of this Section 2 or part (b) of this Section 2. The Corporation shall make such payments upon receipt of (i) a written request made by the Indemnatee for payment of such expenses, (ii) an undertaking by or on behalf of the Indemnatee to repay such amount if it shall ultimately be determined that he or she is not entitled to be indemnified by the Corporation hereunder, and (iii) evidence satisfactory to the Corporation as to the amount of such expenses. The Indemnatee's written certification together with a copy of the statement paid or to be paid by the Indemnatee shall constitute satisfactory evidence as to the amount of such expenses.

(e). The rights to indemnification and advancement of expenses granted to the Indemnatee under this Section 2 shall not be deemed exclusive, or in limitation of any other rights to which the Indemnatee may now or hereafter be entitled under the Corporation's Certificate of Incorporation or otherwise under the Corporation's Bylaws, as now in effect or as hereafter amended, any agreement, any vote of members or Directors, any applicable law, or otherwise.

**Section 11.3 Limitation.** No amendment, modification or rescission of this Article VII shall be

effective to limit any person's right to indemnification with respect to any alleged cause of action that accrues or other incident or matter that occurs prior to the date on which such modification, amendment or rescission is adopted.

The corporation will indemnify to the fullest extent not prohibited by law any person who is made, or threatened to be made, a party to an action, suit, or other proceedings by reason of the fact that the person is or was a Director, officer, employee, volunteer, or agent of the corporation or a fiduciary within the meaning of the Employee Retirement Income Security Act of 1974 (or its corresponding future provisions" with respect to any employee benefit plan of the corporation. No amendment of this Article that limits the corporation's obligation to indemnify any person shall have any effect on such obligation for any act or omission that occurs prior to the later of the effective date of the amendment or the date notice of the amendment is given to the person. The corporation shall interpret this indemnification provision to extend to all persons covered by its provisions the most liberal possible indemnification – substantively, procedurally, and otherwise.

## **ARTICLE XII: DISSOLUTION**

Upon the dissolution of the Corporation, the board of directors shall, after paying or making provision for the payment of all of the liabilities of the Corporation, and after distributing those assets purchase with public funds as required by ORS 338.105, and subject to the terms and conditions set forth in any charter agreement with a sponsoring school district, dispose of all of the assets of the Corporation, if any, exclusively for the purposes of the Corporation in such manner, or to such organization or organizations organized and operated exclusively for charitable, educational, religious, or scientific purposes as shall at the time qualify as an exempt organization by the Internal Revenue Code of 1986, or organizations exempt under Section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Law), as the board of directors shall determine. Any such assets not so disposed of shall be disposed of by the Circuit Court of the county in which the principal office of the Corporation is then located, exclusively for such purposes or to such organization or organizations, as said court shall determine, which are organized and operated exclusively for such purposes.

## **ARTICLE XIII: AMENDMENTS**

These Bylaws may be altered, amended, added to or repealed at any meeting of the Board called for that purpose by the vote of a majority of the directors then in office. The notice shall state that one of the purposes of the meeting is to consider a proposed amendment to the Bylaws and shall contain a copy of the proposed amendment(s).

## **ARTICLE XIV: CORPORATE SEAL, EXECUTION OF INSTRUMENTS**

The Corporation shall not have a corporate seal. All instruments that are executed on behalf of

the Corporation which are acknowledged and which affect an interest in real estate shall be executed by the President or any Vice President and the Secretary or Treasurer. All other instruments executed by the Corporation, including release of mortgage or lien, may be executed by the President or any Vice President. Notwithstanding the preceding provisions of this section, any written instrument may be executed by any officer(s) or agent(s) that are specifically designated by resolution of the Board.

## **ARTICLE XV: CONSTRUCTION**

In the case of any conflict between the Articles of Incorporation of the Corporation and these Bylaws, the Articles of Incorporation of the Corporation shall control.

We certify that the foregoing is a true and correct copy of the Bylaws of the Corporation, duly adopted by the Board of Directors on \_\_\_\_\_.

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Kay King, President

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Donna Heinen, Secretary