

METROPOLITAN EXPOSITION-RECREATION COMMISSION

Resolution No. 93-14

Authorizing the General Manager to enter into a marketing services agreement for \$25,000 with the "Friends" organization effective October 1, 1993.

The Metropolitan Exposition-Recreation Commission finds:

1. That this agreement is necessary to establish a working relationship between the commission and the "Friends" for the purpose of marketing the PCPA and its facilities and for developing constituent and financial support throughout the Portland metropolitan area;



2. That the agreement will facilitate and encourage new supporters and general awareness of the PCPA and its purposes throughout the region;

3. That it is anticipated that the "Friends" will raise funds to support programs at the PCPA and will raise funds to finance certain moderate level improvements at the PCPA buildings;

4. That the MERC Commission has the authority and funds to enter into such an agreement.


BE IT THEREFORE RESOLVED that the Metropolitan Exposition-Recreation Commission authorizes the General Manager to execute the agreement attached hereto.

Passed by the Commission on September 8, 1993.


Chairman

Secretary/Treasurer

Approved As To Form:
Daniel B. Cooper, General Counsel

By:


Mark B. Williams
Senior Assistant Counsel

GOALS FOR THE NEW "FRIENDS" ORGANIZATION

Goals for Year One

1. Set up the organization:

- Select a president.
- Select the board.
- Staff/office.

2. Develop advocacy outreach plan:

- Publicity
- Newsletters
- Community relations
- Speakers bureau

3. Conduct initial membership ("Friends") drive:

- Direct mail campaign
- Thank yous/recognition
- Personal contact campaign

4. Support and expand PCPA education programming:

- Summer youth education program
- New community education programs in support of PCPA (i.e. seminars, presentations, information booth, backstage tours)

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Friends of the Portland Center for the Performing Arts

Proposed Budget -- 1993-94

REVENUE

MERC	25,000
Membership campaign	20,000
Targeted Fundraising	5,000
Interest	<u>250</u>
TOTAL	50,250

EXPENSES

Staff/Office	
Development Director/.25FTE	10,000
Support Staff/.25FTE	5,000
Office space @ PCPA	1
Office supplies	500
Office equipment	500
Maintenance & Repair	50
Dues	100
Subscriptions	100
Delivery	180
Telephone	300
Travel	250
Banking services	120
Membership/Development	
Creative, Design & Production	2,850
Printing	5,000
Postage/Box	2,500
Member recognition	1,000
Meetings	300
Advertising & Pro motion	1,500
Miscellaneous	<u>1,000</u>
TOTAL	31,251
NET	18,999
PCPA Special Project Support	10,000
CARRY OVER	8,999

AGREEMENT

DATED EFFECTIVE:

October 13, 1993

PARTIES:

METROPOLITAN EXPOSITION RECREATION (MERC)
COMMISSION

FRIENDS OF THE PORTLAND CENTER (Friends)
FOR THE PERFORMING ARTS

RECITALS:

The Metropolitan Service District, a municipal corporation, established MERC which maintains and operates the Portland Center for the Performing Arts (PCPA) pursuant to Oregon law.

The Friends is a tax-exempt, non-profit Oregon corporation, organized to educate the public and provide advocacy and fundraising for the PCPA and to provide citizen support for the PCPA.

The purpose of this agreement is to define the relationship between MERC and the Friends in regard to their duties and purposes with respect to the PCPA.

AGREEMENT:

Section 1. Term of Agreement. This Agreement is effective as of the date stated above and will continue in force until September 30, 1994, unless terminated earlier by the parties. This Agreement may be extended with the written consent of both parties. This Agreement shall continue to bind the successors and assigns of either party.

Section 2. Amount and Payment. The maximum amount to be received from MERC for use by the Friend's pursuant to this Agreement through September 30, 1994 is \$25,000, to be paid monthly in equal amounts based on documented costs incurred or obligated. Any variation in this method must be approved in advance by the MERC general manager.

Section 3. Termination of Agreement. This Agreement may be terminated by either party without cause by giving no less than 30 days' written notice. The 30-day period begins to run on the date written notice is received, at which time all expenditures would cease and any remaining funds specified in Section 2 would be returned to MERC.

Section 4. Amendments. This Agreement may be amended at any time by a written agreement signed by both parties.

Section 5. Duties of the Friends. During the term of this Agreement the Friends agree to do the following:

- a. Recruit a broad-based membership in the Friends from throughout Oregon and Southwest Washington.
- b. Develop general community support for the PCPA.
- c. Include on its Board one member from the PCPA Advisory Committee and one member from the PCPA Volunteer Coordinating Council, both of whom shall be chosen by mutual agreement between the Friends and MERC and shall hold full voting privileges on the Friends Board.
- d. Include on its Board one MERC Commissioner who shall be appointed by MERC as an ex-officio advisory member of the Friends Board who shall have no voting privileges.
- e. Work with the Director of the PCPA as a liaison between the PCPA and the Friends; however the Director of the PCPA will not be on the Friends Board.
- f. Encourage volunteer participation in the PCPA. Any volunteer in good standing of the PCPA shall have the opportunity to become a member of the Friends without dues for as long as the individual continues to be a volunteer of the PCPA.
- g. Produce and distribute information about the PCPA and about activities of the Friends. Information shall be disseminated through such means as informational mailings, an annual report, information booths at PCPA facilities (in coordination with the PCPA), and/or other means of communication.
- h. Keep and maintain membership and contribution files.
- i. Promote, enhance, educate and support the PCPA through fund-raising campaigns, soliciting, and obtaining grant funds.
- j. Coordinate and promote special events, classes and lectures which will educate the public and promote public awareness of the PCPA.
- k. Sponsor classes and activities to enhance members' interest in and knowledge of the arts.
- l. Perform such other services to benefit the PCPA as agreed to by the parties, provided that the Friends will not do anything inconsistent with its status as a tax-exempt, non-profit corporation.

- m. Undertake the above activities at the expense of the Friends, and in cooperation with the PCPA staff, except as provided below or as otherwise agreed to by the parties.

Section 6. Duties of MERC -- During the term of this Agreement MERC agrees to do the following:

- a. Provide PCPA staff assistance equivalent to 40 hours per month, subject to availability, under the supervision and direction of the PCPA Director, to assist the Friends in performing its duties and carrying out its objectives.
- b. Provide that the PCPA Director will act as a liaison between the PCPA and the Friends to coordinate staff, facilities and functions of the two organizations.
- c. Provide PCPA gift shop discounts for Friends members for items on which discounts are made available to other groups.
- d. Provide space at PCPA facilities to help the Friends perform its duties, including the following:
 - i. Meeting space, as available, for the Friends Board of Directors and committees for use on a regularly scheduled basis.
 - ii. One office space for the Friends employees; however, the Friends will pay all costs associated with any equipment, supplies and telephones used in such office.
 - iii. Space for an information booth for the Friends in PCPA facilities, as agreed to by PCPA and as appropriate under the circumstance. However, all costs of running the booth will be paid by the Friends.
 - iv. Space for signs and other publicity in PCPA facilities relating to the Friends, as the parties shall agree.
- e. Provide use of PCPA facilities for events sponsored by the Friends as agreed to by the parties. The nature and dates of these events shall be determined by the parties' mutual agreement and in coordination with the PCPA director and staff.
- f. Provide one MERC Commissioner to serve as an ex-officio advisory member of the Friends Board, with no voting privileges.

Section 7. Coordination Between MERC and Friends. MERC and the Friends will coordinate their efforts to accomplish their goals and purposes as effectively as possible. Specifically:

- a. Designated representatives of the Friends and the PCPA shall meet at least once each calendar quarter to set goals, evaluate past and pending projects, and review financial matters with respect to the Friends. A progress report will be submitted to the MERC general manager for transmittal to MERC.
- b. MERC grant funds may be made to the Friends by agreement between MERC and the Friends in order to support the activities and promote the PCPA.
- c. Fund raising goals, methods and timing for specific PCPA projects will be determined by agreement between the Friends and the PCPA. The nature and extent of the Friends' participation in any given project will be determined solely by the Friends.
- d. Individuals hired by the Friends shall be independent contractors or employees of the Friends and shall not be employees of the PCPA, MERC or the Metropolitan Service District. The Friends will pay all necessary employment taxes and obtain any required Workers' Compensation coverage, for individuals whom it employs.

Section 8. Indemnification. The parties agree that the Friends are an independent organization, and that activities carried on by the Friends, their officers, agents, and employees, shall not constitute actions of Metro or Metro ERC for any purpose. The Friends agree to indemnify, hold harmless, and defend Metro, Metro ERC, the City of Portland, and their respective members, officers, directors, agents, and employees from and against any and all liabilities, damages, actions, costs, losses, claims and expenses (including attorney's fees) arising out of the activities of the Friends, their officers, agents, employees, contractors, and invitees.


This Agreement was entered into between the parties on this 13 day of October, 1993.

METROPOLITAN EXPOSITION RECREATION
COMMISSION

By: 
Executive Director

General Manager

FRIENDS OF THE PORTLAND CENTER
FOR THE PERFORMING ARTS

By: 
President

**NONPROFIT ARTICLES OF INCORPORATION
OF
FRIENDS OF THE PORTLAND CENTER
FOR THE PERFORMING ARTS**

The undersigned individual, 18 years of age or older, acting as incorporator under the Oregon Nonprofit Corporation Act, adopts the following Articles of Incorporation:

ARTICLE 1.

The name of this corporation is Friends of the Portland Center for the Performing Arts and its duration shall be perpetual.

ARTICLE 2.

This corporation is a public benefit corporation.

ARTICLE 3.

The address of the corporation's initial registered office and the name of its initial registered agent at that location is:

Karey A. Schoenfeld
c/o Schwabe, Williamson & Wyatt
1211 S.W. Fifth Avenue, Suite 1600
Portland, OR 97204

ARTICLE 4.

The name and address of the incorporator is:

George Bell
c/o Portland Center for the Performing Arts
1111 S.W. Broadway
Portland, OR 97205

ARTICLE 5.

Until the principal office of the corporation has been designated by the corporation in its annual report, notices may be mailed to the alternate corporate mailing address (which is that of the principal office) as follows:

1111 S.W. Broadway
Portland, OR 97205

ARTICLE 6.

The corporation will not have members.

ARTICLE 7.

In the event of dissolution of the corporation, by lapse of time or otherwise, any interest in funds or property of any kind shall be transferred to the Metropolitan Service District or its designee on behalf of the Portland Center for the Performing Arts (PCPA). If the PCPA is no longer in existence or is not an exempt organization under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (Code), the funds and assets shall be transferred to an organization which is exempt from federal income taxation under Code Section 501(c)(3) or corresponding provisions hereafter in effect, and which is engaged in activities substantially similar to those of the corporation, as selected by the directors of the corporation.

ARTICLE 8.

The corporation is organized for the purpose of educating the public and providing advocacy and fundraising for the PCPA and to provide citizen support of the PCPA. The corporation shall be operated exclusively for charitable and educational purposes, and no part of its net earnings (if any) shall inure to the benefit of any member, officer or director or any private individual (but the corporation may pay reasonable compensation for services rendered, reimburse any person for reasonable expenses incurred on behalf of the corporation, and make payments and distributions as provided in these Articles); no substantial part of the corporation's activities shall be carrying on propaganda, or otherwise attempting to influence legislation; and the corporation shall not participate in, or intervene (including the publishing or distributing of statements) in any political campaign on behalf of or in opposition to any candidate or public office. Notwithstanding any other provision of these articles of incorporation, the corporation shall not carry on any activities not permitted to be carried on by a corporation exempt from federal income tax under Code Section 501(c)(3).

ARTICLE 9.

The directors shall not engage, participate or intervene in any activity or transaction which would result in the loss by the corporation of its status as an exempt organization under Code Section 501(c)(3); and the use, directly or indirectly, of any part of the corporation's assets in any such activity or transaction is hereby expressly prohibited.

I, the undersigned incorporator, declare under penalties of perjury that I have examined the foregoing, and to the best of my knowledge and belief it is true, correct, and complete.

DATED: _____, 1993.

George Bell, Incorporator

Person to contact about this filing: Karey A. Schoenfeld
Daytime Phone: (503) 796-2975

**BYLAWS
OF
FRIENDS OF THE PORTLAND CENTER
FOR THE PERFORMING ARTS**

**ARTICLE 1.
GENERAL**

The name of this corporation is Friends of the Portland Center for the Performing Arts, which has been organized as a public benefit corporation under the Oregon Nonprofit Corporation Act. The corporation is organized and shall be operated exclusively for the purpose of educating the public and providing advocacy and fundraising for the Portland Center for the Performing Arts.

**ARTICLE 2.
CORPORATE OFFICES**

The registered office of the corporation shall be located at:

c/o Portland Center for the Performing Arts
1111 S.W. Broadway
Portland, OR 97205

The corporation may also have offices at other places within the State of Oregon, as the Board of Directors may from time to time determine or as the business of the corporation may require.

**ARTICLE 3.
MEMBERS**

The corporation shall not have members.

**ARTICLE 4.
DIRECTORS**

Section 4.1. Powers: The business affairs of the corporation shall be managed by its Board of Directors which may exercise all such powers of the corporation and do all other lawful acts which are not prohibited or directed or required to be performed by others under the statutes of the State of Oregon, the Articles of Incorporation or these Bylaws.

Section 4.2. Number of Directors: The number of directors of the corporation may vary between a maximum of 25 directors and a minimum of 5 directors, the exact number to be fixed from time to time by resolution of the Board of Directors, but no decrease in the number of directors shall have the effect of shortening the term of any incumbent director.

Section 4.3. Election of Directors: The initial Board of Directors shall be those individuals elected by the incorporators at the organizational meeting. The initial members of the Board of Directors shall serve one, two, or three-year terms, as determined by the incorporators. Those initial members serving one-year terms shall serve until the first annual meeting of the Board of Directors and until their successors are elected. Those initial members serving two-year terms shall serve until the second annual meeting of the Board of Directors and until their successors are elected. Those initial members serving three-year terms shall serve until the third annual meeting and until their successors are elected.

Section 4.4. Term of Office: Except as otherwise provided in Section 4.3 for initial members of the Board of Directors, the term of each director shall be three years, with such term expiring at the third annual meeting of the Board of Directors following the director's election and with the election of the director's successor, if any. No director shall serve more than 2 consecutive terms in office, except for the past-president who can serve one additional year. Any director who is absent from 3 consecutive meetings (regular or special) without reasonable justification shall be removed from the Board, unless reinstated by the Board as provided in Section 4.5.

Section 4.5. Vacancies: At each annual meeting of the Board of Directors, the Nominating Committee shall present a slate of candidates to fill any vacancies occurring on the Board from the expiration of the term of a director. Each position shall be filled by the affirmative vote of a majority of the directors (including those directors whose terms are expiring) attending the meeting and constituting a quorum. A vacancy occurring on the Board of Directors during the middle of the Board's fiscal year shall be filled at a special meeting of the Board of Directors called for that purpose by the affirmative vote of a majority of the remaining directors, though the remaining directors may be less than a quorum. The new director shall serve only the predecessor's unexpired term.

Section 4.6. Increase in Number of Directors: Individuals to fill the directorships created by any increase in the number of directors as provided in Section 4.2 of this article may be elected at any regular meeting of the Board of Directors by the majority vote of all the directors then on the Board of Directors. The new director will serve until the next annual meeting or until the director's successor is elected.

Section 4.7. Annual Meeting of Directors: The annual meeting of the Board of Directors shall be held on the second Tuesday of June at the principal office of the corporation or at such other time or place as may be designated by the President.

Section 4.8. Notice for Directors Meetings: Regular meetings of the Board of Directors may be held upon such notice, or without notice, and at such time and place as shall, from time to time, be determined by the Board of Directors. Special meetings of the Board of Directors shall be called by the secretary when requested by the president or when requested in writing by 20 percent of the directors. Notice of the special meeting shall be given to each director either in person or by mail or telephone and must be received by the director not less than two days prior to the meeting.

Section 4.9. Quorum for Directors Meetings: A majority of the number of directors then serving on the Board of Directors shall constitute a quorum for the transaction of business at any meeting. The act of the majority of the directors present at any meeting at which a quorum is present shall be the act of the Board of Directors.

Section 4.10. No Compensation: The members of the Board of Directors of this corporation shall serve without compensation.

Section 4.11. Use of Communications Equipment: 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 all directors participating may simultaneously hear each other during the meeting. A director participating in a meeting by this means is deemed to be present in person at the meeting.

ARTICLE 5. COMMITTEES

Section 5.1. Executive Committee:

(1) The Board of Directors shall consist of the president, president-elect, secretary, treasurer, and no more than three other Board members appointed by the President to serve on the Executive Committee. The Executive Committee shall have such powers and shall perform such duties as may be delegated and assigned to the Executive Committee from time to time by the Board of Directors, except as provided in the Oregon Nonprofit Corporation Act. A majority of the members of the Executive Committee may fix its rules of procedure.

(2) All actions taken by the Executive Committee shall be by a majority of those serving on the committee if taken at a meeting or by unanimous written approval if taken without a meeting. The Executive Committee shall keep records of its activities and proceedings as it shall deem appropriate. All actions by the Executive Committee shall be reported to the Board of Directors at the meeting succeeding such action and shall be subject to revision, alteration and approval by the Board of Directors; provided, however, that no rights or acts of third parties shall be affected by such revision or alteration.

(3) Meetings of the Executive Committee shall be called, from time to time, at the direction and upon the request of any member thereof. Notice of such meetings, unless waived, shall in each instance be given to each member of the Executive Committee at least one day before the meeting, either orally or in writing. Vacancies in the membership of the Executive Committee shall be filled by the Board of Directors at a special meeting called for that purpose or at a regular meeting.

Section 5.2. Nominating Committee: The Board of Directors shall appoint a Nominating Committee consisting of 3 to 5 members of the Board of Directors who shall be responsible for presenting a slate of candidates to the Board for approval as needed, and to recommend to the Board a slate of officers each year.

Section 5.3. Advisory Committee: The Board of Directors shall appoint an Advisory Committee to assist them in carrying out the purposes of the corporation. The members of the Advisory Committee shall have no voting rights and shall act only in an advisory capacity. The Advisory Committee shall consist of a representative from the City of Portland, the Metropolitan Service District, and the Metropolitan E.R. Commission, which representatives shall be chosen by the City and each such organization if they chose to participate on the committee. The Board of Directors, in its sole discretion, may appoint additional members of the community to the Advisory Committee.

Section 5.4. Other Committees: The Board of Directors may, from time to time, appoint other committees for such purposes as designated by the Board of Directors. Each committee shall have such powers and shall perform such duties as may be delegated and assigned to the committee by the Board of Directors, except such powers as are prohibited under the Oregon Nonprofit Corporation Act. However, all matters transacted by a committee in the name of the corporation shall be submitted and ratified by the Board of Directors at its next regular or special meeting. Membership of any such committee shall include at least two members of the Board of Directors.

ARTICLE 6. NOTICE

Section 6.1. Effectiveness of Notice: Wherever notice is required in these Bylaws, such notice may be oral or written unless otherwise specified for a particular kind of notice. Notice may be communicated in person, by telephone, telegraph, teletype or other form of wire or wireless communication, by mail or private carrier, including publication in a newsletter or similar document mailed to a member's or director's address. Written notice by the corporation to a board member is effective when mailed if it is mailed postage paid to the board member's address shown in the corporation's current records.

Section 6.2. Waiver of Notice:

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

(2) 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.

(3) Whenever any notice is required to be given to any director under the provisions of the Oregon Nonprofit Corporation law, the Articles of Incorporation or these Bylaws, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall

be deemed equivalent to the required notice. The presence of a director at any meeting shall constitute a waiver of any notice required 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.

ARTICLE 7. ACTION WITHOUT MEETING

Section 7.1. Directors Actions: Any action required or permitted 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.

Section 7.2. Effectiveness of Action Without Meeting: Actions taken under this Article 7 shall be evidenced by one or more written consents describing the action taken, signed by each member or director, as the case may be, and included in the minutes or filed with the corporate records reflecting the action taken. Action taken under this Article 7 is effective when the last director signs the consent, unless the consent specifies an earlier or later effective date. A consent signed under this section has the effect of a meeting vote and may be described as such in any document.

ARTICLE 8. OFFICERS

Section 8.1. Executive Officers: The corporation shall have a president, a president-elect, a treasurer, and a secretary, each of whom shall be elected by the Board of Directors. The same individual may simultaneously hold more than one office in the corporation.

Section 8.2. Subordinate Officers: The Board of Directors may elect or appoint such other officers, assistant officers, agents, and other employees as it shall deem necessary or desirable. They shall hold their offices for such terms and shall have such authority and perform such duties as shall be determined by the Board of Directors.

Section 8.3. Compensation: The salaries of all employees and other agents of the corporation shall be fixed by the Board of Directors. Unless otherwise specified by the Board of Directors, officers shall serve without compensation.

Section 8.4. Election of Officers: The election of officers shall take place each year at the first meeting of the newly elected Board of Directors. The President-Elect shall automatically become President, and the Nominating Committee shall propose a slate of officers to fill the other vacancies. Each position shall be filled by a vote of a majority of the directors attending the meeting (including those up for election) and constituting a quorum. All principal officers elected must be members of the Board of Directors. Assistant officers, if any, need not be members of the Board of Directors.

Section 8.5. Removal of Officer: Any officer, agent or other employee elected or appointed by the Board of Directors, may be removed by a majority vote of all the

directors then serving on the Board whenever in their judgment the best interests of the corporation will be served thereby. Such removal shall be without prejudice to the contractual rights, if any, of the person so removed. If any position should become vacant for any reason, the vacancy shall be filled by a majority vote of the Board of Directors.

Section 8.6. Restoration of Corporate Property: On the death, resignation, retirement or removal from office of any officer, agent or other employee, all books, papers, vouchers, money and any other property of whatever kind in their possession or under their control which belong to the corporation shall be restored to the corporation.

ARTICLE 9. DUTIES OF OFFICERS

Section 9.1. President: The president shall be the chief executive officer of the corporation. The president shall preside at all meetings of the Board of Directors and shall be the inspector of all elections of directors and certify those who are elected as such. The president shall see to the general and active management of the business affairs of the corporation and shall see that all orders and resolutions of the Board of Directors are carried into effect.

Section 9.2. President-Elect: The president-elect shall perform the duties and exercise the powers of the president at such time as the president is unable to act, and such other duties as the Board of Directors shall prescribe. The president-elect shall work closely with the President in order to prepare for the position of President in the following year.

Section 9.3. Secretary: The secretary shall have responsibility for preparing minutes of the directors' meetings and for authenticating records of the corporation. The secretary shall give notice of all meetings of the Board of Directors and committees as required under the provisions of the Oregon Nonprofit Corporation Act, the Articles of Incorporation and these Bylaws, and shall perform such other duties as may be prescribed by the Board of Directors or the president.

Section 9.4. Treasurer: The treasurer shall have the duty to receive all moneys and funds of the corporation and shall deposit the same in the bank or banks designated by the Board of Directors and in the name and to the account of the corporation. Such funds shall be paid out only as may be directed by the Board of Directors. The treasurer shall keep full and accurate books of account and shall make such reports of such official financial transactions of the corporation as may from time to time be required by the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors.

Section 9.5. Past President: The past president shall continue to be a voting member of the Board for one year after the term of president and shall act in an advisory capacity to the president and the Board of Directors in order to provide continuity to the corporation.

ARTICLE 10. INDEMNIFICATION

The corporation shall indemnify its directors, officers, agents and employees for liability and related expenses to the full extent permitted by the Oregon Nonprofit Corporation Act.

ARTICLE 11. DIRECTOR CONFLICT OF INTEREST

Section 11.1. Conflict of Interest Defined: 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 if the transaction is fair to the corporation at the time it was entered into or is approved as provided in Section 11.2 of this Article.

Section 11.2. Approval Process: A transaction in which a director has a conflict of interest may be approved:

(1) 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 are disclosed or known to the Board of Directors or committee of the Board of Directors; or

(2) By obtaining approval of the:

(a) Attorney General; or

(b) The circuit court in an action in which the Attorney General is joined as party.

Section 11.3. Indirect Conflicts: For the purposes of this Article, 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.

Section 11.4. Votes Required for Approval: For purposes of Section 11.2, 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 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. 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 paragraph (1) of Section 11.2 if the transaction is otherwise approved as provided in Section 11.2.

ARTICLE 12. EXECUTIVE STAFF

Section 12.1. Executive Director: The Board, at its discretion, shall engage an Executive Director whose terms and conditions of employment shall be specified by the Board.

Section 12.2. Duties: The Executive Director shall be responsible for all management functions of the corporation. The Executive Director shall manage and direct all activities of the corporation as prescribed by the Board of Directors and shall be responsible to the Board. The Executive director shall be an ex officio member of the Board.

Section 12.3. Other Employees: The Board of Directors may also engage the services of other individuals or entities needed to run the day-to-day activities of the corporation on terms and conditions of employment determined by the Board.

ARTICLE 13. LOANS

No money shall be borrowed by the corporation without authority of the Board of Directors, and for security purposes, the Board of Directors may authorize the execution and delivery of a mortgage or trust deed upon any of the real property belonging to the corporation or the pledging of any of the personal property of the corporation. Such authorization having been given, the president or president-elect of the corporation, in conjunction with the secretary or treasurer, shall execute in the name of the corporation the authorized notes, mortgages, trust deeds and pledges.

ARTICLE 14.
MISCELLANEOUS

Section 14.1. Checks: All checks of the corporation shall be signed in such manner as the Board of Directors may, from time to time, designate.

Section 14.2. Records: The corporation shall maintain adequate and correct books, records and accounts of its business and activities. All such books, records and accounts shall be kept at its regular place of business.

Section 14.3. Inspection: All books, records and accounts of the corporation, and the original or a copy of the Articles of Incorporation and the Bylaws, with any amendments, shall be open to inspection by the Directors in the manner and to the extent required by Oregon law.

Section 14.4. Fiscal Year: The fiscal year of the corporation shall be the 12-month period ending each September 30.

ARTICLE 15.
AMENDMENTS

These Bylaws may be amended or repealed, in whole or in part, by the affirmative vote of two-thirds of all of the directors then on the Board of Directors at any regular or special meeting called for that purpose, provided that notice of the proposed amendment is given in the notice of the meeting or notice thereof is waived in writing by all directors.

Adopted _____, 1993, by action of the organizers.

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