

NONPROFIT CORPORATION
BYLAWS
OF
LEAGUE OF OREGON CITIES FOUNDATION, INC.

ARTICLE 1.

Offices

Section 1. Place

The principal office of the corporation in the State of Oregon shall be located at **1201 Court Street N.E., Second Floor, Salem, Oregon 97301.**

Section 2. Other Offices

The corporation may also have offices at other locations within or without the State of Oregon, as the Board of Directors may from time to time designate or as the business of the corporation may require.

ARTICLE 2.

Purposes

This corporation is organized to qualify under Internal Revenue Code §509(a)(3), and it shall have as its purpose the support of the League of Oregon Cities (“LOC”). Subject to these limitations and any limitations set forth in the Articles of Incorporation, the purposes of this corporation shall be to engage in any lawful activities, none of which are for profit, for which corporations may be organized under Chapter 65 of the Oregon Revised Statutes and §509(a)(3) of the Internal Revenue Code of 1986 (or the corresponding future statutes).

Specifically, this corporation is organized to generate timely and accurate data and information for cities who are members of LOC. The primary resource for this function is The City Center, the information hub of LOC. The Center features internet-based information resources and research-based publications on relevant city issues. This corporation shall also help officials from cities that are members of LOC to acquire knowledge, sharpen skills and develop professionally through the LOC annual conference, the Oregon Local Leadership Institute, professional association conferences and training, and through specialized training workshops for city officials. The corporation shall also do and perform such other acts as may be necessary or appropriate for carrying out the foregoing purposes of this corporation and in connection therewith, to exercise any of the powers granted to nonprofit corporations by the Oregon Nonprofit Corporation Law.

ARTICLE 3.

Activities

The corporation shall be restricted to activities consistent with the purposes of the corporation. Except as provided in § 509(a)(3), no part of the net earnings of the corporation shall inure to the benefit of any private person or organization. No substantial part of the activities of the corporation shall be carrying on propaganda, or otherwise attempting to influence legislation. The corporation shall not participate in, or intervene in or publish or distribute statements in any political campaign on behalf of any candidate for public office. The corporation shall not discriminate in any manner against any person on the basis of race, creed, color, national origin or sex.

ARTICLE 4.

No Members

This corporation shall have no members.

ARTICLE 5.

Board of Directors

Section 1. General Powers

The business and affairs of the corporation shall be managed by its Board of Directors. Directors must be residents of the State of Oregon, but need not be members of the corporation.

Section 2. Number, Tenure and Qualifications

The number of directors of the corporation shall be unlimited, and shall be determined by the LOC Board of Directors. A majority of the directors of the corporation shall be currently serving directors or past presidents of the LOC Board of Directors. A director who leaves the LOC Board of Directors before the expiration of his or her term on the corporation board of directors may continue to serve until the expiration of his or her term on the corporation board. Such a director serving out the balance of his or her term on the corporation board of directors shall be treated as though still serving on the LOC Board of Directors for purposes of determining whether a majority of the corporation's directors are current LOC directors. A minority of the directors may be individuals who are appointed to serve because of some other interest in the activities of the corporation. The term of each director shall be determined by the LOC Board of Directors. A director of the corporation may be reappointed without limitation on the number of terms he or she may serve. The LOC Board of Directors shall appoint each director, except that a director of the corporation shall not vote on that member's own position. Appointment of the officers and directors shall be made at a regular or special meeting of the LOC Board of Directors, and the term of office shall commence January 1 and expire December 31.

Section 3. Regular Meetings

A regular meeting of the Board of Directors shall be held without other notice than this bylaw immediately after, and at the same place as, the annual meeting of members. The Board of

Directors may provide, by resolution, the time and place, either within or without the State of Oregon for the holding of additional regular meetings without other notice than such resolution.

Section 4. Special Meetings

Special meetings of the Board of Directors may be called by or at the request of the president or any two directors. The person or persons authorized to call special meetings of the Board of Directors may fix any place, either within or without the State of Oregon, as the place for holding any special meeting of the Board of Directors called by them.

Section 5. Meeting by Telecommunication

Any regular or special meeting of the Board of Directors may be held by telephone or telecommunications in which all directors participating may hear each other and participate in the activities of the meeting.

Section 6. Notice

Notice of the date, time and place of any special meeting shall be given at least two (2) days previous thereto by written or verbal notice delivered personally or mailed to each director at the director's business address, or by telegram. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed, with postage thereon prepaid. If notice be given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. Any director may waive notice of any meeting. The attendance of a director at a meeting shall constitute a waiver of notice of 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. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting, unless specifically required by law or these bylaws.

Section 7. Quorum

A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, but if less than a majority is present at a meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.

Section 8. Manner of Acting

The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by law or these bylaws.

Section 9. Removal

Any director may be removed, with or without cause, by a vote of two-thirds of the directors then in office.

Section 10. Vacancies

Any vacancy or newly-created position on the Board of Directors shall be filled by the LOC Board of Directors.

Section 11. Compensation

The directors, as such, shall not receive any stated salary for their services. By resolution of the Board of Directors, the directors may be paid their expenses, if any, for attendance at each meeting of the Board of Directors. No such payment shall preclude any director from serving the corporation in any other capacity and receiving compensation therefor.

Section 12. Presumption of Assent

A director of the corporation who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless the director's dissent shall be entered in the minutes of the meeting or unless the director shall file the director's written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the secretary of the corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

Section 13. Informal Action by Directors.

Any action that may be taken at a meeting of the directors may be taken without a meeting if a consent in writing, setting forth the action so taken and signed by all directors is included in the minutes.

ARTICLE 6.

Committees

Section 1. Executive Committee

The Board of Directors may elect an Executive Committee. The Executive Committee shall have the power to make ongoing decisions between Board meetings and shall have the power to make financial and budgetary decisions.

Section 2. Other Committees

The Board of Directors may establish such other committees as it deems necessary and desirable. Such committees may exercise functions of the Board of Directors or may be advisory committees.

Section 3. Composition of Committees Exercising Board Functions

Any committee that exercises any function of the Board of Directors shall be composed of two or more directors, elected by the Board of Directors by a majority vote of the directors prescribed by the board, or if no number is prescribed, of all directors in office at the time.

Section 4. Quorum and Action

A quorum at a committee meeting exercising Board functions shall be a majority of all committee members in office immediately before the meeting begins. If a quorum is present, action is taken by a majority vote of directors present.

Section 5. Limitations on the Powers of Committees

No committee may authorize payment of a dividend or any part of the income or profit of the corporation to its directors or officers; may approve dissolution, merger, or the sale, pledge or transfer of all or substantially all of the corporation's assets; may elect, appoint, or remove directors or fill vacancies on the Board or on any of its committees; nor may adopt, amend, or repeal the Articles, Bylaws, or any resolution adopted by the Board of Directors.

ARTICLE 7.

Officers

Section 1. Number

The officers of the corporation shall be a president and secretary. The Board of Directors may appoint other officers, agents and employees as it shall deem necessary and desirable. The officers, agents and employees elected or appointed by the Board of Directors shall hold offices for such terms and shall have such authority and perform such duties as shall be determined by the Board of Directors.

Section 2. Appointment

Based on the recommendation of the LOC Board of Directors, the Board of Directors shall appoint the president and secretary to serve one-year terms. An officer may be reappointed without limitation on the number of terms he or she may serve.

Section 3. Removal and Resignation

Any officer or agent appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests of the corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Any officer may resign at any time by giving written notice to the secretary or president of the corporation.

Section 4. Vacancies

A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

Section 5. President

The president shall be the principal executive officer of the corporation and, subject to the control of the Board of Directors, 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 members

and of the Board of Directors. The president may sign, with the secretary or any other proper officer of the corporation thereunto authorized by the Board of Directors, certificates for shares of the corporation, any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors 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 the president and such other duties as may be prescribed by the Board of Directors from time to time.

Section 6. The Secretary

The secretary shall:

- (a) keep the minutes of the members' and of the Board of Directors' meetings in one or more books provided for that purpose;
- (b) see that all notices are duly given in accordance with the provisions of these bylaws or as required by law;
- (c) be custodian of the corporate records and of the seal of the corporation and see that the seal of the corporation is affixed to all documents the execution of which on behalf of the corporation under its seal is duly authorized;
- (d) keep a register of the post office address of each member which shall be furnished to the secretary by such member;
- (e) sign with the president, or a vice-president, certificates for membership interests in the corporation, the issuance of which shall have been authorized by resolution of the Board of Directors;
- (f) have authorized charge of the membership transfer books of the corporation; and
- (g) 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 by the Board of Directors.

Section 7. Salaries

The salaries of the officers shall be fixed from time to time by the Board of Directors and no officer shall be prevented from receiving such salary by reason of the fact that such officer is also a director of the corporation.

ARTICLE 8.

Indemnification of Directors and Officers

Section 1. Indemnification

The corporation shall defend, indemnify and hold harmless to the fullest extent permitted by the Oregon Nonprofit Corporation Act each director and uncompensated officer of the corporation now or hereafter serving as such, against any and all claims and liability to which such officer or director has or shall become subject by reason of serving or having served as such director or officer, or by reason of any action alleged to have been taken, omitted, or neglected by such officer or director in such capacity.

Section 2. Expenses

The corporation shall further defend, indemnify and hold harmless each director or uncompensated officer from any and all loss and expense, including amounts paid in settlement before or after suit is commenced, and reasonable attorney's fees, court costs, litigation expenses, witness fees, expert witness fees, and all other costs or expenses actually and necessarily incurred as a result of any claim, demand, action, proceeding or judgment that may be asserted against any such director or officer whether or not litigation is commenced.

Section 3. Limitation on Indemnification and Expense Reimbursement

No such director or officer shall be indemnified against or be reimbursed for any expense incurred in relation to matters to which it is adjudged in any action, suit, or proceeding that any such director or officer is liable for: (a) breach of duty of loyalty to the corporation or its members; (b) acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; (c) any unlawful distribution; (d) any transaction from which the director or officer derived an improper personal benefit; or (e) any act or omission in violation of ORS 65.361 to 65.367. The amount paid to any director or officer by way of indemnification shall not exceed the person's actual, reasonable and necessary expenses incurred in connection with the matter involved, and such additional amount as may be fixed by the Board of Directors, and any determination so made shall be binding on the indemnified director or officer. The rights of indemnification and reimbursement for expenses hereinabove provided for shall not be exclusive of any rights to which any director or officer of the corporation may otherwise be entitled by law.

ARTICLE 9.

Contracts, Checks and Deposits

Section 1. Contracts

The Board of Directors may authorize any officer or officers, agent or agents, 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.

Section 2. Checks, Drafts, or Orders.

All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the corporation, shall be signed by such officer or officers, agent or agents of the corporation, and in such manner as shall from time to time be determined by resolution of the Board of Directors.

Section 3. Deposits

All funds of the corporation not otherwise employed shall be deposited from time to time to the credit of the corporation in such banks, trust companies or other depositories as the Board of Directors may select.

ARTICLE 10.

Fiscal Year

Section 1.

The fiscal year of the corporation shall be July 1 through June 30, which is consistent with the LOC fiscal year.

ARTICLE 11.

Waiver of Notice

Section 1.

Whenever any notice is required to be given to any member or director of the corporation under the provisions of these bylaws or under the provisions of the Articles of Incorporation or under the provisions of the Oregon Nonprofit Corporation Act, 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 giving of such notice. Attendance at any meeting of which notice was required or consent to actions taken at such meeting shall be deemed equivalent to the receiving of such notice.

ARTICLE 12.

Dispute Resolution

Section 1. Dispute Resolution

In the event there is any dispute or deadlock between or among the shareholders or the Board of Directors relating in any way to these Bylaws, the corporation itself, the business or operations of the corporation, or the Articles of Incorporation of the corporation, the parties must mediate any such dispute or deadlock before commencing any legal action. No party subject to these Bylaws can bring legal action or demand mandatory arbitration against another party to these Bylaws without first participating in mediation, unless one party refuses to submit to mediation and legal action is brought to specifically enforce this mandatory mediation provision of these Bylaws. If the parties cannot agree upon the person to act as the mediator, then the U.S. Arbitration and

Mediation Service in Portland, Oregon, shall select a person to act as the mediator. The mediator's charges and expenses shall be split by the parties on a 50/50 basis. Mediation fees and costs do not include each party's attorney fees and costs. Each party shall be responsible for his or her own attorney fees and costs at mediation. Should the dispute not be resolved by mediation, the parties agree to submit any dispute arising between the parties relating in any way to these Bylaws to binding arbitration with the U.S. Arbitration and Mediation Service in Portland, Oregon, and shall utilize such Service's rules of procedure. If the parties cannot agree upon an individual to act as the arbitrator, then the U.S. Arbitration and Mediation Service in Portland, Oregon, shall select a person to act as the arbitrator. The standard used by the arbitrator in resolving disputes will be reasonable business practices in similar businesses, taking into account tax implications. If the dispute goes to arbitration, no party shall be entitled to attorney fees or costs incurred in the arbitration process. The decision of an arbitrator shall be final and not subject to any appeal and shall be enforceable in a court of competent jurisdiction.

Section 2. Dispute Resolution in the Event of a Deadlock

In any instance in which there are insufficient votes to approve or disapprove any actual or proposed action or inaction of the corporation, the shareholders and directors agree that such decisions shall be referred to the dispute resolution procedure described above; as a standard for decision making to be applied by the arbitrator shall be the reasonable business practices in a similar business in the community, taking into account tax implications. In such event, the corporation shall pay all costs of mediation and arbitration. The decision of the arbitrator shall be final and not subject to any appeal and shall be enforceable in a court of competent jurisdiction.

ARTICLE 13.

Amendments

Section 1.

These bylaws may be altered, amended or repealed and new bylaws may be adopted by the Board of Directors at any regular or special meeting of the Board of Directors.

SECRETARY'S CERTIFICATE

I, the secretary of the above-entitled corporation, do hereby certify that the foregoing is a true and correct copy of the Corporation Bylaws as adopted by the Board of Directors of the Corporation.

Date