

BYLAWS

Adopted: May 30, 2005

ARTICLE I

NAME

The name of the corporation is Southern Oregon High Performance Enterprise Consortium ("SOHPEC").

ARTICLE II

PURPOSES AND RULES

Section 1. Purposes. The purposes of SOHPEC are to:

- (a) provide a forum for education and the exchange of information regarding ways to develop, implement and improve practices and processes of businesses in the southern region of Oregon;
- (b) facilitate education and information exchange by (i) developing and updating benchmarks of best practices both within the consortium and externally, and (ii) holding educational events open to both members and nonmembers where attendees can share experiences in meeting such benchmarks and learn about ways to improve their business practices and processes; and
- (c) perform any and all such other acts as are necessary, convenient, and proper to the attainment of the foregoing purposes and permitted under Section 501(c)(6) of the Internal Revenue Code of 1986, as amended (or the corresponding provision of any future federal tax code).

Section 2. Rules. The following rules shall conclusively bind SOHPEC and all persons acting for or on behalf of it:

- (a) No part of the net earnings of SOHPEC shall inure to the benefit of, or be distributed to its directors, officers, or other private persons, except that SOHPEC shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth herein. No director shall be compensated by SOHPEC for his or her services as a director while holding office.
- (b) No substantial part of the activities of SOHPEC shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and SOHPEC shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf (or in opposition to) of any candidate for public office. Notwithstanding any other provision of these Amended and Restated Bylaws, SOHPEC shall not carry on any other activities not permitted to be carried on by a corporation exempt from federal income tax under section 501(c)(6) of the Internal Revenue Code of 1986, as amended (or the corresponding provision of any future federal tax code).

ARTICLE III

REGISTERED OFFICE AND AGENT

SOHPEC shall have and continuously maintain in the State of Oregon a registered office and a registered agent whose office shall be identical with such registered office, and may have such other offices within or outside the State of Oregon and such other registered agents as the Board of Directors of SOHPEC (the "Board" or the "Board of Directors") may from time to time determine.

ARTICLE IV MEMBERS

Section 1. Membership. Membership may be granted by a majority vote of the Board of Directors to any entity that satisfies the criteria for admission appended to these Bylaws ("Membership Guidelines"), and that further agrees to (i) pay dues when invoiced by SOHPEC and (ii) abide by these Bylaws and such other rules and regulations as SOHPEC may adopt.

Section 2. Election. The procedures for the admission of new members shall be as set forth in the Membership Guidelines.

Section 3. Voting Rights. Each member shall be entitled to one vote on matters coming before the members.

Section 4. Resignation. Members may resign from SOHPEC at any time by giving written notice to SOHPEC's Vice President for Finance and Administration. Any member resigning from SOHPEC shall be responsible for all dues and charges until the end of its membership term.

Section 5. Termination of Membership. Membership in SOHPEC may be terminated for cause. Sufficient cause for such termination of membership shall be violation of (i) any provision of these Amended and Restated Bylaws or (ii) any other rule or practice of SOHPEC. Expulsion shall be by two-thirds vote of the entire Board of Directors; *provided* that a statement of the charges shall have been mailed by certified mail to the last recorded address of the member at least 15 days before final action is to be taken. This statement shall be accompanied by a notice of the time and place of the meeting of the Board of Directors at which the charges shall be considered, and the member shall have the opportunity to appear in person and/or to be represented by counsel and to present any defense to such charges before action is taken by the Board. Notwithstanding the foregoing, the membership of any member who has become ineligible for membership pursuant to the Membership Guidelines or who shall be in default in the payment of any dues or charges shall be terminated automatically. In special circumstances determined at the discretion of the Board of Directors, such termination may be delayed by the Board.

Section 6. Reinstatement of Membership. Membership terminated automatically for nonpayment of dues shall be reinstated if full payment is received within 60 days of the default date. In such cases, membership will be considered continuous.

ARTICLE V DUES AND ASSESSMENTS

The initial, annual, and all other dues for members of SOHPEC, the time for paying such dues and other assessments, if any, shall be determined from time to time by the Board of Directors. The Board of Directors, in its sole discretion, may exempt certain members from paying dues.

ARTICLE VI MEMBERSHIP MEETINGS

Section 1. Annual Meeting. An Annual Meeting of the members for receiving reports, and for such other business as may properly come before the meeting, shall be held at such day, time and place as may be determined by the Board of Directors.

Section 2. Special Meetings. Special meetings of the members may be called by the President or ordered by the Board of Directors.

Section 3. Notice. Notice of annual or special meetings of the members shall state the time, date and place of the meeting and shall be given at least 20 days prior to the date of such meeting.

Section 4. Quorum. A majority of the members shall constitute a quorum for the transaction of business at any meeting of the members.

Section 5. Manner of Acting. The act of a majority of the members present at a meeting at which a quorum is present shall be the act of the members, except where otherwise provided by law or these Bylaws.

Section 6. Mail Vote. Voting by mail shall be permitted for any item of business. The action taken shall be effective upon a majority vote of the members. Prompt notice of action taken with less than unanimous written consent shall be given to those members who have not consented in writing.

ARTICLE VII

BOARD OF DIRECTORS

Section 1. General Powers. The affairs of SOHPEC shall be managed under the supervision and direction of the Board of Directors. The Board shall determine the policies of SOHPEC, subject to the provisions of these Amended and Restated Bylaws, and shall actively promote SOHPEC's purposes and have discretion in the disbursement of its funds. The Board may adopt such rules and regulations for the conduct of its business as it may deem advisable and may, in the execution of the powers granted to the Board, appoint such agents as it may consider necessary.

Section 2. Composition, Election, and Term. The Board shall be comprised of seven (7) at-large directors and may include up to two (2) additional outside directors. The directors shall be elected by the members of SOHPEC for two-year staggered terms such that the terms of approximately one-half of the directors shall expire each year. Directors shall not serve more than six (6) consecutive years.

Section 3. Resignation and Removal. Any director may resign at any time by giving written notice to the Board. A director may be removed by a two-thirds (2/3) vote of the members entitled to vote at any duly called meeting of the members whenever in their judgment the best interests of SOHPEC would be served thereby.

Section 4. Vacancies. Vacancies on the Board of Directors shall exist (1) on the death, resignation, or removal of any director, and (2) whenever the number of authorized directors is increased. Any director may resign effective upon giving written notice to the chairperson of the board, the president, the secretary, or the Board of Directors, unless the notice specifies a later time for the effectiveness of such resignation. No director may resign if the corporation would then be left without a duly elected director or directors in charge of its affairs, except upon notice to the Office of the Attorney General or other appropriate agency of this state. Directors may be removed from office, with or without cause, as permitted by and in accordance with the laws of this state. Unless otherwise prohibited by the articles of incorporation, these Bylaws, or provisions of law, vacancies on the board may be filled by approval of the Board of Directors. If the number of directors then in office is less than a quorum, a vacancy on the board may be filled by approval of a majority of the directors then in office or by a sole remaining director. A person elected to fill a vacancy on the board shall hold office until the next election of the Board of Directors or until his or her death, resignation, or removal from office.

Section 5. Nonliability of Directors. The directors shall not be personally liable for the debts, liabilities, or other obligations of the corporation.

Section 6. Regular Meeting. The Board of Directors may provide by resolution the time, date and place for the holding of a regular annual meeting and additional meetings of the Board without other notice than such resolution.

Section 7. Special Meetings. Special meetings of the Board may be called by or at the request of the President or three (3) directors.

Section 8. Notice. Notice of any special meeting of the Board shall state the time, date, and place of the meeting and shall be given at least ten (10) days prior to the date of such meeting. Attendance of a director at any 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.

Section 9. Quorum. A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board, *provided* that if less than a majority of the directors are present at said meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.

Section 10. Manner of Acting. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, except where otherwise provided by law or by these Bylaws.

Section 11. Conduct of Meetings

Meetings of the Board of Directors shall be presided over by the chairperson of the board, or, if no such person has been so designated or, in his or her absence, the president of the corporation or, in his or her absence, by the vice president of the corporation or, in the absence of each of these persons, by a chairperson chosen by a majority of the directors present at the meeting. The secretary of the corporation shall act as secretary of all meetings of the board, provided that, in his or her absence, the presiding officer shall appoint another person to act as secretary of the meeting.

Section 12. Telephone Conferences. Members of the Board, or of any committee designated by the Board, may take any action permitted or authorized by these Bylaws pursuant to meeting by means of conference telephone or similar telecommunications equipment by means of which all persons participating in a meeting can communicate with each other. Participation in a meeting pursuant to this subsection shall constitute presence in person at such meeting.

ARTICLE VIII
OFFICERS

Section 1. Officers. The officers of SOHPEC shall be the President, Vice President (who shall serve as the Corporate Treasurer), Secretary and such officers as may be determined by the Board of Directors.

Section 2. Election and Term of Office. The officers shall be elected for a two (2) year term by a majority vote of the directors present at any regular scheduled Board meeting or any special meeting of the Board.

Section 3. Removal. Any officer may be removed by a two-thirds (2/3) vote of the Board of Directors whenever in their judgment the best interests of SOHPEC would be served. Any officer may resign at any time by giving written notice to the Board of Directors or to the president or secretary of the corporation. Any such resignation shall take effect at the date of receipt of such notice or at any later date specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. The above provisions of this section shall be superseded by any conflicting terms of a contract which has been approved or ratified by the Board of Directors relating to the employment of any officer of the corporation.

Section 4. Vacancies. Any vacancy caused by the death, resignation, removal, disqualification, or otherwise, of any officer shall be filled by the Board of Directors. In the event of a vacancy in any office other than that of president, such vacancy may be filled temporarily by appointment by the president until such time as the board shall fill the vacancy. Vacancies occurring in offices of officers appointed at the discretion of the board may or may not be filled as the board shall determine.

Section 5. Duties of President. The President shall be the Chief Executive Officer of SOHPEC and shall in general lead and direct the affairs of SOHPEC, shall lead and oversee the officers of SOHPEC and shall preside at meetings of the Board. The President may sign, with the Vice President or any other officer of SOHPEC authorized by the Board of Directors, any deeds, mortgages, 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 or by statute to some other officer or agent of SOHPEC. The President shall represent SOHPEC with corporations, government, education, media, professional associations, and other external organizations; and in general shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors.

Section 6. Vice President. The Vice President shall be the Corporate Treasurer of SOHPEC. In event of the absence, inability, or refusal to act of the President, the Vice President shall perform the duties of President, and when so acting, shall, have all of the powers of, and be subject to all of the restrictions of the President. The Vice President as Treasurer shall: (1) have charge and custody of, and be responsible for, all funds and

securities of the corporation, and deposit all such funds in the name of the corporation in such banks, trust companies, or other depositories as shall be selected by the Board of Directors; (2) receive, and give receipt for, monies due and payable to the corporation from any source whatsoever; (3) disburse, or cause to be disbursed, the funds of the corporation as may be directed by the Board of Directors, taking proper vouchers for such disbursements; (4) Keep and maintain adequate and correct accounts of the corporation's properties and business transactions, including accounts of its assets, liabilities, receipts, disbursements, gains, and losses; (5) exhibit at all reasonable times the books of account and financial records to any director of the corporation, or to his or her agent or attorney, on request therefore; (6) render to the president and directors, whenever requested, an account of any or all of his or her transactions as Treasurer and of the financial condition of the corporation. (6) prepare, or cause to be prepared, and certify, or cause to be certified, the financial statements to be included in any required reports. The Vice President, in general, shall perform all duties incident to the office of Vice President and Treasurer and such other duties as may be required by law, by the articles of incorporation of the corporation or by these Bylaws, or which may be assigned to him or her from time to time by the Board of Directors.

Section 8. Duties of Secretary. The secretary shall: (1) certify and keep at the principal office of the corporation the original, or a copy, of these Bylaws as amended or otherwise altered to date; and a book of minutes of all meetings of the directors, and, if applicable, meetings of committees of directors and of members, recording therein the time and place of holding, whether regular or special, how called, how notice thereof was given, the names of those present or represented at the meeting and the proceedings thereof; (2) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; (3) be custodian of the records and of the seal of the corporation and affix the seal, as authorized by law or the provisions of these Bylaws, to duly executed documents of the corporation; (4) keep at the principal office of the corporation a membership book containing the name and address of each and any members, and, in the case where any membership has been terminated, he or she shall record such fact in the membership book together with the date on which such membership ceased; (5) exhibit at all reasonable times to any director of the corporation, or to his or her agent or attorney, on request thereof, the Bylaws, the membership book, and the minutes of the proceedings of the directors of the corporation. The Secretary, in general, perform all duties incident to the office of Secretary and such other duties as may be required by law, by the articles of incorporation or by these Bylaws, or which may be assigned to him or her from time to time by the Board of Directors.

ARTICLE IX COMMITTEES

Section 1. Board Committees. The Board of Directors, by resolution, may designate committee(s). Such committee(s) shall have and exercise the authority granted in the resolution, but the designation of such committee(s) and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any individual director, of any responsibility imposed upon them by law.

- (a) **Chair.** The President shall appoint committee members from SOHPEC member organizations and a chair from the membership of each committee.
- (b) **Removal.** Any member of a committee may be removed by two-thirds (2/3) vote of the Board of Directors whenever in the Board's judgment the best interests of SOHPEC shall be served.

Section 2. Nominating Committee. The Nominating Committee shall consist of the President and the representatives of at least two (2) other SOHPEC members.

- (a) Each year, the Nominating Committee shall develop a slate of nominees for at-large directors selected from the individual representatives of member organizations for presentation to the Board. Upon the Board's review and approval, the slate of nominees shall be presented to the members for election to the Board.
- (b) A provision for write-in candidates may be provided for on the ballots.

ARTICLE X CONTRACTS, CHECKS, DEPOSITS AND BONDING

Section 1. Contracts. The Board of Directors may authorize any officer or officers, agent or agents and/or employees of SOHPEC, in addition to the officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of SOHPEC and such authority may be general or confined to specific instances.

Section 2. Checks, Drafts, Etc. All checks, drafts, or other orders for the payment of money, notes, or other evidences of indebtedness issued in the name of SOHPEC, shall be signed by such officer or officers, agent or agents and/or employees of SOHPEC and in such manner as shall from time to time be determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by the Treasurer and countersigned by the President of SOHPEC.

Section 3. Deposits. All funds of SOHPEC shall be deposited from time to time to the credit of SOHPEC in such banks, trust companies, or other depositories as the Board of Directors may select.

Section 4. Bonding. The Board of Directors may provide for the bonding of such officers and employees of SOHPEC as it may from time to time determine.

ARTICLE XI BOOKS AND RECORDS

SOHPEC shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its Board of Directors and committees.

ARTICLE XII FISCAL YEAR

The fiscal year of SOHPEC shall be the twelve-month period ending December 31 of each year or such other period as may be established by the Board of Directors

ARTICLE XIII. WAIVER OF NOTICE

Whenever any notice whatsoever is required to be given under the provisions of the Oregon Nonprofit Corporation Act (the "Act") or under the provisions of the Amended and Restated Articles of Incorporation of SOHPEC or these Amended and Restated Bylaws, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated herein, shall be deemed equivalent to the giving of such notice.

ARTICLE XIV INDEMNIFICATION

SOHPEC shall indemnify all officers, directors, employees and agents of SOHPEC to the full extent permitted by Act, and shall be entitled to purchase insurance for such indemnification to the full extent as determined from time to time by the Board of Directors.

ARTICLE XV INSURANCE

Except as may be otherwise provided under provisions of law, the Board of Directors may adopt a resolution authorizing the purchase and maintenance of insurance on behalf of any agent of the corporation (including a director, officer, employee, or other agent of the corporation) against liabilities asserted against or incurred by the agent in such capacity or arising out of the agent's status as such, whether or not the corporation would have the power to indemnify the agent against such liability under the articles of incorporation, these Bylaws, or provisions of law.

ARTICLE XV IRC 501 (c) (6) TAX EXEMPTION PROVISIONS

Section 1. Limitations On Activities. No substantial part of the activity of this Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation (except as otherwise provided by

Section 501 (h) of the Internal Revenue Code), and this Corporation shall not participate in, or intervene in (including the publishing or distribution of statements), any political campaign on behalf of, or in opposition to, any candidate for public office. Notwithstanding any other provisions of these Bylaws, this Corporation shall not carry on any activities not permitted to be carried on (a) by a Corporation exempt for Federal income tax under Section 501 (c) (6) of the Internal Revenue Code, or (b) by a Corporation, contributions to which are deductible under Section 170 (c) (2) of the Internal Revenue Code.

Section 2. Prohibition Against Private Inurement. No part of the net earnings of this Corporation shall inure to the benefit of, or be distributable to, its members, Directors or trustees, officers, or other private persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes of this Corporation.

Section 3. Distribution Of Assets. Upon the dissolution of this Corporation, its assets remaining after payment, or provision of payment, of all debts and liabilities of this Corporation shall be distributed for one or more exempt purposes within the meaning of Section 501 (c) (6) of the Internal Revenue Code or shall be distributed to the federal government, or to a state or local government, for a public purpose. Such distribution shall be made in accordance with all applicable provisions of the laws of this state and the Code of the Internal Revenue Service.

Section 4. Private Foundation Requirements and Restrictions. In any taxable year in which this corporation is a private foundation as described in Section 509(a) of the Internal Revenue Code, the corporation 1) shall distribute its income for said period at such time and manner as not to subject it to tax under Section 4942 of the Internal Revenue Code; 2) shall not engage in any act of self-dealing as defined in Section 4941(d) of the Internal Revenue Code; 3) shall not retain any excess business holdings as defined in Section 4943(c) of the Internal Revenue Code; 4) shall not make any investments in such manner as to subject the corporation to tax under Section 4944 of the Internal Revenue Code; and 5) shall not make any taxable expenditures as defined in Section 4945(d) of the Internal Revenue Code.

ARTICLE XVI

AMENDMENTS TO BYLAWS

These Bylaws may be altered, amended, or repealed and new Bylaws may be adopted by a majority of the directors present at any regular meeting of the Board or at any special meeting of the Board, *provided* that at least ten (10) days written notice is given of the intention to alter, amend, or repeal or to adopt new Bylaws at such meeting. These Amended and Restated Bylaws and any subsequent changes hereto shall be distributed from time to time to the members.

ARTICLE XVI

DISSOLUTION

Upon the dissolution of SOHPEC, the Board of Directors shall, after paying or making provision for payment of all liabilities of SOHPEC, dispose of all the assets of SOHPEC in accordance with the Amended and Restated Articles of Incorporation of SOHPEC.

ARTICLE 10

CONSTRUCTION AND TERMS

If there is any conflict between the provisions of these Bylaws and the articles of incorporation of this corporation, the provisions of the articles of incorporation shall govern. Should any of the provisions or portions of these Bylaws be held unenforceable or invalid for any reason, the remaining provisions and portions of these Bylaws shall be unaffected by such holding. All references in these Bylaws to the articles of incorporation shall be to the articles of incorporation, articles of organization, certificate of incorporation, organizational charter, corporate charter, or other founding document of this corporation filed with an office of this state and used to establish the legal existence of this corporation. All references in these Bylaws to a section or sections of the Internal Revenue Code shall be to such sections of the Internal Revenue Code of 1986 as amended from time to time, or to corresponding provisions of any future federal tax code.