

**BYLAWS**  
**OF**  
**CATHOLIC EDUCATION ENDOWMENT FUND**

**SECTION 1      PURPOSES AND POWERS**

- 1.1      Purposes.** *Catholic Education Endowment Fund* (the "Corporation") has been organized as a nonprofit religious corporation under the Oregon Nonprofit Corporation Act (the "Act"). The purposes of the Corporation are as set forth in the Articles of Incorporation and Bylaws of the Corporation. The Corporation is organized to engage in charitable undertakings and endeavors in furtherance of the support of Catholic elementary and secondary schools in the Archdiocese and of the children who attend them.
- 1.2      General Powers.** The Corporation shall have the power to take any lawful action necessary, appropriate or desirable to carry out its purposes, except as restricted in the Articles of Incorporation of the Corporation or these Bylaws.
- 1.3      Restrictions on Activities.**
- (a) The Corporation shall be restricted to activities of a religious, charitable, scientific or educational nature consistent with the purposes of the Corporation. The corporation may not participate in any activity that would cause the Corporation to cease to qualify as an exempt organization under Section 501(c) of the Internal Revenue Code.
  - (b) No part of the net earnings of the Corporation shall inure to the benefit of any private person or organization.
  - (c) No substantial part of the activities of the Corporation shall be to carry on propaganda or otherwise attempt to influence legislation. The Corporation shall not participate in or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office.
  - (d) The Corporation has no authority to act in violation of Canon Law or the doctrines, teachings, traditions and polity of the Roman Catholic Church, as interpreted by the Archbishop of Portland in Oregon, in his sole discretion.

**SECTION 2      MEMBER**

The Corporation will have a single Member, the Archbishop of Portland in Oregon, as duly appointed by the Holy See or, in the case of vacancy in the position of Archbishop of Portland in Oregon, the duly appointed Administrator of the Archdiocese ("Member").

## SECTION 3 MEMBERSHIP MEETINGS AND ACTION WITHOUT MEETINGS

**3.1 Meetings.** The Corporation may but need not hold an annual meeting of the Member. At an annual meeting, the Member may review the business and activities of the Corporation and bring before the board of directors any matter he deems appropriate, including the election of directors. The Corporation may hold such other meetings of the Member as are necessary or appropriate in accordance with notice and other provisions of the Act.

### **3.2 Action Without Meeting.**

- (a) Action required or permitted by the Act to be taken at a membership meeting may be taken without a meeting if the action is taken by the Member, which action must be evidenced by one or more written consents describing the action taken, signed by the Member, and included in the minutes or filing with the corporate records.
- (b) A consent signed under this Section 3.2 has the effect of a meeting vote and may be described as such in any document.

### **3.3 Proxies.**

- (a) The Member may appoint a proxy to vote or otherwise act for the Member by signing an appointment form either personally or by the Member's attorney-in-fact.
- (b) An appointment of a proxy is revocable by the Member. Appointment of a proxy is revoked by the person appointing the proxy:
  - (1) attending any meeting and voting in person; or
  - (2) signing and delivering to the secretary or other officer or agent authorized to tabulate proxy votes either in writing stating that the appointment of the proxy is revoked or a subsequent appointment form.
- (c) Subject to ORS 65.231 and any express limitation on the proxy's authority appearing on the face of the appointment form, the Corporation is entitled to accept the proxy's vote or other action as that of the Member making the appointment.

**3.4 Powers Reserved/Authorized to the Member.** The consent of the Member is required for the board of directors to exercise any of the powers set forth in Section 4.1(b) of these Bylaws.

**3.5 Religious Authority Reserved to the Member.** Notwithstanding the rights and obligations of the board of directors of the Corporation, the following, shall reside within the sole discretion of the Member and shall not be subject to vote of the board of directors: any matter involving the interpretation of Canon Law or the doctrines, teachings, traditions and polity of the Roman Catholic Church.

## SECTION 4 BOARD OF DIRECTORS

### 4.1 Duties of Board.

- (a) All corporate powers will be exercised by or under the authority of, and the affairs of the Corporation managed under the direction of, the board of directors, subject to any limitation set forth in the Articles of Incorporation and except as provided in Section 4.1(b) or elsewhere in these Bylaws.
- (b) The board of directors may exercise the following powers, but only with the written consent of the Member:
  - (1) Alter the mission or purposes of the Corporation;
  - (2) File a petition in bankruptcy, dissolve or merge the Corporation, or transfer all or substantially all of the assets of the Corporation;
  - (3) Purchase or otherwise acquire an interest in, sell, dispose of or otherwise transfer an interest in, any asset of the Corporation or to which the Corporation has or will have legal or equitable title in a transaction (or a series of related transactions) involving an aggregate amount in excess of \$500,000, such amount to be reviewed from time to time by the board of directors;
  - (4) Borrow money, issue notes, bonds and other obligations or secure any of its obligations by mortgage or pledge of any of its property or income;
  - (5) Create or cause the creation of, fund or otherwise support the formation of an affiliated or subsidiary entity;
  - (6) Amend or repeal of the Articles of Incorporation or Bylaws of the Corporation; and
  - (7) Any other action requiring consent of the Member under these Bylaws.
- (c) The Articles of Incorporation or these Bylaws may authorize a person or persons, to exercise some or all of the powers which would otherwise be exercised by a board. To the extent so authorized any such person or persons will have the duties and responsibilities of the directors, and the directors will be relieved to that extent from such duties and responsibilities.
- (d) The board of directors may employ persons or enter into contractual arrangements for the provision of services necessary or appropriate in fulfilling its duties and responsibilities under the Articles of Incorporation and Bylaws of the Corporation.
- (e) The Corporation shall utilize the services of the Archdiocese for financial and other administration of the Corporation for a term and under arrangements set forth in an agreement between the Archdiocese and the Corporation.

#### 4.2 Number and Qualifications of Directors.

- (a) The board shall consist of no fewer than 13 nor more than 25 directors, including both *ex-officio* and elected directors.
- (b) The qualifications of the directors are as follows:
  - (1) Ex-officio directors. In virtue of holding the position specified, the following will be *ex-officio* directors:
    - (A) The chief financial officer of the Archdiocese;
    - (B) The chief development officer of the Archdiocese;
    - (C) The superintendent of Catholic schools of the Archdiocese; and
    - (D) The Moderator of the Curia of the Archdiocese.
  - (2) Elected directors. In addition to the *ex-officio* directors, there shall be directors in such number as the Member may determine, subject to Section 4.2(a) (the "elected directors"). The directors will be elected by the Member. The board of directors may recommend or the Member may solicit and consider recommendations from the board of directors and others on prospective candidates for elected directors. Elected directors should be persons with financial, business, educational, pastoral or other experience valuable in achieving the purposes of the Corporation.
  - (3) Honorary Directors. Recognizing that there are individuals with experience and interest in Catholic education who wish to support the Corporation in fulfillment of its mission, but who are not willing or able to assume the responsibility of full membership, the board of directors may include Honorary Directors, appointed from time to time by the Member. The role of an Honorary Director is advisory. An Honorary Director may, but has no obligation to, attend meetings of the board and is not included in the determination of a quorum for the board's transaction of business. The secretary of the Corporation will endeavor to provide an Honorary Director notice of all meetings of the board of directors as a courtesy only, but failure to give such notice shall have no effect on the matters considered or the actions taken at that meeting. An Honorary Director shall have no rights or obligations imposed on a director generally, whether under these Bylaws, the Corporation's Articles of Incorporation or the Act.
- (c) Except as otherwise provided in the Articles of Incorporation or these Bylaws, each director (including the *ex-officio* directors) shall have and enjoy all rights as a director under the Act, including the right to vote on all matters that may properly come before the board of directors.

- (d) Except for the initial directors, the elected directors will be elected by the Member at or concurrently with an annual meeting of the Member occurring upon or immediately following the expiration of the term(s) of the elected directors(s) or at whatever time and date each year may be fixed by the Member or the board of directors.

#### **4.3 Terms of Directors Generally.**

- (a) The term of an *ex-officio* director shall be for so long as the individual occupies the position in virtue of which he or she serves as director. In the event there is a vacancy in the position of an *ex-officio* director, pending the designation of a successor to that position, the Member may elect an individual to fill the vacant *ex-officio* directorship on an interim basis.
- (b) The length of the terms of directors appointed to the initial board shall be staggered in order to provide for continuity on the board. Directors on the initial board shall serve for a term of one, two, or three years, as determined by the Member.
- (c) Except as provided in Sections 4.3(b) and (d), the term of an elected director will be three years. An elected director may serve two consecutive terms and may not be reelected until the elected director has been off the board for at least one year. For purposes of this section, a director shall be considered to have served a "term" if the director has served two years or longer of the director's three year term.
- (d) Notwithstanding Section 4.3(b), at the request of the board of directors or on the Member's own initiative, the term length of a newly appointed or reappointed director may prospectively be designated as less than three years. Such designations may take place only when it is deemed in the best interests of the corporation to "rebalance" the board with respect to new and longer tenured directors or the background or experience among directors.
- (e) Except as provided in the Articles of Incorporation or these Bylaws, the term of a director filling a vacancy in the term of an elected director expires at the end of the unexpired term which such director is filling. For purposes of this section, a director elected to fill a vacancy in the term of an elected director shall be considered to have served a "term" for purposes of Section 4.3(c) if the unexpired term the director is filling is two years or longer.
- (f) Despite the expiration of an elected director's term, the director continues to serve until the director's successor is elected by the Member.

#### **4.4 Resignation of Directors.**

- (a) A director may resign at any time by delivering written notice to the chair or secretary of the board of directors who shall deliver the notice to the Member.
- (b) A resignation is effective when the notice is effective under Section 11 unless the notice specifies a later effective date.

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

**4.5 Removal of Directors.** The Member may remove one or more of the elected directors, with or without cause in the Member's sole and absolute discretion.

**4.6 Vacancy on Board.**

- (a) A vacancy on the board of directors resulting from the death, resignation or removal of an elected director, will be filled by the Member in accordance with Section 4.2(b)(2). A vacancy on the board in an *ex-officio* director position may be filled on an interim basis by the Member in accordance with Section 4.3(a).
- (b) A vacancy that will occur at a specific later date, by reason of a resignation effective at a later date under Section 0 or otherwise, may be filled by the Member before the vacancy occurs but the new director may not take office until the vacancy occurs.

## **SECTION 5 MEETINGS AND ACTION OF BOARD**

### **5.1 Regular and Special Meetings.**

- (a) If the time and place of a directors' meeting is fixed by these Bylaws or is regularly scheduled by the board of directors, the meeting is a regular meeting. All other meetings are special meetings.
- (b) The board of directors may permit any or all directors to participate in a regular or special meeting by, or conduct the meeting through, use of any means of communication by which either of the following occurs:
  - (1) all directors participating may simultaneously hear or read each other's communications during the meeting; or
  - (2) all communications during the meeting are immediately transmitted to each participating director, and each participating director is able to immediately send messages to all other participating directors:
- (c) If a meeting is conducted through the use of any means described in Section 5.1(b):
  - (1) all participating directors must be informed that a meeting is taking place at which official business may be transacted; and
  - (2) a director participating in the meeting by this means is deemed to be present in person at the meeting.
- (d) The Member may attend any meeting of the board of directors.

## **5.2 Action Without a Meeting.**

- (a) Action required or permitted by the Act to be taken at the board of directors' meeting may be taken without a meeting if the action is taken by all members of the board of directors. The action must be evidenced by one or more written consents, including consents given by electronic means (e.g., fax, email), describing the action taken, signed by each director, and included in the minutes or filed with the corporate records reflecting the action taken.
- (b) Action taken under this Section 5.2 is effective when the last director signs the consent, unless the consent specifies an earlier or later effective date.
- (c) A consent signed under this Section 5.2 has the effect of a meeting vote and may be described as such in any document.

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

- (a) Regular meetings of the board may be held with reasonable notice of the date, time, place and purpose of the meeting.
- (b) Special meetings of the board must be preceded by at least seven (7) days notice to each director of the date, time, place and purpose of the meeting.
- (c) The presiding officer of the board, or 50 percent of the directors then in office, may call and give notice of a meeting of the board.

## **5.4 Waiver of Notice.**

- (a) A director may at any time waive any notice required by the Act, the Articles of Incorporation or these Bylaws. Except as provided in Section 5.4(b), the waiver must be in writing, must be signed by the director entitled to the notice, must specify the meeting for which notice is waived and must be filed with the minutes or the corporate records.
- (b) A director's attendance at or participation in a meeting waives any required notice to the director of the meeting unless the director, at the beginning of the meeting, or promptly upon the director's arrival, objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to any action taken at the meeting.

## **5.5 Quorum and Voting.**

- (a) A quorum of the board of directors consists of a 2/3 majority of the number of directors in office immediately before the meeting begins.
- (b) If a quorum is present when a vote is taken, the affirmative vote of a 2/3 majority of directors present when the act is taken is the act of the board of directors unless the Articles of Incorporation or these Bylaws require the vote of a greater number of directors. A director is considered present regardless of whether the director votes or abstains from voting.

- (c) A director who is present at a meeting of the board of directors or a committee of the board of directors when corporate action is taken is deemed to have assented to the action taken unless:
  - (1) the director objects at the beginning of the meeting, or promptly upon the director's arrival, to holding the meeting or transacting the business at the meeting; or
  - (2) the director's dissent or abstention from the action taken is entered in the minutes of the meeting.

**5.6 Committees.** Committee structure, duties and membership, shall be determined by the board of directors subject to the following provisions.

- (a) There shall be a standing committee of the board of directors designated as an Executive Committee. The Executive Committee shall have: 1) the delegated power and authority of the board of directors to act on urgent matters between scheduled board meetings when the full board cannot be convened; and 2) whatever further authority, if any, is granted by the board of directors. The Executive Committee shall consist of the officers of the corporation who are directors, the *ex-officio* directors and additional directors, if any, designated by the board of directors. All proceedings of the Executive Committee shall be reported to the board of directors at its next meeting.
- (b) The board of directors may create one or more additional standing or ad hoc committees of the board of directors and appoint members of the board to serve on them. Such committees may include, for example, a finance committee, a distribution committee, a gift acceptance committee and the like. Each committee must include at least two directors, who serve at the pleasure of the board of directors.
- (c) The creation of a committee and appointment of directors to the committee or designation of a method of selecting committee members must be approved by a majority of all the directors in office when the action is taken.
- (d) The provisions of Sections 5.1 to Section 5.5 governing meetings, action without meetings, notice and waiver of notice, and quorum and voting requirements of the board of directors, apply to committees and their members as well, if such committees are authorized to exercise the authority of the board of directors.
- (e) Absent an express grant of authority in these Bylaws or by the board of directors, committees of the board of directors shall be advisory to the board of directors and shall not have the power or authority in any way to bind the Corporation. Advisory committees may include persons who are not members of the board of directors.
- (f) Even if expressly authorized to act on behalf of the board, a committee of the board may not take any action prior to which the board is required to obtain the consent of the Member pursuant to Section 4.1(b).



- (g) The creation of, delegation of authority to, or action by a committee does not alone constitute compliance by a director with the standards of conduct described in Section 6.1.

## SECTION 6      STANDARDS OF CONDUCT

### 6.1      General Standards for Directors.

- (a) A director must discharge the duties of a director, including the director's duties as a member of a committee:
  - (1) in good faith;
  - (2) with the care an ordinarily prudent person in a like position would exercise under similar circumstances; and
  - (3) in a manner the director reasonably believes to be in the best interests of the Corporation.
- (b) In discharging the duties of a director, a director is entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, if prepared or presented by:
  - (1) one or more officers of the Corporation whom the director reasonably believes to be reliable and competent in the matters presented;
  - (2) legal counsel, investment advisors, public accountants or other persons as to matters the director reasonably believes are within the person's professional or expert competence; or
  - (3) a committee of the board of which the director is not a member, as to matters within its jurisdiction, if the director reasonably believes the committee merits confidence.
- (c) A director is not acting in good faith if the director has knowledge concerning the matter in question that makes reliance otherwise permitted by Section 6.1(b) unwarranted.
- (d) A director is not liable to the Corporation or any other person for any action taken or not taken as a director, if the director acted in compliance with this Section 6.1.
- (e) A director will not be deemed to be a trustee with respect to the Corporation or with respect to any property held or administered by the Corporation, including without limit, property that may be subject to restrictions imposed by the donor or transferor of such property.

## 6.2 Director Conflict of Interest.

- (a) A conflict of interest transaction is a transaction with the Corporation in which a director of the Corporation has a direct or indirect interest. A conflict of interest transaction is not voidable or the basis for imposing liability on the director if the transaction is fair to the Corporation at the time it was entered into or is approved as provided in Section 6.2(b).
- (b) 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 the approval of:
    - (A) the Attorney General of the State of Oregon; or
    - (B) the circuit court in an action in which the Attorney General of the State of Oregon is joined as party.
- (c) For purposes of this Section 6.2, a director of the Corporation has an indirect interest in a transaction if:
  - (1) another entity in which the director has a material interest or in which the director is a general partner is a party to the transaction; or
  - (2) another entity of which the director is a director, officer or trustee is a party to the transaction, and the transaction is or should be considered by the board of directors of the Corporation.
- (d) For purposes of Section 6.2(b), a conflict of interest transaction is authorized, approved or ratified if it receives the affirmative vote of a majority of the directors on the board of directors or on the committee who have no direct or indirect interest in the transaction. A transaction may not be authorized, approved or ratified under this Section 6.2 by a single director. If a majority of the directors who have no direct or indirect interest in the transaction votes to authorize, approve or ratify the transaction, a quorum is present for the purpose of taking action under this Section 6.2. The presence of, or a vote cast by, a director with a direct or indirect interest in the transaction does not affect the validity of any action taken under Section 6.2(b)(1) if the transaction is otherwise approved as provided in Section 6.2(b).

- 6.3 Loans to or Guarantees for Directors and Officers.** The Corporation may not make a loan, guarantee an obligation or modify a preexisting loan or guarantee to or for the benefit of a director or officer of the Corporation.

## SECTION 7 OFFICERS

- 7.1 Required Officers.** The Corporation shall have a president, a vice-president, a treasurer and a secretary. The President and the Treasurer shall be appointed by the Member; other officers shall be elected or appointed by the board of directors. Ordinarily the president will serve as chair of the board of directors and the vice-chair will serve as vice-president. The Corporation may have such other officers as are elected or appointed by the board. An officer, other than the president and the vice-president, need not be a member of the board of directors. An officer serves for a term of two years, and until the officer's successor is duly elected or appointed, provided that an individual's term as an officer shall not serve to lengthen his or her term as a director pursuant to Section 4.3. An officer may be reelected or reappointed.
- 7.2 Duties and Authority of Officers.** Each officer has the authority and will perform the duties set forth in these Bylaws or, to the extent consistent with these Bylaws, the duties and authority prescribed by the board of directors.
- 7.3 Standards of Conduct for Officers.**
- (a) An officer must discharge the officer's duties:
    - (1) in good faith;
    - (2) with the care an ordinarily prudent person in a like position would exercise under similar circumstances; and
    - (3) in a manner the officer reasonably believes to be in the best interests of the Corporation.
  - (b) In discharging the duties of an officer, an officer is entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, if prepared or presented by:
    - (1) one or more officers or employees of the Corporation whom the officer reasonably believes to be reliable and competent in the matters presented; or
    - (2) legal counsel, investment advisors, public accountants or other persons as to matters the officer reasonably believes are within the person's professional or expert competence.
  - (c) An officer is not acting in good faith if the officer has knowledge concerning the matter in question that makes reliance otherwise permitted by Section 7.3(b) unwarranted.
  - (d) An officer is not liable to the Corporation or other person for any action taken or not taken as an officer if the officer acted in compliance with this Section 7.3.

**7.4 Resignation and Removal of Officers.**

- (a) An officer may resign at any time by delivering notice to the secretary of the Corporation. A resignation is effective when the notice is effective under Section 11 unless the notice specifies a later effective date.
- (b) The board of directors may remove any officer the board is entitled to elect or appoint, at any time with or without cause. The Member may remove the President or Treasurer at any time with or without cause.
- (c) Once delivered, a notice of resignation is irrevocable unless revocation is permitted by the board of directors or the Member, whichever elected or appointed the officer.

**7.5 President.** The president will: (a) perform all duties commonly incident to the office of president, including presiding at meetings of the board of directors; and (b) perform other duties prescribed by the board of directors.

**7.6 Vice-president.** The vice-president will:

- (a) fulfill the duties of the president upon the permanent incapacity or death of the president, until the Member appoints a successor president; and
- (b) perform all duties commonly incident to the office of vice-president and other duties prescribed by the board of directors.

**7.7 Treasurer.** Subject to Sections 4.1(c) and (d) of these Bylaws, the treasurer will:

- (a) have general oversight of all funds and securities of the Corporation; and
- (b) perform all duties commonly incident to the office of treasurer and other duties prescribed by the board of directors or an authorized officer.

**7.8 Secretary.** The secretary will:

- (a) prepare minutes of the directors' meetings and authenticate records of the Corporation;
- (b) ensure that all notices by the Corporation under the Oregon Nonprofit Corporation Act, the Articles of Incorporation or these Bylaws are given;
- (c) keep and maintain the records of the Corporation specified in Section 10(a) and Section 10(d); and
- (d) perform all duties commonly incident to the office of secretary and other duties prescribed by the board of directors or an authorized officer.

## SECTION 8 INDEMNIFICATION

### 8.1 Definitions. As used in this Section 8:

- (a) "Director" means an individual who is or was a director of the Corporation or an individual who, while a director of the Corporation, is or was serving at the Corporation's request as a director, officer, partner, trustee, employee, or agent of another foreign or domestic business or nonprofit corporation, partnership, joint venture, trust, employee benefit plan or other enterprise.
- (b) "Expenses" include attorney fees.
- (c) "Liability" means the obligation to pay a judgment, settlement, penalty, fine, including an excise tax assessed with respect to an employee benefit plan, or reasonable expenses actually incurred with respect to a proceeding.
- (d) "Officer" means an individual who is or was an officer of the Corporation or an individual who, while an officer of the Corporation, is or was serving at the Corporation's request as a director, officer, partner, trustee, employee or agent of another foreign or domestic business or nonprofit corporation, partnership, joint venture, trust, employee benefit plan or other enterprise. "Officer" includes, unless the context requires otherwise, the estate or personal representative of an officer.
- (e) "Party" includes an individual who was, is or is threatened to be made a named defendant or respondent in a proceeding.
- (f) "Proceeding" means any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative and whether formal or informal.

### 8.2 Indemnification of Directors.

- (a) Except as provided in Section 8.2(c), the Corporation shall indemnify an individual made a party to a proceeding because the individual is or was a director against liability incurred in the proceeding if:
  - (1) the conduct of the individual was in good faith;
  - (2) the individual reasonably believed that the individual's conduct was in the best interests of the Corporation, or at least not opposed to its best interests; and
  - (3) in the case of any criminal proceeding, the individual had no reasonable cause to believe the individual's conduct was unlawful.
- (b) The termination of a proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent is not, of itself, determinative that the director did not meet the standard of conduct described in this Section 8.2.

- (c) The Corporation may not indemnify a director under this Section 8.2:
  - (1) in connection with a proceeding by or in the right of the Corporation in which the director was adjudged liable to the Corporation; or
  - (2) in connection with any other proceeding charging improper personal benefit to the director in which the director was adjudged liable on the basis that personal benefit was improperly received by the director.
- (d) Indemnification permitted under this Section 8.2 in connection with a proceeding by or in the right of the Corporation is limited to reasonable expenses incurred in connection with the proceeding.

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

**8.4 Advance for Expenses.**

- (a) The Corporation may pay for or reimburse the reasonable expenses incurred by a director who is a party to a proceeding in advance of final disposition of the proceeding if:
  - (1) the director furnishes the Corporation a written affirmation of the director's good faith belief that the director has met the standard of conduct described in Section 8.2; and
  - (2) the director furnishes the Corporation a written undertaking, executed personally or on the director's behalf, to repay the advance if it is ultimately determined that the director did not meet the standard of conduct.
- (b) The undertaking required by Section 8.4(a)(2) must be an unlimited general obligation of the director but need not be secured and may be accepted without reference to financial ability to make repayment.
- (c) Any authorization of payments under this Section 8.4 may be made by a resolution of the board of directors or by contract.

**8.5 Determination and Authorization of Indemnification.**

- (a) The Corporation may not indemnify a director under Section 8.2 unless authorized in the specific case after a determination has been made that indemnification of the director is permissible in the circumstances because the director has met the standard of conduct set forth in Section 8.2.
- (b) A determination that indemnification of a director is permissible must be made:

- (1) by the board of directors by majority vote of a quorum consisting of directors not at the time parties to the proceeding;
  - (2) if a quorum cannot be obtained under Section 8.5(b)(1), by a majority vote of a committee duly designated by the board of directors, consisting solely of two or more directors not at the time parties to the proceeding; or
  - (3) by special legal counsel selected by the board of directors or its committee in the manner prescribed in Section 8.5(b)(1) or Section 8.5(b)(2) or, if a quorum of the board cannot be obtained under Section 8.5(b)(1) and a committee cannot be designated under Section 8.5(b)(2), the special legal counsel will be selected by majority vote of the full board of directors including directors who are parties to the proceeding.
- (c) Authorization of indemnification and evaluation as to reasonableness of expenses will be made in the same manner as the determination that indemnification is permissible, except that if the determination is made by special legal counsel, authorization of indemnification and evaluation as to reasonableness of expenses will be made by those entitled under Section 8.5(b)(3) to select counsel.
  - (d) A director may not be indemnified until 20 days after the effective date of written notice to the Attorney General of the State of Oregon of the proposed indemnification.

**8.6 Indemnification of Officers, Employees and Agents.**

- (a) An officer of the Corporation is entitled to mandatory indemnification under Section 8.3 to the same extent as a director;
- (b) The Corporation will indemnify and advance expenses under this Section 8 to an officer of the Corporation to the same extent as to a director; and
- (c) The Corporation may indemnify and advance expenses under this Section 8 to an employee or agent of the Corporation to the same extent as to a director.

**8.7 Non-Exclusivity of Rights.** The indemnification and provisions for advancement of expenses provided in this Section 8 will not be deemed exclusive of any other rights to which directors, officers, employees or agents may be entitled under the Corporation's Articles of Incorporation or Bylaws, any agreement, general or specific action of the board of directors or otherwise, and will continue as to a person who has ceased to be a director, officer, or agent and will inure to the benefit of the heirs, executors and administrators of such a person.

**8.8 Savings Provisions.** The repeal of a provision of this Section 8 does not affect:

- (a) the operation of the provision or any action taken under it before its repeal; or

- (b) any ratification, right, remedy, privilege, obligation or liability acquired, accrued or incurred under the provision before its repeal.

**8.9 Severability.** If any provision of this Section 8 or its application to any person or circumstance is held invalid by a court of competent jurisdiction, the invalidity does not affect other provisions or applications of this Section 8 that can be given effect without the invalid provision or application, and to this end the provisions of this Section 8 are severable.

**8.10 Contract Right.** All rights to indemnification under this Section 8 are contract rights that cannot be amended to retroactively reduce a director's or officer's rights under this section.

**8.11 Report to Persons of Indemnification.** If the Corporation indemnifies or advances expenses to a director under this Section 8 in connection with a proceeding by or in the right of the Corporation, the Corporation will report the indemnification or advance in writing to any person having the right to designate or appoint the director no later than 90 days after the first indemnification or advance.

## **SECTION 9 AMENDMENT OF ARTICLES AND BYLAWS**

### **9.1 Amendment or Repeal by the Directors.**

- (a) The board of directors may amend or repeal the Articles of Incorporation or these Bylaws only with the prior written consent of the Member;
- (b) Any amendment of the Articles of Incorporation or these Bylaws by the board of directors requires the affirmative vote of a 2/3 majority of the number of directors in office before the meeting begins.

**9.2 Amendment or Repeal by the Member.** The Member may amend or repeal the Articles of Incorporation or these Bylaws without any action or the concurrence of the board of directors, even though these Bylaws may also be amended or repealed by the board of directors pursuant to Section 9.1 above, when the Member, in his sole discretion, determines that such amendment or repeal is necessary or appropriate for conformity with Canon Law or the doctrines, teachings, traditions and polity of the Roman Catholic Church.

**9.3 Notice of meeting to amend.** The Corporation must provide notice of any meeting of directors at which an amendment to the Articles of Incorporation or these Bylaws is to be approved. The notice must be in accordance with Section 5.3. The notice must also state that the purpose, or one of the purposes, of the meeting is to consider a proposed amendment to the Articles of Incorporation or these Bylaws and contain or be accompanied by a copy or summary of the amendment or state the general nature of the amendment.



## SECTION 10 RECORDS

- (a) The Corporation must keep as permanent records minutes of all meetings or written consents of the Member, meetings of its board of directors, a record of all corporate action taken by the directors without a meeting, and a record of all actions taken by any committees of the board of directors in place of the board of directors on behalf of the Corporation.
- (b) The Corporation must maintain appropriate accounting records.
- (c) The Corporation must maintain its records in written form or in another form capable of conversion into written form within a reasonable time.
- (d) The Corporation must keep a copy of the following records:
  - (1) Articles or restated Articles of Incorporation and all amendments to them currently in effect;
  - (2) Bylaws or restated Bylaws and all amendments to them currently in effect;
  - (3) a list of the names and business or home addresses of the current directors and officers;
  - (4) the last three annual financial statements, which should be prepared on the basis of generally accepted accounting principles, either audited or not audited;
  - (5) the most recent annual report delivered to the Secretary of State; and
  - (6) any other records that may be required to be kept by the Act or other applicable law.

## SECTION 11 NOTICE

- 11.1 Oral or Written Notice.** Notice may be oral or written unless otherwise specified for a particular kind of notice.
- 11.2 Methods of Notice.** Notice may be communicated in person, by telephone, email, fax, telegraph, teletype or other form of wire or wireless communication, or by mail or private carrier, including publication in a newsletter or similar document mailed to a director's address.
- 11.3 When Oral Notice is Effective.** Oral notice is effective when communicated if communicated in a comprehensible manner.
- 11.4 When Written Notice is Effective.** Personal written notice, if in a comprehensible form, is effective at the earliest of the following:

- (a) when received;
- (b) five days after its postmark, if mailed by United States mail correctly addressed and with first class postage affixed;
- (c) on the date shown on the return receipt, if sent by registered or certified mail, return receipt requested, and the receipt is signed by or on behalf of the addressee;
- (d) 30 days after its deposit in the United States mail, if mailed correctly addressed and with other than first class, registered or certified postage affixed; or
- (e) the date specified by the Articles of Incorporation or these Bylaws with respect to notice to directors.

**11.5 When Written Notice is Correctly Addressed.** Written notice is correctly addressed to the Corporation if addressed to its registered agent or, if none is of record, to its principal office shown in its most recent annual report.

## **SECTION 12 DEFINITIONS**

All terms used in these Bylaws that are defined in the Articles of Incorporation of the Corporation or the Act will have the meanings ascribed to them in the Articles of Incorporation or the Act.

## **SECTION 13 MISCELLANEOUS**

Any matter not specifically addressed herein shall be governed by the Act.

These Bylaws were adopted by the Incorporator of the Corporation effective \_\_\_\_\_, 2016

\_\_\_\_\_  
Secretary