

BYLAWS
OF THE
HILLSDALE COMMUNITY FOUNDATION

PURPOSE

The purpose of the Hillsdale Community Foundation (HCF) is the betterment of the Hillsdale community and the fostering of a sense of community among Hillsdale's many diverse groups.

SECTION 1

MEMBERS

The corporation shall have no members.

SECTION 2

OFFICERS AND DIRECTORS

3.01 Powers. All corporate powers shall be exercised by or under the authority of, and the affairs of the corporation managed under the direction of a Board of Directors.

3.02 Number. The Board of Directors of the corporation shall consist of not fewer than nine or more than fifteen members.

3.03 Qualification and Initial Board Appointments.

(a) **Qualification.** All directors must have a formal or informal relationship to Hillsdale or the greater Hillsdale community. The directors shall be representative of the community at large.

(b) **Initial Board Appointments.** On the initial board, one third of the directors will serve a one year term, one third will serve a two year term and the remaining one third will serve a three year term to establish a pattern where one third of the terms are considered for election each year.

3.04 Tenure of Office. The term of office of all directors shall be three years. A director may serve two consecutive terms. A director who has served two consecutive terms is not eligible for reappointment after a three-year period from the end of such prior service except by vote of the

board. A retiring board member may volunteer for extended tenure solely for the purpose of preventing a vacancy before a successor director is appointed. The board may also designate directors emeriti, who have served their complete terms and wish to remain actively involved in board meetings in an advisory capacity but without voting rights.

3.05 Vacancies. A vacancy in the Board of Directors shall exist upon the death, resignation, or removal of any director. A vacancy in the Board of Directors shall be filled by the Board of Directors in accordance with the provisions of Section 3.03(a). Each director so appointed shall hold office for the balance of the unexpired term of his or her predecessor.

3.06 Directors Emeriti. A director who has completed his or her term and wishes to continue to regularly attend board meetings may apply to be a Director Emeritus or Emerita and serve as long as they attend at least 8 meetings per calendar year. Directors Emeriti may enter board discussions but do not have voting rights.

3.07 Resignation. A director may resign at any time by delivering written notice to the Chair or the Secretary. Once delivered, a notice of resignation is irrevocable unless revocation is permitted by the Board of Directors.

3.08 Removal. A director appointed pursuant to Section 3.03 may be removed at any time, with or without cause, by a vote of at least two-thirds of the Board of Directors, excluding the director who may be removed. A Director who misses three meetings in a row without prior approval from the Chair will be removed from the board automatically. A Director Emeritus or Emerita who fails to attend 8 meetings in a calendar year will be removed from the board automatically.

3.09 Meetings. An annual meeting of the Board of Directors shall be at a time, date, and place designated by the Board of Directors. If the time and place of any other directors' meeting is regularly scheduled by the Board of Directors, the meeting is a regular meeting. All other meetings are special meetings. The Board of Directors may permit any or all of the directors to participate in any meeting by use of any means of communication by which all directors participating may simultaneously hear each other during the meeting.

3.10 Non-Board Members at Meetings.

(a) **Board Members Emeriti.** Board Members Emeriti may attend meetings and enter discussions, but have no votes.

(b) **Visitors.** Non-director visitors may attend meetings and be allowed to address the Board during the public input section of the meeting or when invited to speak by the Board of Directors.

(c) **Executive Session.** If there is sensitive or confidential information to address, the Board may conduct a private Executive Session, usually at the end of the meeting. Visitors may not attend Executive Sessions.

3.11 Action Without Meeting. An action required or permitted to be taken at a Board of Directors' meeting may be taken without a meeting if the action is taken by a majority of all members of the Board of Directors. The action shall be evidenced by written consent describing the action taken and included in the minutes or filed with the corporate records reflecting the action taken. Action taken under this Section is effective when the last director provides consent, unless the consent specifies an earlier or later effective date. A consent under this Section has the effect of a meeting vote and may be described as such in any document. The Secretary (or Chair in the absence of the Secretary) will keep a record of electronic expressions of votes for and against.

3.12 Quorum and Voting. A quorum of the Board of Directors shall consist of a majority of the number of directors in office immediately before the meeting begins. If a quorum is present when a vote is taken, the affirmative vote of a majority of the directors present when the action is taken is the act of the Board of Directors except to the extent that these bylaws require the vote of a greater number of directors.

3.13 Board Committees. The Board of Directors may create one or more committees and appoint members of the Board of Directors or other persons to serve on the committees at the pleasure of the Board of Directors. The creation of a committee must be approved by a two-thirds majority of the entire Board of Directors of the corporation.

3.14 Board Committee Powers and Procedures. The provisions of these bylaws governing meetings, action without meetings, and quorum and voting requirements of the Board of Directors shall inclusively apply to the committees of the Board of Directors and their members as well. Board Committees may, to the extent specified by the Board of Directors, exercise the Authority of the Board of Directors. However, no committee may:

- (a) Authorize distributions;
- (b) Approve dissolution, merger, or the sale, pledge, or transfer of all or substantially all of the corporation's assets;
- (c) Elect, appoint, or remove directors or fill vacancies on the Board or on any of its committees; or
- (d) Adopt, amend, or repeal the Articles of Incorporation or By-Laws.

3.15 Other Committees. The Board of Directors may create one or more other committees and/or task forces as needed. Members of these committees need not be members of the Board of Directors, but at least one director shall serve on each such committee (including task forces). These committees shall have no power to act on behalf of, or to exercise the authority of, the Board of Directors, but may make recommendations to the Board of Directors.

3.16 Compensation. Directors and members of committees may receive reimbursement of expenses in accordance with policies or resolutions adopted by the Board of Directors. Directors and members of committees shall not otherwise be compensated for service. No Director may incur any expense on behalf of the Hillsdale Community Foundation outside formal expenditure policy approved by the Board. Any expense incurred by a Director in violation of this section shall be the personal responsibility of the Director and shall not be the responsibility of HCF.

SECTION 4

OFFICERS

4.01 Designation; Election; Qualification. The officers of the corporation shall be a Chair, Vice Chair, Secretary, Treasurer, and such other officers as the Board of Directors may appoint. The officers shall be elected by, and hold office at the pleasure of, the Board of Directors. All officers must be members of the Board of Directors.

4.02 Chair of the Board. The Board of Directors shall appoint one of its members as Chair of the Board. The Chair of the Board shall preside at all meetings of the Board of Directors and shareholders and shall perform any other duties and responsibilities prescribed from time to time by the Board of Directors. **4.03 Term of Office.** The terms of office of all of the officers of the corporation shall be for a period of two years. Elections for all officers shall be held at the annual meeting and every two years after the first meeting.

4.04 Chair. The Chair shall be the chief executive officer of the Corporation and, subject to the control of the Board of Directors, shall be responsible for the general operation of the Corporation. The Chair shall have all powers and duties ordinarily exercised by the Chair of a nonprofit corporation and shall have any other duties and responsibilities prescribed by the Board of Directors-

4.05 Vice Chair. The Vice Chair shall preside at meetings of the Board of Directors at which the Chair is absent and in the absence of the Chair shall have the powers and duties of the President.

4.06 Secretary. The Secretary shall ensure that the minutes of meetings of the Board of Directors and committees of the Board of Directors are prepared and kept at such place as the Board of Directors may order. The minutes shall be posted on the web site of the Hillsdale Community Foundation when such site is established. **4.07 Treasurer.** The Treasurer shall be the chief financial officer of the corporation and shall keep adequate and correct books and records of accounts of the properties and business transactions of the corporation. The Treasurer shall ensure that all money and other valuables in the name and to the credit of the corporation are deposited with such depositories as may be designated by the Board of Directors; shall ensure that funds of the corporation are disbursed as may be ordered by the Board of Directors; and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or these bylaws. The Treasurer shall annually provide the Board with proof of payment for Directors & Officers and liability insurance. The Treasurer will be responsible for preparing quarterly reports, required governmental reports and an annual financial report for the Foundation. Such reports shall be posted on the Hillsdale Community Foundation web site within one month of preparation and be available on request.

4.08 Web Editor and Publisher. The Web Editor and Publisher shall be responsible for establishing and maintaining the Foundation Web Site, including posting minutes of Board meetings, by-laws, and quarterly reports, required governmental reports and the annual financial report.

4.09 Executive Director and Staff. The Board of Directors may, from time to time, engage an Executive Director or such other staff as is useful in conducting the business of the Foundation, in either a volunteer or paid capacity. The Executive Director shall report to the Chair of the Board of Directors and the staff shall report to the Executive Director. In the absence of an Executive Director, the staff shall report directly to a person designated by the Board of Directors.

The Executive Director will be, *ex officio*, a member of the Board of Directors without vote and will perform such duties as the Board of Directors outline in a written job description.

SECTION 5

CONFLICTS OF INTEREST

5.01 Conflict of Interest Transactions. When a situation occurs where a board member has a conflict of interest, the board member must declare and/or recuse themselves from any vote taken on this matter. A conflict of interest transaction is a transaction with the corporation in which a director or officer 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 or officer if:

- (a) the transaction is fair to the corporation at the time it was entered into,
- (b) the material facts of the transaction and the director's or officer's interests are disclosed or known to the Board of Directors.
- (c) the Board of Directors considers and in good faith determines after reasonable investigation in the circumstances that the corporation could not obtain a more advantageous arrangement with reasonable effort in the circumstances,
- (d) the corporation enters into the transaction for its own benefit, and
- (e) the transaction is approved either (i) by a majority vote of the entire Board of Directors, or (ii) by obtaining the approval of the Oregon Attorney General or a circuit court of the State of Oregon in an action in which the Oregon Attorney General is joined as a party.

For the purposes of this section, a director or officer of the corporation has an indirect interest in a transaction if:

- (a) an entity other than the corporation in which the director or officer has a material interest or in which the director or officer is a general partner is a party to the transaction, or
- (b) an entity other than the corporation of which the director or officer is a director, officer, or trustee is a party to the transaction.

For purposes of this section, a conflict-of-interest transaction is authorized, approved, or ratified if it receives the affirmative vote of a majority of all of the directors who have no direct or

indirect interest in the transaction. A transaction may not be authorized, approved, or ratified 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 this section if the transaction is otherwise approved as provided in this section.

5.02 Loans to or Guaranties for Directors and Officers. The corporation may not lend money or guarantee the obligation of a director or officer of the corporation provided; however, that the corporation may advance money to a director or officer of the corporation for expenses reasonably anticipated to be incurred in the performance of the duties of such director or officer if, in the absence of such advance, such director or officer would be entitled to be reimbursed for such expenses by the corporation.

SECTION 6

ADMINISTRATION OF PERMANENT FUND

6.01 Designation. The Board of Directors shall administer a separate fund, known as the “Permanent Fund,” for the purpose of providing the corporation with the permanent source of financial support. The Permanent Fund shall be accounted for as a separate Board-restricted fund on the books and records of the corporation.

6.02 Distributions. An amount equal to or less than ten percent of the fair market value of the assets of the Permanent Fund on the last day of the preceding fiscal year of the corporation may be distributed each year to the general fund of the corporation. Additional distributions may be made only in an emergency or to fund a special opportunity, and then only upon the unanimous vote of at least two-thirds of the Board of Directors. The end of year asset valuation shall be posted on the Hillsdale Community Web Site, and all past years’ asset valuation shall also be posted as a permanent record on the web site. The record of annual Hillsdale Community Foundation distributions from all funds and expenses of the Foundation shall also be posted on the web site annually and maintained thereon.

6.03 Valuation. For purposes of determining the amount that may be distributed in accordance with the foregoing Section 6.02, the corporation may use any reasonable method to determine the fair market value of the securities for which market quotations are readily available and any commonly-accepted method of valuation for all other assets so long as such methods are used on a consistent basis. An independent appraisal shall not be required.

6.04 Expenses. Direct out-of-pocket expenses of administering the Permanent Fund may be paid from assets held in the Permanent Fund. All expenses must have the prior approval of the board, except that the treasurer can spend up to \$200 between board meetings without prior approval. No indirect expenses or overhead allocations shall be charged against the Permanent Fund.

6.05 Amendments. The terms and conditions relating to the Permanent Fund may be amended from time to time by action of the Board of Directors, provided, however, that the provisions with respect to distributions set forth in Section 6.02 may be amended and the Permanent Fund may be terminated only upon the - vote of at least two-thirds the entire Board of Directors.

SECTION 7

GENERAL PROVISIONS

7.01 Amendment of By-Laws. Except as otherwise provided by law, the Board of Directors shall have the exclusive right to amend or repeal these bylaws by a vote of at least two-thirds of its members. Whenever an amendment or new bylaw is adopted, it shall be copied in the minute books with the original bylaws in the appropriate place. If any bylaw is repealed, the fact of repeal and the date on which the repeal occurred shall be stated in the minute book. Further resolved, that the officers of the corporation are hereby authorized and directed to file articles of amendment with the Oregon Secretary of State, and to take any and all such actions as they, or any of them, may deem necessary or appropriate to carry out the intention of the foregoing resolution. The by-laws and articles of incorporation and subsequent amendments will be posted on the foundation web site.

7.02 Books and Records. All books, records, and accounts of the corporation shall be open to inspection by the Board of Directors as required by law. At each annual meeting and more frequently if required by the Board, financial statements are expected to be prepared and distributed to the Board of Directors presenting a summary of all receipts and disbursements and the value of all accounts. All financial records, including deposit slips, checks and drafts for all funds, normal and special, shall be retained in accordance with IRS regulations.

7.03 Checks, Drafts, Etc. All checks, drafts, and other orders for payment of money, notes, or other evidences of indebtedness issued in the name of or payable to the corporation shall be signed or endorsed by such person or persons and in such manner as shall be determined from time to time by resolution of the Board of Directors.

7.04 Execution of Documents. The Board of Directors may, except as otherwise provided in these bylaws, authorize and delegate any officer or agent to enter into any contract or execute any instrument in the name of or on behalf of the corporation. Unless so authorized by the Board of Directors, no officer, agent or employee shall have any power or authority to bind the corporation by any contract or engagement, or to pledge its credit, or to render it liable for any purpose or for any amount.

7.05 Fiscal Year. The fiscal year of the corporation shall end on December 31st.

7.06 Insurance. The corporation may purchase and maintain insurance on behalf of an individual against liability asserted against or incurred by the individual who is or was a director, officer, employee, or agent of the corporation; provided, however, that the corporation may not purchase or maintain such insurance to indemnify any director, officer, or agent of the corporation

in connection with any proceeding charging improper personal benefit to the director, officer, or agent in which the director, officer, or agent was adjudged liable on the basis that personal benefit was improperly received by the director, officer, or agent.

7.07 Fund Accounts. The Board of Directors may establish and administer fund accounts, including special purpose accounts, project fund accounts, and donor-advised funds. Such fund accounts shall be exempt from the provisions of Section 6 of the Foundation's Bylaws, but shall be subject to any other rules or guidelines established by the Board for administration of such fund accounts.

By-Laws Approved as revised Jan. 27, 2020