

**BYLAWS**  
**OF**  
**GRAY FAMILY FOUNDATION**

**SECTION 1**  
**NAME**

The name of the Corporation is Gray Family Foundation, an Oregon nonprofit corporation.

**SECTION 2**  
**PURPOSE AND POWERS**

2.1 Purpose. The Corporation is organized and shall be operated exclusively (1) for charitable and educational purposes within the meaning of Internal Revenue Code section 501(c)(3) and (2) for the benefit of, to perform the functions of, or to carry out the purposes of The Oregon Community Foundation, an Oregon nonprofit corporation ("OCF"), so long as OCF is a "Qualified Charitable Organization." In furtherance thereof, the Corporation may make grants to or for the benefit of OCF and other Qualified Charitable Organizations. For purposes of these bylaws, "Qualified Charitable Organization" means a tax-exempt charitable organization or governmental unit described in Internal Revenue Code section 509(a)(1) or (2).

2.2 Powers. Subject to the foregoing purposes, the provisions of the articles of incorporation, and the requirements of Internal Revenue Code section 501(c)(3), the Corporation shall have and may exercise all the rights and powers of a nonprofit corporation under the Oregon Nonprofit Corporation Act.

**SECTION 3**  
**DIRECTORS**

3.1 Powers. Except to the extent reserved to OCF, the business and affairs of the Corporation shall be managed by its board of directors.

3.2 Number. The number of directors shall be five or seven, as determined from time to time by resolution of the board of directors.

3.3 Appointment.

(a) By OCF. OCF shall be entitled to appoint a majority of directors. (If the number of directors is fixed at five, OCF may appoint three directors, and if the number of directors is fixed at seven, OCF may appoint four directors.)

(b) By John D. Gray. John D. Gray ("Mr. Gray") shall be entitled to appoint a minority of directors. (If the number of directors is fixed at five, Mr. Gray may appoint two directors, and if the number of directors is fixed at seven, Mr. Gray may appoint three directors.)

Mr. Gray may also designate an individual or committee (such as the Gray Family Foundation Council) to serve as his successor with respect to the power to appoint directors, for a limited period or indefinitely, effective either during his lifetime or upon his death, and may amend or revoke any such designation during his lifetime. In the event of the death or incapacity of Mr. Gray, having failed to designate a successor, the Gray Family Foundation Council shall thereafter be entitled to appoint directors pursuant to this section 3.3(b), with a similar power to designate a successor. For purposes of these bylaws, the Gray Family Foundation Council shall be a committee consisting of no more than seven members of the Gray family appointed by majority vote of the surviving lineal descendants of John D. Gray and Elizabeth N. Gray (who are over the age of 18 and are willing, able, and available to do so), who shall serve three-year terms and may be appointed to successive terms.

If for any reason Mr. Gray or a designated successor is unable, unwilling, or otherwise fails to make a required appointment within 30 days after notice from the Secretary of the event requiring appointment, the necessary appointment shall be made by the majority vote of all directors then in office, at any meeting of the board of directors, but Mr. Gray or the designated successor shall retain the power to make future appointments.

Appointments of directors and designations of successors pursuant to this section 3.3(b) shall be made in a written instrument delivered to the Secretary. If the Gray Family Foundation Council or another committee is the designated successor, it shall appoint a chair or spokesperson, who will be responsible for delivering notices to the Secretary.

3.4 Term of Office. The term of office of each director shall be three years. Directors may serve no more than two consecutive three-year terms, provided that a director who leaves the board of directors may be reelected after the expiration of two years. Directors may be elected for less than a full three-year term for the purpose of filling vacancies or staggering terms of office. Directors shall serve until the conclusion of the annual meeting for the year in which their respective terms expire, or until their successors have been appointed and take office.

3.5 Removal. Directors appointed by OCF may be removed by OCF, with or without cause, by written notice delivered to the Secretary. Other directors may be removed, with or without cause, by the affirmative vote of at least two-thirds of all the directors then in office, at any meeting of the board of directors. The notice of such meeting shall state that the purpose or one of the purposes of the meeting is the removal of the director or directors involved.

3.6 Vacancies. In the event of a vacancy in the board of directors due to the resignation, death, disability, or removal of a director appointed by OCF, or due to an increase in the number of directors, OCF may appoint a successor or additional director by written instrument delivered to the Secretary. In the event of a vacancy in the board of directors due to the resignation, death, disability, or removal of a director appointed pursuant to section 3.3(b), the authorized person or committee may appoint a successor or additional director by written instrument delivered to the Secretary, or if no appointment is made within 30 days after notice from the Secretary of the event requiring appointment, the affirmative vote of a majority of all the directors then in office.

3.7 Resignation. Any director may resign at any time by delivering written notice of resignation to the Chair or Secretary. Such resignation shall be effective on receipt unless it is specified therein to be effective at a later time, and acceptance of the resignation shall not be necessary.

3.8 Compensation. Directors shall serve without compensation for their services. Subject to any applicable limitations under tax or other laws, a director may receive reimbursement for actual and reasonable expenses incurred in performing his or her duties upon the approval of the board of directors.

3.9 Annual Meetings. The annual meeting of the board of directors shall be held at a date, time, and place determined by the board.

3.10 Regular Meetings. The board of directors may from time to time establish monthly or other regular meetings, the specific date, time, and place to be determined by the Chair.

3.11 Special Meetings. Special meetings of the board of directors may be called by the Chair or any two directors.

3.12 Notice of Meetings. Written or electronic mail notice of the annual meeting of the board of directors shall be given at least 30 days before the meeting, written or electronic mail notice of a regular meeting shall be given at least 14 days before the meeting, and written, electronic mail, or oral notice of a special meeting shall be given at least 48 hours before the meeting. The notice shall in each case specify the date, time, and place of the meeting, and notice shall be sufficient if actually received at the required time or if mailed not less than five days before the required time. Notices shall be directed to the director's postal or electronic mail address shown on the corporate records or to the director's actual address ascertained by the person giving notice. Oral notice may be delivered in person or by telephone (other than by voicemail). Except as otherwise required by law, the articles of incorporation, or these bylaws, neither the business to be transacted at nor the purpose of any meeting of the board need be specified in the notice.

3.13 Waiver of Notice. Whenever any notice is required to be given to any director, a waiver thereof in writing, signed by the director entitled to such notice, whether before or after the event specified in the waiver, shall be deemed equivalent to the giving of such notice. Furthermore, 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.

3.14 Action Without a Meeting. Any action that is required or permitted to be taken by the directors at a meeting may be taken without a meeting if a consent in writing (including a communication transmitted electronically) setting forth the action is signed (physically or electronically) by all of the directors entitled to vote on the matter. The action shall be effective on the date when the last signature is placed on the consent.

3.15 Meeting by Electronic Communication. The board of directors may hold a meeting by conference telephone or other electronic equipment by means of which (a) all

directors participating in the meeting can simultaneously hear or read each other's communications during the meeting, or (b) 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. Participation in any such meeting shall constitute presence in person at the meeting.

3.16 Quorum; Majority Vote. A majority of the number of directors in office at the time of a meeting of the board of directors shall constitute a quorum for the transaction of business at any meeting of the board. 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, except as otherwise required by law, the articles of incorporation, or these bylaws. A minority of the directors, in the absence of a quorum, may adjourn and reconvene from time to time but may not transact any business.

## **SECTION 4 OFFICERS**

4.1 Designation. The officers of the Corporation shall include a Chair, a Vice Chair, a Secretary, a Treasurer, and may include such other officers as the board of directors may appoint, such as one or more Assistant Vice Chairs, Assistant Secretaries, or Assistant Treasurers. The same individual may hold two or more offices.

4.2 Qualification. The Chair, Vice Chair, Secretary, and Treasurer must be members of the board of directors.

4.3 Election and Term of Office. The officers of the Corporation shall be elected annually by the board of directors at the annual meeting. Each officer shall hold office until a successor is duly elected or until the officer's resignation, death, or removal.

4.4 Resignation. An officer may resign at any time by delivering written notice of resignation to the Chair or Secretary. Such resignation shall be effective upon receipt unless it is specified to be effective at a later time. The board of directors may reject any postdated rejection by notice in writing to the resigning officer.

4.5 Removal. The board of directors may remove any officer, with or without cause, by the affirmative vote of a majority of the directors then in office, at any meeting of the board. Removal shall be without prejudice to the contract rights, if any, of the person removed. Election of an officer shall not of itself create contract rights.

4.6 Vacancies. A vacancy in any office because of death, resignation, removal, or otherwise may be filled by the board of directors for the unexpired portion of the term.

4.7 Compensation. Officers shall serve without compensation for their services. Subject to any applicable limitations under tax or other laws, an officer may receive reimbursement for actual and reasonable expenses incurred in performing his or her duties upon the approval of the board of directors.

4.8 Chair. The Chair shall have the general powers and authority usually vested in the office of president of a corporation, and shall have such other powers and duties as may be prescribed by the board of directors. The Chair shall preside at all meetings of the board of directors, and shall be an ex officio member of any committees.

4.9 Vice Chair. The Vice Chair shall perform such duties as may be prescribed by the board of directors. In the absence or disability of the Chair, the Chair's duties and powers shall be performed and exercised by the Vice Chair.

4.10 Secretary. The Secretary shall prepare and keep (or cause to be prepared and kept) the minutes of all meetings of the board of directors and any committees of the board of directors and shall have custody of the minute books and other records pertaining to corporate business. The Secretary shall give or cause to be given such notice of the meetings of the board of directors as is required by law or these bylaws. The Secretary shall perform such other duties as may be prescribed by the board of directors.

4.11 Treasurer. The Treasurer shall be the chief financial and accounting officer of the Corporation and shall supervise and monitor the finances of the Corporation.

## **SECTION 5 INDEMNIFICATION OF DIRECTORS AND OFFICERS**

5.1 Generally. The Corporation shall, to the fullest extent permitted by law, indemnify any person who is or was a director or officer of the Corporation against any and all liability incurred by such person in connection with any claim, action, suit, or proceeding or any threatened claim, action, suit, or proceeding, whether civil, criminal, administrative, or investigative, by reason of the fact that such person is or was a director or officer of the Corporation, if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interest of the Corporation, and with respect to any criminal proceeding such person had no reasonable cause to believe the conduct was unlawful. Liability and expenses include reasonable attorneys' fees, judgments, fines, costs, and amounts actually paid in settlement. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not of itself create a presumption that such person did not act in good faith and in a manner which such person reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal proceeding, had reasonable cause to believe that such conduct was unlawful. The foregoing right of indemnification shall be in addition to and not exclusive of any and all other rights to which any such director or officer may be entitled under any statute, bylaw, an agreement, or otherwise.

5.2 Actions by or in the Right of the Corporation. In connection with any proceeding brought by or in the right of the Corporation, the Corporation may not indemnify any person who is or was a director or officer of the Corporation if such person has been adjudged by a court of law to be liable to the Corporation, unless the court in which the action or suit was brought shall determine upon application that, despite the adjudication of liability, in view of all of the circumstances of the case such person is fairly and reasonably entitled to indemnity.

5.3 Self-Interested Transactions. The Corporation may not indemnify any person who is or was a director or officer of the Corporation in connection with any proceeding charging improper personal benefit to such person in which such person has been adjudged liable on the basis that personal benefit was improperly received by such person, unless the court in which the action or suit was brought determines upon application that, despite the adjudication of liability, in view of all circumstances of the case such person is fairly and reasonably entitled to indemnity.

5.4 Determination of the Propriety of Indemnification. The determination that indemnification is proper shall be made by the majority vote of a quorum consisting of the directors who were not parties to the proceeding or, if such a quorum cannot be obtained, by the majority vote of a committee, duly designated by the board of directors, consisting of at least two directors who were not parties to the proceeding. If there are not two directors who were not parties to the proceeding, the full board shall select special legal counsel to determine whether indemnification is proper.

5.5 Evaluation of Expenses. An evaluation as to the reasonableness of expenses shall be made by the majority vote of a quorum consisting of directors who were not parties to the proceeding or, if such a quorum cannot be obtained, by the majority vote of a committee, duly designated by the board of directors, consisting of at least two directors who were not parties to the proceeding. If there are not two directors who were not parties to the proceeding, the full board of directors, including directors who were parties to the proceeding, shall evaluate the reasonableness of expenses.

5.6 Notice to the Attorney General. A director or officer shall not be indemnified by the Corporation until 20 days after the effective date of written notice to the Attorney General of the proposed indemnification.

5.7 Advance of Expenses. Expenses incurred with respect to any claim, action, suit, or other proceeding of the character described in this section may be advanced by the corporation prior to the final disposition of such proceeding if (a) the director or officer provides written affirmation to the Corporation of such person's good faith belief that such person satisfies the criteria for indemnification, and (b) the director or officer gives the Corporation a written undertaking to repay the advanced amount if it is ultimately determined that the director or officer is not entitled to indemnification under this section. The undertaking shall be a general obligation of the director or officer, but need not be secured and may be accepted by the board of directors without reference to the director or officer's financial ability to make repayment.

5.8 Insurance. The board of directors shall have the power to purchase insurance on behalf of any individual who is or was an officer or director of the Corporation against liability asserted against or incurred by such individual arising out of such individual's status as a director or officer of the Corporation, whether or not the Corporation would have the power to indemnify such individual against liability under the provisions of this section.

**SECTION 6  
AMENDMENT**

With the advance written consent of OCF, the board of directors may, at any meeting of the board of directors, amend or repeal these bylaws by the affirmative vote of at least two-thirds of all the Corporation's directors then in office. The meeting notice shall state that a purpose of the meeting is to consider an amendment to the bylaws and shall contain a copy or summary of the proposed amendment.

The foregoing bylaws were duly adopted by the board of directors on \_\_\_\_\_, 2011.

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Nicholas Walrod, Secretary/Treasurer