

**BYLAWS**  
**OF**  
**OREGON NATIONAL GUARD BENEFITS, INC.,**  
**an Oregon Nonprofit Corporation**

**ARTICLE I**  
**NAME**

The name of this Corporation is **OREGON NATIONAL GUARD BENEFITS, INC.**

**ARTICLE II**  
**OFFICES**

**SECTION 2.01. PRINCIPAL OFFICE**

The principal office for the transaction of the activities and affairs of the Corporation ("principal office") is located at PO Box 12988, Salem, Marion County, Oregon 97309-0988. The Board of Directors ("the Board") may change the principal office from one location to another. Any change of location of the principal office shall be noted by the Secretary on these Bylaws opposite this Section, or this Section may be amended to state the new location.

**SECTION 2.02. OTHER OFFICES**

The Board may at any time establish branch or subordinate offices at any place or places where the Corporation is qualified to conduct its activities.

**ARTICLE III**  
**PURPOSES AND LIMITATIONS**

**SECTION 3.01. PURPOSES**

This Corporation is a mutual benefit nonprofit corporation and is not organized for the private gain of any natural person except that reasonable compensation may be paid for services rendered to or for the Corporation. It is organized under the Oregon Nonprofit Corporation Act exclusively for providing benefits to the Members of the Oregon National Guard Association, the Enlisted Association of the National Guard, State of Oregon and all other Members of the Oregon National Guard. Any income from the provision of such benefits, after payment of expenses, may be distributed to or for the benefit of the Oregon National Guard Association and the Enlisted Association of the National Guard, State of Oregon, for the general purposes of such organizations and not the private gain of any

individual. This corporation is a tax-exempt organization under Section 501(c)(19) of the Internal Revenue Code of 1986, as amended.

The Corporation shall not discriminate against any person on the basis of race, color, age, sex, or religion.

**ARTICLE IV**  
**MEMBERS AND CLASS**

**SECTION 4.01. MEMBERS AND CLASSES**

The Corporation shall have one class of membership. All members of the Oregon National Guard Association, the Enlisted Association of the National Guard, State of Oregon, and the Oregon National Guard shall be Members.

**SECTION 4.02. VOTING RIGHTS OF MEMBERS**

All the Members shall be represented by delegates who shall vote and receive notice for all purposes under Oregon law on behalf of all Members and shall exercise all lawful authority of the Members. The President of the Oregon National Guard Association shall be the delegate voting on behalf of all officer-members of the Oregon National Guard Association and/or Oregon National Guard (the "Officer Delegate"). The President of the Enlisted Association of the National Guard, State of Oregon, shall be the delegate representing all enlisted personnel in the Enlisted Association of the National Guard, State of Oregon and the Oregon National Guard (the "Enlisted Delegate"). Each delegate shall have one vote.

**SECTION 4.03. ANNUAL MEETING**

The annual meeting of the delegates representing the Members shall be held within 75 days of the end of the Corporation's fiscal year (January 1 - December 31), and before the annual meeting of Directors, for the appointment of Directors as provided in Section 5.02(b), the President's report on the status of the Corporation and transaction of such other business as may appropriately come before the meeting. If the day set for the meeting is a legal holiday, the meeting will be held on the next succeeding business day.

**SECTION 4.04. SPECIAL MEETINGS**

Special meetings of the delegates representing the Members may be called by the President, the Board of Directors, or by either Delegate. Special meetings shall be held at the principal office of the Corporation set forth above.

#### **SECTION 4.05. NOTICE OF MEMBERSHIP MEETINGS**

Written notice of any regular or special meeting of the delegates representing the Members shall be provided to the delegates entitled to vote on behalf of the Members at such meeting not less than seven nor more than 60 days before the date of such meeting. Such notice shall specify the time and place of the meeting and, in the event of a special meeting, the purpose(s) for which the meeting has been called. The notice shall be given to each delegate by one of the following methods:

1. by personal delivery of written notice;
2. by first-class mail, postage prepaid;
3. by telephone, either directly to the delegate or to a person at the delegate's office who would reasonably be expected to communicate that notice promptly to the delegate; or
4. by facsimile.

Such notice shall be deemed to be delivered when deposited in the United States mail addressed to the delegate at the delegate's address as it appears on the records of the Corporation, with postage thereon prepaid.

#### **SECTION 4.06. QUORUM**

At any meeting of Members of the Corporation, the presence in person of both delegates shall be necessary to constitute a quorum for all purposes, except as otherwise provided by law. In the absence of a quorum, or when a quorum is present, a meeting may be adjourned from time to time by a vote of a majority of the delegates present in person without notice other than by announcement at the meeting and without further notice to any absent representative.

#### **SECTION 4.07. VOTING BY MAIL**

With respect to the election of Directors, delegates may vote by mail on such terms and in such form as may be designated by the President and Secretary of the Corporation consistent with law.

#### **SECTION 4.08. PROXIES**

Delegates shall be entitled to appoint a proxy to vote or otherwise act on their behalf by delivering a written appointment to the Secretary of the Corporation. Such proxy shall be effective for a period of eleven months after delivery to the Secretary and shall be revocable.

**SECTION 4.09. ACTION WITHOUT A MEETING**

Delegates may take any action without a meeting which they could take at a duly called and noticed meeting, providing that a written consent is obtained from all delegates entitled to vote on such action and delivered to the Secretary of the Corporation.

**SECTION 4.10 MEMBERSHIP RIGHTS**

All Members shall be eligible for the benefits provided generally to Members of the Corporation, subject to: (1) any specific eligibility requirements established by third party benefit providers; and (2) each Member's obligation to pay any required premiums for such benefits.

**ARTICLE V**  
**DIRECTORS**

**SECTION 5.01. POWERS**

(a) **General Corporate Powers.** Subject to the provisions and limitations of the Oregon Nonprofit Corporation Act and any other applicable laws, and any limitations of the Articles of Incorporation and of these Bylaws, the activities and affairs of the Corporation shall be managed, and all corporate powers shall be exercised, by or under the direction of the Board.

(b) **Specific Powers.** Without prejudice to these general powers, but subject to the same limitations, the Directors shall have the power to:

(i) Appoint and remove, at the pleasure of the Board, all officers (except as otherwise provided herein), agents and employees of the Corporation; prescribe powers and duties for them that are consistent with law, with the Articles of Incorporation and with these Bylaws; and fix their compensation and require from them security for faithful performance of their duties.

(ii) Adopt and use a corporate seal and alter the form thereof.

(iii) Borrow money and incur indebtedness on behalf of the Corporation and cause to be executed and delivered for the purposes of the Corporation, in the Corporation name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations and other evidences of debt and securities.

**SECTION 5.02. NUMBER AND ELECTION OF DIRECTORS AND RESTRICTIONS ON DIRECTORS**

(a) **Number of Directors.** The authorized number of Directors shall be six, except in the case of deadlock as provided in Article XI in which case the number of Directors shall be seven.

(b) **Appointment of Directors.** The initial Directors shall serve until the first annual meeting; thereafter, three Directors shall be appointed by the Officer Delegate and three Directors shall be appointed by the Enlisted Delegate. Each Director so appointed shall serve until the next annual meeting. Each Director, including a Director appointed to fill a vacancy, shall hold office until expiration of the term for which the Director was appointed and until a successor has been appointed and qualified.

**SECTION 5.03. TERM OF OFFICE OF DIRECTORS**

The Directors newly appointed in accordance with Section 5.02(b) shall hold office for a term of one year.

**SECTION 5.04. VACANCIES**

(a) **Events causing vacancy.** A vacancy or vacancies on the Board shall exist on the occurrence of the following: (i) the removal, suspension or resignation of any Director.

(b) **Resignations.** Except as provided in this Section, any Director may resign effective upon giving written notice to the President or the Secretary of the Corporation, unless such notice specified a later time for the resignation to become effective.

(c) **Filling Vacancies.** Any vacancy on the Board shall be filled by appointment by the delegate who appointed the outgoing Director.

(d) **No Vacancy on Reduction of Number of Directors.** No reduction of the authorized number of Directors shall have the effect of removing any Director before the Director's term of office expires.

(e) **Removal.** Any director may be removed by the unanimous vote of all the other Directors.

**SECTION 5.05. ANNUAL AND SPECIAL MEETINGS**

(a) **Annual Meeting.** The Board shall hold an annual meeting within 75 days of the end of the corporation's fiscal year, unless the Board fixes another date or time. If the schedule date falls on a legal holiday, the meeting shall be held the next full business day or day otherwise designated pursuant to these Bylaws. The meeting shall be for the purpose of

organization, election of officers and Directors and the transaction of other business. Notice of this meeting shall not be required.

(b) **Special Meetings.**

(i) **Authority To Call.** Special meetings of the Board for any purpose may be called at any time by the President or any Vice President, or the Secretary or any two Directors.

(ii) **Notice.**

a. **Manner of Giving Notice.** Notice of the time and place of special meetings shall be given to each Director by one of the following methods:

1. by personal delivery of written notice;
2. by first-class mail, postage prepaid;
3. by telephone, either directly to the Director or to a person at the Director's office who would reasonably be expected to communicate that notice promptly to the Director; or
4. by facsimile.

All such notices shall be given or sent to the Director's address, or telephone number or fax number as shown on the records of the Corporation.

b. **Time Requirements.** Notices sent by first-class mail shall be deposited in the United States mails at least four days before the time set for the meeting. Notices given by personal delivery, telephone, or facsimile shall be delivered, telephoned, or faxed at least 48 hours before the time set for the meeting.

c. **Notice Contents.** The notice shall state the time of the meeting, and the place if the place is other than the principal office of the Corporation. It need not specify the purpose of the meeting.

**SECTION 5.06. QUORUM**

A majority of the authorized number of Directors shall constitute a quorum for the transaction of business, except to adjourn as provided in Section 5.08. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of Directors, if any action taken is approved by at least a majority of the required quorum for that meeting.

#### **SECTION 5.07. WAIVER OF NOTICE**

Notice of a meeting need not be given any Director who signs a waiver of notice or a written consent to holding the meeting or an approval of the minutes thereof, whether before or after the meeting. The waiver of notice or consent need not specify the purpose of the meeting. All such waivers, consents and approvals shall be in writing and filed with the corporate records or made a part of the minutes of the meetings. Notice of a meeting need not be given any Director who attends the meeting without protesting before or at its commencement the lack of notice to such Director and does not thereafter vote for or assent to any action taken at the meeting.

#### **SECTION 5.08. ADJOURNMENT**

A majority of the Directors present, whether or not a quorum is present, may adjourn any meeting to another time and place.

#### **SECTION 5.09. NOTICE OF ADJOURNED MEETING**

Notice of the time and place of holding an adjourned meeting need not be given, unless the original meeting is adjourned for more than 24 hours, in which case notice of any adjournment to another time and place shall be given before the time of the adjourned meeting to the Directors who were not present at the time of the adjournment.

#### **SECTION 5.10. ACTION WITHOUT MEETING**

Any action required or permitted to be taken by the Board may be taken without a meeting, if all members of the Board consent in writing to that action. Such action by written consent shall have the same force and effect as any other validly approved action of the Board. Such written consent or consents shall be filed with the minutes of the proceedings of the Board.

### **ARTICLE VI** **COMMITTEES**

#### **SECTION 6.01. COMMITTEES OF THE BOARD**

The Board, by resolution adopted by a majority of the Directors then in office, may create one or more committees, each consisting of two or more Directors, to serve at the pleasure of the Board. Appointments to committees of the Board shall be by majority vote of the Directors then in office. The Board may appoint one or more Directors as alternate members of any such committee, who may replace an absent member at any meeting. Any such committee, to the extent provided in the resolution of the Board, shall have all of the authority of the Board, except that no committee, regardless of Board resolution, may:

- (a) authorize distributions;
- (b) approve or recommend to Directors 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 the Bylaws.

#### **SECTION 6.02. MEETINGS AND ACTIONS OF THE COMMITTEES**

Meetings and actions of the committees of the Board shall be governed by, held and taken in accordance with the provisions of Article V of these Bylaws, concerning meetings and other action of the Board. Minutes shall be kept of each meeting of any committee of the Board and shall be filed with the corporate records. The Board may adopt rules for the government of any committee not inconsistent with the provisions of these Bylaws or in the absence of rules adopted by the Board, the committee may adopt such rules.

### **ARTICLE VII OFFICERS**

#### **SECTION 7.01. OFFICERS**

The officers of the Corporation shall include a President, a Secretary, and a Treasurer. The Corporation shall also have two Vice Presidents, one of whom shall be appointed by the Board Members appointed by the Officer Delegate and the other shall be a person appointed by the Board Members appointed by the Enlisted Delegate. The Corporation may also have, at the Board's discretion, one or more assistant Secretaries, one or more assistant Treasurers, and such other officers as may be appointed in accordance with Section 7.03 of these Bylaws. Any number of offices may be held by the same person.

#### **SECTION 7.02. ELECTION OF OFFICERS**

Except as other provided, the officers of the Corporation shall be chosen by the Board, and each shall serve at the pleasure of the Board, subject to the rights, if any, of an officer under any contract of employment.

#### **SECTION 7.03. REMOVAL OF OFFICERS**

Subject to the rights, if any, of an officer under any contract of employment, any officer other than a Vice President may be removed, with or without cause, by the Board, or, except in case of an officer chosen by the Board, by an officer on whom such power of removal may be conferred by the Board. A Vice President may be removed, with or without

cause, by the Board Members who appointed such Vice President, subject to any contract of employment.

#### **SECTION 7.04. RESIGNATION OF OFFICERS**

Any officer may resign upon written notice to the Corporation without prejudice to the rights, if any, of the Corporation under any contract to which the officer is a party.

#### **SECTION 7.05. VACANCIES IN OFFICE**

A vacancy occurring in any office because of death, resignation, removal or other cause, shall be filled in the manner prescribed in these Bylaws for regular appointment to that office.

#### **SECTION 7.06. RESPONSIBILITIES OF OFFICERS**

(a) **President.** Subject to the control and supervision of the Board, the President shall be the chief executive officer and general manager of the Corporation and shall generally supervise, direct and control the activities and affairs and the officers of the Corporation. The President shall preside at all meetings of the Board. The President shall have such other powers and duties as may be prescribed by the Board or these Bylaws.

(b) **Vice Presidents.** In the absence or disability of the President, the Vice Presidents, if any, in order of their rank, shall perform all of the duties of the President, and, when so acting, shall have all the powers of and by subject to all of the restrictions upon the President. The Vice Presidents shall have such other powers and perform such other duties as from time to time may be prescribed for them by the Board or the Bylaws.

(c) **Secretary.**

(i) **Book of Minutes.** The Secretary shall keep or cause to be kept, at the principal office or such other place as the Board may direct, a book of minutes of all meetings and actions of the Board and of committees of the Board. The Secretary shall also keep, or cause to be kept, at the principal office, a copy of the Articles of Incorporation and Bylaws, as amended to date.

(ii) **Notices, Seal and Other Duties.** The Secretary shall give, or cause to be given, notice of all meetings of the Board and of committees of the Board required by these Bylaws to be given. The Secretary shall keep the seal of the Corporation, if any, in safe custody and shall have such other powers and perform such other duties as may be prescribed by the Board or the Bylaws.

(d) **Treasurer.**

(i) **Books of Account.** The Treasurer of the Corporation shall keep or maintain, or cause to be kept or maintained, adequate and correct books and accounts of the properties and transactions of the Corporation, and shall send or cause to be sent to the Directors, such financial statements and reports as are required by law or these Bylaws to be given. The books of account shall be open to inspection by any Director at all reasonable times.

(ii) **Deposit and Disbursement of Money and Valuables.** The Treasurer shall deposit all money and other valuables in the name and to the credit of the Corporation with such depositories as may be designated by the Board, shall disburse the funds of the Corporation as may be ordered by the Board, shall render to the President, when requested, an account of all transactions as Treasurer and of the financial condition of the Corporation and shall have other powers to perform such other duties as may be prescribed by the Board or the Bylaws.

(iii) **Bond.** If required by the Board, the Treasurer shall give the Corporation a bond in the amount and with the surety or sureties specified by the Board for faithful performance of the duties of the office and for restoration to the Corporation of all its books, papers, vouchers, money and other property of every kind in the possession or under the control of the Treasurer upon death, resignation, retirement or removal from office.

**ARTICLE VIII**  
**INDEMNIFICATION AND INSURANCE**

**SECTION 8.01. INDEMNIFICATION**

(a) **Indemnification of Directors, Officers, Employees or Agents.**

(i) The Corporation shall indemnify a director, officer, employee or agent made a party to a proceeding as the result of the individual being or having been a director, officer, employee or agent of the corporation to the fullest extent provided by the laws of the State of Oregon now in effect or later amended.

**SECTION 8.02. INSURANCE**

The Corporation shall have power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another Corporation, against any liability asserted against the director, officer, employee or agent and incurred by the person in any such capacity or arising out of the person's status as such, whether or not the Corporation would have the power to indemnify the person against such liability under the provisions of Section 8.01.

**ARTICLE IX**  
**CONSTRUCTION AND DEFINITIONS**

Unless the context otherwise requires, the general provisions, rules of construction and definitions in the Oregon Nonprofit Corporation Act shall govern these Bylaws. Without limiting the generality of the above, the masculine gender includes the feminine and neuter, the singular includes the plural, and the plural includes the singular, and the term "person" includes both a legal entity and a natural person.

**ARTICLE X**  
**AMENDMENTS**

**SECTION 10.01. ADOPTION OR AMENDMENT BY DIRECTORS**

New Bylaws may be adopted or these Bylaws may be amended or repealed by approval of a majority of the Directors of the Corporation.

**ARTICLE XI**  
**DEADLOCK**

**SECTION 11.01. DEADLOCK OF DIRECTORS**

If a deadlock should occur in the vote of the Directors and the deadlock cannot be resolved by agreement of the Directors, the Board shall call a special meeting of the Members for the purposes of electing a provisional seventh Director to break the deadlock. If at such special meeting the Members are unable to vote a majority of their membership interests to elect the provisional Director, the Members on one side of the dispute shall give their proxies to a disinterested third party, and the Members on the other side of the dispute shall give their proxies to a second disinterested third party. The two disinterested parties so selected shall in turn give their proxies to a third disinterested party selected by the first two, who shall vote all of the membership interests in favor of the election of the provisional Director chosen by him. The provisional Director shall be entitled to and subject to all rights, privileges and obligations of the permanent Directors; provided, however, the provisional Director shall resign immediately after breaking the deadlock giving rise to his election.

**SECTION 11.02. DEADLOCK OF MEMBERS**

If a deadlock should occur in the vote of the delegates of the Members and the deadlock cannot be resolved by agreement of the parties, the delegates on one side of the dispute shall give his or her proxy to a disinterested third party, and the Members on the other side of the dispute shall give their proxies to a second disinterested third party. The two proxyholders so selected shall in turn give their proxies to a third disinterested party

selected by the first two, who should resolve the deadlock by voting all of the membership interests in the manner he or she sees fit.

**SECTION 11.03. COMPENSATION**

The Board of Directors shall be authorized to approve the payment of compensation by the Corporation to any proxyholder or provisional Director so acting under the provisions of this Article.

**CERTIFICATE OF SECRETARY**

I, the undersigned, certify that I am the presently electing and acting Secretary of **OREGON NATIONAL GUARD BENEFITS, INC.**, an Oregon nonprofit corporation, and the above Bylaws are the Bylaws adopted by the Board of Directors effective November 7, 1997.

Executed on 7 November 1997, at Manmouth Oregon.

  
CHRIS ALLEN, Secretary