

IN THE BOARD OF COMMISSIONERS OF THE STATE OF OREGON

FOR THE COUNTY OF YAMHILL

SITTING FOR THE TRANSACTION OF COUNTY BUSINESS

In the Matter of an Ordinance Approving Membership in)	
the Yamhill County Housing Rehabilitation Association;)	
Approving By-laws and Authorizing Transfer of Revolving)	ORDINANCE 700
Loans to the Yamhill County Housing Rehabilitation)	
Association; Declaring an Emergency, Effective Immediately.)	

THE BOARD OF COMMISSIONERS OF YAMHILL COUNTY, OREGON ("the Board") sat for the transaction of county business in formal session on May 10, 2001, commissioners Robert Johnstone, Thomas E.E. Bunn and Leslie Lewis being present.

THE BOARD MAKES THE FOLLOWING FINDINGS:

A. Yamhill County is authorized to receive and disburse funds for the purpose of fostering housing rehabilitation and related purposes within Yamhill County. Yamhill County has participated in rehabilitation loan programs in cooperation with the Housing Authority of Yamhill County, Oregon. Yamhill County has made low interest or no interest loans to qualifying persons to assist in the rehabilitation of housing in order to benefit citizens of Yamhill County. In making loans, the county has been assisted in the administration of its housing rehabilitation program by the Housing Authority of Yamhill County.

B. The Board may participate in a countywide revolving loan program and related programs by becoming a member of a newly formed Oregon non profit corporation called Yamhill County Housing Rehabilitation Association which will make housing rehabilitation loans and fund related projects on a countywide basis and seek additional funding therefor on a countywide basis.

C. The proposed bylaws of Yamhill County Housing Rehabilitation Association have been prepared and revised with the participation of representatives of Yamhill County, NOW, THEREFORE

THE YAMHILL COUNTY BOARD OF COMMISSIONERS HEREBY ORDAINS AS FOLLOWS:

Section 1. Approval of non profit corporation; membership.

The Board of Commissioners of Yamhill County, Oregon hereby approves and directs that the County of Yamhill become a member of an Oregon non-profit corporation known as the Yamhill County Housing Rehabilitation Association, and further authorizes participation by the County in the countywide housing programs to be undertaken by such non-profit corporation. The Articles of Incorporation of the Yamhill County Housing Rehabilitation Association are attached and incorporated into this Ordinance as Exhibit "A."

Section 2. Approval of initial by-laws.

The Board of Commissioners approves the form of the initial bylaws and Articles of Incorporation for the Yamhill County Housing Rehabilitation Association. The initial by-laws

of the Yamhill County Housing Rehabilitation Association are attached and incorporated into this Ordinance as Exhibit "B." In the future, any then existing Board may participate in the amendment of the by-laws as the Board deems appropriate.

Section 3. Transfer of loan portfolio; retention or transfer of funds.

Effective on formation of the Yamhill County Housing Rehabilitation Association and authorization for the corporation to do business, the Board hereby authorizes transfer to the Yamhill County Housing Rehabilitation Association the County's housing rehabilitation program loan portfolio of promissory notes and security instruments for which the County is the beneficial owner, provided however, that all funds held in the County's revolving loan fund, in amounts sufficient to make a single or multiple revolving loans of not less than \$10,000.00, shall be retained in such County revolving fund. Any other funds in amounts insufficient to make a single loan of \$10,000.00 may be transferred to Yamhill County Housing Rehabilitation Association to assist in the initial administrative expenses to be incurred by such entity on behalf of its members.

Section 4. Effective Date; Emergency Clause.

This ordinance, being necessary for the health, safety and welfare of the citizens of Yamhill County and an emergency having been declared to exist, shall become effective on passage.

Section 5. Severability.

All sections, subsections and paragraphs of this ordinance are severable. If any section, subsection or paragraph is ruled invalid for any reason by the court of last resort, the other portions of this ordinance shall be unaffected.

DONE at McMinnville, Oregon on May 10, 2001.

ATTEST

YAMHILL COUNTY BOARD OF COMMISSIONERS

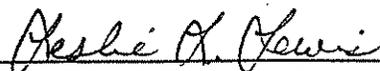

CHARLES STEERN
County Clerk
By: 
Deputy KELLYE FETTERS


Chairman ROBERT JOHNSTONE


Commissioner THOMAS E. E. BUNN

FORM APPROVED BY:


JOHN M. GRAY, JR.
Yamhill County Counsel


Commissioner LESLIE LEWIS

**ARTICLES OF INCORPORATION
OF THE
YAMHILL COUNTY HOUSING
REHABILITATION ASSOCIATION**

an Oregon Nonprofit corporation

The undersigned person of the age of 18 years or older, acting as incorporator under the Oregon Nonprofit Corporation Act, adopts the following articles of incorporation:

**ARTICLE 1
NAME AND DURATION**

The name of the corporation shall be The Yamhill County Housing Rehabilitation Association (the "Corporation"), and its duration shall be perpetual.

**ARTICLE 2
TYPE OF NONPROFIT CORPORATION**

The Corporation shall be a public benefit Corporation under the Oregon Nonprofit Corporation Act.

**ARTICLE 3
PURPOSES AND POWERS**

The Corporation is organized, and shall at all times be operated, exclusively for charitable, scientific and educational purposes within the meaning of Section 501(c)(3) of the United States Internal Revenue Code of 1986, as amended ("Code", which term shall be deemed also to refer to any corresponding provisions of any subsequent federal tax laws), including, without limitation, but only to the extent consistent with such purposes, the repair and rehabilitation of housing that is affordable to low-income and moderate-income persons. Subject to the foregoing purposes and the restrictions set forth herein, the Corporation shall have and may exercise all the rights and powers of a nonprofit corporation under the Oregon Nonprofit Corporation Act.

**ARTICLE 4
RESTRICTIONS**

The assets of the Corporation are irrevocably dedicated to the purposes described above, and no part of the net income or other assets of the Corporation shall

ever inure to the benefit of or be distributed to its officers, directors or other private person (including any individual), except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article 3 hereof.

The Corporation shall not be controlled by, or under the direction of, individuals or entities seeking to derive profit or gain from the Corporation.

No substantial part of the activities of the Corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate or intervene in, or publish or distribute any statements in connection with, any political campaign on behalf of or in opposition to any candidate for public office.

Notwithstanding any provision of these Articles of Incorporation to the contrary, the Corporation shall not engage in any activities that are not permitted for a Corporation that is exempt from federal taxation under Section 501(c)(3) of the Code or to which contributions are deductible for federal income, estate, and gift tax purposes under Code Sections 170(c)(2), 2055(a), and 2522(a) thereof.

ARTICLE 5 **MEMBERS**

The Corporation shall have a single class of members within the meaning of the Oregon Nonprofit Corporation Act. Membership shall be available to any local governmental jurisdiction, agency or commission operating within Yamhill County which shall transfer housing loans or other monies to the corporation in furtherance of the purposes of the corporation.

ARTICLE 6 **BOARD OF DIRECTORS**

The affairs of the Corporation shall be managed by its board of directors. The Board shall be elected by the members. The number of directors constituting the initial board of directors of the Corporation shall be a minimum of five and a maximum of twenty-one. Vacancies and newly created positions on the board of directors shall be filled by the affirmative vote of a majority of the directors then in office, and directors similarly may be removed by the affirmative vote of a majority of directors as shall be provided in the bylaws of the Corporation.

ARTICLE 7 **DISSOLUTION**

Upon dissolution or final liquidation of the Corporation, the assets of the Corporation remaining after payment of or provision for the liabilities and obligations of the Corporation shall be distributed exclusively to tax exempt governmental

organizations located within Yamhill County or qualified charitable organizations as determined by a vote of the Board of Directors and approved by a vote of not less than three quarters of the members. Any assets not so distributed shall be disposed of by the Yamhill County Circuit Court to such qualified local government or governments or charitable organizations as the court shall determine.

For purposes of these Articles of Incorporation, a "qualified charitable organization" means an organization which is exempt from federal income tax under Section 501(c)(3) of the Code and which is other than a private foundation as defined in Section 509(a)(1) or (2) thereof.

ARTICLE 8
REGISTERED OFFICE AND AGENT

The address of the initial registered office of the Corporation is 414 North East Evans Street, McMinnville, OR 97128, and the name of its initial registered agent at such address is Aundy Morton.

ARTICLE 9
MAILING ADDRESS

The Corporation's mailing address to which notices may be mailed is 414 North East Evans Street, McMinnville, OR 97128.

ARTICLE 10
NAME AND ADDRESS OF INCORPORATOR

The name and address of the Incorporator is Aundy Morton, 414 North East Evans Street, McMinnville, Oregon, 97128.

ARTICLE 11
LIABILITY OF DIRECTORS AND UNCOMPENSATED OFFICERS

To the fullest extent permitted under the Oregon Nonprofit Corporation Act, a director or uncompensated officer of the Corporation shall not be liable to the Corporation for monetary damages for conduct as a director or officer. No repeal or amendment of this provision shall adversely affect any right or protection of a director or officer of the Corporation existing at the time of such repeal or amendment.

ARTICLE 12
INDEMNIFICATION

To the fullest extent permitted under the Oregon Nonprofit Corporation Act, the Corporation shall indemnify any Director or Officer who has been made a Party to a

Proceeding because the individual is or was a Director or Officer against Liability incurred in the Proceeding, including without limitation advancement of Expenses. Capitalized terms used in the preceding sentence shall have the meaning assigned to such terms in the Oregon Nonprofit Corporation Act.

ARTICLE 13
PRIVATE FOUNDATION PROVISIONS

Notwithstanding any provision of these Articles of Incorporation or Oregon law to the contrary, if the Corporation is a private foundation within the meaning of Code Section 509, it is prohibited from engaging in any act of self-dealing (as defined in Code Section 4941(d)), from retaining any excess business holdings (as defined in Section 4943(c)), which would subject the Corporation to tax under Code Section 4943, from making or retaining any investments would subject the Corporation to tax under Code Section 4944, and from making any taxable expenditures (as defined in Code Section 4945(d)), and the Corporation shall make distributions of income and principal at such time and in such manner as not to subject the Corporation to tax under Code Section 4942.

ARTICLE 14
AMENDMENT

The Members of the Corporation may amend these Articles of Incorporation, by the affirmative vote of a majority of three quarters of such members, at any meeting of the Members. The meeting notice shall state that a purpose of the meeting is to consider an amendment to the Articles of Incorporation and shall include a copy or summary of the proposed amendment.

DATED the _____ day of _____, 2001.

Aundy Morton, Incorporator

Person to Contact
About this Filing:
WALTER R. GOWELL
PO Box 480, McMinnville, Or 98128
Telephone No. (503) 472-5141

Ex A 4/4

**BYLAWS OF THE
YAMHILL COUNTY HOUSING
REHABILITATION ASSOCIATION**

**ARTICLE 1
NAME AND PURPOSE**

Section 1. The name of the corporation is YAMHILL COUNTY HOUSING REHABILITATION ASSOCIATION, and its duration shall be perpetual.

Section 2. The purposes of the corporation shall be to conserve and rehabilitate housing located in Yamhill County and the City of Willimina, Oregon, and all related purposes including but not limited to, energy conservation programs, safe housing programs, and low income housing repair programs.

**ARTICLE 2
MEMBERS**

Section 1. This corporation shall have one class of members consisting of local jurisdictions, governmental agencies, or commissions which have assigned loans to the corporation or otherwise transferred or had transferred for their benefit funds or monies to the corporation in furtherance of the corporation's purposes.

**ARTICLE 3
BOARD OF DIRECTORS**

Section 1. Powers and Qualifications. The affairs of the corporation shall be managed by the Board of Directors. The board may exercise all powers vested in the corporation by law.

Section 2. Number of Directors. The number of voting directors of the corporation shall be not less than five nor more than twenty-one. One voting director shall be appointed at the Annual Meeting of the members, by each member of the corporation whose appointed director's term has expired. Upon the first annual appointment of directors, the directors shall be divided by lot, or otherwise, into four categories: the first category to serve a term of one year; the second category to serve a term of two years; the third category to serve a term of three years, the fourth category shall serve a term of four years. Each such director shall hold office for the term for which he or she is appointed and until his or her successor shall have been appointed to serve a term of four years, except those appointed to fill a vacancy left by a former director. If and when additional voting memberships in the board are created, the four categories shall be balanced in numbers so far as may be feasible. The Board of Directors

shall have the authority to create such additional ex-officio nonvoting board membership as the Board may from time to time deem desirable.

Section 3. Appointment and Term. At the annual meeting, or by mail ballot if so directed by the Board of Directors, the directors shall be appointed by the membership to hold office until the expiration of the term of the director into which appointed and until his/her or their respective successors are appointed and qualified. No director shall serve more than four consecutive four-year terms. A director appointed to fill a vacancy may serve four consecutive four year terms in addition to the period of time for which he or she was first appointed as provided in Article 3, Section 2.

Section 4. Vacancies. A member shall have power to fill any vacancy occurring in the Board for the Board position appointed by such member. The director appointed to fill a vacancy shall be appointed for the unexpired term of his/her predecessor in office. Any director elected by the Board by reason of an increase in the size of the Board shall stand for election by a majority of all of the members at the next annual members meeting for the remainder of the specified term for such position.

ARTICLE 4 **MEETINGS OF MEMBERS AND BOARD OF DIRECTORS**

Section 1. Annual Meeting. The annual meeting of the Members and Board of Directors shall be held in the month of _____.

Section 2. Special Meetings. Special meetings of the Members or Board of Directors may be held at any place and time, whenever called by the President or a majority of the members or directors.

Section 3. Notice of Meetings. Notice of the time and place of any meeting of the Members or Board of Directors shall be required. Notice of the time and place of any special meeting shall be given by the Secretary, or by the person or persons calling the meeting, by mail, telegram, or by personal communication, over the telephone or otherwise, at least three (3) days prior to the date on which the meeting is to be held. Attendance of a director at any meeting shall constitute a waiver of notice of such meeting, except where the director attends a meeting for the purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted nor the purpose of any meeting of the Board of Directors need be specified in the notice or any waiver of notice of such meeting.

Section 4. Quorum. A majority of the duly elected voting members of the Board of Directors at the time of the meeting shall constitute a quorum for the transaction of business. At any meeting of the Board of Directors or Members at which a quorum is present, any business may be transacted and the Board may exercise all of its powers.

ARTICLE 5 **ACTIONS BY WRITTEN CONSENT**

Ex B 2/7

Section 1. Any corporate action required or permitted by the Articles of Incorporation, Bylaws, or laws of the State of Oregon to be taken at a meeting of the directors of the corporation may be taken without a meeting if a consent in writing, setting forth the actions to be taken, shall be signed by all of the directors entitled to vote with respect to the subject matter thereof. Such consent shall have the same force and effect as a unanimous vote and may be described as such.

ARTICLE 6 WAIVER OF NOTICE

Section 1. Whenever any notice is required to be given to any director of the corporation by the Articles of Incorporation, Bylaws or laws of the State of Oregon, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated herein, shall be equivalent to the giving of such notice.

ARTICLE 7 INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 1. To the maximum extent allowed by law, the corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact that he or she 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, partnership, joint venture, trust or other enterprise, against expenses (including attorney's fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding if he or she acted in good faith.

Section 2. To the maximum extent allowed by law, the corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that he or she 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, partnership, joint venture, trust or other enterprise against expenses (including attorney's fees) actually and reasonably incurred by him or her in connection with the defense or settlement of such action or suit if he or she acted in good faith

Section 3. To the extent that a director, officer, employee or agent of a corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in this Article, or in defense of any claim, issue or matter therein, he or she shall be indemnified against expenses (including attorney's fees) actually and reasonably incurred by him or her in connection therewith.

Section 4. The corporation may pay for or reimburse reasonable expenses incurred by a person who is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative if such party furnishes the corporation a written affirmation of his or her good faith belief that he or she acted in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the corporation.

Section 5. A director of the corporation who is a party to a proceeding may apply for indemnification to the court conducting the proceeding or to another court of competent jurisdiction. On receipt of an application, the court, after giving any notice the court considers necessary, may order indemnification if it determines the party is entitled to mandatory indemnification.

Section 6. The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any Bylaw, agreement, vote of shareholders, or disinterested directors or otherwise, both as to action in his or her official capacity and as action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

Section 7. The directors of the corporation have the authority on behalf of the corporation to authorize the purchase and maintenance of insurance on behalf of any person who is or was a director, officer, employee or agent of another corporation, or is or was serving at the request of the corporation, as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him or her and incurred by him or her in any such capacity or arising out of his or her status as such, whether or not the corporation would have the power to indemnify him or her against such liability under the provisions of this Article.

ARTICLE 8

OFFICERS

Section 1. Officers Enumerated. The officers of the corporation shall be a President, one or more Vice Presidents, a Secretary, a Treasurer, and such other officers and assistant officers as may be deemed necessary by the Board of Directors, each of whom shall be annually elected by the Board of Directors and shall serve until his or her/her successor is duly elected and qualified. Any two or more offices may be held by the same person, except the offices of President and Secretary. A specified rotation of assignment of Directors to designated offices may be established by the Board of Directors. In addition to the powers and duties specified below, the officers shall have powers and perform such duties as the Board of Directors may prescribe. The officers may be bonded in amounts to be established by the Board or the Executive Committee.

Section 2. Selection of Additional Officers. The Board may elect or appoint such other officers, assistant officers and agents as it shall deem necessary or desirable, who shall hold

their offices for such terms and shall have such authority and perform such duties as shall be determined by the Board.

Section 3. Compensation of Officers. The salaries, as well as any other compensation, of all officers and agents of the corporation shall be fixed by the Board of Directors and confirmed by the membership.

Section 4. Tenure. The officers of the corporation shall hold office until their successors are chosen and qualify in their stead. Any officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests of the corporation will be served thereby, but such removal shall be without prejudice to the rights, if any, of the person so removed. If the office of any of the officers becomes vacant for any reason, the vacancy shall be filled by the Board of Directors.

Section 5. President. The president shall be the chief executive officer of the corporation; the president shall preside at all meetings of the directors; he or she shall supervise management of the business of the corporation, and shall see that all orders and resolutions of the Board are carried into effect. The president shall execute deeds, leases, promissory notes, bonds, mortgages and other contracts or documents requiring a seal, under the seal of the corporation, except where required by law to be otherwise signed and executed and except where the signing and execution thereof shall be expressly delegated by the Board of Directors to some other officer or agent of the corporation.

Section 6. Vice Presidents. In the absence or disability of the president, the vice presidents, in order of their rank as fixed by the Board of Directors, or if not ranked, the vice president designated by the Board of Directors, shall perform the duties and exercise the powers of the president, and each vice president shall perform such other duties as the Board of Directors shall prescribe.

Section 7. Secretary. The secretary shall attend all sessions of the Board of Directors and record the minutes of all proceedings in a book to be kept for that purpose, and shall perform like duties for any committee when required. The secretary shall give, or cause to be given, notice of all meetings, of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors or the president, under whose supervision he or she shall be. He or she shall keep in safe custody the seal of the corporation and, when authorized by the Board, affix the same to any instrument requiring it, and when affixed it shall be attested by his or her signature or by the signature of the treasurer.

Section 8. Treasurer. The treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the corporation and shall deposit all money and other valuable effects in the name and to the credit of the corporation, in such depositories as may be designated by the Board of Directors. The treasurer shall disburse the funds of the corporation when proper to do so, taking proper vouchers for such disbursements, and shall render to the president and directors, at the regular meetings of the board, or whenever they may require it, an account of all his or her transactions as treasurer and of the financial condition of the corporation. If required by the

Board of Directors, the treasurer shall give the corporation a bond in such sum, and with such surety or sureties as shall be satisfactory to the Board, for the faithful performance of the duties of his or her office, and for the restoration to the corporation, in case of his or her death, resignation, retirement or removal from office of all books, papers, vouchers, money and other property of whatever kind in his or her possession or under his or her control belonging to the corporation.

ARTICLE 9 OFFICES

Section 1. Principal Office. The principal office of the corporation in the State of Oregon shall be located in Yamhill County, Oregon. The corporation may have such other offices, either within or without the State of Oregon, as the Board of Directors may designate or as the business of the corporation may from time to time require.

Section 2. Registered Office. The registered office of the corporation required by the Oregon Business Corporation Act to be maintained in the State of Oregon may be, but need not be, identical with the principal office in the State of Oregon, and the address of the registered office may be changed from time to time by the Board of Directors.

ARTICLE 10 POLITICAL ACTIVITIES

Section 1. Prohibition Against Certain Activities. Notwithstanding any other provision of these Bylaws, this corporation shall not carry on any activities not permitted to be carried on by a corporation exempt from federal income tax under Section 501(c)(3) of the federal Internal Revenue law). Said limitations include, but are not restricted to, the requirement that no part of the net earnings of this corporation shall inure to the benefit of or be distributable to any private individual (except that this corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in these Bylaws); that no part of its activities shall consist of the carrying on of propaganda (including the publishing or distribution of statements) or otherwise attempting to influence legislation; and that it shall not participate in or intervene in any political campaign on behalf of any candidate for public office.

ARTICLE 11 GENERAL PROVISIONS

Section 1. Checks and Notes. All checks, convertible debentures, or demands for money and notes of the corporation shall be signed by such officers or such other person or persons as the Board of Directors may from time to time designate consisting of not less than two persons when the amount of such disbursement shall exceed the sum of Five Hundred Dollars (\$500.00).

Ex B 4/7

Section 2. Corporate Seal. The Board of Directors shall adopt a corporate seal which shall be circular in form and shall have inscribed thereon the name of the corporation, the state of incorporation, and the words "Corporate Seal". Said seal may be used by causing it, or a facsimile thereof, to be impressed or affixed or in any manner reproduced.

Section 3. Conduct of Meetings. Meetings of the membership and the Board of Directors shall be conducted pursuant to Robert's Rules of Order.

Section 4. Amendments. The Bylaws of the corporation may be altered, amended or repealed, and new Bylaws may be adopted, by the affirmative vote of two-thirds (2/3rds) of the members present in person or by proxy at any duly and regularly called regular or special meeting of the Members.