BYLAWS

Property & Casualty Coverage for Education

ARTICLE 1 – Definitions

1.1. **Administrative Costs.** Administrative Costs shall mean, costs and expenses related to loss prevention, claims administration, data processing, financial accounting, financial audits and other Trust expenses. Capital expenditures for facilities and equipment necessary to carry out the purposes of the Trust are included in Administrative Costs. Administrative Costs do not include premiums paid for by the Trust for excess insurance or losses paid by the Trust on behalf of Participants.

1.2. **Contribution.** Contribution shall mean required payments by Participants to the Trust to cover Administrative Costs, to cover the costs of purchasing excess insurance in the name of the Trust, costs necessary to create and maintain Loss Funds, and other expenses of the Trust.

1.3. **Fund Year.** The Fund Year shall mean a 12 consecutive month period chosen by the Trustees. A Fund Year may be less than 12 months if it is the first or last such year of the Fund or a year or years involving a change in the Fund Year and shall constitute the insured period for Coverage Documents issued by the Trust.

1.4. **Insurer.** Insurer shall mean an insurance company authorized to do business in Oregon providing insurance or underwriting contract(s) to the Trust.

1.5. **Local Board.** Local Board shall mean the Board of Directors of either (i) a Member of OSBA or (ii) a Charter School per SB 100 (1999 Oregon Laws Charter 200) that is sponsored by a participating Member of OSBA.

1.6. **Loss Fund.** Loss Fund shall mean those separate accounts maintained by the Trust in order to defend Participants as required by the Coverage Documents and to pay covered losses insured by the Trust, and all income, gains and all other increments of any nature whatsoever, if any, therefrom.

1.7. **Loss Prevention Programs.** Loss Prevention Programs shall mean programs provided by or on behalf of the Trust to Participants to assist Participants in avoiding or limiting future losses.

1.8. **Net Surplus.** Net Surplus shall mean those monies remaining in the Loss Fund at the end of a Fund Year after the payment of all claims and in excess of allocated and unallocated reserves for claims as determined by a licensed independent actuary (including claims incurred but not yet reported).

1.9. **Oregon School Boards Association (OSBA).** Participants must be either a Member of OSBA or a Charter School per SB 100 (1999 Oregon Laws Charter 200) that is sponsored by a participating Member of OSBA.

1.10. **Participant.** Participant means a Local Board which becomes a Participant pursuant to Article 2 below and whose participation has not been terminated or suspended.

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1.11. **Premium.** Premium shall mean an amount of money paid to an Insurer, Administrator or the Trust in exchange for providing insurance.

1.12. **Program Administrator.** The Program Administrator shall mean the Executive Director of the OSBA or his/her designee.

1.13. **Service Company.** Service Company shall mean any person or entity designated by the Trust to provide services to the Trust as directed by the Trustees.

1.14. **Trust.** Trust shall mean the OSBA Property and Casualty Coverage for Education Trust.

1.15. **Trust Agreement.** Trust Agreement shall mean the Restated Property and Casualty Coverage for Education Trust Agreement, as may be amended.

1.16. **Trust Assets.** Trust Assets shall mean all Trust funds and other assets.

1.17. **Trustee.** Trustee shall mean each person then serving as Trustee pursuant to the Trust Agreement, including ex officio Trustees unless specifically indicated otherwise.

ARTICLE 2– Participants

2.1 Participants must be either a Member of OSBA or a Charter School per SB 100 (1999 Oregon Laws Charter 200) that is sponsored by a participating Member of OSBA.

ARTICLE 3- Committees in the Trust

3.1. **Trustees:**

(a) **Number.** The Trust shall be managed by a board of nine trustees (the "Trustees") elected a by majority vote of the Board of Directors of OSBA.

(b) **Composition.** All Trustees must be employed by a district, community college or ESD that is a member of OSBA, or serve on a board of a district, community college or ESD. No Trustee shall serve, and no appointment shall be effective, until such appointee acknowledges in writing full and, unconditional acceptance of the terms of this Trust.

(c) **Term.** The term of office of a Trustee shall be for three years, except that the initial term of any Trustee may be one year, two years, or three years, to the end that in no year will the terms of more than one-third plus one of the Trustees expire.

(d) **Appointment.** The Trustees shall nominate Trustee candidate(s) to OSBA. The nominees shall be elected by OSBA. If the list of candidates is not acceptable by OSBA, the Trustees will continue to nominate alternative candidate(s) for consideration until the list of candidates is accepted by OSBA. Vacancies in the office of a Trustee shall be filled by a majority vote of Directors of OSBA from the nominations submitted by the Trustees.

(e) **Ex Officio Trustee.** The Executive Director of OSBA or his/her designee shall be designated as the Program Administrator. The Program Administrator, or his/her designee, shall serve as an ex-officio nonvoting Trustee. The Trustees shall require the Program Administrator to keep and preserve minutes of the meetings of the Trustees and possess such powers and perform such duties as the holder of such an office usually has and performs.

(f) **<u>Vacancy.</u>** A vacancy in the Board of Trustees shall exist upon the death, resignation, or removal of any Trustee or an increase of the number of Trustees. A vacancy in the Board of Trustees shall be filled by a majority vote of Directors of OSBA from nominations submitted by the Board of Trustees. Each Trustee so elected or appointed shall hold office for the balance of the unexpired term of his/her predecessor. If the Directors of OSBA accepts the resignation of a Trustee tendered to take effect at a future time, a successor may be elected to take office when the resignation becomes effective. During the period of a vacancy among the Trustees, the remaining Trustees shall have full power to act.

(g) **<u>Resignation.</u>** A Trustee may resign by sending written notification to the Program Administrator and Trustee Chair. Such written notice of resignation may state a prospective date upon which such resignation shall become effective; otherwise, such resignation shall become effective upon delivery. Upon the effective date of any such resignation, such Trustee shall become and be fully discharged from all further duties, responsibilities or liabilities associated with such office. A Trustee, upon vacating such office, shall promptly deliver to the remaining Trustees or Program Administrator any and all records, books, documents, monies or other property of the Trust in the possession or under the control of such Trustee.

(h) **<u>Removal</u>**. Any Trustee may be removed with or without cause by the OSBA Board of directors.

(i) **<u>Trustee Emeritus</u>**. The Board of Trustees may designate a Trustee Emeritus who will serve at the pleasure and direction of the Board of Trustees. "Trustee Emeritus" is an honorary title conveyed to a former trustee to recognize exemplary service. The Trustee Emeritus will serve as a non-voting member of the Board of Trustees. The Trustee Emeritus will not be compensated but shall be reimbursed for reasonable expenses in the same manner as other Trustees. The Trustee Emeritus duties shall be established by the Board of Trustees and may include, without limitation, acting as an ambassador for PACE, oral historian, mentoring the Trust's administrator and trustees, participating in trustee orientations, and serving as a liaison or representative with other governmental agencies or partnering associations as assigned by the administrator or Trust Board.

3.2. **<u>Officers.</u>** The Trustees shall designate a chair to preside at meetings of the Trustees and to possess such powers and to perform such duties as the holder of such an office usually has and performs. The Trustees shall also designate a vice-chair to act in the absence of the chair. In the absence of both the chair and the vice-chair, the Trustees constituting a quorum may elect a chair pro tempore for purposes of conducting a meeting and transacting Trust business. All such officers of the Trustees may vote on any issue or matter properly before the Trustees. The term for the chair and vice chair shall be two (2) consecutive years.

3.3. **<u>Meetings of the Board of Trustees.</u>** The annual meeting shall occur at the date and time as determined by the Trustees. All meetings shall be held within the State of Oregon. Other meetings of the Trustees shall be held at the call of the chair or of any five Trustees. The Trustees send notice of all meetings five days in advance. Notice shall state the time, place and purpose of the meeting. It shall be in any form of communication that the person or persons calling the meeting may designate. A Trustee's attendance at or participation in a meeting waives any required notice to the director of the meeting unless the director, at the beginning of the meeting or promptly upon the director's arrival, objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to any action taken at the meeting.

3.4. **<u>Quorum</u>.** A majority of the Trustees shall constitute a quorum for the transaction of business. All decisions of the Trustees shall be made by a vote of a majority of the Trustees present and voting.

3.5. **Telephonic/Video Participation.** The Board of Trustees may permit any or all of the Trustees to participate in a regular or special meeting by or conduct the meeting through use of any means of communication by which all Trustees participating may simultaneously hear each other during the meeting. A Trustee participating in a meeting by this means is deemed to be present in person at the meeting.

3.6. **Claims Administration Committee.** The Trustees may establish a Claims Administration Committee. The duties of the Claims Administration Committee shall be determined by the Trustees, but may include recommendations regarding the development of claims, settlement options and potential mitigation actions. In selecting committee members, the Trustees shall consider expertise and personal and professional qualifications and shall make appointments for such terms as it may deem desirable.

3.7. **Underwriting Committee.** The Trustees may establish an Underwriting Committee. The duties of the Underwriting Committee shall be determined by the Trustees, but may include recommendations regarding development of underwriting standards, rating procedures and review of applications for membership or participation.

3.8. **Loss Prevention Committee.** The Trustees may establish a Loss Prevention Committee. The duties of the Loss Prevention Committee shall be determined by the Trustees but may include arranging for and evaluating the regular conduct of loss control services, production of recommendations to prevent losses, maintenance of a loss control manual and the conduct of seminars regarding loss control.

3.9. **Advisory Committee**. The Trustees may appoint advisory committees comprised of individuals who are not Trustees but whose expertise, experience or knowledge may be helpful to the Trustees in the performance of their duties. The Trustees may provide for such compensation to advisory committee members as reasonable. Advisory committees may make recommendations to the Trustees but shall not have authority to act on behalf of the Trust or Trustees.

ARTICLE 4 – Amendments

4.1. **Method of Amendment**. The Bylaws may be amended at any time by a written instrument approved by the Trustees then serving, a copy of which shall be furnished to each Trustee. Amendments must be approved by a vote of two-thirds majority of the trust board.

4.2. **Limitation on Amendments**. No amendment shall be adopted which alters the basic purpose of the Trust, conflicts with the Trust Agreement or with any applicable law or government regulation, causes the use or diversion of any part of the Trust for purposes other than those authorized by the Trust Agreement or retroactively deprives any entity of a vested right or interest.

4.3. **Notice of Delivery of Documents**. Any notice required to be given, except as otherwise provided, shall be in writing and shall be deemed to have been given as of the date of posting to whomever may properly receive legal service of process for the addressee of such notice. Any notice actually received shall be deemed properly given whether or not pursuant to the provisions of the Bylaws.

4.4. **Gender, Number and Captions.** Wherever any words are used herein in the masculine gender, they shall be construed as though they were also used in the feminine or neuter gender in all cases where they would so apply, and wherever any words are used herein in the singular form, they shall be construed as though they were also used in the plural form in all cases where they would so apply. Titles of articles and headings of sections and subsections are inserted for convenience of reference only and are not to be considered in the construction hereof.

4.5. **Construction.** This Agreement is created and shall be construed in accordance with the laws of the State of Oregon. All questions pertaining to its validity or construction not otherwise preempted shall be determined in accordance with the laws of the State of Oregon. If any provision contained in the Bylaws or Rules should be held invalid, unenforceable or unconstitutional, the remainder of the provisions not subject to such adjudication shall not be affected and shall continue in full force and effect. If any provision contained in the Bylaws or Rules should be held invalid, unenforceable or unconstitutional as to any Participant, the provisions of the Bylaws and Rules shall continue in full force and effect as to any or all other Participants.