

Historic Downtown Snohomish Association

By-Laws

<p>Article I -- Name and Term</p>
<p>The name of this organization shall be “Historic Downtown Snohomish” (hereinafter HDS), and its duration shall be perpetual. It shall be a non-profit tax-exempt corporation under section 501(c)(3) of the Internal Revenue Code.</p>
<p>Article II -- Offices</p>
<p>A. Principal Office: the principal office of HDS shall be in the State of Washington, County of Snohomish, and City of Snohomish.</p>
<p>B. Registered office: The registered office of HDS shall be maintained with the State of Washington, county of Snohomish, City of Snohomish and may be, but need not be, identical with the principal office.</p>
<p>The address of HDS’s registered office may be changed from time to time by resolution of the Board of Directors.</p>
<p>Article III -- Purposes</p>
<p>HDS shall promote and sponsor discussion groups. It shall educate and inform citizens and members on topics of common interest and concern to the Downtown Historic District and it shall promote and sponsor cultural and commercial revitalization of the Downtown Historic District.</p>
<p>HDS will provide a forum for members to share knowledge, common experiences and problems.</p>
<p>Further, the manners in which HDS shall organize its efforts shall fall into the following general categories: Promotions, Organization, Economic Restructuring and, Design:</p>
<p>Promotions: HDS shall maintain and publish information regarding revitalization of the downtown Historic District to both citizens and visitors through any and all necessary tools and efforts including, but not limited to, planning studies, newsletters, brochures, maps, media coverage, flyers, posters, community meetings and workshops.</p>
<p>Organization: HDS shall organize and promote construction relationships with local government, local service clubs and organizations, educational organizations, private business and individual citizens that have an interest in preserving and developing the beauty, stability and livability of the Downtown Historic district. The HDS will promote the concerns of the Downtown Historic District and the city, county and special district level.</p>
<p>Economic Restructuring: HDS will assist to diversify and prevent deterioration of the community by recruiting new businesses to balance the mix, provide assistance in writing marketing packages for property owners interested in attracting tenants, and aiding potential business owners in finding space and acquiring adequate financing.</p>
<p>Design: HDS will promote and assist in planning and coordination design improvements and redevelopment efforts in, or adjacent to the Downtown Historic District. HDS will aid in providing design services for buildings and signage. HDS will provide information on historic renovation, maintenance, painting, façade rehabilitations and preservation. HDS will assist in the planning and development of public interest and beautification projects within the Downtown</p>

Historic District. The HDS will, whenever possible, recommend appropriate uses and design standards for the Historic Downtown district. When appropriate, HDS will also work with business owners and local government to address parking and traffic issues.

Article IV -- Powers

General Powers: HDS shall have all powers granted by Washington State law. It shall also have the power to undertake, either alone or in cooperation with others, any lawful activity that may be necessary or desirable for the furtherance of any or all purposes for which HDS is organized.

Investment Powers: HDs may invest both assets secured by the organization and services provided by the organization. HDS shall use any returns from such investment for (1) ongoing operational funding and/or (2) reinvestment in additional development projects. No portion of the returns will inure to the benefit of any assessed member, Director, Officer or staff member of HDS.

In addition, in furtherance but not in limitation thereof: the corporation shall not carry on propaganda or otherwise attempt to influence legislation except as an insubstantial part of its activities.

The corporations shall not in any manner or to any extent participate in or intervene in (Including publishing or distribution of statements.), any political transaction as defined in Section 503(b) or corresponding section of any future federal tax code.

The corporation shall not permit any act which shall operate to deprive it of its tax exempt status under section 501 (c) (3).

No part of the net earnings of the corporations shall inure to the benefit of any member of the corporation or any private individual except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered herein.

None of the property of the corporation shall be distributed directly or indirectly to any members of the corporation except in fulfillment of its charitable and educational purposes enumerated herein.

The corporation also has such powers as are now or may be hereafter be granted under the laws of the State of Washington that are in furtherance of the corporations exempt purposes within the meaning of Section 501 (c) (3) of the IRC of 1986 and/or future corresponding federal tax codes.

Article V -- Boundaries/Members/Patron Members/City Members

A. Boundaries: The boundaries of HDS shall be defined as the Historic Business District (HBD) city land use designation.

B. Membership: The HDS shall have four types of memberships:

1. Business organizations, and professional practitioners who pay PBIA assessments to the City of Snohomish and operate within the Downtown Historic District, as defined in Article III.

2. Real property owners with buildings or land located in the Downtown Historic District as defined in Article III.

3. Businesses, organizations, and professionals operating outside of the Downtown Historic District as defined in Article III.

4. Individuals not included in previous categories.

C. Dues: The Board of Directors shall review and establish annual dues for each type of membership as is deemed appropriate. Establishment of such dues shall include the method of payment and membership application procedure.

D. Any business, organization or individual interested in supporting the purposes of the HDS may become a member by filing an application with the HDS.

E. Each member that is not delinquent in payment of their dues or assessment shall be entitled to one vote.

Article VI -- Annual Meeting

An annual meeting of the HDS membership shall take place at such time as the Board of Directors determines. Members shall be notified by mail at the address listed on their business license (or mailing address on file) at least 30 days in advance. The purpose of the annual meeting will be to deliver an annual report and such other business as the Board of directors brings before the membership.

Article VII -- Directors

A. **Duties:** The Board of Directors shall set policy for and oversee the management of the affairs of the HDS. They shall control its property, be responsible for its finances, formulate HDS policy and plans and direct its affairs. The Board of Directors may hire an Executive Director and support personnel. The Board of Directors may enter into contracts necessary to accomplish HDS goals.

B. **Qualifications:** The Board of Directors shall be seven (7) to eleven (11) in number.* PBIA Members shall always constitute a simple majority of the Board of Directors. There must be Directors from both retail and non-retail business, as well as real property owners on the board. There shall not be a majority of any one occupation on the Board. Directors must be of sound mind and of legal age.

C. **Terms:** Every Director shall be elected for a two-year term. However, the initial Board of Directors shall serve staggered terms of one and two years. Directors on the initial Board shall, by lot or their choice, be elected as follows: Four for a one year term, five for a two year term. Qualified members may run for election as many times as they wish.

D. **Elections:** Directors shall be elected by the membership by mailed ballot. Tallying of ballots shall be completed and the new Directors published. Every member shall have one vote for each Director's position. Nominations to the ballot slate shall be made in one of two ways: (1) By a nominating committee consisting of members of the Board or, (2) by a petition that is signed by an interested, qualified member and ten (10) other qualified members. All petitions must be submitted to the HDS at least 30 days in advance of the annual election. Ballots shall be mailed to all qualified voting members at least 20 days prior to tallying. In the event of a tie, the current Board shall, by lot, decide the victor.

E. **Vacancies:** Any Director may resign at any time by giving written notice to the HDS Board of Directors. Any vacancy on the Board occurring because of resignation, death, removal, refusal to serve or otherwise shall be filled for the

unexpired term by action of the majority of remaining Directors. Three consecutive unexcused absences from regular Board meetings will be automatically considered a vacancy.

F. Removal from the Board: A board member may be removed from office for cause by a simple majority vote of the Board of Directors. "Cause" is unsatisfactory performance and/or behavior as defined by Article XVII.

G. Meetings: The Board of Directors shall meet at least monthly but may meet as often as a majority of the Board desires. The President and/or any three Directors may call a meeting of the Board. At any duly called meeting of the Board of Directors, a simple majority shall constitute a quorum. All business of the Board of Directors shall be transacted at a duly called meeting of the Board.

H. Compensation: Directors shall not receive compensation for their services as Directors, but the Board may, by resolution, authorize reasonable reimbursement for pre-authorized expenses incurred in the performance of their duties. Nothing herein shall preclude a Director from serving the HDS in any other capacity and receiving reasonable compensation for such services.

I. Liaisons and Resources: The City of Snohomish may have representatives as non-voting liaisons and resources to the HDS Board of Directors, with the concurrence of the HDS Board.

Article VIII -- Officers

A. Number of Officers: HDS shall have a President, Vice-President, Secretary, Treasurer, and such additional Officers as the Board of Directors may from time to time designate. Each Officer shall serve a one-year term (except the initial Board) but may be re-elected for up to three consecutive terms. The Board of Directors shall elect their Officers at the first board meeting following the annual Board election.

B. Duties of the President: The President shall preside at all meetings for the Board of Directors and of the membership. The President shall be entitled to the same vote as any other Director. The President shall sign all checks and documents pertaining to HDS' affairs for which the President's signature is necessary and desirable. The President shall appoint all Committee Chairs and members of committees with majority approval of the Board. The President, and only the President (or his designee), shall speak for the Board of directors regarding established policies, procedures, and positions of the organization. The President shall have the right to limit the speaking time of any Director or member at any meeting.

C. Duties of the Vice President: In the absence of the President, or in his or her inability to act, or by his or her request, the Vice-President shall possess all of the President's powers and discharge all Presidential duties. The Vice President may sign checks and documents as necessary for the HDS to perform its purposes.

D. Duties of the Secretary: The Secretary shall keep and preserve a full record of the proceedings of HDS, and may sign checks and documents as necessary for the HDS to perform its purposes. The Secretary shall perform such other duties as the Board may from time to time direct.

E. Duties of the Treasurer: The Treasurer shall receive, account for, and deposit into HDS bank account(s) all funds received by the HDS. The Treasurer shall provide a report and summary statement at each Board meeting regarding the financial affairs of the HDS. The Treasurer may sign checks and documents as necessary for the HDS to perform its purposes.

F. Delegation of Officers' Duties: The duties of any Officer may be delegated to the Executive Director (should an executive director be hired), if delegated by the Board of Directors, and included in the Executive Director's job description.

Article IX -- Committees

HDS shall have the following four standing committees: Promotions, Organization, Economic Restructuring, and Design and Maintenance. (See also: "Article 3 – Purposes" above for additional information)

HDS may also have such other committees as the Board of Directors may from time to time establish. Committees shall report to the Board of directors as requested. At least one Director should serve on every committee. The President shall appoint committee chairs and their participants with majority approval from the Board of Directors.

Committee membership need not be limited to HDS members but can representatives from other relevant areas of the community if deemed appropriate.

Article X -- Non-Discrimination/Sexual Harassment

Discrimination Prohibited: HDS will comply with equal opportunity laws and not discriminate against any member, customer, or applicant for membership or for services because of race, creed, color, religion, national origin, marital status, sex, age or handicap except for a bona fide occupational qualification.

Article XI -- Amendments

These Bylaws may be amended by resolution at any time by an affirmative simple majority vote of the Board of Directors.

Article XII -- Insurance

HDS shall, at all times, maintain liability insurance for all Officers and board members and the organization as an entity in the amount of \$1,000,000 plus an umbrella policy for an additional \$1,000,000.

Article XIII -- Corporate Seal

HDS shall have no corporate seal although, if approved by the Board, a corporate otter may be adopted.

Article XIV -- Indemnification

HDS may indemnify and hold harmless any Officer or Director, or former Officer or Director, his or her heirs or assigns, for any and all judgments, settlement amounts, attorney's fees and litigation expenses incurred by him or her

by reason of having been made a party to litigation due to his or her capacity or former capacity as an Officer or director of the HDS.

The provisions of this section apply to any cause of action arising prior to the adoption of these Bylaws. The rights of indemnification set forth herein are not exclusive.

Any uncompensated Officer or Director shall be entitled to indemnification for any liability incurred in his/her capacity as such as provided by the Washington Nonprofit Corporation Act.

An Officer or Director is not entitled to indemnification if HDS itself brings the cause of action or if it is determined, in judgment, that the Officer or Director had reason to believe his/her action was unlawful and/or constituted willful dereliction as provided by the Washington Nonprofit Corporation Act.

Article XV -- Dissolution

In the event of the corporation dissolving, the net assets of the HDS will be distributed to identified 501 (c) (3) non-profit funds(s), foundation(s), and/or corporation(s) as voted upon by the HDS membership.

Article XVI -- Effective Date

These Bylaws shall supersede and replace all previous versions.

Article XVII -- Roles of a Board Member and Operating Protocol

Board members are responsible for ensuring effective and fiscally sound programs and operations. They do this by following the adopted Bylaws, representing the needs of the general membership, and providing leadership, advice and direction to the organization.

Every member of the Board of Directors:

- Prepares for each meeting of the Board of Directors by reading material distributed prior to the meeting.
- Is able and willing to actively work for the organization.
- Attends at least 75% of regular and special Board meetings and participates in proceedings.
- Attends at least 75% of general membership meetings.
- Represents the needs and interests of all members of the organizations. Avoids and perception of conflict of interest. Does not individually represent the policies or position of the Board unless specifically assigned to do so by the President.
- Considers recommendations and research in decision making.
- Welcomes the input and values the opinion of each other. Refrains from interrupting others.

<ul style="list-style-type: none"> • Demonstrates the desire and ability to work as part of a team, acknowledges different points of view, and works to resolve issues with care and respect.
<ul style="list-style-type: none"> • Shares resources and talents with the organization, including personal expertise, contacts, and information learned through networking and/or training opportunities.
<ul style="list-style-type: none"> • Recognizes that only the Board as a whole has authority by respecting majority decisions.
<ul style="list-style-type: none"> • Supports Board decisions publicly once decisions are made and serves as an advocate for, and demonstrates loyalty to, the organization and its members.
<ul style="list-style-type: none"> • Maintains absolute confidentiality as required.
<ul style="list-style-type: none"> • Displays knowledge of current programs; remains accessible to other Board members.
<ul style="list-style-type: none"> • Solicits financial support of others for the organization and actively participates in one or more fundraising activities. Personally pledges to assist in raising money for the organization.
<ul style="list-style-type: none"> • Serves as an active member of at least one committee.
<ul style="list-style-type: none"> • Takes initiative; fulfills commitments within established deadlines.
<ul style="list-style-type: none"> • Expects the board president to discuss unfilled commitments if not participating.
Voted on, and approved by the HDS Board of Directors _____(Oct. 12, 2006)_____
(See original document for signatures)
Transcription December 1, 2009 by Eric Vannice- for review and transcription to MS Word format.
*(Article VII.B: Board of Directors shall be seven to eleven in number.’ This was changed from ‘There shall be a nine (9) member Board of Directors’ by resolution, passed unanimously, March 11, 2010