

# Historic Downtown Snohomish Association

## By-Laws

<b>Article I -- Name and Term</b>
The name of this organization shall be “Historic Downtown Snohomish Association” (hereinafter HDSA), 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.
<b>Article II -- Boundaries and Offices</b>
<b>A. Boundaries:</b> The boundaries of the geographic region served by the HDSA shall be State of Washington, County of Snohomish, and City of Snohomish, with specific focus on the region defined as the Historic Business District (HBD) in the official land use designation set forth by the City of Snohomish, hereafter referred to as the Downtown Historic District (see Exhibit A).
<b>B. Offices</b>
<ol style="list-style-type: none"> <li>1. Principal Office: the principal office of HDSA shall be in the State of Washington, County of Snohomish, and City of Snohomish.</li> <li>2. Registered Office: The registered office of HDSA 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.</li> <li>3. The address of HDSA’s registered office may be changed from time to time by resolution of the Board of Directors.</li> </ol>
<b>Article III -- Purposes</b>
HDSA shall facilitate activities that promote, preserve, and improve the Downtown Historic District and its environs. It will also 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.
The manner in which HDSA shall organize its efforts shall fall into the following general categories: Promotions, Outreach, Economic Vitality, and Design.
<b>Article IV -- Powers</b>
<b>General Powers:</b> HDSA 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 HDSA is organized.
<b>Investment Powers:</b> HDSA may invest any assets secured by the organization and 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 member, Director, Officer, or staff member of HDSA.
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 -- Membership**

A. Membership: The HDSA shall have four types of members:

1. Business organizations, and professional practitioners who operate within the Downtown Historic District, as defined in Article II.
2. Real property owners with buildings or land located in the Downtown Historic District as defined in Article II.
3. Businesses, organizations, and professionals operating outside of the Downtown Historic District, as defined in Article II.
4. Any individual interested is supporting the purposes of the HDSA, not included in previous categories.

B. Dues: The Board of Directors may 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.

C. Vote: Each member shall be entitled to one vote in the annual Board of Directors election.

#### **Article VI -- Membership Meetings**

The HDSA membership may hold regular and special meetings. An annual meeting of the HDSA membership shall take place at such time as the Board of Directors determines. Unless otherwise set by a majority vote of the Board of Directors with appropriate notice to the members, regular membership meetings shall be held no less than annually. 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. Notice of every meeting of membership, stating the place or mode, date, and hour of the meeting shall be given electronically (electronic methods include, but are not limited to, email, HDSA official website, social media, or other digital message board) to each member at least five (5) days before the date of the meeting.

#### **Article VII – Board of Directors**

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

B. **Makeup:** The Board of Directors shall be comprised of seven (7) to eleven (11) Directors. There must be Directors from both HBD businesses and HBD real estate property owners on the board. There shall not be a majority of any one group on the Board. Specific qualifications for becoming a Director may be set forth by resolution of a simple majority of the Board of Directors.

C. **Terms:** Every Director shall be elected for a two-year term. However, the Board of Directors shall serve staggered terms, such that continuity is maintained between years of service. Directors may run for re-election as many times as they wish.

D. **Election or Ratification:** Directors shall be elected by the membership annually via a ballot or ratified by the Board of Directors if a position needs to be filled mid-term (see Section E. Vacancies). Ratification of Directors may also occur if none of the positions are competitive. Tallying of ballots shall be completed and the new Directors published. Every HDSA 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 HDSA at least 14 days in advance of ballot distribution. Ballots shall be distributed to all qualified voting members at least 7 days prior to tallying. In the event of a tie, the current Board shall vote to decide the victor.

E. **Vacancies:** Any Director may resign at any time by giving written notice to the HDSA Board of Directors. Any vacancy on the Board, shall be filled for the unexpired term by action of the majority of remaining Directors.

F. **Removal from the Board:** A board member may be removed from the Board for cause by a simple majority vote of the Board of Directors. “Cause” is unsatisfactory performance and/or behavior that results in the inability to fulfill the

roles and responsibilities defined by Article XVII. Three consecutive absences from regular Board meetings, without notification to the Board, will be considered a refusal to serve and may result in removal from the Board.

**G. Meetings:** The Board of Directors shall meet at least bi-monthly but may meet as often as a majority of the Board desires. The President 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 HDSA in any other capacity and receiving reasonable compensation for such services.

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

#### **Article VIII -- Officers**

**A. Number of Officers:** HDSA shall have a President, Vice-President, Secretary, Treasurer, and such additional Officers as the Board of Directors may from time to time designate. Any Officer, except President, may simultaneously serve in more than one Officer position only when there is an insufficient number of Board members available to fill each Officer position. Each Officer shall serve a one-year term 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. The President shall attend, or select a delegate to attend, all membership meetings. The President shall be entitled to the same vote as any other Director. The President shall sign checks and documents pertaining to the HDSA's legal affairs, such as leases, purchases of large assets, or other contracts, as deemed necessary. The President shall appoint all Committee Chairs with majority approval of the Board. The President, or his/her 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 attendee at any meeting of the Board of Directors or membership.

**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 HDSA to perform its purposes.

**D. Duties of the Secretary:** The Secretary shall keep and preserve a full record of the proceedings of HDSA, and may sign documents as necessary for the HDSA to perform its purposes. The Secretary shall document the Board of Director and Officer terms of service. 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 HDSA bank account(s) all funds received by the HDSA. The Treasurer shall provide a report and summary statement at each Board meeting regarding the financial affairs of the HDSA. The Treasurer may sign checks as necessary for the HDSA 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. The duties of any Officer may also be delegated to another Board Member, as necessary.

#### **Article IX -- Committees**

HDSA shall have standing committees aligned with one or more of these categories: Promotions, Outreach, Economic Vitality, and Design to achieve the Purpose of the HDSA as stated in Article III.

Committees shall be established through voting by the Board of Directors. Activities from each Committee shall be reported to the Board of Directors annually, at a minimum, and as requested. The President shall appoint committee chairs for each established Committee with majority approval from the Board of Directors.

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

#### **Article X -- Non-Discrimination/Sexual Harassment**

**Discrimination Prohibited:** HDSA 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, sexual orientation, gender-identity, age, veteran or disability status, 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. These Bylaws shall be reviewed and approved by the Board of Directors no more than 4 years from the last date of approval.

**Article XII -- Insurance**

HDSA 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**

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

**Article XIV -- Indemnification**

HDSA 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 HDSA.

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 HDSA 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 HDSA will be distributed to identified 501 (c) (3) non-profit funds(s), foundation(s), and/or corporation(s) as voted upon by the HDSA Board of Directors.

**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 organization, 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 the organization. Avoids any perception of conflict of interest. Does not represent the policies or position of the Board for personal usage 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.
• 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.
• Shares resources and talents with the organization, including personal expertise, contacts, and information learned through networking and/or training opportunities.
• Recognizes that only the Board as a whole has authority by respecting majority decisions.
• Supports Board decisions publicly once decisions are made and serves as an advocate for, and demonstrates loyalty to, the organization and its members.
• Maintains absolute confidentiality as necessary.
• Displays knowledge of current programs; remains accessible to other Board members.
• 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.
• Serves as an active member of at least one committee or Officer position.
• Takes initiative; fulfills commitments within established deadlines.
• Expects the board President to discuss unfilled commitments if not participating.
Voted on, and approved by the HDSA Board of Directors _____ May 9, 2024 _____
(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

Revision History

Date	Section	Changes
5/24/20	Title	Added "Association"
5/24/20	Entire Document	Changed HDS to HDSA
5/24/20	Article II	Added "Boundaries"
5/24/20	Article II.A	Added description of Boundaries
5/24/20	Article II.B.1	Require office to be in Snohomish County, WA
5/24/20	Article II.B.3	Office address may be changed
5/24/20	Article III	Changed verbiage to include preserve and improve.
5/24/20	Article III	Removed the description of HDSA Committees
5/24/20	Article IV	Removed services provided by the organization
5/24/20	Article V	Kept the word members
5/24/20	Article V.A	Removed Boundaries
5/24/20	Article V.A.4	Modified description of member
5/24/20	Article V.B.	Dues changed from shall to may
5/24/20	Article V4.D	Removed entire paragraph on who may join HDSA
5/24/20	Article V.4.C	Removed verbiage on delinquent in payment
5/24/20	Article VI	Removed Annual to membership meeting
5/24/20	Article VI	Added hold Annual Membership Meeting, yearly
5/24/20	Article VI	Criteria for announcing the membership meeting, location, date,
5/24/20	Article VII	Added Board of
5/24/20	Article VII	Removed qualifications and added makeup
5/24/20	Article VII	Added – comprised of, added Director, added special qualifications for becoming a director, added resolution of a simple majority.
5/24/20	Article VII B	Removed, PBI members always majority on Board. Removed, Directors must be of sound mind.
5/24/20	Article VII C	Removed qualified members and added directors

Approved May 9, 2024

5/24/20	Article VII D	Added, or ratification, added annually, added ratification of Board, added ballots distribution, removed 20 days and added 7 days. Added Board will vote to decide.
5/24/20	Article VII E	Removed Unexcused absences, added without notifying, considered a refusal to serve.
5/24/20	Article VII I	Added, and other civic organizations
5/24/20	Article VIII	Added, Any officer except President may serve in more than one position
5/24/20	Article VIII B	Removed, members of committees and only the President
5/24/20	Article VIII B	Added, attendees and of the Board of Directors membership.
5/24/20	Article IX	Added, at a minimum, added vitality removed restricting. Removed, and their participants, added include.
5/24/20	Article X	Added, Sexual orientation, gender identity, veteran, disability status.
5/24/20	Article XIII	Removed otter, added logo
5/24/20	Article XVI	Added correct date that Bylaws will be voted on.
5/9/24	Article III	Updated HDSA's purpose from "plan and execute" to "facilitate" activities. Update category from "Organization" to "Outreach" to align with the Washington Main Street Program.
5/9/24	Article IV	Removed "assessed" from member.
5/9/24	Article V	Removed reference to PBIA for business type members. Updated member voting rights to the annual Board of Director election.
5/9/24	Article VII	Added clarifying language in the Board Makeup and Terms. Clarified the usage for elections vs ratifications. Removed list of reasons for vacancies. Moved Board removal due to attendance discussion. Update Board Meetings to a bi-monthly minimum.
5/9/24	Article VIII	Added restriction for Board members to simultaneously hold multiple Officer positions. Clarified Duties of the President. Added Secretary responsibility. Removed the Treasurer's ability to sign documents. Added ability to delegate Officer duties.
5/9/24	Article IX	Removed Committee structure requirement. Updated "Organization" to "Outreach" to align with the Washington Main Street Program. Added clarification for the establishment of Committees.
5/9/24	Article XI	Added a requirement to review and approve the by-laws at least every 4 years.
5/9/24	Article XV	Updated the power to distribute HDSA assets upon dissolution to the Board of Directors instead of the members.
5/9/24	Article XVII	Updated language for clarification. Added allowance for Board members to serve as an Officer instead of a Committee.