



Klamath Falls Downtown Association Bylaws

Article I Name and Term

The name of the organization is Klamath Falls Downtown Association, hereafter referred to as "KFDA" or "the Association", and its duration will be perpetual.

Article II Offices

- A. Principal Office: The principal office of the KFDA will be in the State of Oregon, County of Klamath, City of Klamath Falls. Further, it will be located within the boundaries of the City of Klamath Falls Urban Renewal Area.
- B. Registered office: The registered office of the KFDA will be maintained in the State of Oregon, and may be, but need not be, identical with the principal office. The address of the registered office may be changed by resolution of the Board of Directors.

Article III Amendments

- A. The Board of Directors shall have the power to alter, amend, or repeal the bylaws or adopt new bylaws by quorum vote at a duly called meeting of the Board, provided that no such action will be taken if it would in any way adversely affect the KFDA's qualifications under the Internal Revenue Code or corresponding provisions of any subsequent Federal tax law. At least two-thirds (2/3) of the quorum must vote in favor for the alteration, amendment, or repeal of the bylaws of the adoption of new bylaws to become effective.

Article IV Purposes

- A. The Klamath Falls Downtown Association is a group of business owners, professionals, service providers, property owners and citizens all working together to create, maintain and promote downtown Klamath Falls as an attractive, safe and vibrant place in which to work, shop, live and play. The organization is organized exclusively for charitable, religious, educational, and scientific purposes under

Section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code.

ARTICLE V

Powers

- A. General Powers: KFDA will have all powers granted by Oregon law. It will also have the power to undertake, either alone or in cooperation with others, any lawful activity which may be necessary or desirable for the furtherance of any or all purposes for which the KFDA is organized.
- B. Investment Powers: KFDA may invest both assets secured by KFDA, and services provided by KFDA resulting in development, as program related investments. Any returns from such investment will be used by KFDA for the furtherance of any or all purposes for which the KFDA is organized. No portion of the returns will inure to the benefit of any member, Director, Officer or staff member of KFDA.

ARTICLE VI

Boundaries and Membership

- A. Boundaries: The primary focus area of the downtown district will be the area defined by the Downtown Urban Renewal Area map and will also extend to include the area north to High Street, south to the railroad tracks, east to Crater Lake Parkway, and west to Riverside Drive.
- B. Membership: Any business or organization in good standing in Klamath County interested in becoming a member of the KFDA can apply for membership in such form as the Board of Directors prescribes. Any business required to hold a business license by the City of Klamath Falls or Klamath County must provide proof of issuance of the same with their membership application. Members in good standing, i.e., meeting all membership qualifications, may renew automatically by remitting their annual dues on or before their anniversary date. New memberships are not active or recognized until approved by the board of directors. Such approval shall not be withheld without sufficient cause, as determined by the Board of Directors. Each active member will be entitled to one vote on matters that come before the membership. Any member may resign from membership in the Association upon giving written notice thereof to the KFDA Board of Directors Secretary or Secretary of the Executive Director of the Association. Members who resign from membership will not be entitled to vote or receive refund of dues therefore paid.
- C. Individuals will be eligible to join KFDA as a “friend.” Friends receive the same customary benefits as regular members per the membership benefits schedule, but are not entitled to vote on matters that come before the membership.
- D. Dues: Annual membership dues, associated benefits, and payment schedules will be reviewed by the Board of Directors annually and revised as necessary. Association members will be billed during their anniversary month with payment due

no later than the last day of the following month. Non-payment of dues will discontinue membership.

ARTICLE VII

Membership Meetings

- A. Annual Meeting: The annual meeting of the KFDA membership will be held within the first quarter of the fiscal year or such other time as the Board of Directors may direct. Members will be notified by either regular mail or electronic mail at the address listed on their business license or membership application more than 30 days before the annual meeting convenes. The purpose of the annual meeting will be to announce the Board of Directors of KFDA for the following year, and such other business as the Board of Directors deems appropriate.
- B. General Membership Meetings: General membership meetings will be held at least once quarterly. The date, time and location of these meetings will be published two weeks in advance of the meeting via electronic mail and social media.
- C. Special Meetings: Special meetings will be held at any time and place as may be designated in the notice of said meeting upon call of the President of the Board of Directors, or a majority of the Board of Directors, or upon the written petition by at least twenty-five percent (25%) of the active membership. A notice stating the place, date, and time of meetings will be provided either personally or by regular or electronic mail and/or social media to each member at least three days prior to the meeting. Other interested parties will be given such notice of meetings as the Board of Directors deems appropriate.

ARTICLE VIII

Directors

- A. Regular and Ex-Officio: The Board of Directors shall consist of regular directors (described under the “Qualifications” section below) and Ex-officio Directors. Ex-officio Directors are non-voting Directors that represent organizations, sectors, or other identifying classifications that are of essential importance to KFDA. At a minimum, Ex-officio Directors representing Education, the City of Klamath Falls, and Klamath Falls City Police shall be appointed. Additional Ex-officio Directors may be appointed or removed by the Board of Directors at any time.
- B. Duties: The Board of Directors will manage, set the policy for, and oversee the management of the affairs of KFDA. They will control its property, be responsible for its finances, formulate its policy, and direct its affairs. The Board of Directors may hire an Executive Director and/or support personnel. The Board of Directors may enter into contracts necessary to accomplish the KFDA goals.

- C. Qualifications: There will be not less than nine (9) and not more than thirteen (13) regular members on the Board of Directors. Any active member, employee of a member business, or partner or associate in a member business of KFDA may be a member of the Board of Directors; however, there must be a Director from retail, non-retail and property owner from within the primary focus area of the KFDA. There will not be a majority of any occupation on the Board. Directors must be of sound mind and of legal age.
- D. Term: Directors will be elected for a three (3) year term. Following a Director's initial three-year term, the Board of Directors may appoint the board member to a second three-year term without that Director having to run for reelection. Following completion of an initial elected three-year term and a second appointed three-year term, a Director must be reelected to retain their seat.
- E. Elections: Directors will be elected by the membership by mailed ballot or an electronic voting system that adequately ensures the integrity of the voting process. Tallying of ballots will be completed by the nominating committee, and the new Directors will be certified prior to the January board meeting. In the event of a tie, a runoff election will be held by written or electronic ballot prior to the January board meeting. Every active member will have one vote for each available Director's position. Nominations to the ballot slate will be made either 1) by petition submitted to the KFDA office at least 35 days in advance of the scheduled January board meeting or 2) by the nominating committee, consisting of at least three Board Members. In either case, nominees must submit an application for nomination supplied by the Association. Ballots will be mailed to each member at least 30 days before the scheduled January board meeting, and members shall have not less than 14 days to submit their vote, beginning when the ballots are mailed, or in the case of an electronic election, the day that the ballot is open to members to cast their vote. Ballots must be completed by 5:00pm on the published date (in the event of an electronic election) or received by KFDA by mail or in person at the KFDA office by 5:00pm on the published date.
- F. Vacancies: A Director may resign at any time by giving written notice to the KFDA President, Vice President or Executive Director. Any vacancy in the Board occurring because of death, resignation, refusal to serve, or otherwise will be filled for the unexpired term by action a majority of the remaining Directors. Three consecutive unexcused absences from regular Board of Director's meetings will be considered a vacancy.
- G. Meetings: The Board of Directors will meet at least monthly. The President and/or any three Directors may call a meeting of the Board. For a duly called meeting of the Board of Directors, a majority of regular directors in office immediately before the meeting will constitute a quorum. All business of the Board of Directors will be transacted at a duly called meeting of the Board, except as outlined in the following section, "Action In Lieu of a Meeting".
1. Remote Participation: The Board of Directors shall permit directors to participate in a meeting by any means of communication by which all of the

- persons participating in the meeting can hear or visually communicate with each other at the same time, and by which all of the persons participating in the meeting have access to any shared information (handouts, screen sharing, etc.). Participation in such a meeting will constitute presence in person at the meeting.
2. Executive Session: The president or any member of the Board of Directors may request that matters pertaining to confidential or sensitive issues, finances, or personnel be considered in executive session.
 - i. The published agenda for all meetings of the board of directors shall indicate whether the meeting is a regular meeting or will be held in executive session. If a regularly scheduled board meeting will adjourn to executive session, an "Executive Session" agenda item shall be listed as the last item on the agenda.
 - ii. Executive sessions shall be limited to only the determined purpose, after which the executive session shall conclude.
 - iii. During executive session, only regular board members shall be present unless staff, guests or other interested parties are invited to attend.
 - iv. A written record of all executive session proceedings shall be kept, including – at a minimum – the date, time and place of the meeting, names of those present, any actions taken, and any abstentions from voting, if applicable. The record of these proceedings is considered confidential, and shall be distributed only to those who were present in the session.
 3. Action In Lieu of a Meeting: Any Board of Directors action required or permitted to be taken by the Board of Directors may be taken without a meeting if the action receives consent by all members of the board of directors. The action shall be evidenced by one or more written consents describing the action taken, signed by each director, and included in the minutes or filed with the corporate records reflecting the action taken. Consent action as outlined in this section shall have the same force and affect as any vote by the Board.
 - i. Lack of Consent: Should the proposed action fail to receive the consent of all members of the board of directors, it shall be placed on the agenda at the next regular or special meeting of the Board of Directors for consideration.
 4. Board Assessment Activities: In order to facilitate the timely confirmation of information required for annual director elections, the Board of Directors at its October meeting shall complete the following board assessment activities:
 - i. If it so chooses, appoint directors completing their initial elected three-year term to a second appointed term;
 - ii. Determine any board seats that will require election due to the expiration of an appointed term following an initial elected term, or an appointed term to fill a vacancy;
 - iii. Determine any board seats that will require election due to a director having completed an initial elected term without being appointed by the board to serve a second term;

- iv. Determine any board seats that must be filled by a candidate meeting specific criteria (property owner, retail, etc.);
 - v. Via written resolution, direct the Executive Director to coordinate elections for the specified number of seats and criteria
 - vi. Should the October board meeting be canceled prior to the September board meeting, these activities shall be completed at the September board meeting. Should the October board meeting be canceled after the September board meeting, an emergency meeting shall be held at the earliest date possible to complete these activities.
- B. Compensation: Directors will receive no compensation for their services as Directors, but the Board may, by resolution, authorize reasonable reimbursement for expenses incurred in the performance of their duties. Nothing herein will preclude a Director from serving KFDA in any other capacity and receiving reasonable compensation for such service.
- C. Liability: Directors will not be personally liable for the Association's debts, liabilities, or other obligations.

ARTICLE IX

Officers

- A. Number of Officers: KFDA will have a President, Vice President, Secretary, Treasurer, and such additional officers as the Board of Directors may from time to time designate. Each officer will serve a one-year term. Officers will be elected by the Board of Directors at the first Board meeting following the Annual Meeting of membership.
- B. Duties of President: The President will preside at all meetings of the Board of Directors, and at the annual meeting ending his or her term of office. The President will be entitled to the same vote as any other Director. The president may sign checks and documents pertaining to KFDA for which the President's signature is necessary or desirable. The President shall serve as official spokesperson for the Association. The President shall also give an annual state of the organization report to the Klamath Falls City Council within the first quarter of the fiscal year.
- C. Duties of Vice President: In the absence of the President, or his or her inability to act, the Vice President will possess all the President's powers and discharge all Presidential duties. The Vice President may also sign any checks or documents necessary for KFDA. The Vice President shall also attend DURAC (Downtown Advisory Board and chamber of commerce meetings.
- D. Duties of the Secretary: The Secretary will record and maintain a full and correct record of the proceedings of KFDA. The Secretary may also sign any checks or documents necessary for KFDA, and will perform such other duties as the Board may from time to time direct.

- E. Duties of Treasurer: The Treasurer will maintain in good order all financial records of the Association. The Treasurer may sign checks for the KFDA. At the annual meeting and at regular Board of Directors' meetings, the treasurer will provide a report and summary statement on the financial affairs of KFDA.
- F. Temporary Officers: In cases of absence or disability of an officer of the Association, the remaining Officers may vote to delegate the powers and duties of such officer to any other officer or member of the Board for the remainder of the officer's term.

ARTICLE X Committees

KFDA will have the following standing committees:

- 1) Organization, 2) Promotion, 3) Design, 4) Economic Development

KFDA will also have such other committees as the Board of Directors may from time to time establish. Committees will report at least monthly to the Board of Directors. At least one Director will serve on every committee. Committees will be appointed by the President with the approval of the Board of Directors. Committees need not be limited in membership to KFDA members, but can have representatives from other relevant areas of the community.

ARTICLE XI Finances and General Provisions

- A. The fiscal year of the Association will begin on the first day of January and end on the last day of December in each year.
- B. Except as the Board of Directors may otherwise authorize, all checks, drafts, and other instruments used for payment of money and all instruments of transfer of securities will be signed by the Treasurer and one Officer, or by the Treasurer and the Executive Director. In the absence of the Treasurer, any two Officers or one Officer and the Executive Director may sign in the place of the Treasurer.
- C. Within two months after the close of the fiscal year, the Treasurer will prepare a year-end financial statement showing in reasonable detail the source and application of the previous year's funds and the financial condition of the Association. This statement will be presented to the Board of Directors at a regular board meeting.
- D. KFDA shall adopt, and keep on file, a comprehensive policies & procedures manual. The manual shall be reviewed annually by the organization committee, or such other committee as assigned by the Board of Directors. This manual shall contain policies and procedures related to the operation of the organization, including but not limited

to financial practices, conflict of interest policy for staff and board members/officers, employment practices, whistleblower policy, and travel policy.

ARTICLE XII Corporate Seal

KFDA will have no corporate seal.

ARTICLE XIII Indemnification

- A. KFDA may indemnify any Officer or Director, or a former Officer or Director, their heirs or assigns, for any and all judgments, settlement amounts, attorneys fees and litigation expenses incurred by reason of his or her having been made a party to litigation due to his or her capacity or former capacity as Officer or Director of KFDA. KFDA may advance expenses where appropriate. Payments of Indemnification shall be reported at the next annual meeting. The provisions of this section apply to any cause of action arising prior to the adoption of these By Laws also. The rights of indemnification set forth herein are not exclusive.
- B. An Officer or Director is not entitled to indemnification if the cause of action is brought by KFDA itself against the Officer or Director, or if it is determined in judgment that the Officer or Director was derelict in the performance of his duties, or had reason to believe his action was unlawful.
- C. No director, trustee or any uncompensated officer of the KFDA will be personally liable to the corporation or its members for monetary damages for conduct as a Director, trustee, or any uncompensated officer provided that this Article will not eliminate the liability of a Director or any uncompensated officer for any act or omission occurring prior to the date when this Article becomes effective and for any act or omission for which eliminated of liability is not permitted under the Oregon Nonprofit Corporation Act.

ARTICLE XIV Dissolution of Organization

- A. Upon the dissolution of this organization, Klamath Falls Downtown Association, assets shall be distributed for one or more exempt purposes within the meaning of the nonprofit sections of the Internal Revenue Code, or corresponding section of any future federal tax code, or shall be distributed to the City of Klamath Falls for a public purpose.

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ARTICLE XV Conflict of Interest Policy

A. Purpose: The purpose of the conflict of interest policy is to protect this tax-exempt organization's (Klamath Falls Downtown Association) interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Association or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

B. Definitions

- a. Interested Person: Any director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.
- b. Financial Interest: A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:
 - i. An ownership or investment interest in any entity with which the Association has a transaction or arrangement,
 - ii. A compensation arrangement with the Association or with any entity or individual with which the Association has a transaction or arrangement, or
 - iii. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Association is negotiating a transaction or arrangement.
- c. Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.
- d. A financial interest is not necessarily a conflict of interest. A person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

C. Procedures

- a. Duty to Disclose: In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.
- b. Determining Whether a Conflict of Interest Exists: After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.
- c. Procedures for Addressing the Conflict of Interest
 - i. An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

- ii. The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- iii. After exercising due diligence, the governing board or committee shall determine whether the Association can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- iv. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Association's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

D. Violations of the Conflicts of Interest Policy

- a. If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- b. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

E. Records of Proceedings The minutes of the governing board and all committees with board delegated powers shall contain:

- i. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.
- ii. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

F. Compensation

- i. A voting member of the governing board who receives compensation, directly or indirectly, from the Association for services is precluded from voting on matters pertaining to that member's compensation.
- ii. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or

indirectly, from the Association for services is precluded from voting on matters pertaining to that member's compensation.

- iii. No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Association, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

G. Annual Statements

- a. Each director, principal officer and member of a committee with governing board-delegated powers shall annually sign a statement, which affirms such person:
 - i. Has received a copy of the conflicts of interest policy,
 - ii. Has read and understands the policy,
 - iii. Has agreed to comply with the policy, and
 - iv. Understands the Association is charitable and in order to maintain its federal tax exemption it must engage primarily in activities, which accomplish one or more of its tax-exempt purposes.

H. Periodic Reviews: To ensure the Association operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.
- b. Whether partnerships, joint ventures, and arrangements with management organizations conform to the Association's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

- I. **Use of Outside Experts:** When conducting the periodic reviews as provided for in Article VII, the Association may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

This document is a complete and correct copy of the amended KFDA bylaws, adopted by the Board of Directors on this date, October 9, 2019.



Nic Phair, KFDA President