

**SALEM MAIN STREET ASSOCIATION
AMENDED BYLAWS**

Amended bylaws of the Salem Main Street Association, a non-profit corporation under the laws of the State of Oregon and intended to be tax-exempt under Section 501(c)(3) of the Internal Revenue Code.

SECTION 1 PURPOSES AND POWERS

- 1.1 Corporation Name.** The name of the corporation shall be Salem Main Street Association (the “Corporation”).
- 1.2 Mission.** The mission of the Salem Main Street Association is to:
- (a) Advocate for and on behalf of downtown Salem businesses, property owners, and residents concerning planning, development, and other matters involving the city of Salem;
 - (b) Coordinate and implement the general marketing and promotion of downtown Salem through long-term visioning; and
 - (c) Manage and administer funds received from governments, businesses, or individuals related to the long-term business and economic vitality of downtown Salem.
- 1.3 Economic Vitality.** Salem Main Street Association will work with the Salem Urban Renewal Agency to support the economic vitality of downtown Salem by educating and assisting downtown business owners, property owners, and residents in matters of preservation and finance. Salem Main Street Association will undertake efforts to promote downtown Salem and will help recruit new businesses to minimize the effects of vacancies and to diversify the downtown retail mix. Salem Main Street Association will work with business owners and property owners to increase awareness of the Salem Urban Renewal Agency’s financial programs and will provide feedback to the Salem Urban Renewal Agency regarding these programs.
- 1.4 Boundaries.** The downtown district shall be defined as all areas of Salem bounded by the Willamette River on the west, Marion Street on the north, Cottage Street on the east, and Trade, Mill, and Ferry streets on the south.
- 1.5 General Powers.** Salem Main Street Association will have all powers granted by Oregon non-profit law. It will 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 the Salem Main Street Association is organized.

- 1.6 Investment Powers.** Salem Main Street Association may invest assets secured by the Association and services provided related to development, as program-related investments. Any returns from such investment will be used by Salem Main Street Association for the furtherance of any or all purposes for which Salem Main Street Association is organized. No portion of the returns will inure to the benefit of any member, director, officer, or staff member of Salem Main Street Association.

SECTION 2 BOARD OF DIRECTORS

2.1 Duties of Board.

- (a) All corporate powers will be exercised by or under the authority of, and the affairs of the Corporation managed under the direction of, the Board of Directors, subject to any limitation set forth in the Articles of Incorporation and except as provided in Section 2.1(b).
- (b) The Articles of Incorporation may authorize a person or persons, or the manner of designating a person or persons, authorized to exercise some or all of the powers that would otherwise be exercised by a board. To the extent so authorized, any such person or persons will have the duties and responsibilities of the directors, and the directors will be relieved to that extent from such duties and responsibilities.

2.2 Composition of Board. The composition of the board shall be determined as follows:

- (a) Owners, employees, Salem community members, partners, or associates of businesses and residents living downtown (as defined in Section 1.4) may be directors.
- (b) If a special assessment district is managed by Salem Main Street Association at the time of an annual election, the minimum number of directors representing the special assessment district will be based on the percentage of the total annual budget the special assessment district represents as available director positions allow.
- (c) There will not be a majority of any occupation on the board.

2.3 Number of Directors. Salem Main Street Association will have a variable-range size board of directors. The minimum number of directors will be nine (9) and the maximum number of directors will be seventeen (17). The number of directors may be fixed or changed periodically, within the minimum and maximum, by the Board of Directors.

- 2.4 Election and Appointment of Directors.** All the directors, except the initial directors, will be elected or appointed.
- (a) At the last board meeting of each fiscal year, the Board of Directors shall nominate, vote, and re-elect or replace the directors whose terms are then expiring, each for a new three-year term. Elections are held for directors seeking new terms if there are more nominations than there are vacancies to be filled. Elections are not held for appointed positions on the board when a vacancy of the appointed position occurs.
 - (b) All newly elected board members shall be seated at the first regular board meeting following the annual meeting.
 - (c) At the discretion of the board, non-voting ex-officio positions may be established. Generally, ex-officio offices are established for key partners where consistent communication and collaboration is deemed necessary.
 - (d) The board may establish appointed voting positions as required by contract as long as the appointed position strengthens the mission of the organization.
 - (e) Appointed positions are ex-officio and are not elected.

2.5 Terms of Directors Generally.

- (a) The term of office for each director shall be three (3) years.
- (b) No director shall serve more than two consecutive, three-year terms without stepping down from serving for at least one year.
- (c) A decrease in the number of directors or term of office does not shorten an incumbent director's term.
- (d) Except as provided in the Articles of Incorporation or these Bylaws:
 - (1) the term of a director filling a vacancy in the office of an elected director expires at the next election of directors;
 - (2) the term of a director filling any other vacancy expires at the end of the unexpired term which such director is filling; and
 - (3) board members who are appointed to fill the uncompleted term of a vacancy are eligible to run for two consecutive three-year terms.
- (e) Despite the expiration of a director's term, the director continues to serve until the director's successor is elected or appointed, and qualifies, or until there is a decrease in the number of directors.

2.6 Staggered Terms for Directors. The term of office for the members of the first Board of Directors shall be as follows:

- (a) One-third shall be elected for one year.
- (b) One-third shall be elected for two years.
- (c) One-third shall be elected for three years.

2.7 Resignation of Directors.

- (a) A director may resign at any time by delivering written notice to the Board of Directors, its presiding officer or to the president, vice president, secretary, or executive director.
- (b) A resignation is effective when the notice is effective under Section 10 unless the notice specifies a later effective date.
- (c) Once delivered, a notice of resignation is irrevocable unless revocation is permitted by the Board of Directors.
- (d) Three consecutive unexcused absences from regular Board of Directors' meetings will be considered a resignation effective the date of the third missed board meeting.

2.8 Removal of Directors Elected by Directors. Any director may be removed with or without cause, unless the Articles of Incorporation or these Bylaws provide otherwise, by a vote of two-thirds of the other directors then in office. The person shall be given an opportunity to be present and to be heard at the meeting and given fifteen (15) days' advance notice of the proposed suspension or removal to enable the director or officer to prepare a suitable response thereto.

2.9 Removal of Appointed Directors.

- (a) If a director is appointed:
 - (1) except as otherwise provided in the Articles of Incorporation or these Bylaws, the director may be removed with or without cause by the person appointing the director;
 - (2) the person removing the director must do so by giving written notice of the removal to the director and either the presiding officer of the board or the Corporation's president or secretary; and
 - (3) removal is effective when the notice is effective under Section 10 unless notice specifies a future effective date.

2.10 Vacancy on Board.

- (a) Unless the Articles of Incorporation or these Bylaws provide otherwise, and except as provided in Section 2.10(b) and Section 2.10(c), if a vacancy occurs on the Board of Directors, including a vacancy resulting from an increase in the number of directors:
 - (1) the Board of Directors may fill the vacancy; or
 - (2) if the directors remaining in office constitute fewer than a quorum of the board of directors, they may fill the vacancy by the affirmative vote of a majority of all the directors remaining in office.

- (b) Unless the Articles of Incorporation or these Bylaws provide otherwise, if a vacant office was held by an appointed director, only the person or entity who appointed the director may fill the vacancy.
- (c) A vacancy that will occur at a specific later date, by reason of a resignation effective at a later date under Section 2.7(b) or otherwise, may be filled before the vacancy occurs, but the new director may not take office until the vacancy occurs.

2.11 Compensation of Directors. 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.

2.12 Chairperson of the Board of Directors. The Board of Directors may appoint a chairperson of the Board of Directors at any time. The chairperson of the Board of Directors will preside at all meeting of the Board of Directors and will perform other duties prescribed by the Board of Directors.

SECTION 3 MEETINGS AND ACTION OF BOARD

3.1 Regular and Special Meetings.

- (a) If the time and place of a director's meeting is fixed by these Bylaws or is regularly scheduled by the Board of Directors, the meeting is a regular meeting. All other meetings are special meetings.
- (b) The Board of Directors may hold regular or special meetings in the city of Salem, Oregon.
- (c) The Board of Directors may permit any or all directors to participate in a regular or special meeting by, or conduct the meeting through, use of any means of communication by which either of the following occurs:
 - (1) all directors participating may simultaneously hear or read each other's communication during the meeting; or
 - (2) all communications during the meeting are immediately transmitted to each participating director, and each participating director is able to immediately send messages to all other participating directors.
- (d) If a meeting is conducted through the use of any means described in Section 3.1(c):
 - (1) all participating directors must be informed that a meeting is taking place at which official business may be transacted; and
 - (2) a director participating in the meeting by this means is deemed to be present in person at the meeting.

3.2 Action Without Meeting.

- (a) As used in this Section 3.2:
 - (1) “Electronic” has the meaning given that term in ORS 84.004.
 - (2) “Electronic signature” has the meaning given that term in ORS 84.004.
 - (3) “Sign” includes as electronic signature.
 - (4) “Written” includes a communication that is transmitted or received by electronic means.
- (b) Unless the Articles of Incorporation or these Bylaws provide otherwise, action required or permitted by the Oregon Nonprofit Corporation Act to be taken at the Board of Directors’ meeting may be taken without a meeting if the action is taken by all members of the Board of Directors. The action must 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.
- (c) Action taken under this Section 3.1 is effective when the last director signs the consent, unless the consent specifies an earlier or later effective date.
- (d) A consent signed under this Section 3.1 has the effect of a meeting vote and may be described as such in any document.

3.3 Call and Notice of Meetings.

- (a) The Board of Directors will meet monthly or as determined by the board.
- (b) Unless the Articles of Incorporation or these Bylaws provide for a longer or shorter period, special meetings of the board must be preceded by at least two days’ notice to each director of the date, time, and place of the meeting. Unless the Oregon Nonprofit Corporation Act provides otherwise, the notice need not describe the purpose of the special meeting unless required by the Articles of Incorporation or these Bylaws.
- (c) The president and/or any three directors may call a meeting of the board.

3.4 Waiver of Notice.

- (a) A director may at any time waive any notice required by the Oregon Nonprofit Corporation Act, the Articles of Incorporation, or these Bylaws. Except as provided in Section 3.4(b), the waiver must be in writing, must be signed by the director entitled to the notice, must specify the meeting for which notice is waived and must be filed with the minutes or the corporate records.
- (b) A director’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.

3.5 Quorum and Voting.

- (a) A quorum is a majority of the seated board, not including vacancies. A quorum shall not be established if more than 50 percent of such quorum is related by blood or marriage or otherwise have joint financial interests, such as business partnerships, etc. If less than a majority is present at a meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.
- (b) If a quorum is present when a vote is taken, the affirmative vote of a majority of directors present when the act is taken is the act of the Board of Directors unless the Articles of Incorporation or these Bylaws require the vote of a greater number of directors. A director is considered present regardless of whether the director votes or abstains from voting.
- (c) Unless otherwise provided in the Articles of Incorporation or these Bylaws, directors are elected by a plurality of the directors entitled to vote in the election at a meeting at which a quorum is present.
- (d) A director who is present at a meeting of the Board of Directors or a committee of the Board of Directors when corporate action is taken is deemed to have assented to the action taken unless:
 - (1) the director objects at the beginning of the meeting, or promptly upon the director's arrival, to holding the meeting or transacting the business at the meeting;
 - (2) the director's dissent or abstention from the action taken is entered in the minutes of the meeting; or
 - (3) the director delivers written notice of dissent or abstention to the presiding officer of the meeting before its adjournment or to the Corporation immediately after adjournment of the meeting. The right of dissent or abstention is not available to a director who votes in favor of the action taken.

3.6 Committees. Salem Main Street Association will have such committees as the Board of Directors may from time to time establish. Committees will report at least monthly to the board, or as determined by the board. At least one director will serve on every committee. Committees will be appointed by the president with the approval of the board. Committees need not be limited to members of the Salem Main Street Association Board of Directors and may have representatives from other relevant areas of the community. Committees approve chairs of sub-committees.

SECTION 4 STANDARDS OF CONDUCT

4.1 **General Standards for Directors.**

- (a) A director must discharge the duties of a director, including the director's duties as a member of a committee:
 - (1) in good faith;
 - (2) with the care an ordinarily prudent person in a like position would exercise under similar circumstances; and
 - (3) in a manner the director reasonably believes to be in the best interests of Salem Main Street Association
- (b) In discharging the duties of a director, a director is entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, if prepared or presented by:
 - (1) One or more officers or employees of the Corporation whom the director reasonably believes to be reliable and competent in the matter presented;
 - (2) Legal counsel, public accountants, or other persons as to matters the director reasonably believes are within the person's professional or expert competence; or
 - (3) a committee of the board of which the director is not a member, as to matters within its jurisdiction, if the director reasonably believes the committee merits confidence.
- (c) A director is not acting in good faith if the director has knowledge concerning the matter in question that makes reliance otherwise permitted by Section 4.1(b) unwarranted.
- (d) A director will not be deemed to be a trustee with respect to the Corporation or with respect to any property held or administered by the Corporation, including without limit, property that may be subject to restrictions imposed by the donor or transferor of such property.

4.2 Director Conflict of Interest. A conflict of interest transaction is a transaction with the Corporation in which a director of the Corporation has a direct or indirect interest. Salem Main Street Association will adopt and continually have in effect a conflict of interest policy that is consistent with the IRS and Oregon Nonprofit Laws (Appendix).

4.3 Loans to or Guarantees for Directors and Officers. The Corporation may not make a loan, guarantee an obligation, or modify a preexisting loan or guarantee to or for the benefit of a director or officer of the Corporation.

SECTION 5 OFFICERS

- 5.1 Required Officers.** Salem Main Street Association will have a president, vice president, secretary, treasurer, and such additional officers as the Board of Directors may from time to time designate.
- 5.2 Officer Election and Term of Office.** The officers of the Corporation shall be elected annually by the Board of Directors at the first meeting of the board in the new fiscal year. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be held. Each officer shall hold office until his successor shall have been duly elected and shall have qualified, or until his death, or until the officer shall resign or shall have been removed in the manner hereinafter provided.
- 5.3 Duties and Authority of Officers.** Each officer has the authority and will perform the duties set forth in these Bylaws or, to the extent consistent with these Bylaws, the duties and authority prescribed by the Board of Directors or by direction of an officer authorized by the Board of Directors to prescribe the duties of other officers.
- 5.4 Standards of Conduct for Officers.**
- (a) An officer must discharge the officer's duties:
 - (1) in good faith;
 - (2) with the care an ordinarily prudent person in a like position would exercise under similar circumstances; and
 - (3) in a manner the officer reasonably believes to be in the best interests of the Corporation.
 - (b) In discharging the duties of a director, a director is entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, if prepared or presented by:
 - (1) one or more officers or employees of the Corporation whom the director reasonably believes to be reliable and competent in the matter presented; or
 - (2) legal counsel, public accountants, or other persons as to matters the director reasonably believes are within the person's professional or expert competence.
 - (c) An officer is not acting in good faith if the director has knowledge concerning the matter in question that makes reliance otherwise permitted by Section 5.4(b) unwarranted.

- (d) An officer is not liable to the Corporation or any other person for any action taken or not taken as an officer, if the director acted in compliance with this Section 5.4.

5.5 Resignation and Removal of Officers.

- (a) An officer may resign at any time by delivering notice to the Corporation. A resignation is effective when the notice is effective under Section 10 unless the notice specifies a later effective date. If a resignation is made effective at a later date and the Corporation accepts the later effective date, the Board of Directors or any other person as authorized under the Articles of Incorporation or these Bylaws may fill the pending vacancy before the effective date if the board or any other person provides that the successor does not take office until the effective date.
- (b) The Board of Directors or any other person or entity authorized under the Articles of Incorporation or these Bylaws to elect or appoint an officer may remove any officer the board or any other person or entity is entitled to elect or appoint, at any time with or without cause.
- (c) Once delivered, a notice of resignation is irrevocable unless revocation is permitted by the Board of Directors.

5.6 President. The president will supervise, direct, and control the affairs of the Corporation. The president may prescribe the duties of other officers, to the extent consistent with these Bylaws. The president also will perform all duties commonly incident to the office of president and other duties prescribed by the Board of Directors.

5.7 Vice President. In the absence of the president or if the president is incapacitated, the vice president will possess all of the president's powers and discharge all presidential duties. The vice president also will perform all duties commonly incident to the office of vice president and other duties prescribed by the Board of Directors or authorized officer.

5.8 Treasurer. The treasurer will:

- (a) have general charge of and be responsible for all funds and securities of the Corporation;
- (b) receive and give receipts for monies due and payable to the Corporation from any source and deposit the funds in the name of the Corporation in banks, trust companies, or other depositories selected by the Board of Directors or an authorized officer;

- (c) provide a report and summary statement on the financial affairs of Salem Main Street Association at the annual meeting and at regular board of director meetings;
- (d) 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 Corporation, and will present it to the Board of Directors at a regular board meeting; and
- (e) perform all duties commonly incident to the office of treasurer and other duties prescribed by the Board of Directors or an authorized officer.

5.9 Secretary. The secretary will:

- (a) prepare minutes of the directors' meetings and authenticate records of the Corporation;
- (b) ensure that all notices by the Corporation under the Oregon Nonprofit Corporation Act, the Articles of Incorporation, or these Bylaws are given;
- (c) keep and maintain the records of the Corporation specified in Section 9(a) and Section 9(d); and
- (d) perform all duties commonly incident to the office of secretary and other duties prescribed by the Board of Directors or an authorized officer.

5.10 Executive Director. The board may appoint an executive director who shall be the chief administrative officer of the Corporation and shall:

- (a) be subject to the supervision of the Board of Directors;
- (b) hire and discharge employees subject to the approval of the Executive Committee;
- (c) be in charge of directing and supervising all employment activities; and
- (d) perform all duties commonly incident to the office of treasurer and other duties prescribed by the Board of Directors or an authorized officer.

5.11 Temporary Officers and Vacancies. In cases of absence or incapacitation of an officer of the Corporation, the remaining officers may vote to delegate the powers and duties of such officer to any other officer, member of the board, or executive director. Any vacancy in any office may be filled for the balance of the term by majority vote of the entire Board of Directors.

Section 6 INDEMNIFICATION

6.1 **Definitions.** As used in this Section 6:

- (a) "Corporation" includes any domestic or foreign predecessor entity of the Corporation in a merger or other transaction in which the predecessor's existence ceased upon consummation of the transaction.
- (b) "Director" means an individual who is or was a director of the Corporation or an individual who, while a director of the Corporation, is or was serving at the Corporation's request as a director, officer, partner, trustee, employee, or agent of another foreign or domestic business or nonprofit corporation, partnership, joint venture, trust, employee benefit plan or other enterprise. A director is considered to be serving an employee benefit plan at the Corporation's request if the director's duties to the Corporation also impose duties on, or otherwise involve services by, the director to the plan or to participants in or beneficiaries of the plan. "Director" includes, unless the context requires otherwise, the estate or personal representative of a director.
- (c) "Expenses" include attorney fees.
- (d) "Liability" means the obligation to pay a judgment, settlement, penalty, fine, including an excise tax assessed with respect to an employee benefit plan, or reasonable expenses actually incurred with respect to a proceeding.
- (e) "Officer" means an individual who is or was an officer of the Corporation or an individual who, while an officer of the Corporation, is or was serving at the Corporation's request as a director, officer, partner, trustee, employee or agent of another foreign or domestic corporation, partnership, joint venture, trust, employee benefit plan or other enterprise. An officer is considered to be serving an employee benefit plan at the Corporation's request if the officer's duties to the Corporation also impose duties on or include services by the officer to the employee benefit plan or to participants in or beneficiaries of the plan. "Officer" includes, unless the context requires otherwise, the estate or personal representative of an officer.
- (f) "Party" includes an individual who was, is or is threatened to be made a named defendant or respondent in a proceeding.
- (g) "Proceeding" means any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative and whether formal or informal.

6.2 Authority to Indemnify.

- (a) Except as provided in Section 6.2(d), the Corporation may indemnify an individual against liability incurred in a proceeding to which the individual was made a party because the individual is or was a director if:
 - (1) the conduct of the individual was in good faith;
 - (2) the individual reasonably believed that the individual's conduct was in the best interests of the Corporation, or at least was not opposed to the Corporation's best interests; and
 - (3) in the case of a criminal proceeding, the individual did not have reasonable cause to believe the conduct of the individual was unlawful.
- (b) Terminating a proceeding by judgment, order, settlement, or conviction or upon a plea of nolo contendere or the equivalent of nolo contendere does not, of itself, determine that the director did not meet the standard of conduct described in this Section 6.2.
- (c) The Corporation may not indemnify a director under this Section 6.2 in connection with:
 - (1) a proceeding by or in the right of the Corporation in which the director was adjudged liable to the Corporation; or
 - (2) a proceeding that charged the director with and adjudged the director liable for improperly receiving a personal benefit.
- (d) Indemnification permitted under this Section 6.2 in connection with a proceeding by or in the right of the Corporation is limited to reasonable expenses incurred in connection with the proceeding.
- (e) The Corporation may amend the Articles of Incorporation or these Bylaws so as to eliminate or impair a director's right to indemnification after an act or omission occurs that subjects the director to a proceeding or to liability for which the director seeks indemnification under the terms of the Articles of Incorporation or these Bylaws.

6.3 Advance for Expenses.

- (a) The Corporation may pay for or reimburse the reasonable expenses incurred by a director who is a party to a proceeding in advance of final disposition of the proceeding if:
 - (1) the director furnishes the Corporation a written affirmation of the director's good faith belief that the director has met the standard of conduct described in Section 6.2; and
 - (2) the director furnishes the Corporation a written undertaking, executed personally or on the director's behalf, to repay the advance if the director is ultimately determined not to have met the standard of conduct.

- (b) The undertaking required by Section 6.3(a)(2) must be an unlimited general obligation of the director but need not be secured and may be accepted without reference to financial ability to make repayment.
- (c) An authorization of payments under this Section 6.3 may be made by resolution of the Board of Directors or by contract.
- (d) The Corporation may amend or rescind the Articles of Incorporation, the Bylaws, or the resolution that authorizes the payments so as to eliminate or impair a director's right to payments after an act or omission occurs that subjects the director to a proceeding for which the director seeks payment.

6.4 Determination and Authorization of Indemnification.

- (a) The Corporation may not indemnify a director under Section 6.2 unless authorized in the specific case after a determination has been made that indemnification of the director is permissible in the circumstances because the director has met the standard of conduct set forth in Section 6.2.
- (b) A determination that indemnification of a director is permissible must be made:
 - (1) by the Board of Directors by majority vote of a quorum consisting of directors not at the time parties to the proceeding;
 - (2) if a quorum cannot be obtained under Section 6.4(b)(1), by a majority vote of a committee duly designated by the Board of Directors, consisting solely of two or more directors not at the time parties to the proceeding; or
 - (3) by special legal counsel selected by the Board of Directors or its committee in the manner prescribed in Section 6.4(b)(1) or Section 6.4(b)(2) or, if a quorum of the board cannot be obtained under Section 6.4(b)(1) and a committee cannot be designated under Section 6.4(b)(2), the special legal counsel will be selected by majority vote of the full Board of Directors including directors who are parties to the proceeding.
- (c) Authorization of indemnification and evaluation as to reasonableness of expenses will be made in the same manner as the determination that indemnification is permissible, except that if the determination is made by special legal counsel, authorization of indemnification and evaluation as to reasonableness of expenses will be made by those entitled under Section 6.4(b)(3) to select counsel.
- (d) A director may not be indemnified until 20 days after the effective date of written notice to the Attorney General of the State of Oregon of the proposed indemnification.

6.5 Indemnification of Officers, Employees, and Agents. Unless the Articles of Incorporation provide otherwise, the Corporation may indemnify and advance

expenses under this Section 6 to an officer, employee, or agent of the Corporation to the same extent as to a director.

6.6 Non-Exclusivity of Rights. The indemnification and provisions for advancement of expenses provided in this Section 6 will not be deemed exclusive of any other rights to which directors, officers, employees, or agents may be entitled under the Articles of Incorporation or these Bylaws, any agreement, general or specific action of the Board of Directors or otherwise, and will continue as to a person who has ceased to be a director, officer, employee, or agent and will inure to the benefit of the heirs, executors, and administrators of such a person.

6.7 Report to Persons of Indemnification. If the Corporation indemnifies or advances expenses to a director under this Section 6 in connection with a proceeding by or in the right of the Corporation, the Corporation will report the indemnification or advance in writing to any person having the right to designate or appoint the director no later than 90 days after the first indemnification or advance.

SECTION 7 FINANCIAL AND GENERAL PROVISIONS

7.1 Fiscal Year. The fiscal year of Salem Main Street Association will begin on July 1 and end June 30 in each year. On the first year of incorporation, the fiscal year will begin upon incorporation and end on the last day of June.

7.2 Budget Adoption. The Board of Directors shall adopt all necessary budgets for the coming year at its regular meeting in June.

7.3 Disbursements. Upon approval of the budget, the executive director, president, vice president, or secretary shall be authorized to make disbursements on expenses or account provided for in the budget without the approval of the Board of Directors. No obligation or expense shall be incurred, and no money shall be appropriated or paid, except within regulations adopted by the Board of Directors.

7.4 Contributions. The Board of Directors may accept on behalf of the association any contribution, gift, bequest, or device for the general purposes or for any special purpose of the association.

SECTION 8 AMENDMENT OF BYLAWS

The Board of Directors shall have the power to alter, amend, or repeal the bylaws or adopt new bylaws by a two-thirds 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 Salem Main Street Association's tax-exempt status under the Internal Revenue Code or corresponding provisions of any subsequent federal or state tax law.

SECTION 9 RECORDS

- (a) The Corporation will keep as permanent records minutes of all meetings of its Board of Directors, a record of all corporate action taken by the directors without a meeting, and a record of all actions taken by committees of the Board of Directors in place of the Board of Directors on behalf of the Corporation.
- (b) The Corporation will maintain appropriate accounting records.
- (c) The Corporation will maintain its records in written form or in another form capable of conversion into written form within a reasonable time.
- (d) The Corporation will keep a copy of the following records:
 - (1) articles or restated articles of incorporation and all amendments to them currently in effect;
 - (2) bylaws or restated bylaws and all amendments to them currently in effect;
 - (3) a list of names and business or home addresses of the current directors and officers;
 - (4) the last three annual financial statements, if any, which may be consolidated or combined statements of the Corporation and one or more of its subsidiaries or affiliates, as appropriate, including a balance sheet and statement of operations, if any, for that year, and which must be prepared on the basis of generally accepted accounting principles if financial statements are prepared for the Corporation on that basis;
 - (5) the last three accountant's reports if annual financial statements are reported upon by a public accountant; and
 - (6) the most recent annual report delivered to the Secretary of State.

SECTION 10 NOTICE

10.1 Oral or Written Notice. Notice may be oral or written unless otherwise specified for a particular kind of notice.

10.2 Methods of Notice. Notice may be communicated in person, by telephone, telegraph, teletype or other form of wire or wireless communication, or by mail or private carrier, including publication in a newsletter or similar document mailed to a director's address. If these forms of personal notice are impracticable, notice may be communicated by a newspaper of general circulation in the area where the meeting is to be held, or by radio, television or other form of public broadcast communication.

10.3 When Oral Notice is Effective. Oral notice is effective when communicated if communicated in a comprehensible manner.

10.4 When Written Notice is Effective. Personal written notice, if in a comprehensible form, is effective at the earliest of the following:

- (a) when received;
- (b) five days after its postmark, if mailed by United States mail correctly addressed and with first class postage affixed;
- (c) on the date shown on the return receipt, if sent by registered or certified mail, return receipt requested, and the receipt is signed by or on behalf of the addressee;
- (d) thirty days after its deposit in the United States mail if mailed correctly addressed and with other than first class, registered or certified postage affixed; or
- (e) the date specified by the Articles of Incorporation or these Bylaws with respect to notice to directors.

10.5 When Written Notice is Correctly Addressed. Written notice is correctly addressed to the Corporation if addressed to its registered agent or, if none is of record, to its principal office shown in its most recent annual report or, if none, in the Articles of Incorporation.

SECTION 11 DEFINITIONS

All terms used in these Bylaws that are defined in the Oregon Nonprofit Corporation Act will have the meanings ascribed to them in the Oregon Nonprofit Corporation Act.

This document is a complete and correct copy of Salem Main Street Association's bylaws, initially adopted by the Board of Directors on the 10th day of October, 2016, and amended on the 23rd day of March, 2017, the 26th day of October, 2017, and the 26th day of April, 2018.



Dana L Vugteveen
President, Salem Main Street Association Board of Directors

APPENDIX A:

**Salem Main Street Association-
Conflict of Interest Policy**

Article I

Purpose

The purpose of the conflict of interest policy is to protect the interests of Salem Main Street Association (Corporation) when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Corporation 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 Corporations.

Article II

Definitions

1. Interested Person

Any director, principal officer, or member of a committee with powers delegated by the governing board, who has a direct or indirect financial interest, as defined below, is an interested person.

2. Financial Interest

A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- a.** An ownership or investment interest in any entity with which the Corporation has a transaction or arrangement;
- b.** A compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement; or
- c.** A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial. A financial interest is not necessarily a conflict of interest. Under Article III, Section 2, 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.

Article III

Procedures

1. 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.

2. 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, the interested person 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.

3. Procedures for Addressing the Conflict of Interest

a. An interested person may make a presentation at the governing board or committee meeting, but after the presentation, the interested person shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

b. 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.

c. After exercising due diligence, the governing board or committee shall determine whether the Corporation 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.

d. 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 Corporation'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.

4. 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.

Article IV

Records of Proceedings

The minutes of the governing board and all committees with board delegated powers shall contain:

- a.** 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; and
- b.** 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.

Article V

Compensation

- a.** A voting member of the governing board who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.
- b.** A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.
- c.** No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

Article VI

Annual Statements

Each director, principal officer, and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person:

- a.** Has received a copy of the conflicts of interest policy;
- b.** Has read and understands the policy;
- c.** Has agreed to comply with the policy; and
- d.** Understands the Corporation is charitable and in order to maintain its federal tax exemption it must engage primarily in activities that accomplish one or more of its tax-exempt purposes.

Article VII

Periodic Reviews

To ensure the Corporation 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; and
- b. Whether partnerships, joint ventures, and arrangements with management Corporations conform to the Corporation'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.

Article VIII

Use of Outside Experts

When conducting the periodic reviews as provided for in Article VII, the Corporation 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.