

1 Bylaws of the
2 **MONTEREY COUNTY DESTINATION MARKETING**
3 **ORGANIZATION, INC.**

4 **A California Nonprofit Mutual Benefit Corporation**
5 **(dba: Monterey County Convention and Visitors Bureau)**

6 Effective January 1, 2007

7 Amended by the Board of Directors on July 23, 2008, February 15, 2012, July 25, 2012,
8 February 21, 2013, May 22, 2013, July 24, 2013, September 24, 2013, June 25, 2014 and
9 January 28, 2015

10
11 **TABLE OF CONTENTS**
12

13

14	Article I.	Purpose	3
15	Article II.	Offices	3
16	Section 2.01	Principal Office	3
17	Section 2.02	Other Offices	3
18	Article III.	Definitions.....	3
19	Article IV.	Board of Directors.....	4
20	Section 4.01	Powers.	4
21	Section 4.02	Limitations on Amendment.....	5
22	Section 4.03	Number and Qualification of Directors.....	5
23	Section 4.04	Composition of Board of Directors.....	6
24	Section 4.05	Terms of Office	7
25	Section 4.06	Fees and Compensation	8
26	Section 4.07	Liability of Directors	8
27	Article V.	Director Meetings	8
28	Section 5.01	Place of Meeting.....	8
29	Section 5.02	Annual and Regular Meetings	8
30	Section 5.03	Notice of Annual and Regular Meetings	9
31	Section 5.04	Special Meetings	9
32			
33	Section 5.05	Participation by Electronic Media	9
34	Section 5.06	Quorum	9
35	Section 5.07	Effect of Changes in Law	10
36	Section 5.08	Voting	10
37	Article VI.	Officers	10
38	Section 6.01	Qualification, Election, and Term of Office	10
39	Section 6.02	Subordinate Officers.....	10
40	Section 6.03	Vacancies.....	10
41	Section 6.04	Termination and Resignation	11
42	Section 6.05	Duties of the Chairperson.....	11
43	Section 6.06	Duties of Chairperson-Elect	11
44	Section 6.07	Duties of Secretary.....	11

1	Section 6.08	Duties of Treasurer.....	12
2	Section 6.09	Duties of the President/CEO	13
3	Article VII.	Committees	13
4	Section 7.01	Executive Committee	14
5	Section 7.02	Nominating Committee	14
6	Section 7.03	Finance Committee	15
7	Section 7.04	Compensation Committee	15
8	Section 7.05	Marketing Committee	15
9	Section 7.06	Sales Committee	15
10	Article VIII.	Membership.....	16
11	Section 8.01	Class and Qualifications	16
12	Section 8.02	Voting Rights	17
13	Section 8.03	Rejection of Membership Application	17
14	Section 8.04	Dues, Fees and Assessments.....	17
15	Section 8.05	Termination and Suspension of Membership	17
16	Section 8.06	Reinstatement of Membership.....	19
17	Article IX.	Membership Meetings	19
18	Section 9.01	Annual Meeting	19
19	Section 9.02	Special Meetings	19
20	Section 9.03	Quorum	20
21	Section 9.04	Adjourned Meetings and Notice	20
22	Article X.	Compliance with Brown Act.....	20
23	Article XI.	Conflict of Interest.....	21
24	Article XII.	Corporate Recordsand Reports.....	21
25	Section 12.01	Maintenance of Corporate Records	21
26	Section 12.02	Directors' Inspection Rights.....	21
27	Section 12.03	California Public Records Act.....	22
28	Section 12.04	Annual Report	22
29	Section 12.05	Annual Statement of Specific Transactions	22
30	Article XIII.	Fiscal Year	22
31	Article XIV.	Indemnification	22
32	Section 14.01	Right of Indemnity	22
33	Section 14.02	Approval of Indemnity	22
34	Section 14.03	Advancement of Expenses.....	23
35	Article XV.	Rules of Order	23
36	Article XVI.	Prohibition against Sharing Corporate Profits and Assets	23
37	Article XVII.	Dissolution	23
38			
39			

1 Bylaws of the
2 **MONTEREY COUNTY DESTINATION MARKETING**
3 **ORGANIZATION, INC.**

4 **A California Nonprofit Mutual Benefit Corporation**
5 **(dba: Monterey County Convention and Visitors Bureau)**
6

7 **Article I. Purpose**

8 The purpose of the Monterey County Destination Marketing Organization (herein
9 after referred to as the Corporation) is to actively market, advertise, promote, and
10 sell to the public and groups the full range of destination assets for recreational,
11 cultural, environmental, business and visitor travel that are available in Monterey
12 County, and thereby enhance and promote the travel and tourism industry of
13 Monterey County. Additionally, the Monterey County Destination Marketing
14 Organization shall promote the consolidation and collaboration of tourism
15 services within the county in order to avoid duplication and cost. The
16 Corporation is specifically prohibited from engaging in Lobbying activities,
17 including partisan politics and endorsement of candidates for public office.

18 The corporation can provide education and research on any non-political
19 item that directly affects the viability of the tourism industry in Monterey County or
20 the Corporation itself.

21 **Article II. Offices**

22 **Section 2.01 *Principal Office***

23 The principal office for the transaction of business for the Corporation shall be
24 787 Munras Ave., Suite 110, Monterey, California, or such other place as may be
25 designated by the Board of Directors from time to time.

26 **Section 2.02 *Other Offices***

27 The corporation may also have offices at such other places as the Board of
28 Directors may from time to time designate, or as the business of the Corporation
29 may require.
30

31 **Article III. Definitions**

32 For the purpose of these Bylaws *Monterey County* shall be defined as and limited
33 to the unincorporated areas of the county. Similarly, the definition of jurisdictions
34 shall be limited to incorporated cities within the boundaries of Monterey County
35 and the government of the County of Monterey. The TID is defined as the
36 Monterey County Tourism Improvement District established by the City of
37 Monterey. It is not intended to refer to other special districts or other
38 governmental entities.

1 **Article IV. Board of Directors**

2 Section 4.01 ***Powers.***

3 Subject to any limitations in the Articles of Incorporation or these Bylaws, and to
4 any provision of the California Corporations Code, the business and affairs of the
5 Corporation shall be managed and all corporate powers shall be exercised by, or
6 under the direction of, the Board of Directors. The powers and duties of the
7 Board of Directors shall include, but not be limited to, the following:

- 8 (a) To prescribe the qualifications and the requirements of membership.
- 9 (b) To select, appoint and remove the President/CEO.
- 10 (c) To prescribe the duties and delegate such power to the officers and
11 employees of the Corporation as may be necessary and required in the
12 transaction of the business of the Corporation not inconsistent with these
13 Bylaws.
- 14 (d) To fix the compensation range of the President/CEO.
- 15 (e) To borrow money and to make and issue notes and other negotiable and
16 transferable instruments, mortgages, deeds of trust and trust agreements,
17 and to do every act and thing necessary to effectuate the same.
- 18 (f) To amend these Bylaws by a two-thirds (2/3) vote of Directors present and
19 voting at any properly noticed meeting of the Board of Directors, after the
20 proposed amendments have been sent to the Directors with notice of the
21 meeting, subject to the right of members to vote on certain amendments.
- 22 (g) To procure, adopt, amend and rescind from time to time any and all
23 policies and procedures of the Corporation as in the Board's discretion
24 may be necessary and desirable for the conduct of the business and
25 affairs of the Corporation.
- 26 (h) Except as these Bylaws otherwise provide, to authorize any officer or
27 agent to enter into any contract or execute and deliver any instrument in
28 the name of and on behalf of the Corporation, and such authority may be
29 general or confined to a specific instance; and unless so authorized by the
30 Board of Directors, no officer, agent or employee shall have any power or
31 authority to bind the Corporation by any contract or engagement, or to
32 pledge its credit, or render it liable for any purpose or for any amount.
33 Each contract which binds the Corporation must contain the following
34 language:

35
36 "There shall be no discrimination against or segregation of
37 any person or group of persons on account of race, color,

1 creed, religion, sex, sexual orientation, age, marital status,
2 national origin or ancestry."

- 3 (i) To retain all or any part of any securities or property acquired by it in
4 whatever manner, and to invest and reinvest any funds held by it,
5 according to the judgment of the Board of Directors, without being
6 restricted to the class of investments which a Director is or may hereafter
7 be permitted by law to make or any similar restriction; provided, however,
8 that no action shall be taken by or on behalf of the Corporation if such
9 action is a prohibited transaction under section 7240 of the California
10 Nonprofit Mutual Benefit Corporation Law or would result in the denial of
11 the tax exemption under section 503 or section 504 of the Internal
12 Revenue Code of 1986, as amended, and the regulations promulgated
13 there under as they now exist or as they may hereafter be amended, and
14 under comparable provisions of state law.
- 15 (j) To purchase and maintain insurance to the full extent permitted by law on
16 behalf of its officers, Directors, employees and other agents, against any
17 liability asserted against or incurred by any officer, Director, the officer's
18 employee or agent in such capacity or arising out of Director's, employee's
19 or agent's status as such.
- 20 (k) To set the time, place and manner of calling, conducting or giving notice of
21 members, directors and committee meetings.
- 22 (l) To determine the qualifications and duties of directors, if any, the time of
23 their election, and the requirements for a quorum for directors and
24 committee meetings, as permitted by law.
- 25 (m) To make appointments to committees composed of directors, non-
26 directors, or both.
- 27 (n) To determine the appointment, duties, and tenure of officers.
- 28 (o) To determine the mode of determination of "members of record."
- 29 (p) To determine the mode and manner of making financial reports and
30 financial statements to members.
- 31 (q) To set, impose, and collect dues, assessments and fees.

32 **Section 4.02 *Limitations on Amendment***

33 Adoption or repealing of the Bylaws by the Board shall conform to the provisions
34 of Section 7150 of the California Corporations Code.

35 **Section 4.03 *Number and Qualification of Directors.***

- 1 (a) The authorized number of Directors of the Board of Directors shall be
2 fifteen (15).
- 3 (b) The elected Directors shall have a professional interest in and a personal
4 commitment to the purposes stated in Article 1 of these Bylaws in general,
5 and the Monterey County Destination Marketing Organization in particular.
- 6 (c) All members of the Board of Directors must be Regular members and
7 must have a principal place of business within the boundaries of Funding
8 Jurisdictions.

9

10 **Section 4.04 *Composition of Board of Directors***

- 11 (a) Directors appointed by Funding Jurisdictions. Three seats shall be
12 allocated to represent funding jurisdictions, as follows.
 - 13 i. One seat allocated to a County Supervisor representative (A non-
14 government representative may be designated.)
 - 15 ii. One seat allocated to a City of Monterey Representative (A non-
16 government representative may be designated.)
 - 17 iii. One seat allocated to a mayoral representative from a Funding
18 Jurisdiction other than Monterey, as appointed by the Mayors
19 collectively. (A non-government representative may be designated.)
- 20 (b) Elected Directors. The remaining twelve board seats shall be allocated as
21 follows: TID collecting lodging properties shall constitute a majority of
22 voting seats as they collect funding.
 - 23 i. 8 hotel representatives (covering a broad representation)
 - 24 ii. 4 at-large representatives (travel and tourism related)
- 25
26 At least twelve of the elected directors shall be involved in the travel and
27 tourism industry as defined by the California Trade and Commerce
28 Agency Standard Industrial Classification (SIC-1994).
- 29 (c) Advisors. Advisors shall not be members of the Board, but shall be invited
30 to all Board meetings in the same manner as are Directors, and may
31 participate in Board discussions. The Corporation President/CEO shall be
32 an Advisor.
 - 33 i. One member of each of the following organizations, appointed by that
34 organization in a manner of its choosing and ratified by the MCCVB
35 Board of Directors shall be invited to serve as an Advisor:

- 1 1) Monterey County Economic Development Opportunity Committee.
- 2 2) Monterey County Arts Council.
- 3 3) Monterey County Film Commission.
- 4 4) Monterey County Hospitality Association.
- 5 5) Monterey Peninsula Airport District.
- 6 6) Monterey County Vintners and Growers Association.
- 7 7) Each Funding Jurisdiction not represented in section 4.04 (i). (Note:
- 8 a Funding Jurisdiction may choose to appoint a non-government
- 9 representative).

- 10 ii. The Board may appoint additional Advisors not to exceed a total of 15
- 11 Advisor Seats.
- 12 iii. Advisors shall be held to the same standards as directors.
- 13 iv. Should an Advisor fail to meet standards or should an organization fail
- 14 to appoint an Advisor, the Board may replace that Advisor seat for the
- 15 remainder of that term with another individual (not limited to
- 16 representatives of that organization).

17 No Advisor shall represent the same member or Funding Jurisdiction as

18 does a Director.

19 Section 4.05 ***Terms of Office***

- 20 (a) Term Date. Boards shall commence effective July 1 of each year.
- 21 (b) Term. Terms shall be one year for Funding Jurisdiction members and two
- 22 years for other members. Approximately 50% of two-year term voting
- 23 seats shall expire each year. The Immediate Past Chairperson shall fill an
- 24 appropriately allocated seat and his or her term shall be either one year or
- 25 two years, dependent on if starting a new term, or completing an existing
- 26 term. Each Director shall be limited to not more than three consecutive
- 27 terms without a break in service. This limit can be waived by the Board of
- 28 Directors.
- 29 (c) Vacancies. Vacancies on the Board of Directors, including an increase in
- 30 the authorized number of Directors, if any, or failure to elect the full
- 31 authorized number of Directors, shall be referred to the Nominating
- 32 Committee for their nomination of candidates to fill the vacancies by vote
- 33 of the Board of Directors. The Board has the discretion to determine the

1 length of term, one (1) or two (2) years, to be consistent with section
2 4.05(b).

3 (d) Resignation and Removal. Any Director or Advisor may resign at any time
4 by giving written notice of such resignation to the Board of Directors. The
5 Board of Directors may declare vacant the office of a Director or Advisor
6 who has been declared of unsound mind by an order of a court or who has
7 been convicted of a felony or who has been absent without reasonable
8 cause acceptable to the Board, from three (3) or more regular meetings
9 within a fiscal year, or for neglecting their Duty of Care, or for cause.

10

11 Section 4.06 ***Fees and Compensation***

12 Directors shall not receive any compensation for their services as Directors, but
13 nothing herein contained shall be construed to preclude any Director from
14 serving the Corporation in any other capacity as a provider or supplier, and
15 receiving compensation therefore. The Corporation may reimburse the Directors
16 for actual expenses incurred on behalf of the Corporation, including, without
17 limitation, expenses for attendance for any meetings of the Board.

18 Section 4.07 ***Liability of Directors***

19 In accordance with the California Corporations Code, no Director of the
20 Corporation shall be personally liable as such for the debts, liabilities or
21 obligations of the Corporation.

22 **Article V. Director Meetings**

23 Section 5.01 ***Place of Meeting***

24 Meetings of the Board of Directors shall be held at the principal office of the
25 Corporation, or at any other place within the Monterey County Tourism
26 Improvement District designated by the Chairperson of the Board of the
27 Corporation.

28 Section 5.02 ***Annual and Regular Meetings***

29 The purpose of the annual meeting is to report on the condition of the
30 Corporation, elect new Directors and Officers, and vote on the annual budget and
31 business plan if not already adopted.

32

33 The annual meeting of the Board of Directors shall be held prior to the end of the
34 fiscal year, at the principal offices of the Corporation, or such other place as
35 designated by the Board of Directors. The Board of Directors may provide for
36 regular meetings from time to time. The Board of Directors is hereby granted full
37 power and authority to change the date and time of regular meetings. Except
38 as otherwise permitted by the Ralph M. Brown Act (e.g., closed sessions to
39 discuss litigation strategy, to protect attorney-client privilege, discuss real estate

1 negotiations or to discuss personnel matters), members of the general public
2 may attend the meetings of the Board of Directors.

3 **Section 5.03 *Notice of Annual and Regular Meetings***

4 Written notice of the annual meeting and such other regular meetings shall be
5 delivered personally, by telephone, telefax or by electronic mail to each Director
6 at least seventy-two (72) hours before the meeting, or sent to each Director by
7 first-class mail, postage prepaid, at least seven (7) days before the meeting.

8
9 Notice of meetings shall also be posted in a publicly accessible location, and on
10 the corporation's website, if any, at least seventy-two (72) hours prior to the
11 meeting. Each such notice shall state the general business to be transacted, and
12 the day, time and place of the meeting.

13 **Section 5.04 *Special Meetings***

14 Special meetings of the Board of Directors for any purpose or purposes may be
15 called at any time by the Chairperson of the Board, or if he or she is absent or
16 unable or refuses to act, by any two directors.

17
18 Notice of special meetings shall be posted in a publicly accessible location, and
19 on the corporation's website, if any, at least twenty-four (24) hours prior to the
20 meeting. Each such notice shall state the general business to be transacted, and
21 the day, time and place of the meeting.
22

23 **Section 5.05 *Participation by Electronic Media***

24 Teleconferencing, as authorized by §54953 of the Ralph M. Brown Act may be
25 used for all purposes in connection with meetings. All votes taken during a
26 teleconferenced meeting shall be by roll call. If teleconferencing is used, the
27 Board shall post the agenda at all teleconference locations and conduct
28 teleconference meetings in a manner that protects the statutory and
29 constitutional rights of the parties or the public appearing before the Board. Each
30 teleconference location shall be identified in the notice and agenda of the
31 meeting, and each teleconference location shall be accessible to the public.
32 During the teleconference, at least a quorum of the members of the Board shall
33 participate from locations within the boundaries of TID. The agenda shall provide
34 an opportunity for members of the public to address the legislative body directly
35 pursuant to §54954.3 at each teleconference location.
36

37 **Section 5.06 *Quorum***

38 A majority of the authorized number of Directors shall constitute a quorum for the
39 transaction of business, except to adjourn. Every action taken or decision made
40 by a majority of the Directors present at a duly held meeting at which a quorum is
41 present shall be the act of the Board, subject to any more stringent provisions of

1 the California Nonprofit Mutual Benefit Corporation Law, including, without
2 limitation, those provisions relating to:

- 3 (a) Approval of contracts or transactions between the Corporation and one (1)
4 or more Directors, or between the Corporation and any entity in which a
5 Director has a material financial interest,
- 6 (b) Creation of and appointments to committees of the Board, and
- 7 (c) Indemnification of Directors.

8

9 Section 5.07 ***Effect of Changes in Law***

10 On and after January 1, 2003, the provisions of Corporations Code 7211
11 effective that date, shall, subject to the lawful discretion of the Board to select
12 provisions of that section, control this Article V to the extent that such section of
13 the California Corporations Code mandates requirements not contained in this
14 Article V.

15 Section 5.08 ***Voting***

16 Action items pass with the agreement of over 50.0% of the participating voting
17 Directors, provided a quorum is present.

18 **Article VI. Officers**

19 The officers of the Corporation shall be a Chairperson of the Board, Chairperson-
20 Elect, a Secretary, a Treasurer and a Past Chair. One (1) person may serve as
21 both the Secretary and Treasurer. No other Officer positions may be combined.

22 Section 6.01 ***Qualification, Election, and Term of Office***

23 Any Director may serve as an officer of this Corporation. The Officers of this
24 Corporation shall be elected at the annual meeting of the Board of Directors.
25 Each officer shall hold office for a one-year term unless otherwise disqualified to
26 serve, or until his or her successor is elected and qualified, whichever occurs
27 first.

28 Section 6.02 ***Subordinate Officers***

29 The Board of Directors may appoint such other officers or agents as it may deem
30 desirable, and such officers shall serve such terms, have such authority, and
31 perform such duties as may be prescribed from time to time by the Board of
32 Directors.

33 Section 6.03 ***Vacancies***

34 Any vacancy of any office shall be filled by recommendation of the Nominating
35 Committee and election of a majority of the Board of Directors. In the event of a

1 vacancy in any office, such vacancy may be filled temporarily by appointment by
2 the Chairperson of the Board until such time as the Board shall fill the vacancy by
3 election. Vacancies occurring in offices of subordinate officers appointed at the
4 discretion of the Board may or may not be filled, as the Board shall determine.

5 **Section 6.04 *Termination and Resignation***

6 Any officer may be terminated and removed, either with or without cause, by a
7 majority of the Board of Directors, at any regular or special meeting. Any officer
8 may resign at any time by giving written notice to the Board of Directors or to the
9 President or Secretary of the Corporation. Any such resignation shall take effect
10 at the date of the receipt of such notice or at any later date specified therein, and,
11 unless otherwise specified therein, the acceptance of such resignation shall not
12 be necessary to make it effective. The above provisions of this Section shall be
13 superseded by any conflicting terms of a contract that has been approved or
14 ratified by the Board of Directors relating to the employment of any officer of the
15 Corporation.

16 **Section 6.05 *Duties of the Chairperson***

17 The Chairperson shall be the presiding officer of meetings of the Board of the
18 Corporation. The Chairperson shall assist in setting and approving agendas for
19 meetings of the Board of Directors and Executive Committee prior to their publish
20 date, and preside at all meetings of the Executive Committee, Board of Directors
21 and members. The Chairperson shall be ex-officio member of all committees,
22 special task forces and study groups. Said officer shall have other powers and
23 perform such other duties as may be prescribed by the Board of Directors.

24 **Section 6.06 *Duties of Chairperson-Elect***

25 The Chairperson Elect shall be nominated by the Nominating Committee and
26 elected by the Board of Directors as outlined in 7.01 and 7.02. In the absence of
27 the Chairperson, or in the event of his or her inability or refusal to act, the
28 Chairperson Elect shall perform all the duties of the Chairperson, and when so
29 acting, shall have all the powers of, and be subject to all the restrictions on, the
30 Chairperson. Said officer shall have other powers and perform such other duties
31 as may be prescribed by the Board of Directors.

32 **Section 6.07 *Duties of Secretary***

33 The Secretary shall:

- 34 (a) Certify and cause to be kept at the principal office of the Corporation the
35 original, or a copy, of these Bylaws as amended or otherwise altered to
36 date.
- 37 (b) Cause to be kept at the principal office of the Corporation or at such other
38 place as the Board may determine, an archive of minutes of all meetings
39 of the Directors, and, if applicable, meetings of committees of Directors,
40 recording therein the time and place of holding, whether regular or special,

1 how called, how notice thereof was given, the names of those present at
2 the meeting, and the proceedings thereof.

3 (c) See that all notices are duly given in accordance with the provisions of
4 these Bylaws, the Ralph M. Brown Act, or as required by law.

5 (d) Oversee the custody of the records of the Corporation and see that all
6 documents are duly executed.

7 (e) Cause to exhibit at all reasonable times to any Director of the Corporation,
8 or to his or her agent or attorney, on request therefore, the Bylaws, and
9 the minutes of the proceedings of the Directors of the Corporation.

10 (f) In general, perform or cause to be performed all duties incident to the
11 office of Secretary and such other duties as may be required by law, by
12 the Articles of Incorporation of this Corporation, or by these Bylaws, or
13 which may be assigned to him or her from time to time by the Board of
14 Directors. He or she shall certify such documents or other instruments
15 that from time to time may be authorized by the Board of Directors.

16 Section 6.08 ***Duties of Treasurer***

17 The Treasurer shall:

18 (a) Have oversight of all funds of the Corporation, and cause to be deposited
19 all such funds in the name of the Corporation in such banks, trust
20 companies, or other depositories as shall be selected by the Executive
21 Committee.

22 (b) Ensure safe keeping and maintenance of adequate and correct accounts
23 of the Corporation's properties and business transactions, including
24 accounts of its assets, liabilities, receipts, disbursements, gains and
25 losses.

26 (c) Exhibit at all reasonable times the books of account and financial records
27 to any Director of the Corporation, or to his or her agent or attorney, on
28 request thereof.

29 (d) Render to the Chairperson and Directors, whenever requested, an
30 account of any or all of his or her transactions as Treasurer and of the
31 financial condition of the Corporation.

32 (e) Cause to be prepared, and certify, or cause to be certified, the financial
33 statements to be included in any required reports.

34 (f) In general, perform or cause to be performed all duties incident to the
35 office of Treasurer and such other duties as may be required by law, by
36 the Articles of Incorporation of the Corporation, or by these Bylaws, or

1 which may be assigned to him or her from time to time by the Board of
2 Directors.

3 (g) Chair the Finance Committee, ensuring prudent financial policies are
4 monitored and recommended to the Board of Directors, and that all
5 policies and processes are adhered to.

6 (h) Oversee, if necessary, the process of dissolution or winding up of affairs of
7 the Corporation.

8 Section 6.09 ***Duties of the President/CEO***

9 The President/CEO is the Chief Executive Officer of the Corporation with duties
10 and powers specified by the Board of Directors and consistent with state and
11 federal corporation laws. The President/CEO shall be a staff member and is
12 considered neither a director nor a corporate officer within the meaning of
13 Corporations Code Section 7213. The President/CEO shall attend all meetings
14 of the Board of Directors and Executive Committee, and serve as an advisor to
15 all committees of the Corporation. The President/CEO shall be responsible for
16 the day-to-day administration of the Corporation subject to directives of the Board
17 of Directors and under the supervision of the Chairperson and Executive
18 Committee. Except as otherwise expressly provided by law, by the Articles of
19 Incorporation, or by these Bylaws, he or she shall, in the name of the
20 Corporation, appoint and remove all employees, contractors and agents and
21 execute such deeds, mortgages, bonds, contracts, checks, or other instruments
22 which may from time to time be authorized by the Board of Directors.
23 President/CEO is subject to the policies of the Board of the Directors.

24
25

26 **Article VII. Committees**

27 There shall be six standing committees -- Executive, Nominating, Finance, Sales,
28 Compensation, and Marketing -- the duties of which are described in this Article.
29 The Board also may create from time to time one or more ad hoc committees to
30 undertake specific tasks. As part of the charge to each ad hoc committee, the
31 Board shall specify the committee's purpose, structure, and timeline. Each ad
32 hoc committee shall cease to exist upon completion of its charge.

33

34 All standing and ad hoc committees shall serve at the pleasure of the Board and
35 shall respond to requests and direction from the Board. The Board shall appoint
36 all committee members (and alternates, if desired) not all of whom need be
37 Directors; members of standing committees shall serve one-year terms. The
38 Chairperson of the Board of Directors shall appoint a Director as the chair of
39 each standing committee, except in those cases where these Bylaws already
40 designate the chair. Any committee containing non-Directors shall not exercise
41 the authority of the Board, but shall be an advisory committee subject to

1 supervision and control of the Board, and shall be limited to making
2 recommendations to the Board or the Board's authorized representatives.

3 Section 7.01 ***Executive Committee***

4
5 The Executive Committee shall be a five (5) Member Committee composed of
6 the Corporation's Chairperson, Chairperson-Elect, Secretary, Treasurer, and
7 Past Chairperson of the Board. The Chairperson, Chairperson-Elect, Secretary,
8 Treasurer, and Past Chairperson of the Board shall be selected by the
9 Nominating Committee and elected by the Board of Directors at its annual
10 meeting.

11
12 The Executive Committee shall support the President/CEO in vetting of
13 confidential issues, and shall act on behalf of the full Board of Directors in case of
14 an emergency. Actions taken at such emergency meetings shall be ratified by
15 the majority of the Board of Directors at the next regularly scheduled meeting of
16 the full Board of Directors. The Executive Committee will formulate the job
17 description for the President/CEO of the Corporation and will review the
18 President/CEO's job performance and employment contract. The performance of
19 the President/CEO shall be reviewed no less than annually under the direction of
20 the Chairperson. Written reports of the review shall be confidential and shared
21 on that basis with members of the Executive Committee. The Executive
22 Committee will review the results of the annual HR audit summary upon its
23 completion and make recommendations to the Board of Directors.
24

25 Section 7.02 ***Nominating Committee***

26 The Nominating Committee shall be a standing committee chaired and appointed
27 by the Past Chairperson with members recommended by the Executive
28 Committee, subject to the approval of the Board of Directors. The Committee
29 members shall consist of: two (2) members from the Board of Directors not
30 subject to election; two (2) members of the Corporation not on the Board of
31 Directors; and the Corporation Chairperson who shall not vote. The Nominating
32 Committee will meet upon the occurrence of any vacancy in the Board of
33 Directors for the purpose of nominating a Director to fill said vacancy. In the case
34 of a mid-year vacancy the Nominating Committee shall follow its approved policy.
35 The Nominating Committee shall follow application Board-approved process to
36 solicit and evaluate all possible candidates for Board and Executive Committee
37 seats. The Nominating Committee shall provide members of the corporation a
38 reasonable opportunity to nominate candidates for directorship. Only members
39 in good standing are eligible to become Directors of the Corporation. The
40 Nominating Committee shall propose a sufficient number of nominees to fill the
41 Board composition requirements as detailed in sections 4.03 and 4.04.
42 Additionally, the Nominating Committee may recommend exceptions be made to
43 extend "term limits" in accordance with section 4.05.

1 Section 7.03 **Finance Committee**

2 The Finance Committee, comprising as many directors as desired by the Board,
3 shall be chaired by the Treasurer of the Corporation.

4
5 The Finance Committee shall advise and otherwise assist the Board and the
6 President/CEO by providing general financial oversight in six areas:

- 7 (a) Developing (and amending from time to time) financial policies and
8 procedures;
- 9 (b) Financial planning and budgeting;
- 10 (c) Financial reporting and audits;
- 11 (d) Banking, accounting and internal controls;
- 12 (e) Managing capital assets and leases; and
- 13 (f) Other areas, as requested.

14 Section 7.04 **Compensation Committee**

15 The Compensation Committee supports the CEO, the Executive Committee, and
16 the Board. The Committee shall be composed of Board members and may
17 include Advisors, as long as Board members are in the majority. The members
18 will be selected as needed each year, based on interest and availability.
19 Continuity of membership is encouraged.

20
21 The Committee shall comprise three members and be chaired by a Board
22 member. Members are expected to bring strong expertise and interest in
23 compensation standards and practices. The Committee is charged to:

- 24 (a) Review the results of the annual wage comparison study, compare these
25 results with the overall compensation schedule, benefits plan, and
26 incentive plan, and make recommendations to the CEO and/or Executive
27 Committee.
- 28 (b) Review the annual health and dental insurance benefit program options,
29 prior to renewal.
- 30 (c) Review any proposed modifications to the employee manual or employee
31 policies and practices, and make recommendations to the CEO and/or
32 Executive Committee.
- 33 (d) Review the scope of the annual HR audit for any needed changes or
34 additions, prior to the audit being conducted

35 Section 7.05 **Marketing Committee**

36 The Marketing Committee, chaired by a member of the Board, shall provide input
37 and advice to the President/CEO and Board of Directors on the marketing plans
38 and activities of the Corporation.

39 Section 7.06 **Sales Committee**

40 The Sales Committee, chaired by a member of the Board and comprised of a
41 representative from each of the lodging properties participating in the Room
42 Night Index as well as any other key representatives deemed appropriate by the

1 chair of the Board to accomplish the committee's mission. The committee's
2 mission will be to actively participate in the development, planning and evaluation
3 of MCCVB Group Sales programs.
4

5 **Article VIII. Membership**

6 Section 8.01 **Class and Qualifications**

7 The Board of Directors may establish categories of membership from time to time
8 as may be deemed necessary.

9 (a) Funding Jurisdiction. Local City or County jurisdictions within Monterey
10 County, including the County itself, that fund the Corporation and
11 participate in the Monterey County Tourism Improvement District. The
12 minimum contribution shall be calculated as a percent of the total transient
13 occupancy tax collected by the jurisdiction. The percent will be set by the
14 Board of Directors. Jurisdictions in Monterey County having no transient
15 occupancy tax or transient occupancy tax less than \$500,000 annually
16 may become a Funding Jurisdiction upon payment of a minimum
17 contribution as set by the Board of Directors or purchase a Regular
18 Membership.

19 (b) Regular member. Any person, corporation, partnership, association or
20 governmental jurisdiction dedicated to the purpose of this Corporation
21 and, upon compliance with such conditions as may be prescribed by the
22 Board of Directors for membership, shall be eligible for membership on
23 approval of the membership application and the payment of such dues
24 and fees as the Board may approve from time to time. Regular members
25 may invest in a variety of member benefit levels.

26 (i) Regular Membership in the Corporation shall be limited to persons who
27 or entities that: (1) complete all required application forms and make
28 payments of any applicable fees/dues; (2) have and retain an interest in
29 the objectives and purposes of this organization; and (3) meet any of the
30 following qualifications:

31 a. Member's business purpose is in the tourism and/or hospitality
32 services within a Funding Jurisdiction. Any lodging establishment that
33 collects TID funds shall automatically be a regular member; or

34 b. Member derives benefits from the hospitality industry and/or tourism in
35 Funding Jurisdiction; or

36 c. Member is directly or indirectly involved in the promotion and/or
37 marketing of tourism within and regarding Funding Jurisdictions.

- 1 (ii) Any person or entity eligible for membership shall remain qualified for
2 membership so long as they do not:
- 3 a. Violate any ethical or legal standards, regulations or laws which
4 materially affect the reputation of the Corporation and/or its members;
5 or
- 6 b. Fail to perform and/or provide services in accordance with all
7 applicable health and safety codes, regulations and laws; or
- 8 c. Operate their business or perform services which are the subject of
9 multiple, material complaints by visitors/tourists, governmental
10 agencies or members regarding the quality of service or business; its
11 safety or health; or
- 12 d. Engage in conduct as a member which is seriously detrimental to the
13 best interests of the Corporation or the other members; or
- 14 e. Knowingly violate the Bylaws of the Corporation.

15 **Section 8.02 *Voting Rights***

16 The members shall have the right to vote, as set forth in these Bylaws, on the
17 disposition of all or substantially all of the assets of the Corporation, on any
18 merger and its principle terms and any amendment of those terms, and on any
19 election to dissolve the Corporation. In addition, those members shall have all
20 rights afforded members under the California Nonprofit Mutual Benefit
21 Corporation Law, except for those rights specifically given to the Board of
22 Directors as enumerated in these Bylaws.

23 **Section 8.03 *Rejection of Membership Application***

24 The Board of Directors shall have the power to reject any membership
25 application at its sole discretion.

26 **Section 8.04 *Dues, Fees and Assessments***

27 Each member must pay, within the time and on the conditions set by the Board of
28 Directors, the dues, fees and assessments in amounts to be fixed from time to
29 time by the Board. The dues, fees and assessments shall be equal for all
30 members of each class, but the Board may, in its discretion, set different dues,
31 fees and assessments for each class. Lodging members who collect TID funds
32 will not be charged any membership. All applications for membership must be
33 accompanied by the respective payment of the membership fee according to the
34 class of membership to be granted to the applicant as determined by the Board
35 of Directors.

36 **Section 8.05 *Termination and Suspension of Membership***

- 1 (a) Termination. A Regular member may be terminated as follows:
- 2 (i) By voluntary resignation of the member. Such resignation shall become
3 effective on the 30th day following the receipt by the Corporation's
4 secretary. Such voluntary termination of the membership shall not
5 relieve the person relinquishing such right from any obligation arising
6 from services or benefits actually rendered, dues, assessments or fees.
- 7 (ii) By the Board for failure of a member to satisfy any membership
8 qualifications or obligations within thirty (30) days after the member is
9 given notice that the membership qualification or obligation has not been
10 satisfied.
- 11 (iii) Automatically, upon occurrence of any event that renders a member
12 ineligible for membership.
- 13 (iv) In the case of a lodging member, failure to remit TID funds.
- 14 (b) Suspension. Membership rights may be suspended in whole or in part
15 upon the good faith determination by the Board that a membership
16 obligation duly established in accordance with these Bylaws has not been
17 performed for a membership within thirty (30) days after performance is
18 due, or that a member has failed materially to observe the Corporation's
19 rules of conduct, or has engaged in conduct materially and seriously
20 prejudicial to the purposes and interests of the Corporation. All the
21 membership rights may be suspended or terminated for any failure to pay
22 monies owed to the Corporation as prescribed by the financial policies of
23 the Corporation.
- 24 (i) Procedure. Upon determination pursuant to this section that
25 membership rights should be suspended or terminated, the following
26 procedure shall be implemented:
- 27 a. A notice shall be sent by prepaid first-class or registered mail to the
28 most recent address of the member as shown on the Corporation's
29 records, setting forth the intended suspension or termination and the
30 reasons therefore. Such notice shall be sent at least fifteen (15) days
31 before the proposed effective date of suspension or termination.
- 32 b. The member whose membership rights are being suspended or
33 terminated shall be given an opportunity to be heard, either orally or in
34 writing, at a hearing to be held not fewer than five (5) days before the
35 effective date of the proposed action. The hearing will be held by the
36 Board of Directors or a person or persons designated by the Board. The
37 notice to the member of the proposed suspension or termination shall
38 state the membership rights which are proposed to be suspended or
39 terminated, and the date, time, and place of the hearing on the proposed
40 suspension or termination.

1 c. Following the hearing, the Board or person(s) designated by the Board
2 shall decide whether or not any membership rights should in fact be
3 suspended or terminated. The decision of the Board or person(s)
4 designated by the Board shall be final.

5 **Section 8.06 *Reinstatement of Membership***

6 Any person seeking to reinstate any membership may do so upon (a)
7 determination by the Board that reinstatement would be lawful, (b) payment to
8 the Corporation of all sums owed to the Corporation on account of the
9 membership at the time the membership was suspended or terminated, together
10 with reasonable charges and interest as established by the Board, (c)
11 performance of any membership obligations the nonperformance of which was
12 the reason the membership right was suspended, (d) proof of actions taken to
13 remedy any damage caused to the Corporation or the Corporation's other
14 members by the suspended member's conduct, and (e) approval by at least
15 sixty-six percent (66%) of the voting power of a quorum of the Board of Directors.
16 Application for reinstatement of a terminated membership will be considered a
17 continuing membership from the previously suspended or terminated
18 membership.
19

20 **Article IX. Membership Meetings**

21 **Section 9.01 *Annual Meeting***

22 The Board of Directors shall fix the date of the Annual Meeting for each fiscal
23 year within sixty days of the end of the previous fiscal year, in time to give the
24 members at least thirty days written notice of the date, time and place of the
25 Annual Meeting. The purpose of the Annual Meeting of the Members is to report
26 on the Corporation, and to present the new Board, Officers, business plan and
27 budget to the membership

28 **Section 9.02 *Special Meetings***

29 Special meetings of the members may be called by the Chairperson, by a
30 majority of the Board of Directors, or by members holding not less than ten
31 percent (10%) of the voting power of the Corporation.

32 (a) Upon request in writing to the Chairperson of the Board, President/CEO,
33 Chairperson-Elect, or Secretary by any person (other than the Board)
34 entitled to call a special meeting of members, the officer forthwith shall
35 cause notice to be given to the members entitled to vote, stating that a
36 meeting will be held at a specified time and date fixed by the Board;
37 provided, however, that the meeting date shall be at least twenty (20)
38 days, but no more than fifty (50) days, after receipt of the request. If the
39 notice is not given within twenty (20) days after receipt of the request, the
40 person requesting the meeting may give the notice. In the event of an
41 emergency situation that will be determined by the person calling the

1 meeting, a meeting of the members may be held ten (10) days after
2 mailing the notice of such a meeting. Nothing in this section shall be
3 construed as limiting, fixing, or affecting the time at which a meeting of
4 members may be held when the meeting is called by the Board.

5 (b) Written notice of meetings shall be delivered electronically, personally or
6 mailed by first class mail, postage, prepaid, to all of the members of the
7 Corporation at their last known address at least twenty (20) days, and not
8 more than fifty (50) days, prior to the day set for such meeting, and such
9 notice shall state the time, place and purpose of the meeting. No
10 business shall be transacted at a special meeting of the members, except
11 such as is stated in the notice. The record date for determining members
12 entitled to notice of any meeting shall be at the close of business on the
13 business day before the day the notice is given or, if notice is waived, at
14 the close of business on the business day before the day on which the
15 meeting is held, unless the Directors choose some other date in
16 accordance with law.

17 Section 9.03 ***Quorum***

18 A quorum at any meeting of the members shall consist of the members present
19 for any action except as otherwise provided by law, the Articles of Incorporation,
20 or these Bylaws. The members present at a duly called or held meeting may
21 continue to do business until adjournment, if any action taken (other than
22 adjournment) is approved by at least a majority of the members present. If the
23 quorum present at any meeting is less than one-third of the members, action may
24 be taken only on matters that were described in the notice of meeting.

25 Section 9.04 ***Adjourned Meetings and Notice***

26 Any member meeting, whether or not a quorum is present, may be adjourned
27 from time to time by the vote of a majority of the votes represented either in
28 person, but in the absence of a quorum (except as provided in the preceding
29 section) no other business may be transacted at such meeting. It shall not be
30 necessary to give any notice of the time and place of the adjourned meeting or of
31 the business to be transacted, other than by announcement at the meeting at
32 which such adjournment is taken; provided, however, when any members'
33 meeting is adjourned for more than forty-five (45) days or, if after adjournment a
34 new record date is fixed for the adjourned meeting, notice of the adjourned
35 meeting shall be given as in the case of the meeting as originally called, whether
36 annual or special.

37 **Article X. Compliance with Brown Act**

38 To the extent that Government Code section 54952(c) shall require the
39 Corporation to be subject to the open meeting requirements of the Ralph M.
40 Brown Act, then the Board of Directors and all standing committees will comply
41 with the provisions of Government Code sections 54950 through and including

1 54961. To the extent that any provisions of these Bylaws are inconsistent with
2 the Ralph M. Brown Act, the provisions of said Act shall prevail.

3 **Article XI. Conflict of Interest**

4 No Director of this corporation nor any other corporation, firm, association, or
5 other entity in which one or more of this corporation's Directors are Directors or
6 have a material financial interest, shall be interested, directly or indirectly, in any
7 contract or other transaction with this corporation unless:

- 8 (a) The material facts as to the transaction and such Director's interest are
9 fully disclosed or known to the members and such contract or
10 transaction is approved by the members in good faith, with any
11 membership owned by any interested Director not being entitled to
12 vote thereon; or
- 13 (b) The material facts regarding such Director's financial interest in such
14 contract or transaction or regarding such common Directorship,
15 officership, or financial interest are fully disclosed in good faith and are
16 noted in the minutes or are known to all Board members before
17 consideration by the Board of such contract or transaction, and such
18 contract of transaction is authorized in good faith by a majority of the
19 Board by a vote sufficient for that purpose without counting the vote of
20 the interested Director.

21
22 **Article XII. Corporate Records and Reports**

23 **Section 12.01 Maintenance of Corporate Records**

24 The Corporation shall keep at its principal office in the State of California for as
25 long as prescribed by law:

- 26 (a) Minutes of all meetings of Directors and committees of the Board,
27 indicating the time and place of holding such meetings, whether regular or
28 special, how called, the notice given, and the names of those present and
29 the proceedings thereof.
- 30 (b) Adequate and correct books and records of account, including accounts of
31 its properties and business transactions and accounts of its assets,
32 liabilities, receipts, disbursements, gains and losses.
- 33 (c) A copy of the Corporation's Articles of Incorporation and Bylaws as
34 amended to date, which shall be open to inspection by the Directors of the
35 Corporation at all reasonable times during office hours.

36 **Section 12.02 Directors' Inspection Rights**

37 Every Director shall have the absolute right at any reasonable time to inspect and
38 copy all books, records and documents of every kind and to inspect the physical
39 properties of the Corporation.

1 **Section 12.03 *California Public Records Act***

2 All public records of the Board of Directors shall be accessible to the public in
3 accordance with the California Public Records Act.
4 Any inspection under the provisions of this article may be made in person or by
5 agent or attorney and the right to inspection includes the right to copy and make
6 extracts.

7 **Section 12.04 *Annual Report***

8 The Board shall cause an annual report to be furnished not later than one
9 hundred twenty (120) days after the close of the Corporation's fiscal year to all
10 Directors and members of the Corporation, which report shall comply with section
11 8321 of the California Nonprofit Corporation Mutual Benefit Corporation Law.

12 **Section 12.05 *Annual Statement of Specific Transactions***

13 This Corporation shall mail or deliver the appropriate forms to all Directors within
14 one hundred twenty (120) days after the close of its fiscal year which enables
15 Directors to briefly describe the amount and circumstances of any transaction in
16 which any Director or Officer of the Corporation had a direct or indirect material
17 financial interest (a mere common directorship does not constitute (per se) a
18 material financial interest).

19 The completed forms will be submitted by Directors to the Corporation, which will
20 file the forms with the appropriate governing bodies. Copies of the forms shall be
21 kept by the Corporation in conformance with records retention requirements and
22 policies.

23 **Article XIII. Fiscal Year**

24 The fiscal year of the Corporation shall end on June 30th of each year.

25 **Article XIV. Indemnification**

26 **Section 14.01 *Right of Indemnity***

27 Each Director and officer of the Corporation, including all persons occupying
28 such positions, shall be indemnified to the fullest extent permitted by California
29 law against all expenses, judgments, fines, settlements and other accounts
30 actually and reasonably incurred by them in connection with any "proceeding," as
31 that term is defined in section 9246(a) of the California Corporations Code, and
32 including an action by or in the right of the Corporation.

33 **Section 14.02 *Approval of Indemnity***

34 On written request of the Board by any person seeking indemnification under
35 sections 7237(a), 7237(b) or section 7237(c) of the California Corporations Code,
36 the Board shall promptly determine under section 7237(e) of the California
37 Corporations Code whether the applicable standard of conduct set forth in

1 section 7237(b) or section 7237(c) has been met and, if so, the Board shall
2 authorize indemnification.

3 **Section 14.03 *Advancement of Expenses***

4 To the fullest extent permitted by law and except as otherwise determined by the
5 Board in a specific instance, expenses incurred by a person seeking
6 indemnification under Sections 14.01 and 14.02 of this Article 14 of these Bylaws
7 in defending any proceeding covered by those Sections shall be advanced by the
8 Corporation before final disposition of the proceeding, on receipt by the
9 Corporation of an undertaking by or on behalf of that person that the advance will
10 be repaid unless it is ultimately determined that the person is entitled to be
11 indemnified by the Corporation for those expenses.

12 **Article XV. Rules of Order**

13 An accepted set of parliamentary procedures, as adopted by the Board and
14 amended from time to time, will determine all points of order and matters of
15 procedure.

16 **Article XVI. Prohibition against Sharing Corporate
17 Profits and Assets**

18 No Director, officer, employee, or other person connected with this Corporation,
19 or any private individual, shall receive at any time any of the net earnings or
20 pecuniary profit from the operations of the corporation, provided, however, that
21 this provision shall not prevent payment to any such person or reasonable
22 compensation for services performed for the Corporation in effecting any of its
23 public or charitable purposes, provided that such compensation is otherwise
24 permitted by these Bylaws and is fixed by resolution of the Board of Directors;
25 and no such person or persons shall be entitled to share in the distribution of,
26 and shall not receive, any of the corporate assets on dissolution of the
27 Corporation. On dissolution or winding up of the affairs of the Corporation, after
28 all debts have been satisfied, all assets then remaining in the Corporation shall
29 be distributed as may be required by the Articles of Incorporation of this
30 Corporation and Article 17 of these Bylaws and not otherwise.

31 **Article XVII. Dissolution**

32 Upon dissolution, any and all of the Corporation's assets remaining after payment
33 of, or provision for payment of, the debts of the Corporation shall be distributed
34 one hundred percent (100%) as may be determined by the Board of Directors
35 and approved by the membership in strict accordance with the provisions of
36 California law then in effect relating to the permitted distribution of assets by a
37 dissolving nonprofit mutual benefit corporation. Any money which the
38 Corporation has on hand as of the date of dissolution that was allocated by any
39 city or the County of Monterey, for use by the Corporation in furtherance of its
40 purpose, shall be returned to said city or County.

Certificate of Secretary

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22

I, the undersigned, do hereby certify:

1. That I am the duly elected and acting Secretary of the Monterey County Destination Marketing Organization, a California nonprofit mutual benefit corporation; and

2. That the foregoing Amended and Restated Bylaws, comprised of _____ (____) pages, including this page, constitute the Bylaws of said Corporation as duly approved by at least a two-thirds (2/3) vote of the Board of Directors of the Corporation dated _____ .

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of the Corporation on _____.

_____, Secretary