

**Bylaws of the  
Monterey County Destination Marketing Organization, Inc.  
A California Nonprofit Mutual Benefit Corporation  
(dba: Monterey County Convention and Visitors Bureau)**

**ARTICLE I  
NAME AND PRINCIPAL OFFICE**

The name of the Corporation is Monterey County Destination Marketing Organization, Inc. (“Corporation”). The principal office for the transaction of the affairs and activities of this Corporation shall be 787 Munras Avenue, Suite 110, Monterey, California. The Board of Directors may change the location of the principal office.

**ARTICLE II  
PURPOSE**

The purpose of this Corporation shall be to actively market, advertise, promote and sell to the public and groups the full range of destination assets for recreational, cultural, environmental, business and visitor travel that are available in Monterey County, and thereby enhance and promote the travel and tourism industry of Monterey County. Additionally, the Corporation shall promote the consolidation and collaboration of tourism services within the County in order to avoid duplication and cost. The Corporation is specifically prohibited from engaging in lobbying activities, including partisan politics and endorsement of candidates for public office. The Corporation can provide education and research on any non-political item that directly affects the viability of the tourism industry in Monterey County or the Corporation itself.

**ARTICLE III  
LIMITATIONS**

**Section 1: Assets.** This Corporation is not organized, nor shall it be operated, for pecuniary gain or profit, and it does not contemplate the distribution of gains, profits or dividends of its Directors and is organized solely for nonprofit purposes. No part of the profits or net income of this Corporation shall ever inure to the benefit of any Director, officer or to any individual. Upon the dissolution or winding up of the Corporation, after payment of, or provision for payment of, all debts and liabilities of this Corporation, the remaining assets shall be distributed to a nonprofit fund, foundation or corporation which has been formed to provide benefits or services for Monterey County and which has established its tax exempt status under §501(c) of the Internal Revenue Code. If no such corporation as described above is in existence at the time of dissolution, then the remaining assets shall be distributed to a nonprofit fund, foundation or corporation, which has established its tax-exempt status under §501(c) of the Internal Revenue Code.

**Section 2: Construction.** Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the California Nonprofit Corporation Law shall govern the construction of these Bylaws. Without limiting the generality of the preceding sentence, the

masculine gender includes feminine and neuter, the singular includes the plural, the plural includes the singular, and the term “person” includes both a legal entity and a natural person.

## **ARTICLE IV MEMBERS**

**Section 1: Definitions.** This Corporation shall have no members within the meaning of the California Nonprofit Corporation Law, pursuant to Corporation Code §7332(a).

**Section 2: Non-Voting Members.** The Corporation’s Board of Directors may, in its discretion, admit individuals to one or more classes of non-voting members; the class or classes shall have such rights and obligations as the Board finds appropriate. The Corporation shall have the following non-voting members:

- A. Funding Jurisdictions: Local city or county jurisdictions within Monterey County, including the County itself, that fund the Corporation and participate in the Monterey County Tourism Improvement District. The minimum contribution shall be calculated as a percent of the total transient occupancy tax collected by the jurisdiction. The percent will be set by the Board of Directors. Jurisdictions in Monterey County having no transient occupancy tax may become a Funding Jurisdiction upon payment of a minimum contribution as set by the Board of Directors.
- B. Regular Non-Voting Member: Any person, corporation, partnership, association or governmental jurisdiction dedicated to the purpose of this Corporation and, upon compliance with such conditions as may be prescribed by the Board of Directors, shall be eligible for non-voting membership on approval of the membership application and the payment of such dues and fees as the Board may approve from time to time. Regular non-voting members may invest in a variety of member benefit levels as determined by the Board.
  1. Regular non-voting membership in the corporation shall be limited to persons or entities that (1) complete all required application forms and make payments of any applicable fees/dues; (2) have and retain an interest in the objectives and purposes of this organization; (3) meet any of the following qualifications; and (4) are approved for non-voting membership by the Board of Directors:
    - a. Business purpose is in the tourism and/or hospitality services within a Funding Jurisdiction. Any lodging establishment that pays TID funds shall automatically be a regular non-voting member; or
    - b. Derives benefits from the hospitality industry and/or tourism in the Funding Jurisdiction; or
    - c. Is directly or indirectly involved in the promotion and/or marketing of tourism within and regarding Funding Jurisdictions.
  2. Any person or entity eligible for membership shall remain qualified for membership so long as they do not:
    - a. Violate any ethical or legal standards, regulations or laws which materially affect the reputation of the Corporation;

- b. Fail to perform and/or provide services in accordance with all applicable health and safety codes, regulations and laws; or
  - c. Operate their business or perform services which are the subject of multiple, material complaints by visitors/tourists, governmental agencies or members regarding the quality of service or business; its safety or health; or
  - d. Engage in conduct as a non-voting member which is seriously detrimental to the best interests of the Corporation or other members; or
  - e. Knowingly violate these Bylaws of the Corporation.
3. The Board of Directors may suspend or terminate non-voting members who are non-compliant with the provisions of this Article. Non-voting Memberships may be suspended and terminated following policies and procedures developed by the Board.

## **ARTICLE V DIRECTORS**

**Section 1: Number.** The Corporation shall have fifteen (15) Directors. Each Director shall have one vote. A reduction in the number of Directors shall not result in any Director's being removed before his or her term of office expires.

**Section 2: Tenure.** Each appointed Director of the Corporation shall serve for a term of one (1) year. Each elected Director of the Corporation shall serve for a term of two (2) years, which terms shall be staggered so that one-half of said terms expire each year. Each Director shall be limited to not more than three (3) consecutive terms without a break in service, however, this limit can be waived by the Board of Directors. Each Director shall hold office until a successor Director has been qualified and designated or elected.

**Section 3: Criteria.** Among the fifteen (15):

- A. Designated Directors: Local governments shall designate the following Directors, subject to approval by the Board of Directors. The same Director may be re-designated by the designating entity for multiple terms.
  - 1. One (1) Director shall be designated by the Monterey County Board of Supervisors.
  - 2. One (1) Director shall be designated by the Monterey City Council.
  - 3. One (1) Director shall be designated by the mayors of Marina, Carmel-by-the-Sea, Sand City, Del Rey Oaks, Seaside, Salinas, and Soledad. The seven (7) mayors shall collectively designate this Director.
- B. Elected Directors: The remaining twelve (12) Directors shall be elected by the Board.
  - 1. Eight (8) Directors shall be representatives of lodging businesses paying the Monterey County Tourism Improvement District (MCTID) assessment.
  - 2. Four (4) Directors shall be representatives of the Monterey County travel and tourism industry at large.
- C. The immediate past chairperson and the Chairperson-elect shall be among the twelve (12) elected Directors.

**Section 5: Annual Election.** Election of Directors shall take place at the annual meeting of the Corporation. Elected Directors shall be elected by the Board.

**Section 6: Powers.** Subject to the provisions and limitations of the California Nonprofit Mutual Benefit Corporation law, the provisions of Monterey County Code Chapter 18 Article 4, and any other applicable laws, and subject to any limitations of the Articles of Incorporation and these Bylaws, the Corporation's activities and affairs shall be managed, and all corporate powers shall be exercised by, or under the direction of, the Board.

**Section 7: Specific Powers.** Without prejudice to the general powers set forth in Article V, Section 6 of these Bylaws, but subject to the same limitations, the Board shall have the power to do the following:

- A. Appoint and remove, at the pleasure of the Board, all corporate officers, agents, and the President/CEO; prescribe powers and duties for them as are consistent with the law, the Articles of Incorporation, and these Bylaws; fix their compensation; and require from them security for faithful service.
- B. Change the principal office or the principal business office in the County of Monterey from one location to another; cause the corporation to be qualified to conduct its activities in any other state, territory, dependency, or country; conduct its activities in or outside California; and designate a place in the County of Monterey for holding any meeting of the Board.
- C. Borrow money and incur indebtedness on the Corporation's behalf and cause to be executed and delivered for the Corporation's purposes, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations, and other evidence of debt and securities.

**Section 8: Occurrence of Vacancies.** A vacancy or vacancies on the Board shall occur in the event of:

- A. The death, removal pursuant to Section 11 below, or resignation pursuant to Section 10 below, of any Director; or
- B. The declaration by resolution of the Board of a vacancy in the office of a Director who has been convicted of a felony, declared of unsound mind by a court order, or found by final order or judgment of any court to have breached a duty arising under Corporations Code §7238, Monterey County Code Chapter 18 Article 4, or other applicable laws; or
- C. An increase in the authorized number of Directors; or
- D. The failure of an election to elect the number of Directors required to be elected in that election; or
- E. An elected Director missing three regular meetings in a row and an affirmative vote by the remaining Directors to remove the absent Director pursuant to Section 11 of this Article; or
- F. The designator(s) failure to designate a designated Director or the designator(s) removal of a designated Director; or
- G. A Director no longer meeting the criteria in Section 3 of this Article; or
- H. Disregard for duty of care

**Section 9: Filling Vacancies.** Vacancies occurring because of the removal of a designated Director may be filled by the designating entity, subject to approval by the Board of Directors. Other vacancies on the Board may be filled by approval of the Board on recommendation from the nominations committee, or if the number of Directors then in office is less than a quorum, by either:

- A. The affirmative vote of a majority of Directors then in office at a meeting held according to the notice provisions of these Bylaws and the Ralph M. Brown Act; or
- B. A sole remaining Director.

**Section 10: Resignation of Directors.** Any Director may resign by giving written notice to the Chairperson of the Board, if any, or to the President/CEO or Secretary of the Board. The resignation shall be effective when the notice is given unless it specifies a later time for the resignation to become effective. If an elected Directors' resignation is effective at a later time, the Board may elect a successor to take office as of the date when the resignation becomes effective. If a designated Directors' resigns, the designator(s) may designate a successor to take office as of the date when the resignation becomes effective.

**Section 11: Removal of Directors.**

- A. Any elected Director may be removed, with or without cause, by the vote of the majority of the entire Board of Directors at a special meeting called for that purpose, or at a regular meeting, provided that notice of that meeting and of the removal questions are given as provided in Article 6 Section 4.
- B. Any designated Director may be removed, with or without cause:
  1. Where a different person may be designated pursuant to Section 3 of this Article, the new designation shall be made; and
  2. Any designated Director may be removed without cause by the designator of that Director; and
  3. Any designated Director may only be removed with the written consent of the designator of that Director.

**Section 12: Compensation and Reimbursement.** Directors shall serve as volunteers and shall not be compensated. Directors may be reimbursed for expenses in accordance with the annual budget and work plan.

**Section 13: Advisors.** The Board may designate individuals to serve as advisors to the Board. Advisors will receive notice of meetings in the same manner as Directors, and may participate in Board discussions, but will not be considered Directors for any purpose including voting. Advisors shall serve for such terms as determined by the Board and may be removed by the Board at any time.

**Section 14: Contracts with Directors.** A mere common Directorship does not constitute a material financial interest within the meaning of this Section. No contract or other transaction between the Corporation and one or more of its Directors, or between the Corporation and any domestic or foreign corporation, firm or association in which one or more of the Corporation's Directors has a material financial interest, is either void or voidable because such Director or

Directors or such other corporation, business corporation, firm or association are parties or because such Director or Directors are present at the meeting of the Board or a Committee thereof which authorizes, approves or ratifies the contract or transaction if:

- A. The material facts as to the transaction and as to such Director's interest are fully disclosed or known to the Board of Directors and such contract or transaction is approved by the Board of Directors in good faith, with any membership owned by any interested Director not being entitled to vote thereon;
- B. The material facts as to the transaction and as to such Director's interest are fully disclosed or known to the Board or Committee, and the Board or Committee authorizes, approves, or ratifies the contract or transaction in good faith by a vote sufficient without counting the vote of the interested Director or Directors and the contract or transaction is just and reasonable as to the Corporation at the time it is authorized, approved or ratified; or
- C. As to contracts or transactions not approved as provided in A or B above, the person asserting the validity of the contract or transaction sustains the burden of proving that the contract or transaction was just and reasonable as to the Corporation at the time it was authorized, approved, or ratified.

**Section 15: MCTID Advisory Board.** The Board serves as the MCTID Advisory Board to the Monterey City Council until that time this designation is removed (California Streets and Highways Code section 36500, *et seq.*).

## **ARTICLE VI MEETINGS**

**Section 1: Annual Meeting.** The annual meeting of the Corporation shall be held prior to the end of the fiscal year, at such time as the Board may fix from time to time. At the annual meeting, Directors and officers shall be elected and other business may be transacted, subject to the provisions of these Bylaws. Notice of the annual meeting shall be posted at least seventy-two hours prior to the meeting in a publicly accessible location and on the Corporation's website, in accordance with the requirements of the Ralph M. Brown Act. Each notice shall state the general business to be transacted, and the day, time and place of the meeting.

**Section 2: Board of Directors Regular Meetings.** The Board shall meet at least quarterly on dates agreed upon by the Board. Notice of regular meetings shall be posted at least seventy-two (72) hours prior to the meeting in a publicly accessible location, and on the Corporation's website, if any, in accordance with the requirements of the Ralph M. Brown Act. Each such notice shall state the general business to be transacted, and the day, time and place of the meeting. Business may be transacted at any regular meeting of the Board in accordance with the requirements of the Ralph M. Brown Act.

**Section 3: Board of Directors Special Meetings.** Special meetings of the Board may be called by the Chairperson of the Board or any three Directors. Notice of special meetings shall be given to each Director stating the time, place, and business to be discussed at least twenty-four (24) hours before the time of the meeting specified in the notice. Notice shall be delivered to the

Board personally or by any other means pursuant to Government Code §54956. Notice shall also be posted at least twenty-four (24) hours prior to the meeting in a publicly accessible location, and on the Corporation's website, if any, in accordance with the requirements of the Ralph M. Brown Act.

**Section 4: Notice of Meetings.** Notice of all meetings will be given in accordance with the provisions of the Ralph M. Brown Act, Government Code §54950 et. seq. The noticing provisions in these Bylaws shall be subject to any amendments of the Ralph M. Brown Act.

**Section 5: Place of Meetings.** All meetings of the Corporation shall be held at such location in the MCTID as may be determined by the Board.

**Section 6: Telephonic Appearance.** Teleconferencing, as authorized by §54953 of the Ralph M. Brown Act may be used for all purposes in connection with meetings. All votes taken during a teleconferenced meeting shall be by roll call. If teleconferencing is used, the Board shall post the agenda at all teleconference locations and conduct teleconference meetings in a manner that protects the statutory and constitutional rights of the parties or the public appearing before the Board. Each teleconference location shall be identified in the notice and agenda of the meeting, and each teleconference location shall be accessible to the public. During the teleconference, at least a quorum of the members of the Board shall participate from locations within the boundaries of MCTID. The agenda shall provide an opportunity for members of the public to address the legislative body directly pursuant to §54954.3 at each teleconference location.

**Section 7: Quorum.** At any meeting of the Board, a majority of the Directors then in office shall constitute a quorum. If less than a quorum is present at a meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice other than announcement at the meeting, until a quorum shall be present. There shall be no voting by proxies or voting by absentia.

## **ARTICLE VII OFFICERS**

**Section 1: Offices Held.** The officers of the Corporation shall be a Chairperson, Chairperson-Elect, Past-Chairperson, a Secretary, a Treasurer, and such other officers as the Board may from time to time designate. All officers shall be Directors. Any number of offices may be held by the same person. The officers of the Corporation shall also serve on the executive committee of the corporation.

**Section 2: Election of Officers.** The officers of this Corporation shall be chosen annually by the Board and shall serve at the pleasure of the Board, subject to the rights of any officer under any employment contract.

**Section 3: Term.** All officers shall be elected for a term of one (1) year or until their successors are elected and qualified.

**Section 4: Removal of Officers.** Without prejudice to the rights of any officer under an employment contract, the Board may remove any officer with or without cause.

**Section 5: Resignation of Officers.** Any officer may resign at any time by giving written notice to the Board. The resignation shall take effect on the date the notice is received or at any later time specified in the notice. Unless otherwise specified in the notice, the resignation need not be accepted to be effective. Any resignation shall be without prejudice to any rights of the corporation under any contract to which the officer is a party.

**Section 6: Vacancies in Office.** A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled in the manner prescribed by these Bylaws for normal appointments to that office. However, vacancies need not be filled on an annual basis.

**Section 7: Responsibilities of Chairperson.** The Chairperson shall preside at all Board meetings and have such other powers and duties as the Board or these Bylaws may require.

**Section 8: Responsibilities of Chairperson-Elect.** In the absence of the Chairperson, the Chairperson-Elect shall perform all the duties of the Chairperson, and when so acting, shall have all the powers of, and be subject to all the restrictions on, the Chairperson. The Chairperson-Elect shall have other powers and perform such other duties as may be prescribed by the Board.

**Section 9: Responsibilities of Past-Chairperson.** In the absence of the Chairperson and Chairperson-Elect, the Past-Chairperson shall perform all the duties of the Chairperson, and when so acting, shall have all the powers of, and be subject to all the restrictions on, the Chairperson. The Past-Chairperson shall have other powers and perform such other duties as may be prescribed by the Board, including serving as the Chair of the Nominating Committee.

**Section 10: Responsibilities of Secretary.** The Secretary of the Corporation shall have the following responsibilities:

- A. The Secretary shall keep or cause to be kept, at the Corporation's principal office or such other place as the Board may direct, a book of minutes of all meetings, proceedings, and actions of the Board, and of committees of the Board. The minutes of meetings shall include the time and place that the meeting was held; whether the meeting was annual, general, or special, and if special, how authorized; the notice given; the names of persons present at Board and committee meetings; and any action taken and the vote or abstention on that action of each Director present for the action.
- B. The Secretary shall keep or cause to be kept, at the Corporation's principal office, a copy of the Articles of Incorporation and Bylaws, as amended to date.
- C. The Secretary shall keep or cause to be kept, at the Corporation's principal office or at a place determined by resolution of the Board, a record of the Corporation's Directors, showing each Director's name, address, and business represented.
- D. The Secretary shall give, or cause to be given, notice of all meetings that these Bylaws require to be given. The Secretary shall keep the corporate seal, if any, in safe custody and shall have such other powers and perform such other duties as the Board or the Bylaws may require.



- E. The Secretary shall maintain, or cause to be maintained, the Corporation's records in accordance with the requirements of the California Public Records Act, Government Code §6250 et seq.
- F. In general, the Secretary shall perform or cause to be performed all duties incident to the office of Secretary and such other duties as may be required by law, by the Articles of Incorporation of the Corporation, by these Bylaws, or which may be assigned to him or her from time to time by the Board. The Secretary shall certify such documents or other instruments that from time to time may be authorized by the Board of Directors.

**Section 11: Responsibilities of Treasurer.** The Treasurer of the Corporation shall have the following responsibilities:

- A. The Treasurer shall cause to be kept and maintained by staff, adequate and correct books and accounts of the Corporation's properties and transactions. The Treasurer shall cause staff to give notice to the Directors such financial statements and reports as are required to be given by law, by these Bylaws, Monterey County Code Chapter 18 Article 4, or by the Board. The books of account shall be open to inspection by any Director at all reasonable times.
- B. The Treasurer shall cause staff to deposit, all money and other valuables in the name and to the credit of the Corporation with such depositories as the Board may designate; shall oversee staff in the disbursement the Corporation's funds as the Board may order; shall render to the President/CEO and the Board, when requested, an account of all transactions as Treasurer and of the financial condition of the Corporation which will be prepared by staff and reviewed by the Treasurer; and have such other powers and perform such other duties as the Board or these Bylaws may require.
- C. In general, the Treasurer shall perform or cause to be performed by staff all duties incident to the office of Treasurer and such other duties as may be require by law, by the Articles of Incorporation of the Corporation, by these Bylaws, or which may be assigned to him or her from time to time by the Board. The Treasurer shall certify such documents or other instruments that from time to time may be authorized by the Board of Directors.
- D. Serve as Chairperson of the Finance Committee.

**Section 12: Loans.** The corporation shall not loan any money or property to, or guarantee the obligation of, any Director or officer of the corporation. The corporation may not advance money to a Director or officer.

## **ARTICLE VIII COMMITTEES**

**Section 1: Committees of the Board.** The Board, by resolution adopted by a majority of the Directors then in office, may create one or more committees, each consisting of two or more Directors and no one who is not a Director, to serve at the pleasure of the Board. Appointments to committees of the Board shall be by majority vote of the Directors then in office. The Board may appoint one or more Directors as alternate members of such committee, who may replace

any absent member at any meeting. Any such committee shall have all the authority of the Board, to the extent provided in the Board resolution, except that no committee may do the following:

- A. Fill vacancies on the Board or any committee of the Board;
- B. Fix compensation of the Directors for serving on the Board or any committee;
- C. Amend or repeal Bylaws or adopt new Bylaws;
- D. Amend or repeal any resolution of the Board that by its express terms is not so amendable or repealable;
- E. Create any other committees of the Board or appoint the members of committees of the Board; or
- F. Expend corporate funds to support a nominee for Director if more people have been nominated for Director than can be elected; or
- G. With respect to any assets held in charitable trust, approve any contract or transaction between this corporation and one or more of its Directors or between this corporation and an entity in which one or more of its Directors have a material financial interest, subject to the approval provisions of Corporations Code §5233(d)(3).

**Section 2: Advisory Committees.** The Board may establish one or more advisory committees. The members of any advisory committee may consist of directors or non-directors. Advisory committees may not exercise the authority of the Board to make decisions on behalf of the corporation, but shall be limited to making recommendations to the Board or the Board's authorized representatives and to implementing Board decisions and policies. Advisory committees shall be subject to the supervision and control of the Board.

**Section 3: Executive Committee.** The Executive Committee shall be a five-member committee of the Board, composed of the Chairperson, Chairperson-elect, Secretary, Treasurer, and Past Chairperson of the Board. The Executive Committee shall support the President/CEO in vetting of confidential issues, and shall act on behalf of the full Board of Directors in case of an emergency. Actions taken at such emergency meetings shall be ratified by the majority of the Board of Directors at the next regularly scheduled Board meeting. The Executive Committee will formulate the job description for the President/CEO of the Corporation and will review the President/CEO's job performance and employment contract. The performance of the President/CEO shall be reviewed no less than annually under the direction of the Chairperson. Written reports of the review shall be confidential and shared on that basis with members of the Executive Committee. The Executive Committee will review the results of the annual Human Resources audit summary upon its completion and make recommendations to the Board.

**Section 4: Nominating Committee.** The Nominating Committee shall be a standing advisory committee chaired and appointed by the Past Chairperson with members recommended by the Executive Committee, subject to the approval of the Board of Directors. The Committee members shall consist of two members of the Board of Directors not subject to election; two non-voting members of the Corporation not on the Board of Directors; and the Chairperson, who shall not vote. The Nominating Committee will meet upon the occurrence of any vacancy in the Board of Directors for the purpose of nominating a Director to fill said vacancy. In the case of a mid-year vacancy the Nominating Committee shall follow its approved policy. The Nominating Committee shall follow application Board-approved process to solicit and evaluate all possible

candidates for the Board and Executive Committee. The Nominating Committee shall provide the non-voting members of the Corporation an opportunity to nominate candidates for directorship. Only non-voting members in good standing are eligible to become Directors. The Nominating Committee shall propose a sufficient number of nominees to fill the Board composition requirements as detailed in Article V, Section 3. The Nominating Committee may recommend exceptions be made to extend the term limits in accordance with Article V, Section 2.

**Section 5: Compensation Committee.** The Board shall appoint three (3) Directors to serve as the Compensation Committee of the Board. Members of the Compensation Committee are expected to bring strong expertise and interest in compensation standards and practices. The Compensation Committee is generally responsible for reviewing wages and compensation, and shall have such duties as prescribed by corporate policy.

**Section 6: Finance Committee.** The finance committee shall an advisory committee, comprised of as many Directors as the Board shall determine on an annual basis, and chaired by the Treasurer of the Corporation. The finance committee shall advise and otherwise assist the Board in financial matters, and shall have such duties as prescribed by corporate policy.

**Section 7: Marketing Committee.** The marketing committee shall be an advisory committee, comprised of as many members as the Board shall determine on an annual basis, and chaired by a Director. The marketing committee shall provide input and advice to the President/CEO and Board on the marketing plans and activities of the corporation, and shall have such duties as prescribed by corporate policy.

**Section 8: Sales Committee.** The sales committee shall be an advisory committee, comprised of a representative from each of the lodging properties participating in the Room Night Index and any other key representatives deemed appropriate by the Chair of the Board to accomplish the committee's mission. The committee's mission will be to actively participate in the development, planning and evaluation of the Corporation's group sales programs, and the Committee shall have such duties as prescribed by corporate policy.

**Section 9: Meetings and Actions of Committees.** Meetings and actions of committees shall be governed by, held, and taken under the provisions of these Bylaws concerning meetings and other Board actions, except that the time for general meetings of committees and calling of special meetings of committees may be set either by Board resolution, or if none, by resolution of the committee. Notice of committee meetings will be given in accordance with the provisions of the Ralph M. Brown Act. Minutes of each meeting shall be kept and shall be filed with the corporate records, and in accordance with the provisions of the California Public Records Act. The Board may adopt rules for governance of any committee as long as the rules are consistent with these Bylaws. If the Board has not adopted rules, the committee may do so.

## **ARTICLE IX INDEMNIFICATION AND INSURANCE**

**Section 1: Indemnification.**

- A. To the fullest extent permitted by law, this Corporation shall indemnify its Directors and officers, and may indemnify employees and other persons described in the Corporations Code, including persons formerly occupying such positions, against all expenses, judgments, fines, settlements and other amounts actually and reasonably incurred by them in connection with any “proceeding,” as that term is used in the Corporations Code, and including an action by or in the right of the Corporation, by reason of the fact that the person is or was a person described in the Corporations Code. “Expenses,” as used in these Bylaws, shall have the same meaning as in the Corporations Code.
- B. On written request to the Board by any person seeking indemnification under the Corporations Code, the Board shall promptly decide under that code whether the applicable standard of conduct set forth has been met, and if so the Board shall authorize indemnification.
- C. To the fullest extent permitted by law and except as otherwise determined by the Board in a specific instance, expenses incurred by a person seeking indemnification under these Bylaws in defending any proceeding covered by these Bylaws shall be advanced by the corporation before final disposition of the proceeding, on receipt by the Corporation of an undertaking by or on behalf of that person that the advance will be repaid unless it is ultimately found that the person is entitled to be indemnified by the Corporation for those expenses.

**Section 2: Insurance.** This corporation shall have the right, and shall use its best efforts, to purchase and maintain insurance to the full extent permitted by law on behalf of its officers, Directors, employees and other agents, to cover any liability asserted against or incurred by any officer, Director, employee, or agent in such capacity or arising from the officer’s, Director’s, employee’s, or agent’s status as such.

**ARTICLE X  
RECORDS**

**Section 1: Maintenance.** This Corporation shall keep all of the following records, either in written form or in any other form capable of being converted into clearly legible tangible form or in any combination of the two:

- A. Adequate and correct books and records of account; and
- B. Minutes of the proceedings of its Board and committees.

**Section 2: Inspection by Directors.** Every Director shall have the absolute right, at any reasonable time, to inspect the Corporation’s books, records, and documents of every kind, and to inspect the physical properties of the Corporation. The inspection may be made in person or by the Director’s agent or attorney. The right of inspection includes the right to copy and make extracts of books, records, and documents of every kind.

**Section 3: Articles and Bylaws.** This Corporation shall keep, at its principal office, the original or a copy of the Articles of Incorporation and Bylaws, as amended to the current date, that shall be open to inspection by Directors at all reasonable times during office hours.

**Section 4: Annual Reports.** The Board shall prepare and submit, or cause to be prepared and submitted, the following annual report. The Board shall keep, or cause to be kept, copies of all annual reports with the corporation's records.

- A. Corporation Annual Report. The Corporation annual report shall be prepared within 120 days after the end of the Corporation's fiscal year. This section shall not apply if the Corporation receives less than \$10,000 in gross revenues or receipts during the fiscal year. The report shall contain the following information in appropriate detail:
1. A balance sheet as of the end of the fiscal year, an income statement, and statement of cashflows for the fiscal year, accompanied by an independent accountant's report, or if none, by the certificate of an authorized officer of the Corporation that they were prepared without audit from the Corporation's books and records;
  2. A statement of the place where the names and addresses of current Directors are located; and
  3. Any other information required by these Bylaws or the Board.

**Section 5: Annual Statement.** As part of the annual report, or as a separate document if no annual report is issued, the Corporation shall annually prepare and mail, deliver or send by electronic transmission to its Directors a statement of any transaction or indemnification of the kinds in subparagraph B below within 120 days after the end of the corporation's fiscal year.

- A. The statement shall include:
1. A brief description of the transaction;
  2. The names of interested persons involved and their relationship to the Corporation;
  3. The nature of interested persons in the transaction;
  4. The amount of the interested persons' interest, except that in a partnership in which such person is a partner, only the partnership interest need be stated.
- B. Transactions included in the statement shall be those transactions:
1. To which the Corporation or its subsidiary was a party;
  2. Which involved more than \$50,000 or was one of a number of such transactions with the same person involving, in the aggregate, more than \$50,000; and
  3. In which either of the following interested persons had a direct or indirect material financial interest (a mere common Directorship is not a material financial interest):
    - a. Any Director or officer of the corporation;
    - b. Any holder of more than 10 percent of the voting power of the corporation.

## ARTICLE XI OPERATIONS AND ADMINISTRATION

**Section 1: Fiscal Year.** The fiscal year of the corporation shall begin on July 1 and end on June 30 of each year.

**Section 2: President/CEO.** The Board shall employ a President/CEO of the Corporation. The President/CEO shall:

- A. Serve as the executive officer of the corporation;
- B. Be charged with the general supervision and management, of the corporation's affairs, including the ability to select and retain, vendors, contractors, and staff;
- C. Implement corporate programs in accordance with established corporate policies;
- D. Execute agreements on behalf of the Corporation in accordance with established policies;
- E. Serve as an advisor to the Board and executive committee;
- F. Serve as an ex-officio member of all committees; and
- G. Act as the Corporation's agent for service of process.

**Section 3: Funds.** All funds of the Corporation shall be deposited in such banks, trust companies, or other reliable depositories as the Board from time to time may determine. All checks, drafts, endorsements, notes and evidence of indebtedness of the Corporation shall be signed by such officers or agents of the Corporation and in such manner as the Board may determine from time to time. Endorsements for deposits to the credit of the Corporation shall be made in such manner as the Board may determine from time to time.

**Section 4: Contracts.** The Chairperson, President/CEO or any other officer or agent specifically authorized by the Board may, in the name of and on behalf of the Corporation, enter into those contracts or execute and deliver those instruments that are specifically authorized by the Board. Without the express and specific authorization of the Board, no officer or agent may enter into any contract or execution or deliver any instrument in the name of or on behalf of the Corporation.

**Section 5: Brown Act Compliance.** To the extent that the Corporation is subject to the open meeting requirements of the Ralph M. Brown Act, then the Board will comply with the provisions of Government Code §54950 through and including §54961. To the extent that any provisions of these Bylaws are inconsistent with the Ralph M. Brown Act, the provisions of said Act shall prevail. In the event the Corporation is not required to comply with the Brown Act, then the Board will not endeavor to meet the requirements of the Brown Act.

## **ARTICLE XII AMENDMENT**

Except as otherwise provided herein, and subject to the power of Directors to amend or repeal the Bylaws, these Bylaws may be altered, amended or repealed and new Bylaws may be adopted by an affirmative vote of a majority of the Directors present at any regular or special meeting, a quorum being assembled, provided that written notice of such meeting, setting forth in detail the proposed revision(s) and explanation(s) therefore, be given not less than 7 days prior to such meeting.

**CERTIFICATE OF SECRETARY**

I, \_\_\_\_\_, certify as follows:

1. I am the duly elected and acting Secretary of Monterey County Destination Marketing Organization, Inc., a California Nonprofit Mutual Benefit Corporation;
2. That these Bylaws, consisting of 15 pages, inclusive, are the Bylaws of the corporation as adopted by the Board of Directors on \_\_\_\_\_, 2016;
3. That these Bylaws have not been amended or modified since that date.

\_\_\_\_\_, Secretary