

BY-LAWS OF

**MAMMOTH LAKES TOURISM
A CALIFORNIA NON-PROFIT MUTUAL BENEFIT CORPORATION**

**ARTICLE I
NAME; PRINCIPAL OFFICE**

1.01 Name. The name of this corporation is **Mammoth Lakes Tourism** (“the Corporation”).

1.02 Office. The principal office of the Corporation shall be at a place within the Town of Mammoth Lakes that is designated by the Board of Directors from time to time.

1.03 Definitions. Unless otherwise specified in context, the terms used in these By-Laws shall have the following definitions:

- a. **“Board”** means the Board of Directors of the Corporation;
- b. **“Chairperson”** means the Chairperson of the Board and President of the Corporation;
- c. **“Corporation”** means Mammoth Lakes Tourism, a California non-profit mutual benefit corporation;
- d. **“Director”** means a member of the Board of Directors unless otherwise specified in the context.
- e. **“Executive Director”** means the Executive Director of the Corporation appointed by the Board;
- f. **“Officer”** means an Officer of the Corporation and may refer to the Chairperson, Vice-Chairperson, Secretary or Treasurer, depending on the context;
- g. **“Open Meeting Law”** means the Ralph M. Brown Act (California Government Code Sections 54950, *et. seq.*);
- h. **“President”** means the Chairperson of the Board and the President of the Corporation;
- i. **“Secretary”** means the Secretary of the Board and the Corporation;

- j. **“Town”** means the Town of Mammoth Lakes, California;
- k. **“Treasurer”** means the Treasurer of the Board and the Chief Financial Officer of the Corporation;
- l. **“Vice-Chairperson”** means the Vice-Chairperson of the Board.

ARTICLE II **PURPOSES**

2.01 Mutual Benefit Corporation. The Corporation is a non-profit mutual benefit corporation organized under the Non-Profit Mutual Benefit Corporation Law (California Corporations Code Section 7110, *et. seq.*). In addition to the purposes and objectives, and subject to the limitations, set forth below, the purpose of the Corporation is to engage in any lawful act or activity, other than the credit union business, for which a corporation may be organized under that law.

2.02 Purpose. The principal purpose of the Corporation is to engage in such activities as are meant to improve the tourism industry in the Town. These may include activities that take place outside the Town that are in furtherance of this purpose.

2.03 Activities. The Board or the Executive Director may from time to time identify specific activities meant to carry out the foregoing purposes.

ARTICLE III **INCOME TAX STATUS; LIMITATIONS**

3.01 Income Tax Exemptions. The Corporation shall have the status of a corporation that is exempt from federal income taxation pursuant to Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(6) of such Code, and that is exempt from state income taxation pursuant to Section 23701e of the California Revenue and Taxation Code.

3.02 Construction. These By-Laws shall be construed in a manner consistent with these tax laws and their implementing rules and regulations, and all activities of the Corporation shall be limited accordingly.

3.03 Limitations. The Corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers not in furtherance of the foregoing purposes of the Corporation. The Corporation shall not engage in or facilitate activities that violate federal or state laws.

ARTICLE V

BOARD OF DIRECTORS

5.01 Board Composition. The Board shall be composed of nine Directors. There are three appointed positions without terms as detailed below, and six termed positions. All termed position candidates are recommended by the designated association to the nominating committee (Sec 5.03). Individuals are able to submit interest solely through the same nominating committee process. The nominating committee will recommend to the MLT Board their recommendations for discussion and vote. All term positions to be filled by the MLT Board. The nine board seats will be composed as follows:

Appointed Positions (no terms)

- One Representative of the Mammoth Lakes Chamber of Commerce (appointed by the Chamber)
- One Representative of the Mammoth Mountain Ski Area (appointed by the business)
- One Mammoth Lakes Town Council designee (either a Council Member or Town Manager)

Termed Positions (either 2 or 3 year terms as noted)

- Two Lodging Representatives (one 2 year term, one 3 year term)
- One Restaurant Representative (3 year term)
- One Retail Representative (3 year term)
- One Cultural Arts/Special Events Representative or At Large representative (2 year term)
- One “at large” representative (2 year term) must hold a business license in the Town of Mammoth Lakes)

5.02 Qualifications. Each Director shall reside within the Mammoth Lakes area and shall have a substantial business interest in the Town and shall demonstrate a working knowledge of the tourism industry as it relates to the Town. All non-appointed Director Positions shall be (or represent businesses that are) in good standing with the Town of Mammoth Lakes with current business license, taxes and assessments.

5.03 Nominating Committee. The Board shall appoint a Nominating Committee composed of three of its members. The Nominating Committee may appoint two or more persons or tourism leaders who may participate or assist in the interview process. An existing Director may be re-nominated. All persons so nominated shall meet the qualifications specified in Section 5.02.

5.04 Vacancy. If a vacancy occurs on the Board due to resignation, death, end of term or other cause, the Nominating Committee shall 1) seek another appointment from the respective organization/company if it's a standing seat, or 2) or appoint a new Director by following the Nominating Committee process (sec 5.03) ADD: if an appointing company or organization has a change prior to the fiscal year election, a change needs to be submitted in writing to the Board stating the change, reason and time frame for the record. Based on projects or subcommittee involvement, the member being replaced may continue at Board discretion and approval of the standing

organization/company, however, voting rights would go to the newly appointed Board member. If a Board member change affects the Chair or Vice-chairperson positions, new officers must be elected for the remainder of the fiscal year and noted in the minutes to follow sections 6.01 and 6.02. If a member leaving the board for any reason stated above is not in good standing with the representing agency, a meeting would be held in executive session for discussion around immediate termination of a Board Member in regards to committee or project involvement. In the case of criminal action or legal issues, the representing agency has the right to approach the Board in executive session to recommend immediate termination. Final determinations to be made by the current Board of Directors.

5.06 Powers. In addition to the powers set forth in other sections of these By-Laws, the Board shall have the following powers:

- a. to select and remove Officers of the Board, who shall include a Chairman, Vice Chairman, Secretary, and Treasurer, and to prescribe the terms, powers and duties of the officers;
- b. to select the Executive Director and to prescribe his or her compensation, term, powers and duties; to hire employees and consultants to the extent the Executive Director is not authorized to do so; to enter into contracts for services of the Executive Director, consultants and employees;
- c. to conduct and control the business, financial, legal, personnel management and other affairs of the Corporation;
- d. to designate the times and places for the holding of meetings of the Board and of the members of the Corporation;
- e. to change the name of the Corporation;
- f. to borrow money, and to execute and deliver in the corporate name such promissory notes and security instruments as are necessary to facilitate the incurring of debt;
- g. to accept and provide grants;
- h. to appoint such committees as are deemed necessary to facilitate the purposes of the Corporation (the make-up of the committees may include, at the discretion of the Board, members of the Board, participating community members, and/or third parties);
- j. to compensate members of the Board and employees for expenses incurred in carrying out the business of the Corporation.

- k. to contract for such insurance coverage as it deems necessary, including, but not limited to, Director liability coverage.

5.07 Removal. A Director may be removed for cause upon failure by that Director to attend a third of the regular meetings held over the course of one year and/or three consecutive meetings of the Board, criminal action or legal issues in regards to their employment, as a community member, or with their representing agency. Removal shall be by a majority vote of the remaining Directors present and voting on a call for removal, provided a Quorum is present. If a Director is so removed, the Board shall then, or at its next meeting, appoint a Director to replace the removed Director, with the appointee to serve out the term of the removed Director. Vacancies shall be filled as determined in section 5.04.

5.08. Procedures. Meetings of the Board shall be governed by Roberts Rules of Order, as interpreted on any given question by the Chairperson.

5.09 Quorum. A majority of the members of the Board shall constitute a quorum for the transaction of business at regular or special meetings. A vote of a majority of the members of the quorum shall apply to any matter on which a vote is taken and shall constitute an action of the Board. In the event of a tie, the Chairman's vote will break the tie.

5.10 Meetings. Regular meetings of the Board shall be held not less than once each calendar month at a time and place specified by the Board. Special meetings of the Board or the Members may be held at such times and places as are specified by the Board. Meetings may be adjourned to such times and places as are designated by the Chairman.

5.11 Open Meeting Law. Provisions of the Open Meeting Law shall apply to the Board and the Corporation when applicable under the circumstances.

5.12 Agendas; Notices. The Board shall adopt agenda and notice requirements for meetings of the Board.

ARTICLE VI

REPONSIBILITIES OF OFFICERS

6.01 Chairperson. Subject to the control of the Board, the Chairperson shall generally supervise the business of the Corporation, preside at meetings of the Board, appoint committees and chairs, and carry out such other duties as are prescribed by the Board. The Chairperson must serve as a Director for one year on the board before becoming Chairperson. The term of the officer shall be for one (1) year. The Board may re-elect the Chairperson for not more than two (2) consecutive terms.

6.02 Vice-Chairperson. The Vice-Chairperson shall carry out the duties of the Chairperson in the absence of the latter, together with such others duties as are prescribed

by the Board or the Chairperson. The Vice- Chairperson must serve as a Director for one year on the Board before becoming Vice-Chairperson. The term of the officer shall be for one year. The Board may re-elect an officer for a consecutive term.

6.03 Secretary. The Secretary shall keep and maintain a record of minutes of all meetings of the Board called by the Board or prescribed by these By-Laws, be the custodian of corporate records other than financial records, and carry out such other duties as are prescribed by the Board or the Chairperson. The term of the officer shall be for one year. The board may re-elect an officer for a consecutive term(s). The Executive Director or Board may approve an appointed recorder for support of his position, not including any Executive Session meetings.

6.04 Treasurer. The Treasurer shall be the chief financial officer of the Corporation, review such financial reports as are required by the Board,, and carry out such other duties as are prescribed these By-Laws or by the Board or the Chairperson. The term of this officer shall be for one year. The board may re-elect an officer for a consecutive term(s). Treasurer to work with the Executive Director and Board appointed CPA firm who will prepare financial reports and will be the custodian of the financial records of the Corporation.

ARTICLE VII

EXECUTIVE DIRECTOR

7.01 Appointment. The Executive Director shall be appointed by the Board on such terms and conditions as are approved by the Board. The Executive Director may be a regular employee of the Corporation or may be hired as an at-will contract employee.

7.02 Authority. The Executive Director, operating under the control of the Board, shall have full administrative authority to direct the operations of the Corporation in a manner consistent with applicable state and federal laws, rules and regulations, these By-Laws, and such policies, programs, and procedures as are from time to time adopted and prescribed by the Board.

7.03 Qualifications. A job description for the position of Executive Director shall be adopted by the Board and reviewed as needed or deemed necessary by the Board. Final selection of the Executive Director shall be by the Board.

7.04 Absence. In the case of the absence of the Executive Director or any inability to carry out the duties of the office, such duties shall be carried out as directed by the Chairperson with the consent of the Board.

7.05 Personnel Management. The Executive Director shall hire, terminate where necessary, and supervise employees, contractors and agents of the Corporation in a manner consistent with personnel policies or directives adopted by the Board. Contracts for all such personnel shall be approved by the Board before taking effect. The Executive Director shall notify the Chairperson prior to termination of any employee.

7.06 Budget. The Executive Director shall be responsible for the preparation of the annual budget of the Corporation at such time and in such manner as is directed by the Board.

7.07 Compliance. In addition to such other duties as are prescribed by the Board, the Executive Director shall be familiar with and assure compliance by the Corporation with the California Non-profit Mutual Benefit Corporations law (Government Code Sections 7110, *et. seq.*), and in particular with the provisions of Government Code Sections 8320-24 relating to required records and reports.

ARTICLE VII **FISCAL MATTERS**

8.01 Fiscal Year. The fiscal year of the Corporation shall be the fiscal year unless otherwise designated by the Board, July 1 – June 30th.

8.02 Records. The Board, acting by and through the Treasurer, shall keep accurate records and accounts of the business of the Corporation in such manner as will allow the records to be delivered from time to time in printed form.

8.03 Reports. The Board shall direct the preparation of and shall adopt an annual report disclosing the fiscal affairs of the Corporation. The report shall be available to any other persons or entities approved by the Board.

8.04 Budget. On or before sixty days prior to the next fiscal year, the Board shall adopt an annual budget for that year. Any expenditure outside of the adopted budget needs to be approved by a majority vote of the Board.

ARTICLE IX **LIABILITY LIMITATIONS**

9.01 Liability. Nothing in these By-Laws or in any document related to the Corporation shall have the effect of causing Members, Officers, Directors, employees or agents of the Corporation to be partners as a matter of law. No Member, Officer, Director, employee or agent of the Corporation shall be liable for any acts or failures to act of the Corporation and/or its Members, Officers, Directors, employees or agents.

9.02 Director Liability. The liability of a Director for monetary damages shall be eliminated to the fullest extent allowed by law. No modification of the provisions of these By-Laws, and no action of the Board or Corporation, shall adversely affect any right or protection of a Director. The Board shall carry D&O liability coverage for the Board of Directors.

ARTICLE X
CONFLICTS OF INTEREST

10.01 Prohibition. No Director, Officer, contracting party, or employee of the Corporation (collectively an “interested person”) shall participate in any act which constitutes a conflict of interest as defined in this Article.

10.02 Definition. An interested person has a conflict of interest if the interested person, a business which he owns or operates, his spouse or any member of his family, may directly benefit from an action taken by the Corporation or the Board. A direct benefit means a benefit to the interested person which is different from or in addition to a benefit or benefits which would generally accrue to persons or entities involved in the tourism industry in the Town.

10.03 Further Definitions. In addition the foregoing and to any other conflicts of interest that may be described by the Board by resolution, the following constitute conflicts of interest. The interested person:

- a. is a party to, or owns (in whole or in part, excepting stock corporations) a business which is a party to, a contract or involved in a transaction with the Corporation;
- b. has a material financial interest in a transaction between the Corporation and entity in which he is a director, officer, agent or employee;
- c. has a material financial interest in or is a director, officer, agent or employee of any person or entity that competes with the Corporation.

10.04 Material Financial Interest. A material financial interest is a financial interest of any kind such that it would, or reasonably would be expected to, affect an interested person’s judgment with respect to an action related to the Corporation.

10.05 Gifts. No Director or Officer shall accept a gift or gratuity from any person or entity that is involved in the tourism industry in the Town unless that gift or gratuity is generally made available to other persons in the industry.

10.06 Form 700. All Board Members must sign, annually, a Form 700 to be kept on file by Secretary.

ARTICLE XI
MISCELLANEOUS

11.01 Dedication of Assets. The properties and assets of the Corporation are irrevocably dedicated to the purposes of the Corporation as set forth in these By-Laws. No part of the net earnings, properties, or assets of the Corporation, on dissolution or otherwise, shall inure to the benefit of any private person, or any Member or Director. On liquidation or dissolution, all properties and assets shall be distributed to one or more non-profit entities organized in whole or in part for the purpose or promoting tourism in the Town. Any such entity shall have established its tax exempt status under Section 501(c)(6) of the Internal Revenue Code. In the event no such entity exists, the assets and properties shall be distributed in a manner consistent with applicable provisions of the California Non-profit Mutual Benefit Corporations law.

11.02 Inspection of Records. The records of the Corporation shall be open for inspection for legitimate purposes by Directors during regular office hours.

11.03 Amendments. These By-Laws may be amended by a majority vote (four votes) of the Directors.

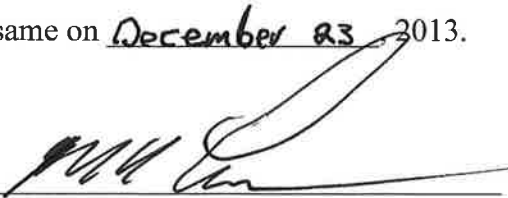
CERTIFICATION

The undersigned hereby certifies:

That I am the duly elected and acting Secretary of the Corporation;

That the foregoing By-Laws constitute the By-Laws of the Corporation duly adopted by the Board of Directors of the Corporation at its regular meeting of _____, 2013.

IN WITNESS WHEREOF, I certify the same on December 23, 2013.



SECRETARY OF THE CORPORATION