

STATE OF ALABAMA


DOMESTIC NONPROFIT CORPORATION  
AMENDMENT TO FORMATION/ARTICLES

Clerk: SBURRELL

PURPOSE: In order to amend a Nonprofit Corporation's Certificate of Formation/Articles of Incorporation under Section 10A-3-4.02 and 10A-1-3.13 of the Code of Alabama 1975 this Amendment and the appropriate filing fees must be filed with the Office of the Judge of Probate in the county where the corporation was initially formed/incorporated.

INSTRUCTIONS: Mail one (1) signed original and two (2) copies of this completed form and the appropriate filing fees to the Office of the Judge of Probate in the county where the corporation's Certificate of Formation was recorded. Contact the Judge of Probate's Office to determine the county filing fees. Make a separate check or money order payable to the **Secretary of State for the state filing fee of \$50.00 for standard processing or \$150.00 if expedited processing within 24 hours of receipt by the Office of the Secretary of State is requested (10A-1-4.31)** and the Judge of Probate's Office will transmit the fee along with a certified copy of the Amendment to the Office of the Secretary of State within 10 days after the filing is recorded. Once the Secretary of State's Office has indexed the filing, the information will appear at [www.sos.alabama.gov](http://www.sos.alabama.gov) under the Government Records tab and the Business Entity Records link – you may search by entity name or number. You may pay the Secretary of State fees by credit card if the county you are filing in will accept that method of payment (see attached). Your Amendment will not be indexed if the credit card does not authorize and will be removed from the index if the check is dishonored.

CERTIFIED TRUE COPY  
Probate Court of Mobile Co., AL  
Don Davis, Judge

Signature   
C. Mark Erwin, Chief Clerk  
Date MAY 7, 2020

(For County Probate Office Use Only)

**This form must be typed or laser printed.**

1. The name of the corporation from the Certificate of Formation/Articles of Incorporation:

Mobile Area Lodging Corporation

2. The date the Certificate of Formation was filed in the county: 08 / 21 / 2017 (format MM/DD/YYYY)

3. Alabama Entity ID Number (Format: 000-000): 401 - 853 **INSTRUCTION TO OBTAIN ID NUMBER TO COMPLETE FORM:** If you do not have this number immediately available, you may obtain it on our website at [www.sos.alabama.gov](http://www.sos.alabama.gov) under the Government Records tab. Click on Business Entity Records, click on Entity Name, enter the registered name of the entity in the appropriate box, and enter. The six (6) digit number containing a dash to the left of the name is the entity ID number. If you click on that number, you can check the details page to make certain that you have the correct entity – this verification step is strongly recommended.

(For SOS Use Only)

This form was prepared by: (type name and full address)

Kent Blackinton, 64 South Water Street, Mobile, AL 36602

## Exhibit "A"

### ATTACHMENT TO AMENDMENT TO CERTIFICATE OF FORMATION

The following provisions are added to the Mobile Area Lodging Corporation's Certificate of Formation in compliance with Ala. Code. § 11-54B-50:

1. The Corporation's property, business activities and affairs shall be managed, and all corporate powers shall be exercised by, or under the direction of, the Board of Directors.
2. The initial members of the board shall be divided into three groups which are as equal in number as is possible, and those groups will serve for initial terms of one, two, and three years respectively, and that all directors thereafter elected by the board of directors shall serve for a term of three years.
3. Directors shall be elected by a majority vote of the owners of assessed lodging properties within the MTID.
4. A majority of the Board shall always be comprised of owners of lodging businesses located in the geographical area of the district.
5. No funds received by the Corporation from MTID assessments shall be expended except in accordance with the budget adopted or amended under the provision of Ala. Code § 11-54B-40 *et seq.*
6. Vacancies on the Board resulting from death, resignation, or removal shall be filled by approval of the remaining members of the Board for the unexpired portion of the term.
7. At least annually, the Corporation shall hold a general membership and public meeting appropriately advertised in the MTID at a place convenient to persons concerned with the operation of the MTID.
8. The Corporation shall receive written suggestions from lodging businesses in the district at any time.
9. Municipal representatives designated by the Mayor and by the governing body of the municipality shall be authorized to attend and participate in regular and called meetings of the Board of the Corporation, but shall not vote on any matters considered by Directors.
10. No amendment to the Certificate or any bylaws shall be effective unless approved by the Board of the Corporation.
11. Directors shall serve as volunteers and shall not be compensated. Directors may be reimbursed for expenses, as the Board may establish by resolution to be just and reasonable to the Corporation at the time that the resolution is adopted.
12. Upon the dissolution or upon any withdrawal of the designation as the Corporation, all interests in and title to funds held by or for the Corporation, and all property of the Corporation shall be transferred and assigned to a successor Corporation, or if no successor Corporation exists, to the general fund of the municipality for use in funding the programs as the Board of the Corporation shall direct and designate.

Attachment to:

**STATE OF ALABAMA DOMESTIC NONPROFIT CORPORATION CERTIFICATE OF  
FORMATION**

**Directors constituting the initial Board of Directors:**

<b>Name</b>	<b>Address</b>
Kent Blackinton	64 South Water St., Mobile, AL 36602
Margo Gilbert	26 North Royal St., Mobile, AL 36602
Duncan Millar	950 West I-65 Service Rd., Mobile, AL 36609
Shannon Harris	5465 Highway 90 West (Government Blvd.), Tillmans Corner, AL 36619

# **BYLAWS OF THE MOBILE AREA LODGING CORPORATION**

## **An Alabama Nonprofit Corporation**

### **ARTICLE I Name**

The name of the corporation is the Mobile Area Lodging Corporation ("Corporation").

### **ARTICLE II Purpose and Exempt Activities**

#### **Section 1. Purpose**

*It shall be the purpose of the Corporation to promote the common interests of, and improve the business conditions for Mobile lodging businesses by serving as the district management corporation for the Mobile Tourism Improvement District ("MTID") and other programs and initiatives.*

#### **Section 2. Exempt Activities**

Notwithstanding any provision of these bylaws, no Director, officer, employee or representative of the Corporation shall take any action or carry on any activity by or on behalf of the Corporation not permitted by any organization exempt under *Section 501(c)(6) of the Internal Revenue Code as now exists or as may be amended.*

### **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 this Corporation, after payment of, or provision for payment of, all debts and liabilities of this Corporation, the remaining assets shall be distributed to a successor nonprofit corporation which has been formed to act as the MTID district management corporation 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 the City of Mobile for use in funding the MTID programs as the Board shall direct and designate.

#### **Section 2. Expenditures**

No funds received by the Corporation from MTID assessments shall be expended except in accordance with the budget adopted or amended pursuant to Article 10.

#### **Section 3. Construction**

Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the Alabama Nonprofit Corporation Law shall govern the construction of these Bylaws. Without limiting the generality of the preceding sentence, the masculine gender includes the 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**

This Corporation shall have no members within the meaning of the Alabama Nonprofit Corporation Law, pursuant to AL Code § 10A-3-2.01.

## **ARTICLE V Board of Directors**

### **Section 1. General Powers**

Subject to the provisions and limitations of the Alabama Nonprofit Corporation Law, the provisions of the MTID Management Plan, and any other applicable laws, and subject to any limitations of the Certification of Formation 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 of Directors.

### **Section 2. Specific Powers**

*The Corporation may do all things necessary to implement its purposes, including, but not limited to, the following:*

- A. Adopt and amend Bylaws for the regulation of its affairs and the conduct of its business and to prescribe rules, regulations, and policies in connection with the performance of its functions and duties.
- B. Employ persons as may be required, and fix and pay their compensation from funds available to the Corporation.
- C. Apply for, accept, administer, and comply with the requirements respecting an appropriation of funds or a gift, grant, or donation of property or money.
- D. Make and execute agreements as may be necessary or convenient to the exercise of the powers and functions of the Corporation, including contracts with any person, firm, corporation, governmental agency, or other entity.
- E. Administer and manage corporate funds and accounts and pay corporate obligations.
- F. Borrow money from private lenders or from governmental entities.
- G. Enforce the conditions of any loan, grant, sale, or lease made by the Corporation.
- H. Provide services to the MTID supplemental to those provided by the City of Mobile.
- I. Advertise the MTID and businesses included within the MTID.
- J. Organize and promote special events in the MTID.
- K. Provide special parking arrangements or management of ongoing parking programs for the MTID.
- L. Participate in other governmental programs for which qualified and included in its approval plan.
- M. Undertake other activities or initiatives within the MTID as the Board deems appropriate.

### **Section 3. Number, and Term of Office**

- A. The Board of Directors shall be comprised of nine (9) 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. In addition to the voting Directors, there shall be two (2) non-voting ex officio Directors.
- B. Directors shall serve for a term of three (3) years. The initial Directors shall be set forth in the Certificate of Formation. The initial Directors shall serve for staggered terms of one, two, or three years. At the first duly constituted meeting of the Board of Directors, the initial Directors shall draw lots to determine their individual terms.
- C. Among the nine (9) voting Directors:
  - 1. Two (2) Directors shall represent Tillmans Corner lodging properties;
  - 2. Two (2) Directors shall represent West Mobile lodging properties;
  - 3. Two (2) Directors shall represent Downtown Mobile lodging properties;
  - 4. One (1) Director shall be the President of the Mobile Area Lodging Association;

5. One (1) Director shall represent the Mobile attractions community; and

6. One (1) Director shall represent the Mobile restaurant association.

D. Among the two (2) non-voting ex officio Directors:

1. One (1) ex officio Director shall represent the City of Mobile; and

2. One (1) ex officio Director shall represent Visit Mobile.

### **Section 3. Annual Election**

Director election results shall be certified at the annual meeting of the Corporation. A nominating committee shall seek *nominees and confirm their eligibility*. Directors shall be elected by a majority vote of the owners of assessed lodging properties within the MTID. A ballot containing the nominees approved by the nominating committee shall be mailed to assessed lodging properties within the MTID. Ballots shall be returned to the Corporation and results of the election shall be announced at the annual meeting of the Corporation.

### **Section 4. Occurrence of Vacancies**

A vacancy or vacancies on the Board shall occur in the event of:

A. The death, removal, or resignation of any Director;

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 breach a duty arising under the Alabama Nonprofit Corporation Law, the MTID Management Plan, or other applicable laws;

C. An increase in the authorized number of Directors;

D. The failure of an election to elect the number of Directors required to be elected in that election;

E. A Director missing two (2) quarterly meetings in a row and an affirmative vote by the remaining Directors to remove the absent Director; or

F. A Director no longer meeting the criteria in Section 2 of this Article.

### **Section 5. Filling Vacancies**

Vacancies on the Board may be filled by approval of the Board. A Director elected to fill a vacancy shall be elected for the unexpired term of his or her predecessor in office. Any directorship to be filled by reason of an increase in the number of Directors may be filled by the Board for a term of office continuing only until the next election of Directors.

### **Section 6. Resignation of Directors**

Any Director may resign by giving written notice to the Chair of the Board, if any, or to the 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 a Director's 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.

### **Section 7. Removal of Directors**

Any Director may be removed, with or without cause, by the vote of the majority of the Directors 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 Section 9 of this Article.

### **Section 8. Compensation and Reimbursement**

Directors shall serve as volunteers and shall not be compensated. Directors may be reimbursed for expenses, as the Board may establish by resolution to be just and reasonable to the Corporation at the time that the resolution is adopted.

### **Section 9. Meetings**

A. The Board of Directors shall meet no less than quarterly.

- B. Meetings of the Board of Directors may be called by the Chair of the Board at such times as the business of the Corporation may require. Additionally, meetings shall be called upon written request of three (3) Directors filed with an officer of the Corporation and provided all Directors are notified of said meetings.
- C. The Board of Directors is authorized to meet in person, by telephone conference, or through other electronic communications media that allows all participating Directors to simultaneously hear each other and participate during the meeting.
- D. The Board of Directors meetings, except meetings held electronically, shall be open to assessed MTID lodging property representatives, with the provision that Board of Director Meetings, or a portion thereof, may be closed by a 2/3 vote of the Directors in attendance under such provisions as for declaring an executive session, for matters which directly or indirectly relate to legal affairs, and other sensitive matter deemed necessary to be treated as confidential or sensitive in nature.
- E. The agenda, date and place of Board of Directors meetings, except meetings held electronically, will be published on the Corporation's website, if any, and provided to all Directors and MTID lodging property representatives. This announcement will be made as soon as possible after the scheduling of the Board meeting. Failure to make such announcements will not invalidate the meeting or actions taken.
- F. Unless otherwise provided in these Bylaws, notice of meetings shall be given not less than two (2) days in advance of said meeting. Such notice may be by mail, telephone, verbal, or via electronic means. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed, with postage thereon prepaid. Any Director of the Board may waive notice of any meeting. The attendance of a Director of the Board at a meeting shall constitute a waiver of notice of such meeting, except where a transaction of any business because the meeting is not lawfully called or convened. The business to be transacted, or the purpose of any regular or special meeting of the Board need not be specified in the notice or waiver of notice of such meeting.
- G. A majority of the Board of Directors shall constitute a quorum at any meeting of the Board.
- H. In the event the Chair of the Board is unreachable, an emergency meeting of the Board may be called by the Secretary or Treasurer (in descending order of rank if the higher ranking officer is unreachable). The officer calling the meeting will have the authority to preside over the meeting.

#### **Section 10. Suggestions from Businesses**

The Board of Directors shall receive written suggestions from lodging businesses in the MTID at any time.

### **ARTICLE VI Officers**

#### **Section 1. Officers**

The officers of the Corporation shall be elected by the Board and shall be as follows: Chair of the Board, Vice-chair, Secretary, and Treasurer.

#### **Section 2. Term of Office**

The regular term of office shall begin immediately following the Corporation's annual meeting. Each officer shall serve for a term of two (2) years.

#### **Section 3. Eligibility for Office**

Any Director shall be eligible to be elected to any officer of the Corporation.

#### **Section 4. Duties of Officers**

A. The Chair of the Board shall:

1. Preside at meetings of the Board of Directors.

2. Make committee assignments with the advice and consent of the Board of Directors.
3. Prepare and read at the Annual Meeting an annual report.
4. Prepare the agenda for each meeting of the Board of Directors.
5. Enter into legally binding agreements and contracts on behalf of the Corporation with the advice and consent of the Board of Directors.

B. The Vice-chair shall, in the absence of the Chair, assume the Chair's responsibilities.

C. The Secretary shall:

1. Keep or cause to be kept, at the Corporation's principal office, 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.
2. Keep or cause to be kept, at the Corporation's principal office, a copy of the Certificate of Formation and Bylaws, as amended to date.
3. Keep or cause to be kept, at the Corporation's principal office, a record of the Corporation's Directors, showing each Director's name, address, and lodging property represented.
4. Keep or cause to be kept, at the Corporation's principal office, a record of the Corporation's officers, showing each officer's name and address.
5. Give, or cause to be given, notice of all meetings that these Bylaws require to be given.
6. Keep the corporate seal, if any, in safe custody.

D. The Treasurer shall:

1. Keep and maintain, or cause to be kept and maintained, adequate and correct books and accounts of the Corporation's properties and transactions. The Treasurer shall send or cause to be given to the Directors such financial statements and reports as are required by law, by these Bylaws, or by the Board. The books of account shall be open to inspection by any Director at all reasonable times.
2. Deposit, or cause to be deposited, all money and other valuables in the name and to the credit of the Corporation with such depositories as the Board may designate; disburse the Corporation's funds as the Board may order; render to the Board, when requested, an account of all transactions as Treasurer and of the financial condition of the Corporation.
3. Prepare the Corporation's detailed annual budget and any amendments thereto.
4. Prepare the Corporation's annual report to the City of Mobile.

#### **Section 5. Additional Duties**

In addition to the foregoing specifics, duties of the officers shall be such as their titles, by general usage, would indicate and such as may be assigned to them by the Board of Directors.

#### **Section 6. Corporation Property**

Each officer and Director shall deliver any and all Corporation property and records to a successor, or to the Chair of the Board, within one (1) month after the termination or resignation of their office.



### **Section 7. Removal of Officers**

Any officer may be removed by a majority vote of the Board whenever in the judgment of the Board the best interests of the Corporation will be served thereby. The removal of an officer shall be without prejudice to the contract rights, if any, of the officer so removed. Election of an officer shall not of itself create contract rights.

## **ARTICLE VII Committees**

### **Section 1. Appointment, Duties, Powers, Reimbursement**

- A. The Board of Directors, by resolution adopted by a majority of the Directors in office, may designate and appoint one or more committees each of which shall consist of two or more Directors, which committees, to the extent provided in the resolution, shall have all the authority of the Board of Directors, except that no committee shall have the authority of the Board of Directors in reference to:
1. Amending, altering, or repealing these Bylaws;
  2. Electing, appointing, or removing any member of any committee or any Director or officer of the Corporation;
  3. Amending the Certificate of Formation, restating the Certificate of Formation, adopting a plan of merger or adopting a plan of consolidation with another nonprofit corporation or other entity authorizing the conversion of the Corporation into another form of entity;
  4. Authorizing the sale, lease, exchange, or mortgage of all or substantially all of the property and assets of the Corporation;
  5. Authorizing the voluntary dissolution of the Corporation or revoking proceedings therefore;
  6. Adopting a plan for the distribution of the assets of the Corporation; or
  7. Amending, altering, or repealing any action or resolution of the Board of Directors which by its terms provides that it shall not be amended, altered, or repealed by the committee.
- N. Committee members shall serve at the pleasure of the Board of Directors, with its guidance and direction. Such committees shall advise and aid the officers of the Corporation in all matters designated by the Board of Directors, subject to the restrictions set forth in Section 1(A) of this Article.
- O. Any committee member failing to fulfill the duties assigned shall be liable to dismissal on a majority vote of the Board of Directors. When vacancies occur in committees, the Chair of the Board, with the advice and consent of the Board of Directors, shall fill the vacancies.
- P. Each committee may, subject to the approval of the Board of Directors, prescribe rules and regulations for the call and conduct of meetings of the committee and other matters relating to its procedure.
- Q. The members of any committee shall not receive any salary for their services, but may be reimbursed for any actual expenses incurred in the performance of duties on behalf of the Corporation.

### **Section 2. Term of Office**

Directors appointed to committees shall serve one (1) year or until their successors are appointed.

### **Section 3. Duties of Committee Chair and Committee Members**

- A. The committee chair shall:
1. Be responsible to the Board of Directors.
  2. Prepare an annual report and, upon request, a report to the Board of Directors.
  3. Be responsible for carrying out the duties assigned to the committee.
  4. Return all records, correspondence and property of the Corporation to the Chair of the Board within one (1) month after termination of appointment.
- B. The members of each committee shall cooperate with the committee chair in the execution of assignments.

## ARTICLE VIII Indemnification of Directors and Officers

**Section 1.** The Corporation shall, by action of the Board of Directors, have the power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed claim, action, suit or proceeding, whether civil, criminal, administrative or investigative, including appeals (other than an action by or in the right of the Corporation) by reason of the fact that he is or was a Director, officer, employee or agent of this Corporation, or is or was serving at the request of the Corporation as a Director, officer, partner, employee or agent of another association, corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorney's fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such claim, action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any claim, action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Corporation, and with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful. The Board of Directors reserves the right to cap attorney fees.

**Section 2.** The Corporation shall, by action of the Board of Directors, have the power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed claim, action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he is or was a Director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, partner, employee or agent of another association, corporation, partnership, joint venture, trust or other enterprise against expenses (including attorney's fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the Corporation unless and only to the extent that the court in which such action or suit was brought shall determine upon application that despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper.

**Section 3.** To the extent that a Director, officer, employee or agent of the Corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Sections 1 and 2 of this Article, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorney's fees) actually and reasonably incurred by him in connection therewith, notwithstanding that he has not been successful on any other claim, issue or matter in any such action, suit or proceeding.

**Section 4.** Any indemnification under Section 1 and 2 of this Article (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the Director, officer, employee or agent is proper in the circumstances because he met the applicable standard of conduct set forth in Sections 1 and 2 of this Article. Such determination shall be made (1) by the Board of Directors by a majority vote of a quorum consisting of Directors who were not parties to, or who have been wholly successful on the merits or otherwise with respect to, such claim, action, suit or proceeding, or (2) if such a quorum is not obtainable, or, even if obtainable, a quorum of disinterested Directors so directs, by independent legal counsel in written opinion.

**Section 5.** Expenses (including attorney's fees) incurred in defending a civil or criminal claim, action, suit or proceeding may be paid by the Corporation in advance of the final disposition of such claim, action, suit or proceeding as authorized in the manner provided in Section 4 of this Article upon receipt of an undertaking by or on behalf of the Director, officer, employee or agent to repay such amount if and to the extent that it shall ultimately be determined that he is not entitled to be indemnified by the Corporation as authorized in this Section.

**Section 6.** The indemnification authorized by this Article shall not be deemed exclusive of and shall be in addition to any other rights whether created prior to or subsequent to the date of these Articles, as amended to which those indemnified may be entitled under any statute, rule of law, provisions of articles of incorporation, bylaw, agreement, vote of

disinterested Directors, or, otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a Director, officer, employee or agent and shall insure to the benefit of the heirs, executors and administrators of such a person.

**Section 7.** The Corporation shall purchase and maintain insurance on behalf of any person who is or was a Director, officer, employee or agent of the Corporation or is or was serving at the request of the Corporation as a Director, officer, partner, employee or agent of another association, corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity or arising out of his status as such, whether or not the Corporation would have the power to indemnify him against such liability under the provisions of this Article.

## **ARTICLE IX Corporation Meetings and Voting by MTID Lodging Property Representatives**

### **Section 1. Meetings**

- A. The annual meeting of the Corporation shall be held at such time in November as the Board may fix from time to time. At the annual meeting, Director election results shall be certified, officers shall be elected, and other business may be transacted, subject to the provisions of these Bylaws.
- B. At least annually, the Corporation shall hold a general and public meeting appropriately advertised in the MTID at a place convenient to persons concerned with the operation of the MTID. At this meeting, the public hearing on the Corporation's annual budget shall be held.
- C. Special meetings shall be held upon request of the Board of Directors. The date and time of the meeting will be determined by The Board of Directors.
- D. Written or printed notice stating the place, day and hour of the meeting and, in case of a special meeting, the purpose or purposes of the meeting, shall be delivered not less than ten (10) nor more than fifty (50) days before the date of the meeting, either personally, published on the Corporation's website, if any, e-mail, or by mail, to each MTID lodging property representative entitled to vote at such meeting. If mailed, such notice shall be deemed to have been given when deposited in the United States mail, addressed to the representative at his or her address as it appears on the records of the Corporation, with postage thereon prepaid.

### **Section 2. Voting**

- A. **Voter Eligibility:** Only MTID lodging property representatives ("LPRs") that are not delinquent in payment of the MTID assessment shall be eligible to participate in elections.
- B. **Nominations**
  - 1. Only MTID LPRs that are not delinquent in payment of the MTID assessment shall be eligible for nomination to any elected position.
  - 2. Written or e-mail consent of a candidate must be obtained before placed for nomination.
- C. **Method of Voting**
  - 1. The Board of Directors shall establish election procedures including the counting of the ballots and making an official report to the LPRs.
  - 2. Matters submitted for voting to the LPRs shall be determined by the majority unless otherwise specified.
  - 3. Elections shall be by mailed ballot or conducted by electronic voting. In either case, the ballot shall be delivered at least 30 days prior to the Annual Meeting and shall be returned to the Corporation for tabulation not less than 7 days prior to the Annual Meeting. The results of the election shall be announced at the Annual Meeting.
  - 4. A majority vote shall elect.
  - 5. Names may be written in on the ballot if a written consent has been obtained from the candidate.

6. In the event of a tie vote with the ballot, a tie-breaking vote will be conducted at the Annual Meeting.
7. In the event of a miss-marked ballot, only the office in which the miss-mark occurred will not be counted. All other correctly marked offices will be counted.

## **ARTICLE X Fiscal Year and Annual Budget**

### **Section 1. Fiscal Year**

The fiscal year of the Corporation shall date from October 1 through September 30.

### **Section 2. Annual Budget**

- A. The officers of the Corporation shall submit a detailed annual budget for approval by the Board of Directors including proposed expenditures and proposed sources of financing, which may include voluntary donations. The budget shall explain how it contributes to goals and objectives for the MTID.
- B. The budget shall be introduced, approved, amended, and adopted by resolution passed by not less than a majority of the full membership of the Board of Directors. The procedure for passing a budget shall be as follows:
  1. Introduction and preliminary approval of the budget by the Board of Directors.
  2. Public advertising of the budget to all MTID LPRs.
  3. Public hearing relating to the budget.
  4. Amendments to the budget and public hearings relating to those amendments.
  5. Adoption of the budget.
  6. No budget shall be adopted until a public hearing has been held thereon and all persons having an interest therein have been given an opportunity to present objections.
- C. The Board of Directors may amend the budget during or after the public hearing.
- D. No amendment to the budget by the Board of Directors shall be effective until MTID LPRs and all persons having an interest therein have been granted a public hearing thereon, if the amendment does or provides for any of the following:
  1. Adds a new item in an amount in excess of ten percent (10%) of the total amount as stated in the initial budget approved by the Board of Directors;
  2. Increases or decreases any item within the budget by more than ten percent (10%) of the amount stated in the initial budget approved by the Board of Directors; or
  3. Increases the amount needed to be raised by special assessment by more than ten percent (10%) of the total special assessment revenue stated in the initial budget approved by the Board of Directors.

## **ARTICLE XI Amendment**

The bylaws may be amended at a regular meeting of the Board of Directors, provided notice of the proposed amendment has been appended to the call of meeting and published on the Corporation's website, if any, or mailed to each Director at least thirty (30) days prior to the date thereof. Approval shall be by majority of the full Board of Directors. No restrictions shall apply to the renumbering of the bylaws to reflect the amended form.

*These bylaws received approval by resolution of the Board of Directors of the Corporation as of [\_\_\_\_].*

JOHN H. MERRILL  
SECRETARY OF STATE

ALABAMA STATE CAPITOL  
MONTGOMERY, AL 36130

# STATE OF ALABAMA

I, John H. Merrill, Secretary of State of the State of Alabama, having custody of the Great and Principal Seal of said State, do hereby certify that

pursuant to the provisions of Title 10A, Chapter 1, Article 5, *Code of Alabama 1975*, and upon an examination of the entity records on file in this office, the following entity name is reserved as available:

**Mobile Area Lodging Corporation**

This name reservation is for the exclusive use of KENT BLACKINTON, 64 SOUTH WATER STREET, MOBILE, AL 36602 for a period of one year beginning August 2, 2017 and expiring August 2, 2018.

In Testimony Whereof, I have hereunto set my hand and affixed the Great Seal of the State, at the Capitol, in the City of Montgomery, on this day.



RES760750

\_\_\_\_\_  
August 2, 2017  
Date

\_\_\_\_\_  
John H. Merrill  
Secretary of State

ACT #2019- 200

1 SB112  
2 195756-2  
3 By Senators Figures, Sessions and Williams (N & P)  
4 RFD: Mobile County Legislation  
5 First Read: 19-MAR-19



# **BYLAWS OF THE MOBILE AREA LODGING CORPORATION**

## **An Alabama Nonprofit Corporation**

### **ARTICLE I Name**

The name of the corporation is the Mobile Area Lodging Corporation ("Corporation").

### **ARTICLE II Purpose and Exempt Activities**

#### **Section 1. Purpose**

It shall be the purpose of the Corporation to promote the common interests of, and improve the business conditions for Mobile lodging businesses by serving as the district management corporation for the Mobile Tourism Improvement District ("MTID") and other programs and initiatives.

#### **Section 2. Exempt Activities**

Notwithstanding any provision of these bylaws, no Director, officer, employee or representative of the Corporation shall take any action or carry on any activity by or on behalf of the Corporation not permitted by any organization exempt under Section 501(c)(6) of the Internal Revenue Code as now exists or as may be amended.

### **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 this Corporation, after payment of, or provision for payment of, all debts and liabilities of this Corporation, the remaining assets shall be distributed to a successor nonprofit corporation which has been formed to act as the MTID district management corporation 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 the City of Mobile for use in funding the MTID programs as the Board shall direct and designate.

#### **Section 2. Expenditures**

No funds received by the Corporation from MTID assessments shall be expended except in accordance with the budget adopted or amended pursuant to Article 10.

#### **Section 3. Construction**

Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the Alabama Nonprofit Corporation Law shall govern the construction of these Bylaws. Without limiting the generality of the preceding sentence, the masculine gender includes the 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**

This Corporation shall have no members within the meaning of the Alabama Nonprofit Corporation Law, pursuant to AL Code § 10A-3-2.01.

## **ARTICLE V Board of Directors**

### **Section 1. General Powers**

Subject to the provisions and limitations of the Alabama Nonprofit Corporation Law, the provisions of the MTID Management Plan, and any other applicable laws, and subject to any limitations of the Certification of Formation 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 of Directors.

### **Section 2. Specific Powers**

The Corporation may do all things necessary to implement its purposes, including, but not limited to, the following:

- A. Adopt and amend Bylaws for the regulation of its affairs and the conduct of its business and to prescribe rules, regulations, and policies in connection with the performance of its functions and duties.
- B. Employ persons as may be required, and fix and pay their compensation from funds available to the Corporation.
- C. Apply for, accept, administer, and comply with the requirements respecting an appropriation of funds or a gift, grant, or donation of property or money.
- D. Make and execute agreements as may be necessary on convenient to the exercise of the powers and functions of the Corporation, including contracts with any person, firm, corporation, governmental agency, or other entity.
- E. Administer and manage corporate funds and accounts and pay corporate obligations.
- F. Borrow money from private lenders or form governmental entities.
- G. Enforce the conditions of any loan, grant, sale, or lease made by the Corporation.
- H. Provide services to the MTID supplemental to those provided by the City of Mobile.
- I. Advertise the MTID and businesses included within the MTID.
- J. Organize and promote special events in the MTID.
- K. Provide special parking arrangements or management of ongoing parking programs for the MTID.
- L. Participate in other governmental programs for which qualified and included in its approval plan.
- M. Undertake other activities or initiatives within the MTID as the Board deems appropriate.

### **Section 3. Number, and Term of Office**

- A. The Board of Directors shall be comprised of nine (9) 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. In addition to the voting Directors, there shall be two (2) non-voting ex officio Directors.
- B. Directors shall serve for a term of three (3) years. The initial Directors shall be set forth in the Certificate of Formation. The initial Directors shall serve for staggered terms of one, two, or three years. At the first duly constituted meeting of the Board of Directors, the initial Directors shall draw lots to determine their individual terms.
- C. Among the nine (9) voting Directors:
  - 1. Two (2) Directors shall represent Tillmans Corner lodging properties;
  - 2. Two (2) Directors shall represent West Mobile lodging properties;
  - 3. Two (2) Directors shall represent Downtown Mobile lodging properties;
  - 4. One (1) Director shall be the President of the Mobile Area Lodging Association;



5. One (1) Director shall represent the Mobile attractions community; and

6. One (1) Director shall represent the Mobile restaurant association.

D. Among the two (2) non-voting ex officio Directors:

1. One (1) ex officio Director shall represent the City of Mobile; and

2. One (1) ex officio Director shall represent Visit Mobile.

### **Section 3. Annual Election**

Director election results shall be certified at the annual meeting of the Corporation. A nominating committee shall seek nominees and confirm their eligibility. Directors shall be elected by a majority vote of the owners of assessed lodging properties within the MTID. A ballot containing the nominees approved by the nominating committee shall be mailed to assessed lodging properties within the MTID. Ballots shall be returned to the Corporation and results of the election shall be announced at the annual meeting of the Corporation.

### **Section 4. Occurrence of Vacancies**

A vacancy or vacancies on the Board shall occur in the event of:

A. The death, removal, or resignation of any Director;

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 breach a duty arising under the Alabama Nonprofit Corporation Law, the MTID Management Plan, or other applicable laws;

C. An increase in the authorized number of Directors;

D. The failure of an election to elect the number of Directors required to be elected in that election;

E. A Director missing two (2) quarterly meetings in a row and an affirmative vote by the remaining Directors to remove the absent Director; or

F. A Director no longer meeting the criteria in Section 2 of this Article.

### **Section 5. Filling Vacancies**

Vacancies on the Board may be filled by approval of the Board. A Director elected to fill a vacancy shall be elected for the unexpired term of his or her predecessor in office. Any directorship to be filled by reason of an increase in the number of Directors may be filled by the Board for a term of office continuing only until the next election of Directors.

### **Section 6. Resignation of Directors**

Any Director may resign by giving written notice to the Chair of the Board, if any, or to the 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 a Director's 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.

### **Section 7. Removal of Directors**

Any Director may be removed, with or without cause, by the vote of the majority of the Directors 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 Section 9 of this Article.

### **Section 8. Compensation and Reimbursement**

Directors shall serve as volunteers and shall not be compensated. Directors may be reimbursed for expenses, as the Board may establish by resolution to be just and reasonable to the Corporation at the time that the resolution is adopted.

### **Section 9. Meetings**

A. The Board of Directors shall meet no less than quarterly.

- B. Meetings of the Board of Directors may be called by the Chair of the Board at such times as the business of the Corporation may require. Additionally, meetings shall be called upon written request of three (3) Directors filed with an officer of the Corporation and provided all Directors are notified of said meetings.
- C. The Board of Directors is authorized to meet in person, by telephone conference, or through other electronic communications media that allows all participating Directors to simultaneously hear each other and participate during the meeting.
- D. The Board of Directors meetings, except meetings held electronically, shall be open to assessed MTID lodging property representatives, with the provision that Board of Director Meetings, or a portion thereof, may be closed by a 2/3 vote of the Directors in attendance under such provisions as for declaring an executive session, for matters which directly or indirectly relate to legal affairs, and other sensitive matter deemed necessary to be treated as confidential or sensitive in nature.
- E. The agenda, date and place of Board of Directors meetings, except meetings held electronically, will be published on the Corporation's website, if any, and provided to all Directors and MTID lodging property representatives. This announcement will be made as soon as possible after the scheduling of the Board meeting. Failure to make such announcements will not invalidate the meeting or actions taken.
- F. Unless otherwise provided in these Bylaws, notice of meetings shall be given not less than two (2) days in advance of said meeting. Such notice may be by mail, telephone, verbal, or via electronic means. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed, with postage thereon prepaid. Any Director of the Board may waive notice of any meeting. The attendance of a Director of the Board at a meeting shall constitute a waiver of notice of such meeting, except where a transaction of any business because the meeting is not lawfully called or convened. The business to be transacted, or the purpose of any regular or special meeting of the Board need not be specified in the notice or waiver of notice of such meeting.
- G. A majority of the Board of Directors shall constitute a quorum at any meeting of the Board.
- H. In the event the Chair of the Board is unreachable, an emergency meeting of the Board may be called by the Secretary or Treasurer (in descending order of rank if the higher ranking officer is unreachable). The officer calling the meeting will have the authority to preside over the meeting.

#### **Section 10. Suggestions from Businesses**

The Board of Directors shall receive written suggestions from lodging businesses in the MTID at any time.

### **ARTICLE VI Officers**

#### **Section 1. Officers**

The officers of the Corporation shall be elected by the Board and shall be as follows: Chair of the Board, Vice-chair, Secretary, and Treasurer.

#### **Section 2. Term of Office**

The regular term of office shall begin immediately following the Corporation's annual meeting. Each officer shall serve for a term of two (2) years.

#### **Section 3. Eligibility for Office**

Any Director shall be eligible to be elected to any officer of the Corporation.

#### **Section 4. Duties of Officers**

A. The Chair of the Board shall:

1. Preside at meetings of the Board of Directors.

2. Make committee assignments with the advice and consent of the Board of Directors.
3. Prepare and read at the Annual Meeting an annual report.
4. Prepare the agenda for each meeting of the Board of Directors.
5. Enter into legally binding agreements and contracts on behalf of the Corporation with the advice and consent of the Board of Directors.

B. The Vice-chair shall, in the absence of the Chair, assume the Chair's responsibilities.

C. The Secretary shall:

1. Keep or cause to be kept, at the Corporation's principal office, 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.
2. Keep or cause to be kept, at the Corporation's principal office, a copy of the Certificate of Formation and Bylaws, as amended to date.
3. Keep or cause to be kept, at the Corporation's principal office, a record of the Corporation's Directors, showing each Director's name, address, and lodging property represented.
4. Keep or cause to be kept, at the Corporation's principal office, a record of the Corporation's officers, showing each officer's name and address.
5. Give, or cause to be given, notice of all meetings that these Bylaws require to be given.
6. Keep the corporate seal, if any, in safe custody.

D. The Treasurer shall:

1. Keep and maintain, or cause to be kept and maintained, adequate and correct books and accounts of the Corporation's properties and transactions. The Treasurer shall send or cause to be given to the Directors such financial statements and reports as are required by law, by these Bylaws, or by the Board. The books of account shall be open to inspection by any Director at all reasonable times.
2. Deposit, or cause to be deposited, all money and other valuables in the name and to the credit of the Corporation with such depositories as the Board may designate; disburse the Corporation's funds as the Board may order; render to the Board, when requested, an account of all transactions as Treasurer and of the financial condition of the Corporation.
3. Prepare the Corporation's detailed annual budget and any amendments thereto.
4. Prepare the Corporation's annual report to the City of Mobile.

#### **Section 5. Additional Duties**

In addition to the foregoing specifics, duties of the officers shall be such as their titles, by general usage, would indicate and such as may be assigned to them by the Board of Directors.

#### **Section 6. Corporation Property**

Each officer and Director shall deliver any and all Corporation property and records to a successor, or to the Chair of the Board, within one (1) month after the termination or resignation of their office.

## **Section 7. Removal of Officers**

Any officer may be removed by a majority vote of the Board whenever in the judgment of the Board the best interests of the Corporation will be served thereby. The removal of an officer shall be without prejudice to the contract rights, if any, of the officer so removed. Election of an officer shall not of itself create contract rights.

## **ARTICLE VII Committees**

### **Section 1. Appointment, Duties, Powers, Reimbursement**

A. The Board of Directors, by resolution adopted by a majority of the Directors in office, may designate and appoint one or more committees each of which shall consist of two or more Directors, which committees, to the extent provided in the resolution, shall have all the authority of the Board of Directors, except that no committee shall have the authority of the Board of Directors in reference to:

1. Amending, altering, or repealing these Bylaws;
2. Electing, appointing, or removing any member of any committee or any Director or officer of the Corporation;
3. Amending the Certificate of Formation, restating the Certificate of Formation, adopting a plan of merger or adopting a plan of consolidation with another nonprofit corporation or other entity authorizing the conversion of the Corporation into another form of entity;
4. Authorizing the sale, lease, exchange, or mortgage of all or substantially all of the property and assets of the Corporation;
5. Authorizing the voluntary dissolution of the Corporation or revoking proceedings therefore;
6. Adopting a plan for the distribution of the assets of the Corporation; or
7. Amending, altering, or repealing any action or resolution of the Board of Directors which by its terms provides that it shall not be amended, altered, or repealed by the committee.

N. Committee members shall serve at the pleasure of the Board of Directors, with its guidance and direction. Such committees shall advise and aid the officers of the Corporation in all matters designated by the Board of Directors, subject to the restrictions set forth in Section 1(A) of this Article.

O. Any committee member failing to fulfill the duties assigned shall be liable to dismissal on a majority vote of the Board of Directors. When vacancies occur in committees, the Chair of the Board, with the advice and consent of the Board of Directors, shall fill the vacancies.

P. Each committee may, subject to the approval of the Board of Directors, prescribe rules and regulations for the call and conduct of meetings of the committee and other matters relating to its procedure.

Q. The members of any committee shall not receive any salary for their services, but may be reimbursed for any actual expenses incurred in the performance of duties on behalf of the Corporation.

### **Section 2. Term of Office**

Directors appointed to committees shall serve one (1) year or until their successors are appointed.

**Section 3. Duties of Committee Chair and Committee Members** A. The committee chair shall:

1. Be responsible to the Board of Directors.
2. Prepare an annual report and, upon request, a report to the Board of Directors.
3. Be responsible for carrying out the duties assigned to the committee.
4. Return all records, correspondence and property of the Corporation to the Chair of the Board within one (1) month after termination of appointment.

B. The members of each committee shall cooperate with the committee chair in the execution of assignments.

## ARTICLE VIII Indemnification of Directors and Officers

**Section 1.** The Corporation shall, by action of the Board of Directors, have the power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed claim, action, suit or proceeding, whether civil, criminal, administrative or investigative, including appeals (other than an action by or in the right of the Corporation) by reason of the fact that he is or was a Director, officer, employee or agent of this Corporation, or is or was serving at the request of the Corporation as a Director, officer, partner, employee or agent of another association, corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorney's fees), judgements, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such claim, action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any claim, action, suit or proceeding by judgement, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Corporation, and with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful. The Board of Directors reserves the right to cap attorney fees.

**Section 2.** The Corporation shall, by action of the Board of Directors, have the power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed claim, action or suit by or in the right of the Corporation to procure a judgement in its favor by reason of the fact that he is or was a Director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, partner, employee or agent of another association, corporation, partnership, joint venture, trust or other enterprise against expenses (including attorney's fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the Corporation unless and only to the extent that the court in which such action or suit was brought shall determine upon application that despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper.

**Section 3.** To the extent that a Director, officer, employee or agent of the Corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Sections 1 and 2 of this Article, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorney's fees) actually and reasonably incurred by him in connection therewith, notwithstanding that he has not been successful on any other claim, issue or matter in any such action, suit or proceeding.

**Section 4.** Any indemnification under Section 1 and 2 of this Article (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the Director, officer, employee or agent is proper in the circumstances because he met the applicable standard of conduct set forth in Sections 1 and 2 of this Article. Such determination shall be made (1) by the Board of Directors by a majority vote of a quorum consisting of Directors who were not parties to, or who have been wholly successful on the merits or otherwise with respect to, such claim, action, suit or proceeding, or (2) if such a quorum is not obtainable, or, even if obtainable, a quorum of disinterested Directors so directs, by independent legal counsel in written opinion.

**Section 5.** Expenses (including attorney's fees) incurred in defending a civil or criminal claim, action, suit or proceeding may be paid by the Corporation in advance of the final disposition of such claim, action, suit or proceeding as authorized in the manner provided in Section 4 of this Article upon receipt of an undertaking by or on behalf of the Director, officer, employee or agent to repay such amount if and to the extent that it shall ultimately be determined that he is not entitled to be indemnified by the Corporation as authorized in this Section.

**Section 6.** The indemnification authorized by this Article shall not be deemed exclusive of and shall be in addition to any other rights whether created prior to or subsequent to the date of these Articles, as amended to which those indemnified may be entitled under any statute, rule of law, provisions of articles of incorporation, bylaw, agreement, vote of

disinterested Directors, or, otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a Director, officer, employee or agent and shall insure to the benefit of the heirs, executors and administrators of such a person.

**Section 7.** The Corporation shall purchase and maintain insurance on behalf of any person who is or was a Director, officer, employee or agent of the Corporation or is or was serving at the request of the Corporation as a Director, officer, partner, employee or agent of another association, corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity or arising out of his status as such, whether or not the Corporation would have the power to indemnify him against such liability under the provisions of this Article.

## **ARTICLE IX Corporation Meetings and Voting by MTID Lodging Property Representatives**

### **Section 1. Meetings**

- A. The annual meeting of the Corporation shall be held at such time in November as the Board may fix from time to time. At the annual meeting, Director election results shall be certified, officers shall be elected, and other business may be transacted, subject to the provisions of these Bylaws.
- B. At least annually, the Corporation shall hold a general and public meeting appropriately advertised in the MTID at a place convenient to persons concerned with the operation of the MTID. At this meeting, the public hearing on the Corporation's annual budget shall be held.
- C. Special meetings shall be held upon request of the Board of Directors. The date and time of the meeting will be determined by The Board of Directors.
- D. Written or printed notice stating the place, day and hour of the meeting and, in case of a special meeting, the purpose or purposes of the meeting, shall be delivered not less than ten (10) nor more than fifty (50) days before the date of the meeting, either personally, published on the Corporation's website, if any, e-mail, or by mail, to each MTID lodging property representative entitled to vote at such meeting. If mailed, such notice shall be deemed to have been given when deposited in the United States mail, addressed to the representative at his or her address as it appears on the records of the Corporation, with postage thereon prepaid.

### **Section 2. Voting**

- A. **Voter Eligibility:** Only MTID lodging property representatives ("LPRs") that are not delinquent in payment of the MTID assessment shall be eligible to participate in elections.
- B. **Nominations**
  - 1. Only MTID LPRs that are not delinquent in payment of the MTID assessment shall be eligible for nomination to any elected position.
  - 2. Written or e-mail consent of a candidate must be obtained before placed for nomination.

#### **C. Method of Voting**

- 1. The Board of Directors shall establish election procedures including the counting of the ballots and making an official report to the LPRs.
- 2. Matters submitted for voting to the LPRs shall be determined by the majority unless otherwise specified.
- 3. Elections shall be by mailed ballot or conducted by electronic voting. In either case, the ballot shall be delivered at least 30 days prior to the Annual Meeting and shall be returned to the Corporation for tabulation not less than 7 days prior to the Annual Meeting. The results of the election shall be announced at the Annual Meeting.
- 4. A majority vote shall elect.
- 5. Names may be written in on the ballot if a written consent has been obtained from the candidate.

6. In the event of a tie vote with the ballot, a tie-breaking vote will be conducted at the Annual Meeting.
7. In the event of a miss-marked ballot, only the office in which the miss-mark occurred will not be counted. All other correctly marked offices will be counted.

## **ARTICLE X Fiscal Year and Annual Budget**

### **Section 1. Fiscal Year**

The fiscal year of the Corporation shall date from October 1 through September 30.

### **Section 2. Annual Budget**

- A. The officers of the Corporation shall submit a detailed annual budget for approval by the Board of Directors including proposed expenditures and proposed sources of financing, which may include voluntary donations. The budget shall explain how it contributes to goals and objectives for the MTID.
- B. The budget shall be introduced, approved, amended, and adopted by resolution passed by not less than a majority of the full membership of the Board of Directors. The procedure for passing a budget shall be as follows:
  1. Introduction and preliminary approval of the budget by the Board of Directors.
  2. Public advertising of the budget to all MTID LPRs.
  3. Public hearing relating to the budget.
  4. Amendments to the budget and public hearings relating to those amendments.
  5. Adoption of the budget.
  6. No budget shall be adopted until a public hearing has been held thereon and all persons having an interest therein have been given an opportunity to present objections.
- C. The Board of Directors may amend the budget during or after the public hearing.
- D. No amendment to the budget by the Board of Directors shall be effective until MTID LPRs and all persons having an interest therein have been granted a public hearing thereon, if the amendment does or provides for any of the following:
  1. Adds a new item in an amount in excess of ten percent (10%) of the total amount as stated in the initial budget approved by the Board of Directors;
  2. Increases or decreases any item within the budget by more than ten percent (10%) of the amount stated in the initial budget approved by the Board of Directors; or
  3. Increases the amount needed to be raised by special assessment by more than ten percent (10%) of the total special assessment revenue stated in the initial budget approved by the Board of Directors.

## **ARTICLE XI Amendment**

The bylaws may be amended at a regular meeting of the Board of Directors, provided notice of the proposed amendment has been appended to the call of meeting and published on the Corporation's website, if any, or mailed to each Director at least thirty (30) days prior to the date thereof. Approval shall be by majority of the full Board of Directors. No restrictions shall apply to the renumbering of the bylaws to reflect the amended form.

*These bylaws received approval by resolution of the Board of Directors of the Corporation as of [\_\_\_\_\_].*