

BYLAWS OF
SOUTH LAKE TAHOE TOURISM DISTRICT,
A California Nonprofit Corporation

ARTICLE I NAME, OFFICE AND PURPOSES

The name of this corporation is and shall be South Lake Tahoe Tourism District, (hereinafter referred to as "the corporation").

The principal office of the corporation shall be located in South Lake Tahoe, California. The principal office and additional offices may be located in such other places as may be determined from time to time by the Board of Directors.

The purposes of the Corporation shall be to improve and promote tourism in South Lake Tahoe California through the operation of a tourism improvement district and the creation and operation of other tourism promotion activities.

ARTICLE II DISSOLUTION

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 members 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 member thereof, 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 established its tax exempt status under section 501(c) of the Internal Revenue Code.

ARTICLE III MEMBERS

Section 1. Membership and Voting Rights.

Membership shall consist of owners or representatives of an assessed lodging or property management/timeshare business within the South Lake Tahoe Tourism Improvement District (TID). All assessed lodging TID business owners, or business owner representatives, shall have equal voting weight.

ARTICLE IV BOARD OF DIRECTORS

Section 1. General Powers.

Subject to the limitations of these Bylaws, the Articles of Incorporation, and the laws of California, the affairs of the corporation shall be managed, and all corporate powers shall be exercised by, or under the direction of, a Board of Directors.

Section 2. Number, Tenure, and Qualifications.

The corporation shall have nine (9) Directors, who shall be unrelated persons. Each Director shall be an owner or representative of an assessed lodging or property management/timeshare business within the South Lake Tahoe Tourism Improvement District. The members shall elect the Directors. The members shall have equal voting weight for the election of Directors. An effort shall be made to reach out to the lodging community for nominations. The initial Board of Directors shall have a staggered term. There shall be no term limits for Directors. Upon the expiration of each of these terms, all directors shall hold office for two years ending on December 31 of the specified year. The Board may accept a resignation prior to filling that vacancy with a successor.

The Directors shall include representatives from lodging business properties and property management/timeshare properties that are paying into the tourism improvement district and who are interested in the promotion of tourism in the City of South Lake Tahoe.

There shall be nine (9) voting Directors. Of the nine (9) voting Directors, there shall be two (2) Directors representing lodging properties with 50 units or fewer within the boundaries of the tourism improvement district, two (2) Directors representing lodging properties with 51-90 units within the boundaries of the tourism improvement district, two (2) Directors representing lodging properties with 91-130 units within the boundaries of the tourism improvement district, two (2) Directors representing lodging properties with 131 and greater units within the boundaries of the tourism improvement district, and one (1) Director representing property management/timeshare properties within the boundaries of the tourism improvement district. Voting Directors must be representatives of their respective lodging property category by number of units available as listed with the City of South Lake Tahoe.

Section 3. Regular Meetings.

Regular meetings of the Board shall be held at least one (1) time per year at any place designated from time to time by resolution of the Board. All meetings shall comply with the notice provisions of the Ralph M. Brown Act. At least one of these Board meetings shall be the annual meeting to elect Directors.

Section 4. Special Meetings.

Special meetings of the Board of Directors may be called by or at the request of the Chairperson, Vice-Chairperson, the Secretary or the Treasurer, or a majority of the voting directors.

Section 5. Notice of Special Meetings.

Notice of any special meeting of the Board shall be given at least one (1) day prior thereto either personally or by telephone or email or four (4) days' notice by first-class mail, subject to waiver of notice as provided in ARTICLE X of these Bylaws. All such notices shall be given or sent to the director's address, email address, or telephone number as shown on the records of the corporation. The attendance of a director at any special meeting shall also

constitute a waiver of notice of such meeting. Notwithstanding the forgoing, all meetings shall comply with the notice provisions of the Ralph M. Brown Act.

Section 6. Quorum.

A majority of the Directors holding office at any point in time shall constitute a quorum. The directors may continue to transact business during a meeting at which a quorum is initially present, notwithstanding the withdrawal of directors, if any action is approved by at least a majority of the required quorum for that meeting.

Section 7. Manner of Acting.

Action by the Board shall be by a majority of the Directors present at a meeting duly held at which a quorum has been established unless a greater number is required by law.

Section 8. Action Without a Meeting.

The Board of Directors shall not take action without a meeting.

Section 9. Participation in Meetings by Means of Conference Telephone.

Members of the Board may participate in a meeting of the Board by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation by such means shall constitute presence in person at such meeting. The notice of such meeting must identify a place for the public to attend and must comply with the Ralph M. Brown Act.

Section 10. Vacancies.

- (a) Events causing vacancy. A vacancy or vacancies in the Board of Directors shall be deemed to exist on the occurrence of the following: (i) the death, resignation, or removal of any director; (ii) the declaration by resolution of the Board of Directors of a vacancy of the office of a director who has been declared of unsound mind by an order of court or convicted of a felony or has been found by final order of judgment of any court to have breached a duty under the California Nonprofit Corporation Law; (iii) the increase of the authorized number of directors, (iv) the failure of the Board, at any meeting of the Board at which any director or directors are to be elected, to elect the number of directors to be elected at such meeting; (v) if a director fails to attend four consecutive regular meetings of the Board of Directors; (vi) if a board position representing a specific lodging category by number of units available is not able to be filled due to lack of interest.

Any vacancy occurring in the Board of Directors and the directorships to be filled by reason other than an increase in the number of directors shall be filled by a majority of the remaining directors, though less than a quorum, or a sole remaining director. A director elected to fill a vacancy shall hold office during the unexpired term of his or her predecessor in office and until his or her successor is elected.

Section 11. Resignations.

Except as provided in this paragraph, any director may resign, which resignation shall be effective on giving written notice to the Chairperson, the Secretary, or the Board of Directors, unless the notice specifies a later time for the resignation to become effective. If the resignation of a director is effective at a future time, the Board of Directors may elect a successor to take office as of the date when the resignation becomes effective.

Section 12. Compensation.

Directors shall not receive compensation for their services as members of the Board. Nothing herein shall be construed to preclude any director from serving the corporation in any other capacity as an officer, agent, employee, or otherwise, and receiving compensation therefor or from receiving reimbursement for reasonable expenses, as may be fixed or determined by resolution of the Board.

Section 13. No Interest in Assets.

No director shall possess any property right in or to the property of the corporation. In the event the corporation owns or holds any property upon its dissolution and winding up, after paying or adequately providing for its debts and obligations, the directors shall dispose of the remaining property in accordance with the provisions of the Articles of Incorporation and these Bylaws.

ARTICLE V OFFICERS

Section 1. Officers.

The officers of the corporation shall be a Chairperson, a Vice Chairperson, a Secretary, and a Treasurer, and such other officers as may be elected to offices created by the Board. Officers shall have powers and duties as specified herein and as may be additionally prescribed by the Board. One person may hold two or more offices, except those of Chairperson and Treasurer but no officer shall execute, acknowledge, or verify any instrument in more than one capacity, if such instrument is required to be executed, acknowledged, or verified by two or more officers.

Section 2. Election and Term of Office.

The officers of the corporation shall be elected annually by the Board of Directors at the regular annual meeting of the Board of Directors. If the election of any officer shall not be held at such meeting, such election shall be held as soon thereafter as conveniently possible. New offices may be created and filled, and vacancies may be filled, at any meeting of the Board of Directors. Each officer shall hold office until a successor shall have been elected, unless otherwise removed.

Section 3, Removal.

Subject to the rights, if any, of an officer under any contract of employment, any officer elected or appointed by the Board may be removed by the Board with or without cause, whenever in its judgment the best interests of the corporation would be served thereby.

Section 4. Resignation.

Any officer may resign at any time by giving written notice to the corporation. Any resignation shall take effect at the date of the receipt of that notice or at any later time specified in that notice; and, unless otherwise specified in that notice, the acceptance of the resignation

shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any, of the corporation under any contract to which the officer is a party.

Section 5. Chairperson.

The Chairperson shall serve as the Chairperson of the Board of Directors. The Chairperson shall preside at all meetings of the corporation. He or she shall have general supervision, direction, and control of the business of the corporation.

Section 6. Vice Chairperson.

The Vice Chairperson shall serve as the Vice Chairperson of the Board of Directors. In the absence of the Chairperson, the Vice Chairperson shall preside at meetings of the corporation.

Section 7. Secretary

The Secretary shall be responsible for the mailing of notices and see to the proper recording of proceedings of meetings of the corporation.

Section 8. Treasurer

The Treasurer shall be responsible for the corporation's funds and financial records. The Treasurer shall collect and report, or supervise collection and reporting, of all income and expenditures, shall establish proper accounting procedures for the handling of the corporation's funds, and shall be responsible for the keeping of the funds in such banks as approved by the Board. The Treasurer shall report on the financial condition of the corporation at meetings of the Board and at other times when called upon by the Chairperson.

At the end of each fiscal year, the Treasurer shall prepare, or cause to be prepared, an annual report, which shall, if required by the Board, be reviewed by a certified public accountant. At the expiration of the Treasurer's term of office, or upon removal, the Treasurer shall

immediately deliver over to the person designated by the Chairperson all books, money and other property in his or her charge.

ARTICLE VI COMMITTEES

Section 1. Executive Committee.

There may be an Executive Committee comprised of the officers of the Board (i.e., Chair, Vice Chair, Secretary, and Treasurer) of the Corporation. The Executive Committee shall exercise such of the Board's authority as delegated by the Board except for the power to fill vacancies on the Board or to amend, repeal, or adopt bylaws. The Executive Committee shall report on a regular basis to the Board of Directors.

Section 2. Other Committees.

The Board of Directors may, by resolution, establish and appoint other committees and assignments to representation on other board, as it deems necessary.

ARTICLE VII FISCAL YEAR

The fiscal year of this corporation shall be October 1 through September 30.

ARTICLE VIII INDEMNIFICATION OF DIRECTORS, OFFICERS AND OTHER CORPORATE AGENTS

The corporation shall, subject to the provisions of this Article, to the extent allowed by applicable state and federal laws, indemnify, defend, and hold harmless its officers, directors, agents, and employees from and against any and all claims, liabilities, actions, proceedings, whether threatened, pending or completed, brought by reason of their respective position with or relationships to the corporation, including, without limitation, all reasonable attorneys' fees, costs, and other expenses incurred in establishing a right to indemnification under this Article.

Section 1. Definitions.

For the purposes of this Article, "agent" means any person who is or was a director, officer, employee, or other agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee, or agent of another trust, or other enterprise; "proceeding" means any threatened, pending, or completed action or proceeding, whether civil, criminal, administrative, or investigative; and "expenses" includes without limitation attorneys' fees and any expenses of establishing a right to indemnification under Section 4 or 5(b) of this Article.

Section 2. Indemnification in Actions by Third Parties.

The corporation shall have power to indemnify any person who was or is a party or is threatened to be made a party to any proceeding (other than an action by or in the right of the corporation to procure a judgment in its favor, an action brought under section 5233 of the California Nonprofit Public Benefit Corporation Law), by reason of the fact that such person is or was an agent of the corporation, against expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with such proceeding if such person acted in good faith and in a manner such person reasonably believed to be in the best interests of the corporation and, in the case of a criminal proceeding had no reasonable cause to believe the conduct of such person was unlawful. The termination of any 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 the person reasonably believed to be in the best interests of the corporation or that the person had reasonable cause to believe that the person's conduct was unlawful.

Section 3. Indemnification in Actions by or in the Right of the Corporation.

The corporation shall 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 action by or in the right

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of the corporation, or brought under section 5233 of the California Nonprofit Public Benefit Corporation Law, to procure a judgment in its favor by reason of the fact that such person is or was an agent of the corporation, against expenses actually and reasonably incurred by such person in connection with the defense or settlement of such action acted in good faith, in a manner such person believed to be in the best interests of the corporation and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances. No indemnification shall be made under this Section 3:

- (a) In respect of any claim, issue, or matter as to which such person shall have been adjudged to be liable to the corporation in the performance of such person's duty to the corporation, unless and only to the extent that the court in which such proceeding is or was pending shall determine upon application that, in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for the expenses which such court shall determine;
- (b) Of amounts paid in settling or otherwise disposing of a threatened or pending action, with or without court approval; or
- (c) Of expenses incurred in defending a threatened or pending action which is settled or otherwise disposed of without court approval, unless such action concerns assets held in charitable trust and is settled with the approval of the Attorney General.

Section 4. Indemnification Against Expenses.

To the extent that an agent of the corporation has been successful on the merits in defense of any proceeding referred to in Section 2 or Section 3 of this Article, or in defense of any claim, issue, or matter therein, the agent shall be indemnified against expenses actually and reasonably incurred by the agent in connection therewith.

Section 5. Required Determinations.

Except as provided in Section 4 of this Article, any indemnification under this Article VIII shall be made by the corporation only if authorized in the specific case, upon a determination that indemnification of the agent is proper in the circumstances because the agent has met the applicable standard of conduct set forth in Section 2 or Section 3 of this Article, by:

- (a) A majority vote of a quorum consisting of directors who are not parties to such proceeding; or
- (b) The court in which such proceeding is or was pending upon application made by the corporation or the agent or the attorney or other person rendering services in connection with the defense, whether or not such application by the agent, attorney, or other person is opposed by the corporation.

Section 6. Advance of Expenses.

Expenses incurred in defending any proceeding may be advanced by the corporation prior to the final disposition of such proceeding upon receipt of an undertaking by or on behalf of the agent to repay such amount unless it shall be determined ultimately that the agent is entitled to be indemnified as authorized in this Article.

Section 7. Other Indemnification.

No provision made by the corporation to indemnify its directors or officers for the defense of any proceeding, whether contained in the Articles, Bylaws, a resolution of the directors, an agreement, or otherwise, shall be valid unless consistent with this Article. Nothing contained in this Article shall affect any right to indemnification to which persons other than such directors and officers may be entitled by contract or otherwise.

Section 8. Forms of Indemnification Not Permitted.

No indemnification or advance shall be made under this Article, except as provided in Section 4 or 5(b), in any circumstances where it appears:

- (a) That it would be inconsistent with a provision of the Articles or these Bylaws;
- or
- (b) That it would be inconsistent with any condition expressly imposed by a court in approving a settlement.

Section 9. Insurance.

The corporation shall have power to purchase and maintain insurance on behalf of any agent of the corporation against any liability asserted against or incurred by the agent in such capacity or arising out of the agent's status as such whether or not the corporation would have the power to indemnify the agent against such liability under the provisions of this Article.

ARTICLE IX BOOKS AND RECORDS

The corporation shall keep at its principal office correct and complete books and records of account, written minutes of the proceedings of its meetings, a copy of Brown Act notices, the original or a copy of the Articles and Bylaws as amended to date, and a record giving the names and addresses of all Directors.

ARTICLE X WAIVER OF NOTICE

Whenever any notice is required to be given under the provisions of the California Nonprofit Corporation Law or under the provisions of the Articles of Incorporation or by the Bylaws of the corporation, a written waiver thereof, signed by the person or persons entitled to such notice, whether before or after the time stated therein, which is made a part of the minutes, shall be deemed equivalent to the giving of such notice. Notwithstanding the foregoing all notice shall comply with the provisions of the Ralph M. Brown Act.

ARTICLE XI ANNUAL REPORTS

Not later than one hundred twenty (120) days after the close of the corporation's fiscal year, the Board shall cause to be sent to the Directors an annual report and an annual statement of transactions and indemnifications in accordance with applicable state law.

ARTICLE XII RULES OF ORDER

The rules contained in Robert's Rules of Order Newly Revised or as may be amended from time to time, shall govern the corporation in all cases in which they are applicable, and in which they are not inconsistent with these Bylaws, the Articles of Incorporation, or then existing law, including, but not limited to, the Ralph M. Brown Act.

ARTICLE XIII AMENDMENTS TO BYLAWS

New bylaws may be adopted, or these bylaws may be amended or repealed, by an affirmative majority vote of the Board of Directors at which a quorum is present. A copy of the proposed amendment or new bylaws shall be included in the notice of meeting given to each member of the Board of Directors.

ARTICLE XIV CERTIFICATE

I, Kathleen Mason hereby certify:

That I am the duly elected and acting Secretary of South Lake Tahoe Tourism District, California Nonprofit Corporation; and

That the foregoing Bylaws, consisting of 15 pages, including this one, constitute the Bylaws of said corporation, as duly adopted by the Board of Directors at a meeting held on 10/17, 2024, at South Lake Tahoe, California.

IN WITNESS WHEREOF, I have hereunto set my hand this 17 day of October, 2024.


SECRETARY

