

**COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS
SAIPAN, TINIAN, ROTA and NORTHERN ISLANDS**



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MARIANAS
VISITORS AUTHORITY

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**By-Laws for the
Marianas Visitors Authority**

A Northern Marianas Public Corporation

**ARTICLE I
PURPOSE**

Pursuant to Public Law 11-15 Section 5, Public Law 13-5, Public Law 13-9, ~~and~~ Executive Order 03-02 of March 10, 2003, and Public Law 18-58, the Marianas Visitors Authority shall promote the orderly growth of the CNMI tourism industry by:

- a) Advertising, and publicizing the Northern Mariana Islands and its attractions to the traveling public.
- b) Organizing and conducting programs to promote the Northern Mariana Islands tourism industry.
- c) Advising the Governor and Legislature on the need for development, expansion and improvements of existing tourist facilities and recommending methods to increase visitor satisfaction.
- d) Encouraging the investment of private funds to improve tourist facilities in the Northern Mariana Islands.
- e) Planning, constructing and maintain reception and information booths and other tourist facilities.
- f) Recommending procedures for immigration and customs clearance for tourists.
- g) Improving communication with foreign visitors by assisting in the establishment of foreign language training programs.
- h) Promoting the indigenous arts and crafts of the Northern Mariana Islands.
- i) Promoting the preservation of the cultural heritage of the Northern Mariana Islands.
- j) Promoting beautification programs in the Northern Mariana Islands
- k) Preparing information booklets in English and other appropriate languages for distribution to all tourists.
- l) Collecting, compiling, and analyzing statistics and other data and information that may be helpful in carrying out the objectives of MVA.
- m) Providing advice and technical assistance to tourism development organizations and tourism related enterprises.
- n) Encouraging and supporting the training and employment of local residents in the tourism industry.
- o) Coordinating efforts with all departments and agencies of the Commonwealth government including the mayors of each Senatorial district.
- o+p) Regulating the tour industry through the issuance of certifications to tour operators and tourist land/sea transport operators attesting to their compliance with statutory and regulatory requirements for engaging in the tour operator and tourist land/sea transport operators business and tour guides through the issuance of certifications attesting to a minimum proficiency in the

English language and their successful completion and training in the history, culture, and scenic attractions of the CNMI.

ARTICLE II NONPROFIT AND NON-STOCK CORPORATION

Pursuant to Public Law 11-15, section 1, the Marianas Visitors Authority shall be a non-stock/nonprofit public corporation organized for the purpose of promoting the visitor industry in the Northern Marianas. No dividends or pecuniary profits shall be declared or paid to MVA's members. MVA shall not have the power to issue certificates of stock or declare dividends, and no part of its earnings shall inure to the benefit of any member, director or individual. At the end of any fiscal year, if any balance exists after the payment in full of all debts and obligations of the corporation of whatever kind or nature, the balance shall be used and distributed in the next fiscal year exclusively for MVA's primary purpose.

ARTICLE III OFFICES

Section 1. LOCATION.

The principal office for the transaction of business of the corporation is hereby fixed and located in Saipan, Northern Mariana Islands. The Board of Directors is hereby granted full power and authority to relocate the principal office within the Northern Mariana Islands.

Section 2. OTHER OFFICES.

Branch offices currently exist on the islands of Tinian and Rota. Additional branch, subordinate or representative offices may, at any time, be established by the Board of Directors at any place or places.

ARTICLE IV MEMBERS

Pursuant to Public Law 11-15, Section 10, the following membership policies are adopted:

Section 1. ELIGIBILITY.

Membership in MVA shall be open to any natural person or organization, including but not limited to corporations, partnerships, associations, councils or any other private entity. No department, agency or instrumentality of the Government of the Northern Mariana Islands may become a contributing member of MVA.

Section 2. CLASSES OF MEMBERSHIP.

There shall be two (2) classes of membership:

(a) "Contributing Members" and

(b) "Honorary Members."

Section 3. RIGHTS OF MEMBERSHIP.

(a) Contributing Members:

Contributing members shall be those persons contributing the sum of One Hundred Dollars (\$100.00) or more annually in United States currency. Contributing members may acquire voting rights on the basis of one (1) vote for each annual contribution of One Hundred Dollars (\$100.00), payable in lump sum; provided, however, that a contributing member shall not be entitled to more than ten (10) votes. A contributing member shall be qualified to vote if the member has paid its annual contribution of One Hundred Dollars (\$100.00) per vote within fifteen (15) calendar days prior to any membership meeting in which such member intends to exercise voting rights and the member has no other outstanding financial obligations to MVA.

(b) Honorary Members:

Honorary memberships may be granted by the MVA Board of Directors with no charge to the honorary member. Honorary members shall not possess voting rights, but are eligible to participate in all meetings of the membership. Upon written request, any non-profit organization, department, agency or instrumentality of the Government of the Northern Mariana Islands will be granted an honorary membership in MVA without charge.

Section 4. MAILING ADDRESSES – FURNISHED BY MEMBERS.

In each application for membership, the applicant shall provide an official mailing address to which notices of any membership meetings may be sent. It shall be the duty of each member, upon changing its mailing address, to notify MVA's Managing Director in writing of such change. Until such notification is received by MVA's Managing Director, notices sent to the last address previously provided by the member shall be sufficient and binding on the member.

Section 5. TERMINATION OF MEMBERSHIP.

A. Automatic Termination of Membership:

Membership and all rights of membership shall automatically terminate on the occurrence of any of the following:

- (1) The Managing Director's receipt of a written resignation signed by a member; or
- (2) The death of a natural person possessing a membership; or
- (3) The dissolution of an organization possessing a membership.

B. Procedure for Involuntary Termination of Membership:

Conduct which is found by a two-thirds (2/3) vote of the MVA Board of Directors to be contrary to the good order, peace, reputation or best interest of the Marianas Visitors Authority shall be grounds for termination of a member, provided such member is given fifteen (15) days prior written notice of the proposed termination and a timely opportunity to be heard on the matter of the termination. The notice of termination shall be given personally to such member or sent by first-class, certified mail to the address of such member as shown on the records of MVA. The opportunity to be heard may, at the election of such member, be oral or in writing and shall not occur less than five (5) days before the effective date of the proposed termination. The hearing shall be conducted at MVA's main office by the Board of Directors or a committee composed of two or more persons designated by the Chairperson of the Board with the approval of the Board. The committee shall perform the following duties:

- (1) Read the charges against the subject member;
- (2) Require that the charges be verified by the testimony of the person or persons making them or substantiated through written documentation;
- (3) Hear any other witnesses against the subject member;
- (4) Allow the subject member to cross examine each witness following the testimony of that witness;
- (5) Allow the subject member to make a statement on its behalf;
- (6) Allow the subject member to call witnesses on its own behalf; and
- (7) Allow the persons comprising the Board or committee conducting the hearing to question each witness after they have been questioned by the subject member.

Any committee so designated shall, after due hearing, make a report to the Board with its findings and recommendations; and the Board may act upon such report with or without further hearings, as the Board deems proper.

**ARTICLE V
MEETINGS OF MEMBERS**

Section 1. REGULAR MEETINGS OF MEMBERS.

Regular meetings of the members shall be held semi-annually ~~in the months of June and December~~ on dates and times determined by the ~~Board of Directors~~ Managing Director.

Section 2. SPECIAL MEETINGS.

Special meetings of the members, for any purpose or purposes whatsoever, may be called at any time by the Chairman of the Board, or by any two or more directors, or by one or more contributing member(s) holding not less than one-fourth (1/4) of the membership voting power as determined and existing as of the date of the most recent semi-annual meeting of the members.

Section 3. NOTICE OF MEETINGS.

A. Procedure:

(1) Notice of regular meetings, or special meetings shall be given in writing to contributing members by the Board Chairman, or in case of such officer's refusal, by the Managing Director, any director or by any one or more contributing member(s) representing not less than one-fourth (1/4) of the membership voting power. Such notice may be given to contributing members in the Northern Mariana Islands by mailing the same at least ten (10) days before such meeting to each contributing member at the address appearing upon the books of MVA, by email or by personal delivery of such notice. Service of said notices may be proved by affidavit of the person serving, emailing or mailing the notice. Non-receipt of any such notice shall not invalidate any business done at any meeting at which a quorum was present.

(2) Notice of all regular or special meetings shall be given to contributing members absent from the Northern Mariana Islands by emailing or mailing such notice, postage prepaid and addressed to such member as its address appears upon the books of MVA, at least fourteen (14) days prior to a meeting. Service of the notice may be proved by the post office receipt of the registered letter. Non-receipt of any such notice shall not invalidate any business done at any meeting at which a quorum was present.

(3) Notice of all regular and special meetings shall be given to all members by publication in at least one (1) newspaper of general circulation in the Northern Mariana Islands at least once, not later than two (2) days prior to the date of the meeting.

(4) When a meeting is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. It shall not, however, be necessary to give any notice of the adjournment or of the business to be transacted in an adjourned meeting other than by announcement at the meeting at which such an adjournment is taken.

B. Content:

Notice of any meeting of members shall specify the place, the date and the hour of the meeting, and in the case of a special meeting, the general nature of the business to be transacted and the identity of the person or persons calling the special meeting.

Section 4. MEMBERSHIP RATIFICATION.

The transactions of any meeting of members however called and noticed shall be valid as though conducted at a meeting duly held after regular call and notice, if a quorum is present either in person or by proxy, and if either before or after the meeting, each of the contributing members entitled to vote, not present in person or by proxy, signs a written waiver of notice or a consent to the holding of such meeting, or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 5. QUORUM.

The presence, in person or by proxy, of contributing members possessing at least fifty percent (50%) of the total voting power of the membership at any meeting shall constitute a quorum for the transaction of business, except as otherwise provided by law or by these By-Laws. If, however, such percentage of votes shall not be present or represented at any meeting of the members, the members entitled to vote thereat, present in person, or by proxy shall have the power to adjourn the meeting from time to time, until the requisite amount of votes shall be present. At such re-convened meeting at which the requisite amount of votes shall be represented, any business may be transacted which might have been transacted at the meeting as originally notified. The members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum. However, any act of the members shall require a vote of the majority of the voting power of the members entitled to vote present at the commencement of business at the next meeting duly held.

Section 6. CUMULATIVE VOTING NOT ALLOWED.

Contributing members entitled to vote may cast as many votes as the member has acquired for each of the four (4) elected directorships. However, no member shall have the right to cumulate votes i.e. only one vote per candidate is allowed for each membership. (Example: if a corporation has 10 memberships it may cast a maximum of 10 votes for a specific candidate.)

Section 7. PROXIES.

Every contributing member entitled to vote or execute consents shall have the right to do so, either in person or through an agent authorized by written proxy executed by such person or a duly authorized agent and filed with the Secretary, Managing Director or Chairperson of the meeting at least twenty-four (24) hours prior to the membership meeting at which the proxy will be exercised. Any proxy duly executed and filed with MVA is not revoked and continues in full force and effect until an instrument revoking it is filed with MVA or until three (3) months from the date of the proxy, whichever first occurs. All proxies must be executed in accordance with the provisions of the Civil Code of the Northern Mariana Islands.

ARTICLE VI

DIRECTORS/MANAGEMENT

Section 1. POWERS.

All corporate powers shall be held and exercised by or under authority of a Board of Directors, subject to the limitations of these By-Laws and the laws of the Northern Mariana Islands.

Section 2. CLASSES OF DIRECTORS.

Pursuant to ~~Public Law 11-15, Section 6~~ 4 CMC § 2111(a), the Board of Directors shall be composed of the following nine (9) members:

- (a) Five members appointed by the Governor with the advice and consent of the Senate including one member from the Hotel Association of the Northern Mariana Islands (HANMI); provided that the HANMI member shall be selected from a list of two candidates submitted by HANMI for the Governor's consideration;
- (b) Four members chosen by the members of the MVA pursuant to ~~P.L. 11-15 Section 10(e)~~ 4 CMC § 2123(c) and the By-laws.

Section 3. ELECTION AND TERM OF OFFICE.

(a) Appointed Directors:

Pursuant to ~~Public Law 11-15, Section 6(e)~~ 4 CMC § 2111(c), the five (5) appointed directors shall serve for a term of four years provided that the initial members appointed under 4 CMC § 2111(a)(1) shall serve for three years.

(b) Elected Directors:

Pursuant to ~~Public Law 11-15, Section 6(e)~~ 4 CMC § 2111(c), the four (4) elected directors shall serve for a term of four years provided that the initial members appointed under 4 CMC § 2111(a)(2) shall serve for two years.

Section 4. NOMINATION OF ELECTED DIRECTORS.

Prior to the election of elected directors, a nominating committee consisting of the Managing Director and four (4) contributing members chosen by the elected directors in any manner they deem appropriate, shall solicit the membership and present a list of recommended nominees. Nominations other than those recommended by the nominating committee may be made by any member by filing the name with the Chairperson of the Board, the Secretary or the Managing Director. Each nominee must be a contributing member in good standing or become a member within 15 days

prior to the date of the election; each nominee must confirm the willingness to serve, if elected, before being put on the ballot.

Section 5. RESIGNATION AND REMOVAL OF DIRECTORS.

(a) Resignation.

1. The resignation of an appointed director shall be effective upon the Chairperson of the Board's receipt of a written statement of resignation signed by the Governor.
2. The resignation of an elected director shall be effective upon the Board's acceptance of a written statement of resignation signed by the director.

(b) Removal of Directors.

Pursuant to ~~Public Law 11-15, Section 6(e)~~ 4 CMC § 2111(e), appointed board members may be removed for cause by the Governor or by a vote of two-thirds of the full membership of the Board; elected members may be removed for cause by a vote of two-thirds of the contributing members. A director's absence from three (3) consecutive regular meetings without reasonable excuse shall constitute cause for removal of a director.

Section 6. VACANCIES.

(a) Vacancy Defined:

A vacancy shall be deemed to exist in case of the death, resignation or removal of a director or in the event the members fail at any time to elect the full number of authorized elected directors.

(b) Elected Directors:

A vacancy of an elected directorship shall be filled by the vote of at least two (2) of the remaining elected directors, and each director so elected shall serve the remaining term of the vacant directorship.

(c) Appointed Directors:

A vacancy of an appointed director shall be filled by the Governor.

Section 7. PLACE OF MEETINGS.

Regular meetings of the Board of Directors shall be held at any place within the Northern Mariana Islands which has been designated from time to time by resolution of the Board, or by written consent of all directors, provided that there shall may be one (1) Board meeting on Rota and Tinian, at least once a year. In the absence of such designation, regular meetings shall be held at MVA's main office. Special meetings of the Board may be held either at a place so designated or at the principal office. Any meeting shall be valid, whenever held, if held by the written consent of all directors, given either before or after the meeting and filed with the MVA Board Secretary.

Section 8. OTHER REGULAR MEETINGS.

Regular meetings of the Board of Directors shall be held once a month. Notice of such regular meetings shall be mailed, emailed or delivered personally to each director at least five (5) days prior to the meeting.

Section 9. SPECIAL MEETINGS - NOTICES.

Special meetings of the Board of Directors for any purpose or purposes may be called at any time by the Chairperson or, in the Chairperson's absence, the Vice-Chairperson, or at the request of three or more Board Directors.

Written notice of the time and place of special meetings shall be delivered personally, by facsimile or by email to the directors.

Section 10. NOTICE TO PUBLIC.

Advance written notice of the time, place and purpose of all special and regular meetings of the Board of Directors shall be delivered in accordance with the Open Government Act 1 CMC Section 9910.

Section 11. QUORUM.

Pursuant to Public Law 11-15, Section 6(f), five members of the Board shall be necessary to constitute a quorum for the transaction of business.

Section 12. NO ACTION WITHOUT MEETING.

The Board shall act only by solution at a meeting duly held. Any resolution of the Board shall require an affirmative vote of five (5) directors at a properly held meeting of the Board. Neither the Chairperson nor Vice-Chairperson nor any individual director or group of directors shall have any authority to conduct any business in the name of MVA or direct any employee of MVA except by resolution of the Board of Directors.

Section 13. PROXIES.

No director shall be entitled to vote by proxy.

Section 14. MEETINGS BY ELECTRONIC MEANS.

Generally, physical presence at meetings is preferred and encouraged. In limited circumstances where a meeting is necessary and a quorum is not present on island, a Board member may participate by electronic means, provided the accommodation and participation is made in accordance to all the applicable laws.

**ARTICLE VII
OFFICERS**

Section 1. OFFICERS.

The officers of the Marianas Visitors Authority shall be the Board of Directors Chairperson, Vice Chairperson, Treasurer, Secretary and Managing Director. No person may hold or chair more than one office or committee.

Section 2. APPOINTMENT AND ELECTION OF OFFICERS.

The Marianas Visitors Authority Board of Directors Chairperson, Vice-Chairperson, Secretary and Treasurer shall be elected by two-thirds (2/3) majority vote of the Board of Directors, and each shall hold office until submission of a letter of resignation, removal or otherwise become disqualified to serve, or until a successor has been elected and qualified. Election for officers, other than the Managing Director ~~shall~~ may be held ~~bi-annually every two years, but no more than four years,~~ in the month of June.

Section 3. SUBORDINATE OFFICERS, ETC.

The Managing Director, with the prior approval of the Board of Directors may appoint such personnel as the business of MVA may require, which personnel shall have such authority and perform such duties as assigned by the Managing Director.

Section 4. RESIGNATION.

Any officer may resign at any time by giving written notice to the MVA Board of Directors. Any such resignation shall take effect upon the date of the receipt or at any later time specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

With the exception of the Managing Director and the Deputy Managing Director, no MVA employee shall be removed or terminated or otherwise directly adversely affected primarily or substantially for politically motivated causes.

Section 5. CHAIRPERSON OF THE BOARD.

The Chairperson of the Board shall preside at all meetings of the Board of Directors, and exercise and perform such other powers and duties as may be assigned by the Board of Directors or prescribed by the By-Laws.

Section 6. MANAGING DIRECTOR.

Subject to such supervisory powers, if any, as may be given by the Board of Directors to the Chairperson of the Board, the Managing Director shall be the chief executive officer of the Marianas Visitors Authority and shall, subject to the control of the Board of Directors, have general supervision, direction and control of the business and employees of MVA. The Managing Director shall possess the qualifications, knowledge and experience necessary to pursue effectively MVA's programs. The Managing Director shall preside at all meetings of the members. The Chairman of the Board or his designee shall be an ex officio member of all the standing committees, including the executive committee, if any, and shall have the general powers and duties of management usually vested in the office of the President of a corporation, and such other powers as may be prescribed by the Board of Directors or the By-Laws. The Managing Director shall be primarily responsible for carrying out all orders and resolutions of the Board of Directors. The Managing Director shall not be a director or contributing member.

Section 7. DEPUTY MANAGING DIRECTOR.

In the absence or disability of the Managing Director, the Deputy Managing Director shall perform all the duties of the Managing Director, and when so acting shall have all the powers of, and be subject to all the restrictions upon, the Managing Director. The Deputy Managing Director shall have such other powers and perform such other duties as may be prescribed by the Managing Director with the advice and consent of the Board of Directors. In the event there is no Deputy Managing Director or such person is unable to act, then the Board of Directors may appoint an Acting Deputy Managing Director.

Section 8. SECRETARY.

The Secretary shall keep, or cause to be kept, a book of minutes at the principal office, or such other place as the Board of Directors may order, of all meetings of directors and members, with the time and place of holding whether regular or special, and if special, how authorized, the notice thereof given, the names of those present at directors' meetings, the number of votes present or represented at members' meetings and the proceedings thereof.

The Secretary shall keep, or cause to be kept, at the principal office a membership register showing the names of the members and their addresses, the total annual dues of each member and the number of votes to which each member is entitled.

The Secretary shall give, or cause to be given, notice of all the meetings of the members and of the Board of Directors required by the By-Laws or by law to be given, and shall keep the seal of the corporation in safe custody, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or the By-Laws.

Section 9. TREASURER.

The Treasurer shall cause to be kept and maintained adequate and correct accounts of the properties and business transactions of the corporation, including accounts of its assets, liabilities, receipts, disbursements, gains and losses.

The Treasurer shall cause to be deposited all monies and other valuables in the name and to the credit of MVA with such depositories as may be designated by the Board of Directors. The Treasurer shall disburse the funds of MVA as may be ordered by the Board of Directors, shall cause to be rendered to the directors, whenever they request it, an accounting of all transactions and of the financial condition of MVA, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or the By-Laws. At least one (1) week prior to any meeting of the members, the Treasurer shall cause to be rendered an account of all contributions of voting members entitled to vote at said meeting to the Chairperson and Secretary, which account shall be available for inspection by any member. Unless otherwise directed by the Board of Directors, the aforesaid duties of Treasurer may be delegated to the other members of the Finance Committee, subject to the supervisory powers of the Treasurer.

**ARTICLE VIII
COMMITTEES**

Section 1. EXECUTIVE COMMITTEES.

The Board of Directors may appoint executive committees as it deems appropriate. The Board of Directors shall have the power to prescribe the manner in which each committee shall be conducted. Each executive committee shall be comprised of at least two (2) directors selected by the Board, Secretary and Treasurer shall be ex officio, nonvoting members of each executive committee.

Section 2. OTHER COMMITTEES.

The Board of Directors may appoint other committees, including standing committees to assist MVA in accomplishing its purpose. The following standing committees shall be maintained by the Board of Directors and will be chaired and staffed by such members, officers, directors and/or employees of MVA as may be determined by the Board:

1. Public Relations and Advertising Committee;

2. Membership Activities Committee;
3. Finance and Budget Committee;
4. Tourist Site Development Committee/Community Development Committee;
5. Personnel Committee;
6. Legislative and Policy Committee.

The Board of Directors shall have the power to prescribe the manner in which each committee shall be conducted. The Board of Directors has the authority to form additional ad hoc committees on an as needed basis.

ARTICLE IX CORPORATE RECORDS AND REPORTS INSPECTION

Section 1. RECORDS.

The Marianas Visitors Authority shall maintain adequate and correct accounts, books and records of its business and properties, and in particular shall keep such accounts and records as may be necessary to enable the Office of the Public Auditor of the Northern Mariana Islands to determine that the applicable provisions of law regarding expenditure of public funds are being complied with. All such books, records and accounts shall be kept at MVA's primary office.

Section 2. INSPECTION OF BOOKS AND RECORDS.

All books and records of the Marianas Visitors Authority shall be open to inspection by the directors and members at reasonable times and places. Any member of the general public may inspect the corporation's books and records in the manner set forth in 1 CMC Section 9917.

Section 3. CHECKS, DRAFTS, ETC. RECEIVED BY MVA.

All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness, issued payable to the Marianas Visitors Authority, shall be signed or endorsed by the Managing Director or such other person or persons and in such other manner as shall be determined by the Board of Directors.

Section 4. EXPENDITURES OF OBLIGATIONS INCURRED BY MVA.

All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness, incurred by MVA shall be subject to the following restrictions:

- (a) Small Purchases
 1. The Managing Director shall have expenditure authority ~~of up to \$1,000.00~~ for purchases of \$5,000.00 or less without prior Board

approval, subject to the concurrence of the Treasurer or one (1) Finance Committee member;

~~2.~~ The Board Chairperson shall have expenditure authority ~~of up to \$10,000.00~~ for purchases between \$5,000.01 and \$25,000.00 without prior Board approval;

(b) Destination Enhancement Projects

~~1.~~ The Managing Director shall have expenditure authority for destination enhancement purchases of \$15,000.00 or less

~~2.~~ The Board Chairperson shall have expenditure authority for destination enhancement purchases of \$15,000.01 or greater

~~a.~~ (c) Any expenditure over ~~\$10,000.00~~ \$25,000.00 requires prior Board Approval;

~~b.~~ (d) All disbursements shall be made by check unless the amount is fifty dollars (\$50.00) or less, in which event a petty cash disbursement shall be allowed;

~~c.~~ (e) All expenditures shall comply with the CNMI Procurement Regulations; and

~~d.~~ (f) All expenditures made under this section over \$500 shall be reported to the Board of Directors at the next regularly scheduled meeting.

Section 5. CONTRACTS, ETC. - HOW EXECUTED.

The Board of Directors, except as otherwise provided by law or these By-Laws, may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name of or on behalf of the Marianas Visitors Authority. Such authority may be general or confined to specific instances. Unless so authorized by the Board of Directors, no officer, agent or employee shall have any power or authority to bind the corporation by any contract or engagement, or to pledge its credit, or to render it liable for any purpose or to any amount. All contracts entered into by or on behalf of MVA must comply with the CNMI Procurement Regulations.

Section 6. GOVERNMENT FUNDS.

Government of the Northern Mariana Islands funds for the operations of the Marianas Visitors Authority shall be furnished as provided by law subject to the conditions and limitations therein.

**ARTICLE X
IMMUNITY AND INDEMNIFICATION
OF OFFICERS AND DIRECTORS**

Section 1. RIGHTS OF IMMUNITY.

No director or officer of the Marianas Visitors Authority shall be liable to MVA for any action or omission or for the actions, defaults or negligence of any other director, officer or employee for any loss suffered or sustained by MVA on account of the above, unless the same has resulted from the director's or officer's own willful

misconduct or willful neglect in the performance of such duties. The private property of the members of MVA shall not be liable for corporate debts.

Section 2. RIGHTS OF INDEMNIFICATION.

The Marianas Visitors Authority shall indemnify and may purchase insurance for any person who is or was a director or officer of MVA or is or was serving at the request of MVA as a director or officer of another corporation, partnership, joint venture, trust or other enterprise, and

- (i) was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation), against expenses (including attorney's fees) judgments, fines and amounts paid in settlement actually and reasonably incurred in connection with such action, suit or proceeding, done in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the corporation and, with respect to any criminal action or proceeding if no reasonable cause existed to believe such conduct was unlawful; or
- (ii) was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor, against expenses (including attorney's fees) actually and reasonably incurred in connection with the defense or settlement of such action or suit if done in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the corporation, except that no indemnification shall be made under this subparagraph (ii) in respect to any claim, issue or matter as to which such person shall have been adjudicated to be liable for negligence or misconduct in the performance of any 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 of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expense which the court shall deem proper.

The Board, by vote of two-thirds (2/3) of the non-involved directors, may elect to advance the costs of any amount to be indemnified as aforesaid, or any portion thereof, provided a good cause appears therefore or adequate security is given therefore. The Board shall provide any required defense and shall advance any costs to be indemnified against if any such person is sued solely in the capacity as agent or representative of the corporation for acts of the corporation and no personal liability is claimed by the party suing and no claim in good faith is advanced by the corporation against said agent or representative.

The foregoing rights of indemnification shall be in addition to any rights to which any such director or officer may otherwise be entitled under any agreement, pursuant to

any vote of members, at law, in equity or otherwise. Any person who serves or continues to serve as a director or officer of the corporation shall be deemed to do so in reliance upon the provisions of this Article V.

ARTICLE XI FISCAL YEAR

The fiscal year of the corporation shall begin on October 1 of each year and shall end on September 30 of each year.

ARTICLE XII CORPORATE SEAL

The corporate seal shall have inscribed thereon the Marianas Visitors Authority name, ~~the date of its incorporation, and the word The Northern Mariana Islands.~~

ARTICLE XIII AMENDMENTS TO BY-LAWS

Section 1. BY DIRECTORS.

Pursuant to Public Law 11-15, Section 10(k), the MVA Board of Directors shall prescribe, adopt, amend and repeal by-laws pertaining to the management, personnel and financing of MVA.

Section 3. RECORD OF AMENDMENTS.

Whenever an amendment or new By-Law is adopted, it shall be copied and inserted in the corporate minute book immediately preceding the original By-Laws. If any By-Law is repealed, the fact of repeal with the date of the meeting at which the repeal was enacted or written assent was filed shall be stated in said book.

ARTICLE XIV RULES AND REGULATIONS

The Board of Directors may adopt rules and regulations pursuant to the **Administrative Adjudication Law** not inconsistent with the By-Laws to carry out the objectives and purposes of the Marianas Visitors Authority and the laws creating the Marianas Visitors Authority.

**ARTICLE XV
MISCELLANEOUS**

Section 1. CONSTRUCTION AND DEFINITIONS.

Nothing herein stated is intended to be nor should be inconsistent with the laws creating the Marianas Visitors Authority which laws shall supersede any inconsistent provision hereof. Any provision hereof which is held to be inconsistent or unenforceable under the laws creating the Marianas Visitors Authority or any other provisions of law shall be severable from the remainder.

Unless the context otherwise requires, the general provisions, rules of construction and definitions contained in the statutes of the Commonwealth of the Northern Mariana Islands relating to corporations generally and to the Marianas Visitors Authority specifically shall govern the construction of these By-Laws. Without limiting the generality of the foregoing the masculine gender includes the feminine and neuter, the singular number includes the plural and the plural number includes the singular, and the term "person" includes a corporation as well as a natural person.

Section 2. PARLIAMENTARY PROCEDURES

The meetings of the members and Board of Directors shall be governed by and conducted according to the latest edition of Robert's Rules of Order, except as the Board may otherwise decide.