

**BYLAWS OF INDEPENDENT CITIES
ASSOCIATION, INC.**

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BYLAWS APPROVED - AUGUST 15, 1985
BYLAWS MODIFIED - MAY 15, 1986
BYLAWS MODIFIED - JANUARY 9, 1997
BYLAWS MODIFIED – JULY 13, 2007
BYLAWS MODIFIED – JULY , 2011

**BYLAWS OF INDEPENDENT CITIES
ASSOCIATION, INC.
A California Nonprofit Public Benefit Corporation**

Section 1. Name

The name of this Corporation shall be **INDEPENDENT CITIES ASSOCIATION, INCORPORATED.**

Section 2. Offices Of The Corporation.

a. Principal Office.

The principal office for the transaction of the activities and affairs of the Corporation is located at 1600 Rosecrans Avenue, Media Building 4th Floor, Manhattan Beach in Los Angeles County, California. The Board of Directors ("Board") may change the principal office from one location to another. Any change of location of the principal office shall be noted by the Secretary on these Bylaws opposite this Section, or this Section may be amended to state the new location.

b. Other Offices.

The Board may at any time establish branch or subordinate offices at any place or places where the Corporation is qualified to conduct its activities.

Section 3. Purposes And Limitations.

a. The purposes for which this Corporation is formed are:

- (1) Uniting together into one voice independent cities to address in an organized uniform manner those matters of priority concern of independent cities;
- (2) Communicating at the highest level with the County Board of Supervisors, State Legislators and others relative to matters of concern to member cities;
- (3) Representing the particular interests of independent cities in legislative and other intergovernmental affairs and pursuing such other matters as are determined beneficial to member cities;
- (4) Making available to member cities the results of nonpartisan analysis, study and research of legislation;
- (5) Providing technical advice and assistance to member cities regarding compliance with federal, state and county legislation;

- (6) Communicating with the member cities with respect to legislation or proposed legislation by the federal, state or county governments of direct interest to the member cities;
 - (7) Promoting the common good and general welfare of the people of the member cities; and
 - (8) Any other purposes beneficial to the public.
- b. The limitations on the activities of this Corporation are as follows:
- (1) No substantial part of the activities of this Corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation, nor shall this Corporation participate or intervene directly or indirectly, in any political campaign (including publishing or distribution of statements) on behalf of or against any candidate for public office.
 - (2) This Corporation is organized and operated exclusively for social welfare purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code. Notwithstanding any other provision of these articles, the Corporation shall not, except to an insubstantial degree, carry on or engage in any other activities or exercise any powers not permitted to be carried on or exercised by a corporation exempt from federal income tax under Section 501 (c)(3) of the Internal Revenue Code.

Section 4. Members.

a. Classes And Qualifications.

This Corporation shall have one (1) class of members. Any city which subscribes to the principles of providing its own major local services, such as fire and police, or which aspires to the provision of such services shall be eligible for membership on approval of the membership application by the Board and on timely payment of such dues and fees as the Board may fix from time to time. The Board is further authorized to approve membership from other cities.

b. Voting Delegates.

- (1) A delegate of each member city shall have the right to vote, as set forth in these Bylaws, on the election of Directors, on the disposition of all or substantially all of the Corporation's assets, on any merger and its principal terms and any amendment of those terms, and on any election to dissolve the Corporation. In addition, those members shall have all rights afforded members under the California Public Nonprofit Benefit Corporation Law.
- (2) The delegate for each member shall be a city council member from each

member city. Any member city may appoint a city council member to serve in the absence of the designated delegate. Each city shall advise the Corporation in writing of the names of the individuals appointed as delegate and alternate. Each member city shall have one (1) vote, to be cast by the appointed delegate, alternate, or in the absence of the delegate and alternate, another city council member from the same city.

c. Dues And Assessments.

- (1) The annual dues of each member city shall be determined by multiplying the population of that city by forty-two hundredth cents (\$.042) per capita. The minimum amount for each member shall be five hundred and twenty-five dollars (\$525.00), and the maximum shall be five thousand two hundred and fifty dollars (\$5,250.00). Population figures published by a governmental agency designated by the Board shall be used as the source of population data. Dues notice shall be submitted to each eligible city for budget purposes as early as practical. Dues statements shall be submitted to each eligible city at the beginning of the fiscal year and are payable upon receipt.
- (2) A general membership special assessment over and above the yearly dues may be assessed by the Board. The purpose of said assessment shall be specified.

d. Good Standing.

Those members who have paid the required dues, fees and assessments in accordance with these Bylaws and who are not suspended shall be members in good standing.

e. Termination And Suspension Of Membership.

- (1) Causes Of Termination - A membership shall terminate on occurrence of any of the following events:
 - (i) Resignation of the member, on reasonable notice to the Corporation;
 - (ii) Expiration of the period of membership, unless the membership is renewed on the renewal terms fixed by the Board;
 - (iii) Failure of the member to pay dues, fees, or assessments as set by the Board within sixty (60) days after they become due and payable;
 - (iv) Occurrence of any event that renders the member ineligible for membership, or failure to satisfy membership qualifications; or
 - (v) Expulsion of the member under Section 4(e)(3) of these Bylaws based on the good faith determination by the Board, or a committee or person authorized by the Board to make such a determination, that the member

has failed in a material and serious degree to observe the rules of conduct of the Corporation, or has engaged in conduct materially and seriously prejudicial to the purposes and interests of the Corporation.

- (2) Suspension Of Membership - A member may be suspended, under Section 4(e)(3) of these Bylaws, based on the good faith determination by the Board, or a committee or person authorized by the Board to make such a determination, that the member has failed in a material and serious degree to observe the Corporation's rules of conduct, or has engaged in conduct materially and seriously prejudicial to the purposes and interests of the Corporation.

A city whose membership is suspended shall not be a member during the period of suspension.

- (3) Procedure For Expulsion Or Suspension - If grounds appear to exist for expulsion or suspension of a member under Section 4(e) of these Bylaws, the procedure set forth below shall be followed:

- (i) The member shall be given fifteen (15) days prior notice of the proposed expulsion or suspension and the reasons for the proposed expulsion or suspension. Notice shall be given by any method reasonably calculated to provide actual notice. Any notice given by mail shall be sent by first-class or registered mail to the member's last address as shown on the Corporation's records.
- (ii) The member shall be given an opportunity to be heard, either orally or in writing, at least five (5) days before the effective date of the proposed expulsion or suspension. The hearing shall be held, or the written statement considered, by the Board or by a committee or person authorized by the Board to determine whether the expulsion or suspension should take place.
- (iii) The Board, committee, or person shall decide whether or not the member should be suspended, expelled, or sanctioned in some other way. The decision of the Board, committee, or person shall be final.
- (iv) Any action challenging an expulsion, suspension, or termination of membership, including a claim alleging defective notice, must be commenced within one (1) year after the date of the expulsion, suspension, or termination.

f. Transfer Of Memberships.

No membership or right arising from membership shall be transferred.

Section 5. Meetings Of Members.

a. Regular Meeting.

Regular meetings of the members shall be held at the time and place designated by the Board or by the written consent of all members entitled to vote at the meeting, given before or after the meeting. In the absence of any such designation, members' meetings shall be held at the Corporation's principal office. Written notice pursuant to Section 5(d) shall be given of all regular meetings.

b. Annual Meeting.

An annual meeting of members shall be held at the time and place designated by the Board. At this meeting, Directors shall be elected and any other proper business may be transacted, subject to Sections 5(d) and 5(e) of these Bylaws. Written notice pursuant to Section 5(d) shall be given of the annual meeting.

c. Special Meetings.

- (1) Persons Authorized to Call - A special meeting of the members for any lawful purpose may be called by the President upon written notice to each member city.
- (2) Calling Meetings - A special meeting called by the President shall be called by written request, specifying the general nature of the business proposed to be transacted, and submitted to the Board. The President shall cause notice to be given promptly to the members entitled to vote, in accordance with Section 5(d) of these Bylaws, stating that a meeting will be held at a specified time and date fixed by the Board, provided, however, that the meeting date shall be at least thirty-five (35) but no more than ninety (90) days after receipt of the request. Nothing in this Section shall be construed as limiting, fixing, or affecting the time at which a meeting of members may be held when the meeting is called by the Board.
- (3) Proper Business Of Special Meeting - No business, other than the business the general nature of which was set forth in the notice of the meeting, may be transacted at a special meeting.

d. Notice Requirements For Members' Meetings.

- (1) General Notice Requirements - Whenever members are required or permitted to take any action at a meeting, a written notice of the meeting shall be given, in accordance with Section 5(d) of these Bylaws, to each member entitled to vote at that meeting. The notice shall specify the place, date, and hour of the meeting and, (a) for a special meeting, the general nature of the business to be transacted, and no other business may be transacted, or (b) for the regular or annual meeting, those matters that the Board, at the time notice is given, intends to present for action by the members, but except as provided in Section 5(e) of these Bylaws, any proper matter may be presented at the

meeting. The notice of any meeting at which Directors are to be elected shall include the names of all persons who are nominees when notice is given.

- (2) Notice Of Certain Agenda Items - Approval by the members of any of the following proposals, other than by unanimous approval by those entitled to vote, is valid only if the notice or written waiver of notice states the general nature of the proposal or proposals:
 - (i) Removing a Director without cause;
 - (ii) Filling vacancies on the Board;
 - (iii) Amending the Articles Of Incorporation; or
 - (iv) Electing to wind up and dissolve the Corporation.
- (3) Manner Of Giving Notice - Notice of any meeting of members shall be in writing and shall be given at least ten (10) days but no more than ninety (90) days before the meeting date. The notice shall be given either personally or by first-class mail, or by other means of written communication, charges prepaid, and shall be addressed to each member entitled to vote, at the address of that member appearing on the books of the Corporation or at the address given by the member of the Corporation for purposes of notice.
- (4) Affidavit Of Mailing Notice - An affidavit of the mailing of any notice of any members' meetings, or of the giving of such notice by other means, may be executed by the Secretary, assistant secretary, or any transfer agent of the Corporation, and if so executed, shall be filed and maintained in the Corporation's minute book.

e. Quorum.

- (1) Percentage Required - A quorum for the transaction of business at any meeting of the members shall consist of those members present, provided, however, that if any regular or annual meeting is actually attended in person or by proxy by less than one-third (1/3) of the voting power, the only matters that may be voted on are those of which notice of their general nature was given under the first and second sentences of Section 5(d) of these Bylaws.

f. Adjournment And Notice Of Adjourned Meetings.

Any members' meeting, whether or not a quorum is present, may be adjourned from time to time by the vote of the majority of the members represented at the meeting. No meeting may be adjourned for more than forty-five (45) days. When a members' meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place to which the meeting is adjourned are announced at the meeting at which adjournment is taken. If after adjournment a new record date is fixed for notice or voting, a notice of the

adjourned meeting shall be given to each member who, on the record date for notice of the meeting, is entitled to vote at the meeting. At the adjourned meeting, the Corporation may transact any business that might have been transacted at the original meeting.

g. Voting.

- (1) Eligibility To Vote - Subject to the provisions of the California Nonprofit Public Benefit Corporation Law, members entitled to vote at any meeting of members shall be the voting delegate of the member city as set forth in Section 4 of these Bylaws so long as member city is in good standing as of the record date determined under Section 5(h) of these Bylaws.
- (2) Manner Of Casting Votes - Voting may be by voice or ballot at the discretion of the President, except that any election of Directors must be by ballot if demanded by any member at the meeting before the voting begins. After a voice vote has been taken, a roll call vote shall be taken by city if required by a majority of the members present.
- (3) Voting - Each voting delegate entitled to vote shall be entitled to cast one (1) vote on each matter submitted to a vote of the members. Any voting delegate to the Corporation may invite any City official to any meeting of the members; however, each member city will have only one (1) vote, as provided in Article III of these Bylaws. The Board may establish policy regarding attendance at members' meetings.
- (4) Approval By Majority Vote - A majority vote of the quorum shall be the act of the members, unless the vote of a greater number is required by the California Nonprofit Public Benefit Corporation Law or by the Articles Of Incorporation.
- (5) Rules Of Order - Roberts' Rules Of Order shall be the authority for all Parliamentary Procedure in all matters not covered by these Bylaws. A two-thirds (2/3) majority of the members present at any meeting shall be required to suspend Roberts' Rules Of Order, and such suspension shall prevail for that meeting only.
- (6) Agenda Items - Any resolution or matter of business for formal action to be brought before the members shall be first presented to the Board for recommendation.

h. Record Date For Notice, Voting, And Other Actions.

- (1) Record Date Determined By Board - For purposes of determining the members entitled to notice of any meeting, entitled to vote at any meeting, or entitled to exercise any rights with respect to any lawful action, the Board may, in advance, fix a record date. The record date so fixed:

- (i) For notice of a meeting shall not be more than ninety (90) nor less than ten (10) days before the date of the meeting;
- (ii) For voting at a meeting shall not be more than sixty (60) days before the date of the meeting; and
- (iii) For any other action shall not be more than sixty (60) days before that action.

(2) Record Date Not Determined By Board.

(i) Record Date For Notice Or Voting.

If not otherwise fixed by the Board, the record date for determining members entitled (1) to receive notice of a meeting of members shall be the next business day preceding the day on which notice is given, and (2) to vote at the meeting shall be the day on which the meeting is held.

(ii) Record Date For Other Actions.

If not otherwise fixed by the Board, the record date for determining members entitled to exercise any rights with respect to any other lawful action shall be the date on which the Board adopts the resolution relating to the action, or the sixtieth (60th) day before the date of that action, whichever is later.

- (3) Members Of Record - For purposes of Section 5(g) of these Bylaws, a person holding a membership at the close of business on the record date shall be a member of record.

Section 6. Directors.

a. Powers.

Subject to the provisions and limitations of the California Nonprofit Public Benefit Corporation Law and any other applicable laws, and subject to any limitations of the Articles Of Incorporation or 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.

b. Specific Powers.

Without prejudice to the general powers set forth above, but subject to the same limitations, the Directors shall have the power to:

- (1) Change the principal office or the principal business office in California from one location to another, and designate any place for holding any meeting of

members.

- (2) Adopt and use a Corporate seal, prescribe the forms of membership certificates, and alter the forms of the seal and certificates.
- (3) Borrow money and incur indebtedness on behalf of the Corporation and cause to be executed and delivered for the Corporation's purposes, in the Corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations, and other evidences of debt and securities.
- (4) Select an Executive Director and/or other staff, either paid or volunteer, and establish all criteria relating to remuneration and responsibilities, of the Executive Director and/or other staff.

c. Number And Qualifications Of Directors.

- (1) Authorized Number And Qualifications - The authorized number of Directors shall be twenty-six (26).
- (2) Restriction On Interested Persons As Directors - No more than forty-nine percent (49%) of the persons serving on the Board may be interested persons. An interested person is (a) any person compensated by the Corporation for services rendered to it within the previous twelve (12) months, whether as a full-time or part-time employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a Director as Director; and (b) any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, or father-in-law of such person. However, any violation of the provisions of this paragraph shall not affect the validity or enforceability of any transaction entered into by the Corporation.

d. Election, Designation, And Term Of Office.

- (1) Nominating Committee - A nominating committee selected by the President of the Corporation and ratified by the Board shall submit nominations for the candidates for election to the Board in writing to the member cities prior to the annual meeting at which the election is scheduled. The members shall elect all Directors. Nominations may be made from the floor.

Nominees shall be city council members from member cities who are serving at the time they are elected as the city's voting delegate to ICA. Only one city council member from a given city may be nominated to serve on the Board of Directors in any given year.

The nominating committee, in making recommendations, shall give appropriate consideration to representation from various geographic areas, continued tenure in office for the term for which nominated, and to such other

factors which would maximize the effectiveness of the Corporation.

- (2) Elected Directors - Up to twenty-five (25) Directors shall be elected at each annual meeting of the members, to hold office until the next annual meeting; however, if any such Directors are not elected at any annual meeting they may be elected at any special members' meeting held for that purpose. Each such Director, including a Director elected to fill a vacancy or elected at a special members' meeting or by written ballot, shall hold office for one (1) year, or until a successor has been elected and qualified.
- (3) Use Of Corporate Funds To Support Nominee - Without Board authorization, no corporate funds may be expended to support a nominee for Director after more people have been nominated for Director than can be elected.
- (4) Designated Directors - One of the Directors of the Corporation shall be the immediate past President still serving as a city council member of a city. Such Director shall hold office one (1) year, or until a successor has been designated and qualified.

e. Vacancies On Board Of Directors (Officers And Board Members).

- (1) Events Causing Vacancy - A vacancy or vacancies on the Board shall exist on the occurrence of any of the following: (a) the death 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 declared of unsound mind by an order of court, convicted of a felony, or found by final order or judgment of any court to have breached a duty under Article 3 of Chapter 2 of the California Nonprofit Public Benefit Corporation Law; (c) the vote of the members or, if the Corporation has fewer than fifty (50) members, the vote of a majority of all members, to remove any Director(s); (d) the increase of the authorized number of Directors; or (e) the official removal of a Board Member as the city's voting delegate to ICA by an official action of his/her city council (see Section 6.d.(1) and Section 7.b.(2)).
- (2) Resignations - Except as provided below, any Director may resign by giving written notice to the President or the Secretary. 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. Except on notice to the Attorney General of California, no Director may resign if the Corporation would be left without a duly elected Director or Directors.
- (3) Filling Vacancies - Except for a vacancy created by the removal of a Director by the members, vacancies on the Board may be filled by the President and ratified by a majority of the Directors then in office, whether or not less than a quorum. Appointees must be serving as their cities voting delegate to ICA at the time of their appointment.

- (4) No Vacancy On Reduction Of Number Of Directors - No reduction of the authorized number of Directors shall have the effect of removing any Director before that Directors' term of office expires.

f. Directors' Meetings.

- (1) Place Of Meetings - Meetings of the Board shall be held at any place that has been designated by resolution of the Board or in the notice of the meeting or, if not so designated, at the principal office of the Corporation.
- (2) Meetings By Telephone - Any meeting may be held by conference telephone or similar communication equipment, as long as all Directors participating in the meeting can hear one another. All such Directors shall be deemed to be present in person at such a meeting.
- (3) Annual Meeting - Immediately after each annual meeting of the members, the Board shall hold a regular meeting for purposes of organization, election of Officers, and transaction of other business. Notice of this meeting is not required.
- (4) Other Regular Meetings - Other regular meetings of the Board may be held without notice at such time and place as the Board may fix from time to time.
- (5) Special Meetings - Authority To Call - Special meetings of the Board for any purposes may be called at any time by the Chairman of the Board, if any, the President or any Vice President or the Secretary or any two Directors.
- (6) Notice - Notice of the time and place of special meetings shall be given to each Director by one of the following methods: (a) by personal delivery of written notice; (b) by first-class mail, postage prepaid; (c) by telephone, either directly to the Director or to a person at the Director's office who would reasonably be expected to communicate that notice promptly to the Director; or (d) by telegram, charges prepaid. All such notices shall be given or sent to the Directors' address or telephone number as shown on the records of the Corporation. Notices sent by first-class mail shall be deposited in the United States mail at least four (4) days before the time set for the meeting. Notices given by personal delivery, telephone, or telegraph shall be delivered, telephoned, or given to the telegraph company at least forty-eight (48) hours before the time set for the meeting. The notice shall state the time of the meeting, and the place if the place is other than the principal office of the Corporation. It need not specify the purpose of the meeting.
- (7) Quorum – Ten (10) elected or appointed Directors shall constitute a quorum for the transaction of business; provided however that the number of Directors constituting a quorum shall be reduced by one for each Director who fails to attend three or more consecutive meetings and until that Director returns, but in no event reduced below seven (7). Less than a quorum may

adjourn a meeting. Every action taken or decision made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be the act of the Board, subject to the more stringent provisions of the California Nonprofit Public Benefit Corporation Law, including, without limitation, those provisions relating to (a) approval of contracts or transactions in which a Director has a direct or indirect material financial interest, (b) approval of certain transactions between Corporations having common directorships, (c) creation of and appointments to committees of the Board, and (d) indemnification of Directors. A meeting at which a quorum is initially present may continue to transact business, despite the withdrawal of Directors, if any action taken or decision made is approved by at least a majority of the required quorum for that meeting.

- (8) Waiver Of Notice - Notice of a meeting need not be given to any Director who, either before or after the meeting, signs a waiver of notice, a written consent to the holding of the meeting, or an approval of the minutes of the meeting. The waiver of notice or consent need not specify the purpose of the meeting. All such waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meetings. Notice of a meeting need not be given to any Director who attends the meeting and does not protest, before or at the commencement of the meeting, the lack of notice to him or her.
- (9) Adjournment - A majority of the Directors present, whether or not a quorum is present, may adjourn any meeting to another time and place.
- (10) Notice Of Adjourned Meeting - Notice of the time and place of holding an adjourned meeting need not be given unless the original meeting is adjourned for more than twenty-four (24) hours. If the original meeting is adjourned for more than twenty-four (24) hours, notice of any adjournment to another time and place shall be given, before the time of the adjourned meeting, to the Directors who were not present at the time of adjournment.

g. Action Without A Meeting.

Any action that the Board is required or permitted to take may be taken without a meeting if all members of the Board consent in writing to the action; provided, however, that the consent of any Directors who has a material financial interest in a transaction to which the Corporation is a party and who is an "interested director" as defined in Section 5233 of the California Corporations Code shall not be required for approval of that transaction. Such action by written consent shall have the same force and effect as any other validly approved action of the Board. All such consents shall be filed with the minutes of the proceedings of the Board.

Section 7. Officers.

a. Officers Of The Corporation.

The Officers of the Corporation shall consist of the President, First Vice President, Second Vice President, Third Vice President, the Secretary, and the Treasurer. The Corporation may also have a Chairman of the Board at the Board's discretion. Any number of offices may be held by the same person, except that neither the Secretary nor the Chief Financial Officer may serve concurrently as either the President or the Chairman of the Board.

b. Selection Of Officers.

- (1) Procedure - A nominating committee selected by the President of the Corporation and ratified by the Board shall submit nominations for the Officers in writing to the member cities prior to the members' meeting at which the election is scheduled. The members shall elect all Officers. Nominations may be made from the floor.
- (2) Criteria For Officers - Officers shall be city council members from member cities who are serving as the city's voting delegate to ICA. The nominating committee, in making recommendations, shall give appropriate consideration to representation from various geographic areas, continued tenure in office for the term for which nominated, and to such other factors which would maximize the effectiveness of the Corporation.

c. Term Of Office.

The term of office for all Officers shall be one (1) year.

d. Responsibility Of Officers.

- (1) Chairman Of The Board - If a Chairman of the Board is elected, he or she shall preside at meetings of the Board and shall exercise and perform such other powers and duties as the Board may assign from time to time. If there is no President, the Chairman of the Board shall also be the Chief Executive Officer and shall have the powers and duties of the President of the Corporation prescribed by these Bylaws.
- (2) President - Subject to such supervisory powers as the Board may give to the Chairman of the Board, if any, and subject to the control of the Board, the President shall be the general manager of the Corporation and shall supervise, direct, and control the Corporation's activities, affairs, and Officers. The President shall preside at all members' meetings and, in the absence of the Chairman of the Board, or if there is none, at all Board meetings, the President shall be responsible for representing the Corporation before other governmental agencies. The President shall have such other powers and duties as the Board or the Bylaws may prescribe.
- (3) Vice Presidents - If the President is absent or disabled, the Vice Presidents, if any, in order their rank as fixed by the Board, or, if not ranked, a Vice

President designated by the Board, shall perform all duties of the President. When so acting, a Vice President shall have all powers of and be subject to all restrictions on the President. The Vice Presidents shall have such other powers and perform such other duties as the Board or the Bylaws may prescribe.

(4) Secretary.

a. Book Of Minutes.

The Secretary shall keep or cause to be kept, at the Corporation's principal office or such other place as the Board may direct, a book of minutes of all meetings, proceedings, and actions of the Board, of committees of the Board, and of members' meetings. The minutes of the meetings shall include the time and place that the meeting was held, whether the meeting was annual, regular, or special, and, if special, how authorized, the notice given, the names of those present at Board and committee meetings, and the number of members present or represented at members' meetings. The Secretary shall keep or cause to be kept, at the principal office in California, a copy of the Articles Of Incorporation and Bylaws, as amended to date.

b. Membership Records.

The Secretary shall keep or cause to be kept, at the Corporation's principal office or at a place determined by resolution of the Board, a record of the Corporation's members, showing each member's name, address, and class of membership.

c. Notice, Seal And Other Duties.

The Secretary shall give, or cause to be given, notice of all meetings of members, of the Board and of committees of the Board required by these Bylaws to be given. The Secretary shall keep the Corporate seal in safe custody and shall have such other powers and perform such other duties as the Board or the Bylaws may prescribe.

d. Absence.

The President shall appoint another Officer to act in the place of the Secretary when the Secretary is absent.

(5) Chief Financial Officer.

a. Books Of Account.

The Chief Financial Officer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and accounts of the

Corporation's properties and transactions. The Chief Financial Officer shall send or cause to be given to the members and Directors such financial statements and reports as are required to be given 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.

b. Deposit And Disbursement Of Money And Valuables.

The Chief Financial Officer shall 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, shall disburse the Corporation's funds as the Board may order, shall render to the President, Chairman of the Board, if any, and the Board, when requested, an account of all transactions as Chief Financial Officer and of the financial condition of the Corporation, and shall have such other powers and perform such other duties as the Board or the Bylaws may prescribe.

c. Bond.

If required by the Board, the Chief Financial Officer shall give the Corporation a bond in the amount and with the surety or sureties specified by the Board for faithful performance of the duties of the office and for restoration to the Corporation of all its books, papers, vouchers, money, and other property of every kind in the possession or under the control of the Chief Financial Officer on his or her death, resignation, retirement, or removal from office.

Section 8. Indemnification.

a. Right Of Indemnity.

To the fullest extent permitted by law, this Corporation shall indemnify its Directors, Officers, employees, and other persons described in Section 5238(a) of the California Corporations Code, including persons formerly occupying any such position, against all expenses, judgments, fines, settlements and other amounts actually and reasonably incurred by them in connection with any "proceeding", as that term is used in that Section, and including an action by or in the right of the Corporation, by reason of the fact that the person is or was a person described in that Section. "Expenses", as used in these Bylaws, shall have the same meaning as in Section 5238(a) of the California Corporations Code.

b. Approval Of Indemnity.

On written request to the Board by any person seeking indemnification under Section 5238(b) or Section 5238(c) of the California Corporations Code, the Board shall promptly determine under Section 5238(e) of the California Corporations Code whether the applicable standard of conduct set forth in

Section 5238(b) or Section 5238(c) has been met and, if so, the Board shall authorize indemnification. If the Board cannot authorize indemnification because the number of Directors who are parties to the proceeding with respect to which indemnification is sought prevents the formation of a quorum of Directors who are not parties to that proceeding, the Board shall promptly call a meeting of members. At that meeting, the members shall determine under Section 5238(e) of the California Corporations Code whether the applicable standard of conduct set forth in Section 5238(b) or Section 5238(c) has been met and, if so, the members present at the meeting in person or by proxy shall authorize indemnification.

c. Advancement Of Expenses.

To the fullest extent permitted by law and except as otherwise determined by the Board in a specific instance, expenses incurred by a person seeking indemnification under Section 8(a) and 8(b) of these Bylaws in defending any proceeding covered by those Sections shall be advanced by the Corporation before final disposition of the proceeding, on receipt by the Corporation of an undertaking by or on behalf of that person that the advance will be repaid, unless it is ultimately determined that the person is entitled to be indemnified by the Corporation for those expenses.

Section 9. Insurance.

The Corporation shall have the right to purchase and maintain insurance to the full extent permitted by law on behalf of its Officers, Directors, employees, and other agents, against any liability asserted against or incurred by any Officer, Director, employee, or agent in such capacity or arising out of the Officer's, Director's, employee's or agent's status as such.

Section 10. Records And Reports.

a. Maintenance Of Corporate Records.

The Corporation shall keep:

- (1) Adequate and correct books and records of account;
- (2) Written minutes of the proceedings of its members, Board, and committees of the Board; and
- (3) A record of each member's name, address and class of membership.

b. Members' Inspection Rights.

- (1) Membership Records - Subject to Division 2, Part 2, Chapter 13, Article 3 (commencing at Section 6330) of the California Corporations Code and unless the Corporation provides a reasonable alternative as provided below, any member may do either or both of the following for a purpose reasonably

related to the member's interest as a member:

- (i) Inspect and copy the records of members' names, addresses, and voting rights during usual business hours on five (5) days prior written demand on the Corporation, which demand must state the purpose for which the inspection rights are requested; or
- (ii) Obtain from the Secretary of the Corporation, on written demand and tender of a reasonable charge, a list of names, addresses, and voting rights of members who are entitled to vote for the election of Directors as the most recent record date for which that list has been compiled, or as of the date, after the date of demand, specified by the member. The demand shall state the purpose for which the list is requested. The Secretary shall make this list available to the member on or before the latter of ten (10) days after (i) the demand is received, or (ii) the date specified in the demand as the date as of which the list is to be compiled.

The Corporation may, within ten (10) business days after receiving a demand under this Section, make a written offer of an alternative method of reasonable and timely achievement of the proper purpose specified in the demand without providing access to or a copy of the membership list. Any rejection of this offer must be in writing and must state the reasons that the proposed alternative does not meet the proper purpose of the demand.

If the Corporation reasonably believes that the information will be used for a purpose other than one reasonably related to a person's interest as a member, or if it provides a reasonable alternative under this Section, it may deny the member access to the membership list.

Any inspection and copying under this Section may be made in person or by the member's agent or attorney. The right of inspection includes the right to copy and make extracts. Any right of inspection extends to the records of any subsidiary of the Corporation.

- (2) Accounting Records And Minutes - On written demand on the Corporation, any member may inspect, copy, and make extracts of the accounting books and records of the minutes of the proceedings of the members, the Board, and committees of the Board at any reasonable time for a purpose reasonably related to the member's interests as a member. Any such inspection and copying may be made in person or by the member's agent or attorney. Any right of inspection extends to the records of any subsidiary of the Corporation.

c. Maintenance And Inspection Of Articles And Bylaws.

The Corporation shall keep at its principal office the original or a copy of the Articles Of Incorporation and Bylaws, as amended to date, which shall be open to

inspection by the members at all reasonable times during office hours.

d. Inspection By Directors.

Every Director shall have the absolute right at any reasonable time to inspect the Corporation's books, records, documents of every kind, physical properties, and the records of each of its subsidiaries. The inspection may be made in person or by the Director's agent or attorney. The right of inspection includes the right to copy and make extracts of documents.

e. Annual Report.

The Board shall cause an annual report to be sent to the members and Directors within one hundred and twenty (120) days after the end of the Corporation's fiscal year. That report shall contain the following information, in appropriate detail, for the fiscal year:

- (1) The assets and liabilities, including the trust funds, of the Corporation as of the end of the fiscal year;
- (2) The principal changes in assets and liabilities, including trust funds;
- (3) The revenue or receipts of the Corporation, both unrestricted and restricted to particular purposes;
- (4) The expenses or disbursements of the Corporation for both general and restricted purposes; and
- (5) Any information required by Section 10(f) of these Bylaws.

The annual report shall be accompanied by any report on it of independent accounts or, if there is no such report, by the certificate of an authorized Officer of the Corporation that such statements were prepared without audit from the Corporation's books and records.

This requirement of an annual report shall not apply if the Corporation receives less than twenty-five thousand dollars (\$25,000.00) in gross receipts during the fiscal year, provided, however, that the information specified above for inclusion in an annual report must be furnished annually to all Directors and to any member who requests it in writing.

f. Annual Statement Of Certain Transactions And Indemnifications.

As part of the annual report to all members, or as a separate document if no annual report is issued, the Corporation shall annually prepare and mail or deliver to each member and furnish to each Director a statement of any transaction or indemnification of the following kind within one hundred and twenty (120) days after the end of the Corporation's fiscal year:

- (1) Any transaction (a) in which the Corporation, its parent, or its subsidiary was a party, (b) in which an "interested person" had a direct or indirect material financial interest, and (c) which involved more than fifty thousand dollars (\$50,000.00), or was one of a number of transactions with the same interested person involving, in the aggregate, more than fifty thousand dollars (\$50,000.00). For this purpose, an "interested person" is either of the following:
 - (i) Any Director or Officer of the Corporation, its parent, or subsidiary (but mere common directorship shall not be considered such an interest); or
 - (ii) Any holder of more than ten percent (10%) of the voting power of the Corporation, its parent, or its subsidiary. The statement shall include a brief description of the transaction, the names of interested persons involved, their relationship to the Corporation, the nature of their interest in the transaction and if practicable, the amount of that interest, provided that if the transaction was with a partnership in which the interested person is a partner, only the interests of the partnership need be stated.
- (2) Any indemnifications or advances aggregating more than ten thousand dollars (\$10,000.00) paid during the fiscal year to any Officer or Director of the Corporation under Section 8 of these Bylaws, unless that indemnification has already been approved by the members under Section 5238(e)(2) of the California Corporations Code.

Section 11. Construction And Definitions.

Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the California Nonprofit Public Benefit 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.

Section 12. Amendments.

a. Amendments By Board.

- (1) Membership Rights Limitation - Subject to the rights of members under Section 12(b) of these Bylaws and the limitations set forth below, the Board may adopt, amend, or repeal Bylaws unless the action would materially and adversely affect the members' rights as to voting or transfer. The Board may not extend the term of a Director beyond that for which the Director was elected.
- (2) Changes To Number Of Directors - Once members have been admitted to the Corporation, the Board may not, without approval of the members,

specify or change any Bylaw provision that would:

- (a) Fix or change the authorized number of Directors;
 - (b) Fix or change the minimum or maximum number of Directors; or
 - (c) Change from a fixed number of Directors to a variable number of Directors or vice versa.
- (3) Members' Approval Required - Without the approval of the members, the Board may not adopt, amend, or repeal any Bylaws that would:
- (a) Increase or extend the terms of Directors;
 - (b) Alter the selection process of Directors;
 - (c) Increase the quorum for members' meetings;
 - (d) Repeal, restrict, create, expand, or otherwise change proxy rights; or
 - (e) Authorize cumulative voting.

b. Amendment By Members.

New Bylaws may be adopted, or these Bylaws may be amended or repealed, by approval of the members, provided, however, that prior notice has been given to each member city giving a general description of the proposed amendment, and that amendment may extend the term of a Director beyond that for which the Director was elected. Any provision of these Bylaws providing for the designation or selection, rather than election, of any Director or Directors may be adopted, amended, or repealed only by approval of the members, subject to the consent of the person or persons entitled to designate or select any such Directors.

Section 13. Certificate Of Secretary.

CERTIFICATE OF SECRETARY

I certify that I am the duly elected and acting Secretary of the Independent Cities Association, Incorporated, a California Nonprofit Public Benefit Corporation, that the above Bylaws, consisting of twenty-one (21) pages, are the Bylaws of this Corporation as adopted by the Board of Directors on August 15, 1985, amended on May 15, 1986, January 9, 1997, and on July 13, 2007, and that they have not been amended or modified since that date.

Executed on _____ at _____, California.

Secretary