

**BYLAWS**  
**OF PUBLIC AGENCY RISK MANAGERS ASSOCIATION**  
**a California Nonprofit Mutual Benefit Corporation**

*Amended April 15, 2015*  
*Amended August 1, 2015*  
*Amended November 23, 2015*  
*Amended 10/11/2016*

**ARTICLE 1. OFFICES**

**Section 1. Principal Office**

The principal office of the corporation for the transaction of its business shall be in the State of California as designated by the Board of Directors.

**Section 2. Change of Address**

The corporation's principal office may be changed from time to time by the Board of Directors without action by the members. The Secretary of the corporation shall notify any and all government agencies and departments regarding the change of address to include, but not be limited to, the California Secretary of State, the Internal Revenue Service, and the California Franchise Tax Board.

**Section 3. Other Offices**

The corporation may also have offices at such other places, within or without the State of California, where it is qualified to do business, as its business may require and as the Board of Directors may, from time to time, designate.

**ARTICLE 2. PURPOSES**

**Section 1. Objectives and Purposes**

The primary purpose of this corporation shall be for governmental agencies and other nonprofit, tax-exempt organizations to consider, discuss, and exchange ideas for the improvement and functioning of Risk Management and to assist such agencies and their governing bodies in fostering Risk Management education, communication, and cooperation.

**ARTICLE 3. DIRECTORS**

**Section 1. Number**

The corporation shall have not less than five nor more than seven (7) Directors plus the Immediate Past President and collectively they shall be known as the Board of Directors.

**Section 2. Powers**

Subject to the provisions of the California Nonprofit Mutual, Benefit Corporation Law and any limitations in the Articles of Incorporation and Bylaws, the activities and affairs of this corporation shall be conducted and all corporate powers shall be exercised by or under the direction of the Board of Directors.

**Section 3. Duties**

It shall be the duty of the Directors to:

- (a) Perform any and all duties imposed on them collectively or individually by law, by the Articles of Incorporation, or by these Bylaws;
- (b) Appoint and remove, employ and discharge, and prescribe the duties or fix the compensation, if any, of all officers, agents, and employees of the corporation;
- (c) Supervise all officers, agents, and employees of the corporation to assure that their duties are performed properly;
- (d) Meet at all such times and places and required by these Bylaws; and
- (e) Register their addresses with the Secretary of the corporation, and notices of meetings mailed or telegraphed to them at such addresses shall be valid notices thereof.

#### **Section 4. Election, Term of Office**

Directors shall be elected by a majority vote of the members in compliance with the voting policy. Election results will be announced at the annual meeting.

The term of office for each Director shall be two years.

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

A vacancy, or vacancies, on the Board of Directors shall be deemed to exist in the case of death, resignation, removal, or disqualification. Such vacancies shall be filled by the Board of Directors.

#### **Section 6. Compensation**

Directors shall serve without compensation except that they shall be allowed reasonable advancement of reimbursement for expenses incurred in the performance of their regular duties as specified in Section 3 of this Article. Directors may not be compensated for rendering services to the corporation in any capacity other than Director unless such compensation is reasonable and allowed under the provisions of Section 7 of this Article.

#### **Section 7. Restriction Regarding Interested Directors**

Notwithstanding any other provision of these Bylaws, not more than forty-nine percent (49%) of the persons serving on the Board may be interested persons. For purposes of this section “interested persons” means either:

- (a) Any person currently being compensated by the corporation for services rendered it within the previous twelve (12) months, whether as a full- or part-time officer or other employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a Director as Director; or
- (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.

#### **Section 8. Place of Meetings**

8.1 Annual Meetings: The place of the annual meetings shall be the same location as the annual PARMA conference unless the Board of Directors votes to change the location of such meeting.

8.2 Telephonic Meetings: Except for annual meetings of the Board of Directors, the members of the Board of Directors may participate in a meeting of the Directors through the use of telephone upon the satisfaction of following conditions: (a) notice as set forth under the bylaws is sent to all of the members of the Board of Directors, and the content of the notice states that the mode of communication for the Board meeting will be telephone; (b) there is a quorum of the board who attend the meeting by telephone; and (c) all members who participate in the Board meeting can communicate thoughts, ideas, and information in a contemporaneous manner that results in a meaningful discussion of corporate business. Any resolution voted upon through the communication mode of telephone must be unanimously approved by the members of the Board who participate in such telephone meeting. Said unanimously approved resolution shall be the resolution of the board of directors as if the meeting were held in person or by telephone, and any resolution not approved unanimously may be addressed at the next telephonic or in-person meeting of the Board of Directors.

### **Section 9. Regular and Annual Meetings**

Regular meetings of Directors shall be held during the annual PARMA conference or on such other dates as may be set by the Board of Directors, unless such day falls on a legal holiday, in which event the regular meeting shall be held at the same hour and place on either the previous Friday or the following Friday.

### **Section 10. Special Meetings**

Special meetings of the Board of Directors may be called by the President, Vice-President, the Secretary, or by any two Directors, and such meetings shall be held at the place, within or without the State of California, designated by the person or persons calling the meetings, and in the absence of such designation, at the principal office of the corporation.

### **Section 11. Notice of Meetings**

Regular meetings of the Board may be held without notice. Special meetings of the Board shall be held upon seven (7) days notice by first-class mail or four (4) days notice delivered personally or by telephone, facsimile or by e-mail. Any notice given by e-mail shall be delivered to an e-mail address provided to the corporation by the director. The e-mail transmission system used by the corporation to give notice must be capable of retention, retrieval, and review for later rendering in a tangible form. Notice shall be deemed to have been given on the date the e-mail is transmitted on the condition such transmission occurs before 5:00 p.m. Pacific Time. If sent by mail or facsimile, the notice shall be deemed to be delivered on its deposit in the mails or in transmission. Such notices shall be addressed to each Director at his or her address as shown on the books of the corporation. Notice of the time and place of holding an adjourned meeting need not be given to absent Directors if the time and place of the adjourned meetings is held no more than twenty-four (24) hours from the time of the original meeting. Notice shall be given of any adjourned regular or special meeting to Directors absent from the original meeting if the adjourned meeting is held more than twenty-four (24) hours from the time of the original meeting.

### **Section 12. Contents of Notice**

Notice of meetings not herein dispensed with shall specify the place, day and hour of the meeting. The purpose of any special Board meeting shall be specified in the notice.

### **Section 13. Waiver of Notice and Consent to Holding Meetings**

The transactions of any meeting of the Board, however, called and noticed or wherever held, are as valid as though the meeting had been dutifully held after proper call and notice, provided a quorum, as hereinafter defined, is present and provided that either before or after a meeting, or an approval of the minutes thereof. All such waivers, consents, or approvals shall be filed with the corporate records or made part of the minutes of the meeting.

### **Section 14. Quorum for Meeting**

A quorum shall consist of fifty percent (50%) of the Board of Directors.

Except as otherwise provided in these Bylaws or in the Articles of Incorporation of this corporation, or by law, no business shall be considered by the Board at any meeting at which a quorum, as defined in Section 14 of this Article, is not present, and the only motion which the Chair shall entertain at such a meeting is a motion to adjourn.

When a meeting is adjourned for lack of a quorum, it shall not be necessary to give any notice of the time and place of the adjourned meeting or of the business to be transacted at such meeting, other than by announcement at the meeting at which the adjournment is taken, except as provided in Section 11 of this Article.

The Directors present at a duly called and held meeting at which a quorum is initially present may continue to do business notwithstanding the loss of a quorum at the meeting due to a withdrawal of Directors from the meeting, provided that any action thereafter taken must be approved by at least a majority of the required quorum for such meeting or such greater percentage as may be required by law, or the Articles of Incorporation or Bylaws of this corporation.

### **Section 15. Majority Action as Board Action**

The Directors shall make an effort to decide all matters through the process of consensus. When this fails, decisions will be made by the majority vote of the Directors present at a meeting in which a quorum is present.

Every act or decision done or made by a majority of the Directors present at a meeting duly held at which a quorum is present is the act of the Board of Directors, unless the Articles of Incorporation or Bylaws of this corporation, or provisions of the California Nonprofit Mutual Benefit Corporation Law, particularly those provisions relating to the appointment of committees (Section 5212), approval of contracts or transaction in which a Director has a material financial interest (Section 5233) and indemnification of Directors (Section 5238e) require a greater percentage or different voting rules for approval of a matter by the Board.

### **Section 16. Conduct of Meetings**

Meetings of the Board of Directors shall be presided over by the President of the corporation or, in his or her absence, by the Vice-President of the corporation or, in the absence of both of these person, by a Chairperson chosen by the majority of the Directors present.

The Secretary of the corporation shall act as Secretary of all meetings of the Board, provided in his or her absence, the presiding officer shall appoint another person to act as Secretary of the meeting.

Meetings shall be governed by Roberts' Rule of Order, as such rules may be revised from time to time, as long as such rules are not inconsistent with or in conflict with these Bylaws, with the Articles of Incorporation of this corporation, or with the provisions of law.

### **Section 17. Action by Unanimous Written Consent without Meeting**

Any action required or permitted to be taken by the Board of Directors under any provision of law may be taken without a meeting, if all the Directors on the Board shall individually or collectively consent in writing to any such action. For the purposes of this Section only "all Directors of the Board" shall not include any "interested Director" as defined in Section 5233 of the California Nonprofit Public Benefit Corporation Law. Such written consent or consents shall be filed with the minutes of the proceedings of the Board. Such action by written consent shall have the same force and effect as the unanimous written consent of the Board of Directors without a meeting and that the Bylaws of this corporation authorize the Directors to so act, and such statement shall be prima facie evidence of such authority.

### **Section 18. Non-Liability of Directors**

The Directors shall not be personally liable for the debts, liabilities, or other obligations of the corporation.

### **Section 19. Indemnification by the Corporation of Directors, Officers, Employees and Other Agents**

To the fullest extent permitted by law, this corporation shall indemnify its directors and officers, and may indemnify employees and other persons described in the Corporations Code, including persons formerly occupying any such positions, 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 the Corporations Code, 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 this bylaw, shall have the same meaning as in that section of the Corporations Code.

On written request to the board by any person seeking indemnification, the board shall promptly decide under the relevant Corporations Code section(s), to include §5238(e), §7237(e), §9246(e), whether the applicable standard of conduct 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 the relevant Corporations Code section(s), to include §5238(e), §7237(e), §9246(e), whether the applicable standard of conduct has been met and, if so, the members present at the meeting in person or by proxy shall authorize indemnification.

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 this Section 19 in defending any proceeding covered by this Section shall be advanced by the corporation before final disposition of the proceeding.

The indemnification provided herein shall not be deemed exclusive of any other rights to which those indemnified may be entitled, and shall continue as to a person who has ceased to be an agent and shall inure to the benefit of the heirs, executors, and administrators of such a person.

#### **Section 20. Insurance for Corporate Agents**

The Board of Directors may adopt a resolution authorizing the purchase and maintenance of insurance on behalf of any agent of the corporation (including a Director, officer, employee or other agent of the corporation) against any liability other than for violating provisions of the law relating to self-dealing (Section 5233 of the California Nonprofit Public Benefit Corporation Law) 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 Section 5238 of the California Nonprofit Public Benefit Corporation Law.

#### **Section 21. Chapter Recognition**

In order to carry out PARMA's purpose, the Board of Directors may establish and authorize "Chapters" based upon the geographic distribution of its members. Chapters may be formed by action initiated by the Board of Directors or by action of the Board following a request by members who have demonstrated the feasibility and reasonable chance of success of a Chapter. Chapters will be established and operated in accordance with policies, procedures, and guidelines as may be created by the Board and as amended from time to time.

### **ARTICLE 4. OFFICERS**

#### **Section 1. Number of Officers**

The officers of this corporation shall be a President, a Vice-President, a Secretary, Treasurer and Immediate Past President. The corporation may also have, as determined by the board of Directors a Chairperson of the Board, a Secretary/Treasurer, Assistant Secretaries, Assistant Treasurers, or other officers. Any number of offices may be held by the same person except that the Secretary, Treasurer, or Secretary/Treasurer may not serve as the President or Chairperson of the Board.

## **Section 2. Qualification, Election and Term of Office**

Only Directors may serve as officer of this corporation. Officers shall be elected by the Board of Directors, at any time, officers shall hold office for two (2) years, or until he or she resigns or is removed or is otherwise disqualified to serve, whichever occurs first.

## **Section 3. Subordinate Officers**

The Board of Directors may appoint such other officers or agents as it may deem desirable, and such officers shall serve such terms, have such authority, and perform such duties as may be prescribed from time to time by the Board of Directors.

## **Section 4. Removal and Resignation**

Any officer may be removed, either with or without cause, by the Board of Directors, at any time. Any officer may resign at any time by giving written notice to the Board of Directors or to the President or Secretary of the corporation. Any such resignation shall take effect at the date of receipt of such notice or at any later date specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

## **Section 5. Vacancies**

Any vacancy caused by the death, resignation, removal, disqualification, or otherwise, of any officer may be filled by the Board of Directors. In the event of a vacancy in any office other than that of the President, such vacancy may be filled temporarily by appointment by the President until such time as the Board shall fill the vacancy. Vacancies of officers appointed at the discretion of the Board may or may not be filled as the Board shall determine.

## **Section 6. Duties of the President**

The President shall be the chief executive officer of the corporation and shall, subject to the control of the Board of Directors, supervise and control the affairs of the corporation and the activities of the officers and chair the Board of Directors, unless another officer is dually appointed. He or she shall perform all duties incident to his or her office and such other duties as may be required by law, by the Articles of Incorporation, or by these Bylaws, he or she shall, in the name of the corporation, execute such deeds, mortgages, bonds, contracts, checks, or other instruments which may from time to time be authorized by the Board of Directors. He or she shall review the financial records of the corporation on a regular basis as established by the organization.

## **Section 7. Duties of the Vice-President**

The Vice-President shall:

- a. Be the President-elect and will succeed the President without further election.
- b. In the absence, temporary inability or refusal of the President to act, the Vice President shall exercise the powers and perform the duties of President.

- c. Generally, assist the President and shall have such other powers and perform such other duties as may from time to time be designated by the President or the Board of Directors.
- d. Be the Annual Conference Committee Chair.

In the event the President-elect is unable to serve as President, the Board of Directors shall elect a replacement by a majority of the voting directors.

### **Section 8. Duties of the Secretary**

The secretary shall:

- (a) Certify and keep at the principal office of the corporation the original, or a copy, of these Bylaws as amended or otherwise altered to date;
- (b) Keep at the principal office of the corporation or at such other place as the Board may determine, a book of minutes of all the meetings of the Directors, and if applicable, meetings of the committees of Directors and of members, recording therein the time and place of holding, whether regular or special, how called, how notice thereof was given, the names of those present or represented at the meeting, and the proceedings thereof;
- (c) See that all notices are duly given in accordance with the provisions of these Bylaws or as required by law;
- (d) Be custodian of the records and of the seal of the corporation and see that the seal is affixed to all duly executed documents, the execution of which on behalf of the corporation under this seal is authorized by law or these Bylaws
- (e) Exhibit at all reasonable times to any Director of the corporation, or to his or her agent or attorney, on request therefore, the Bylaws, the membership book, and the minutes of the proceedings of the Directors of the corporation; and
- (f) In general, perform all duties incident to the office of Secretary and such other duties as may be required by law, by the Articles of Incorporation of this corporation, or by these Bylaws, or which may be assigned to him or her from time to time by the Board of Directors.

### **Section 9. Duties of the Treasurer**

Subject to the provisions of these Bylaws relating to the “Execution of Instruments, Deposits and Funds”, the Treasurer shall:

- (a) Have charge and custody of, and be responsible for, all funds and securities of the corporation, and deposit all such funds in the name of the corporation in such banks, trust companies, or other depositories as shall be selected by the Board of Directors;
- (b) Receive, and give receipt for, moneys due and payable to the corporation from any source whatsoever;
- (c) Disburse or cause to be disbursed the funds of the corporation as may be directed by the Board of Directors, taking proper vouchers for such disbursements;
- (d) Keep and maintain adequate and correct accounts of the corporation’s properties and business transactions including accounts of its assets, liabilities, receipts, disbursements, gains and losses;



- (e) Exhibit at all reasonable times the books of account and financial records to any Director of the corporation, or to his or her agent or attorney, on request therefore;
- (f) Render to the President and Directors, whenever requested, an account of any or all of his or her transactions as Treasurer and of the financial condition of the corporation;
- (g) Prepare, or cause to be prepared, and certify, or cause to be certified, the financial statements to be included in any required reports; and
- (h) In general, perform all duties incident of the office of Treasurer and such other duties as may be required by law, by the Articles of Incorporation of this corporation, or by these Bylaws, or which may be assigned to him or her from time to time by the Board of Directors.

#### **Section 10. Duties of the Immediate Past President**

The Immediate Past President shall serve as an advisor to the President and shall have such powers and shall perform such other duties as may be prescribed from time to time by the Board of Directors or the President.

#### **Section 11. Authority to Execute Instruments**

Notwithstanding the above, the Vice President and Secretary-Treasurer shall each have the authority, in the name of the corporation, to execute deeds, mortgages, bonds, contracts, checks or other instruments on the condition that such instruments are authorized by the Board of Directors.

### **ARTICLE 5. MEMBERS**

#### **Section 1. "Statutory Members"**

This corporation shall make no provisions for "statutory" members within the meaning of California Corporations Code 5056 and, pursuant to the Corporations Code 5310(b), any action which would otherwise, under law or the provisions of the Articles of Incorporation or Bylaws of this corporation, require approval by a majority of all the members or approval by the members, shall only require the approval of the Board of Directors.

#### **Section 2. Non-statutory Members**

The Board of Directors may from time to time in its discretion establish classes of non-statutory members. The Board of Directors may establish dues, fees, or other conditions for non-statutory membership in the corporation. All reference to members in these Bylaws shall mean non-statutory members only.

#### **Section 3. Determination of Members**

The Board of Directors may provide for two classes of members. No member shall hold more than one membership in the corporation. Members within each class shall have the same rights, privileges, restrictions and conditions.

- a. Public Entity members shall be any public agency as specified in the California Government Code or similar law in other states. Public Entity members will have a single vote. The entity maintains the membership, which is non-transferable. A primary contact shall be designated for voting purposes. All permanent direct

employees within the member entity are entitled to hold elective office and shall receive all member benefits.

- b. Associate members shall be those businesses, which supply goods or services to public entities. Associate members shall not be entitled to vote nor to hold elective office.
- c. Life Member may be granted to risk management professionals who have rendered efforts on behalf of the risk management profession or PARMA that merits special recognition. This membership shall be confirmed by the affirmative vote of at least two-thirds of the current PARMA Board of Directors. Life Members will not be subject to membership dues, are entitled to vote and may be eligible to hold elective office, as further defined in policy.
- d. Retired members are those individuals who previously were employees of a Public Entity in good standing. Retired members are not entitled to vote nor to hold elective office.

#### **Section 4. Admission of Members**

Applicants shall be admitted to membership upon making application in writing and upon payment of the application and subscription fees. The application and subscription fees shall be determined by the Board of Directors.

#### **Section 5. Membership Records**

The corporation shall keep a membership Directory containing the name of each member and the designated representative's name and address. Termination of the membership of any member shall be recorded together with the date of termination of such membership. Such information shall be kept at the corporation's principal office or contract consultant on the condition that such consultant enters into a written agreement with the corporation that it shall produce or make available all account records, minutes of proceedings, list of members, bylaws, and related corporate documents within five (5) business days from the date the consultant receives a written request from the corporation. Any membership records maintained by a contract consultant shall be provided to the corporation's secretary-treasurer on a quarterly basis.

The record of names and addresses of the members of this corporation shall constitute the membership list of this corporation and shall not be used, in whole or in part, by any person for any purpose not reasonably related to a member's interest as a member.

#### **Section 6. Non-liability of Members**

A member of the Corporation is not, as such, personally liable for the debts, liabilities or obligations of the corporation.

#### **Section 7. Meeting of Members**

The members may meet annually on such date and at such time and place as shall be designated by the Board. Special meetings of members may be held at such time and

place as shall be designated in the notice thereof upon call by the Board or the President of the Board.

### **Section 8. Notice of Meetings**

Notice of the annual meeting and any special meeting of members shall be given in writing or via e-mail to each member. Such notice of meeting may be made by first-class mail not less than 30 days prior to the meeting. No notice of the time and place of any regular or special meeting of the members shall be required if each member waives such notice in writing and such waiver is filed with the records of the meeting.

Notice of the member meeting shall state the place, date and time of the meeting and (1) in the case of a special meeting, the general nature of the business to be transacted and no other business may be transacted, or (2) in the case of a regular meeting, those matters which the Board, at the time notice is given, intends to present for action by the members. Subject to any provision to the contrary contained in these Bylaws, however, any proper matter may be presented at a regular meeting for such action. The notice of any meeting of members at which Directors are to be elected shall include the names of all those who are nominees at the time notice is given to members.

### **Section 9. Voting by Members**

Eligible members will vote for new Directors and for other items that the Board at its discretion may bring to the members. Eligible members shall each have one vote, which may be cast by only one person who is duly authorized by the member's governing body. Such voting representatives may be required to register with the Secretary of the meeting prior to any member's meeting. Voting at duly held meetings shall be by voice vote or as otherwise specified in these Bylaws, policies adopted by the Board or by law.

### **Section 10. Proxy Voting**

Members entitled to vote shall have the right to vote either in person or by written proxy signed by such person or by his or her duly authorized agent and filed with the Secretary/Treasurer of the corporation. No proxy shall be valid after eleven (11) months from the date of its execution unless otherwise provided in the proxy. No proxy shall be irrevocable and may be revoked following the procedures given in California Corporations Code 5613.

All proxies shall state the general nature of the matter to be voted on, and in the case of a proxy vote given to vote for the election of Directors, shall list those persons who were nominees at the time the notice of the vote for election of Directors was given to the members. In any election of Directors, any proxy that is marked by a member "withhold" or otherwise marked indicating that the authority to vote for the election of Directors is withheld shall not be voted either for or against the election of a Director.

Proxies shall afford an opportunity for the member to specify a choice between approval and disapproval for each matter or group of related matters intended, at the time the proxy is distributed, to be acted upon at the meeting for which the proxy is solicited. The

proxy shall also provide that when the person solicited specifies a choice with respect to any such matter, the vote shall be cast in accordance therewith.

### **Section 11. Conduct of Meeting**

The President of the Board shall preside over all meetings of members, except that in his/her absence, the Vice-President or another Board officer shall preside. The Secretary of the Board or the Board's designee shall act as Secretary for all meetings of the members. All meetings of the members shall be conducted in accordance with the procedures set forth in Robert's Rules of Order. Meetings may also be audio taped.

### **Section 12. Quorum**

Attendance by voting delegates representing twenty percent (20%) of the membership shall constitute a quorum and when a quorum is present at any meeting, a majority of voting delegates present may decide any question brought before such meeting except as otherwise provided by law or these Bylaws.

The members present at a duly called and held meeting at which a quorum is initially present may continue to do business after the loss of a quorum due to withdrawal of members from the meeting. Any action taken after the loss of a quorum must be approved by at least a majority of the members required to constitute a quorum.

When a meeting is adjourned for lack of a sufficient number of members at the meeting or otherwise, it shall not be necessary to give any notice of the time and place of the adjourned meeting or of the business to be transacted at such a meeting other than by announcement at the meeting at which the adjournment is taken of the time and place of the adjourned meeting. However, if after the 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. A meeting shall not be adjourned for more than forty-five (45) days.

### **Section 13. Action Without Meeting**

Any action to be taken by members may be taken without a meeting if the corporation distributes a written ballot to each member entitled to vote on the matter. The ballot shall set forth the proposed action, provide for an opportunity to specify approval or disapproval of each proposal and provide a reasonable time within which to return the ballot to the corporation. Approval of action by written ballot shall be valid only when the number of approvals is a majority of the number of votes cast and the number of votes cast constitutes a quorum as specified in Article 5, Section 12.

### **Section 14. Director Nomination and Election Procedures**

The Board of Directors will define in policy the nomination and election procedures.

### **Section 15. Record Date for Meetings**

The record date for purposes of determining the members entitled to notice, voting rights, written ballot rights, or any other right with respect to a meeting or any other lawful

membership action, shall be fixed pursuant to Section 5611 of the California Corporations Code.

## **Section 16. Termination of Members**

### **(a) Grounds for Termination: A membership may be terminated as follows:**

1. Upon the members notice of termination delivered personally or by first class mail to the President or Secretary/Treasurer of the corporation. The notice of termination shall be effective upon the date of delivery of the notice or date of deposit in the mail.
2. Upon the determination by the Board of Directors that the member has engaged in conduct materially and seriously prejudicial to the interest or purposes of the corporation.
3. If this corporation has provided for the payment of fees by members, upon a failure to pay such fees on or before the due date. Such termination shall be effective 30 days after a written notification of delinquency is given personally or by first class mail to the member. A member may avoid such termination by paying the amount of the delinquent dues within 30 days following the notice of delinquency.

### **(b) Procedure for Expulsion: Following the determination that a member should be expelled under subparagraph (a) (2) of this Section, the following procedure shall be implemented:**

1. A notice shall be sent by first-class or registered mail to the last address of the member as shown on the corporation's records, setting forth the proposed expulsion and the reasons. Such notice shall be sent at least 15 days before the proposed effective date of the expulsion.
2. The member shall be given the opportunity to be heard, either orally or in writing, at a hearing to be held not less than five days before the effective date of the proposed expulsion. 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 termination should take place. If an oral hearing is held, the member shall be given notice of the date, time and place of the hearing.
3. Following the hearing the decision of the Board or the committee of person authorized by the Board shall be final.
4. A member expelled shall receive a pro-rata refund of any paid annual membership fees.

## **ARTICLE 6. COMMITTEES**

### **Section 1. Committees of Directors**

The Board of Directors, by resolution adopted by a majority of the Directors in office, may designate one (1) or more committees, each of which shall consist of three (3) or more Directors, which committees, to the extent provided in said resolution, shall have and exercise the authority of the Board of Directors in the management of the corporation, except with respect to:

- (a) The filling of vacancies on the Board or on any committee which has the authority of the Board;
- (b) The amendment or repeal of Bylaws or the adoption of new Bylaws;
- (c) The amendment or repeal of any resolution of the Board which by its express terms is not so amendable or repeatable;
- (d) The appointment of committees of the Board;
- (e) The expenditure of corporate funds to support a nominee for Director after there are more people nominated for Director than can be elected;
- (f) The approval of any transaction to which this corporation is a party and in which one or more Directors has a material financial interest, except as expressly provided in 5233d(3) of the California Nonprofit Public Benefit Corporation Law; and
- (g) Any other action, which by law, may only be taken by the full Board of Directors.

### **Section 2. Other Committees**

The corporation shall have such other committees as may from time to time be designated by resolution of the Board of Directors. Such other committees may consist of persons who are not also members of the Board. These additional committees shall act in an advisory capacity only to the Board and shall clearly be titled as “advisory” committees.

### **Section 3. Meetings and Actions of the Committees**

Meetings and actions of the committees shall be governed by, noticed, held and taken in accordance with the provisions of these Bylaws concerning meetings of the Board of Directors, with such changes in the context of such Bylaw provisions as are necessary to substitute the committee and its members for the Board of Directors and its members, except that the time for regular meetings of committees may be fixed by resolution of the Board of Directors or by the committee. The time for special meetings of committees may also be fixed by the Board of Directors. The Board of Directors may also adopt rules and regulations pertaining to the conduct of meetings of committees to the extent that such rules and regulations are not inconsistent with the provisions of these Bylaws.

## **ARTICLE 7. EXECUTION OF INSTRUMENTS, DEPOSITS AND FUNDS**

### **Section 1. Execution of Instruments**

The Board of Directors, except as otherwise provided in these Bylaws, may by resolution authorize any officer or agent of the corporation to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation and such authority may be general or confined to specific instances. Unless so authorized, 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 render it liable monetarily for any purpose or in any amount.

### **Section 2. Checks and Notes**

Except as otherwise specifically determined by resolution of the Board of Directors, or as otherwise required by law, checks, drafts, promissory notes, orders for payment of money, and other evidence of indebtedness of the corporation shall be signed by the Treasurer, Secretary/Treasurer, the President or the Vice-President.

### **Section 3. Deposits**

All funds of the corporation shall be deposited from time to time to the credit of the corporation in such banks, trust companies, or other depositories as the Board of Directors may select.

### **Section 4. Gifts**

The Board of Directors may accept on behalf of the corporation any contribution, gift, bequest, or devise for the charitable or public purposes of the corporation.

## **ARTICLE 8. CORPORATE RECORDS, REPORTS & SEALS**

### **Section 1. Maintenance of Corporate Records**

The corporation shall keep at its principal office in the State of California:

- (a) Minutes of all meetings of the Directors and committees of the Board, indicating the time and place of holding such meetings, whether regular or special, how called, the notice given, and the names of those present and the proceedings thereof;
- (b) Adequate and correct books and records of account, including amounts of its properties and business transactions and accounts of its assets, liabilities, receipts, disbursements, gains and losses; and
- (c) A copy of the corporation's Articles of Incorporation and Bylaws as amended to date, which shall be open to inspection by the members, if any, of the corporation at all reasonable times during office hours.

### **Section 2. Corporate Seal**

The Board of Directors may adopt, use, and at will alter, a corporate seal. Such a seal shall be kept at the principal office of the corporation. Failure to affix the seal to corporate instruments, however, shall not affect the validity of any such instrument.

### **Section 3. Directors' Inspection Rights**

Every Director shall have the absolute right at any reasonable time to inspect and copy all books, records and documents of every kind and to inspect the physical properties of the corporation.

### **Section 4. Right to Copy and Make Extracts**

Any inspection under the provisions of this article may be made in person or by agent or by attorney and the right to inspection includes the right to copy and make extracts.

### **Section 5. Annual Report**

The Board shall cause an annual report to be furnished not later than one hundred twenty (120) days after the close of the corporation's fiscal year to all Directors of the corporation, which report shall contain the following information in appropriate detail:

- (a) The assets and liabilities, including the trust funds, of the corporation as of the end of the fiscal year;
- (b) The principal changes in assets and liabilities, including trust funds, during the fiscal year;

- (c) The revenue or receipts of the corporation, both unrestricted and restricted to particular purposes, for the fiscal year; and
- (d) Any information, required by Section 6 of this Article.

The annual report shall be accompanied by any report thereon of independent accountants, or, if there is no such report, the certificate of an authorized officer of the corporation that such statements were prepared without audit from the books and records of the corporation.

### **Section 6. Annual Statement of Specific Transactions to Members**

This corporation shall mail or deliver to all Directors a statement within one hundred twenty (120) days after the close of its fiscal year which briefly describes the amount and circumstances of any indemnification or transaction in which the corporation, or its parent or its subsidiary was a party, and in which either of the following had a direct or indirect material financial interest:

- (a) Any Director or officer of the corporation, or its parent or subsidiary (a mere common Directorship shall not be considered a material financial interest); or
- (b) Any holder of more than ten percent (10%) of the voting power or the corporation, its parent or subsidiary.

The above statement need only be provided with respect to a transaction during the previous fiscal year involving more than fifty thousand dollars (\$50,000) or which was one of a number of transactions with the same person involving, in the aggregate, more than fifty thousand dollars (\$50,000).

Similarly, the statement need only be provided with respect to indemnification or advances aggregating more than ten thousand dollars (\$10,000) paid during the previous fiscal year to any Director or officer, except that no such statement need be made if such indemnification was approved by the Board pursuant to Section 5238(e)(2) of the California Nonprofit Public Benefit Corporation Law.

Any statement required by this Section shall briefly describe the names of the interested persons involved in such transactions, stating each person's relationship to the corporation, the nature of such person's interest in the transaction and, where practical, the amount of such interest; provided, that in the case of a transaction with a partnership of which such person is a partner, only the interest of the partnership need be stated.

## **ARTICLE 9. FISCAL YEAR**

### **Section 1. Fiscal Year of the Corporation**

The fiscal year of the corporation shall be July 1 – June 30.

## **ARTICLE 10. BYLAWS**



**Section 1. Amendment**

Subject to any provision of law applicable to the amendment of the Bylaws of public benefit nonprofit corporations, these Bylaws, or any of them, may be altered, amended, or repealed and new Bylaws adopted by a majority vote of the Board of Directors.

**ARTICLE 11. AMENDMENT OF ARTICLES**

**Section 1. Amendment of Articles**

Any amendment of the Articles of Incorporation may be adopted by approval of two-thirds of the full Board of Directors.

**Section 2. Certain Amendments**

Notwithstanding the above Section of this Article, this corporation shall not amend its Articles of Incorporation to alter any statement which appears in the original Articles of Incorporation and of the names and addresses of the first Directors of this corporation nor the name and address of its initial agent, except to correct an error in such statement or to delete either statement after the corporation has filed a “Statement by a Domestic Nonprofit Corporation” pursuant to Section 6210 of the California Nonprofit Corporation Law.

**ARTICLE 12. PROHIBITION AGAINST SHARING CORPORATION PROFITS AND ASSETS**

No member, Director, officer, employee, or other person connected with this corporation, or any private individual, shall receive at any time any of the net earnings or pecuniary profit from the operations of this corporation, provided, however, that this provision shall not prevent payment to any such person of reasonable compensation for services performed for the corporation in effecting any of its public or charitable purposes, provided that such compensation is otherwise permitted by these Bylaws and is fixed by resolution of the Board of Directors; and no such person or persons shall be entitled to share in the distribution of, and shall not receive, any of the corporation assets on dissolution of this corporation. All members, if any, of this corporation shall be deemed to have expressly consented and agreed that on such dissolution or winding up of the affairs of the corporation, after all debts have been satisfied, all assets then remaining in the hands of the Board of Directors, shall be distributed as required by the Articles of Incorporation of this corporation and not otherwise.

Certificate of Secretary of PUBLIC AGENCY RISK MANAGERS ASSOCIATION  
A California Nonprofit Public Benefit Corporation

Dated: XXXXX

/s/ XXXXXXXX Secretary/Treasurer

I hereby certify that I am the duly elected and acting Secretary of said corporation and that the foregoing Bylaws, comprising 17 pages, constitute the amended Bylaws of said corporation as duly adopted Section 3. Subordinate Officers.