

**BYLAWS**

**OF THE**

**POOLED LIABILITY ASSURANCE NETWORK JOINT POWERS AUTHORITY  
(PLAN JPA)**

July 1, 2019

## Table of Contents

ARTICLE I NAME .....	3
ARTICLE II OFFICES.....	3
ARTICLE III RECITALS AND OBJECTIVES .....	3
ARTICLE IV NONPARTISAN ACTIVITIES .....	4
ARTICLE V DEDICATION OF ASSETS .....	4
ARTICLE VI MEMBERSHIP .....	4
ARTICLE VII DIRECTORS.....	5
ARTICLE VIII COMMITTEES .....	8
ARTICLE IX OFFICERS .....	10
ARTICLE X PURCHASE OF INSURANCE.....	11
ARTICLE XI INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES, AND OTHER AGENTS .....	11
ARTICLE XII RECORDS AND REPORTS .....	13
ARTICLE XIII CONSTRUCTION AND DEFINITIONS .....	15
ARTICLE XIV AMENDMENTS .....	15

**BYLAWS OF POOLED LIABILITY ASSURANCE  
NETWORK JOINT POWERS AUTHORITY  
(PLAN JPA)**

**ARTICLE I  
NAME**

The name of this group self-insurance program shall be Pooled Liability Assurance Network Joint Powers Authority (PLAN JPA).

**ARTICLE II  
OFFICES**

1. Principal Office. The principal office for the management of the business of PLAN JPA ("principal executive office") is located at 1750 Creekside Oaks Drive, Sacramento, CA 95833. The Board of Directors may change the principal executive office from one location to another. Any change of this location shall be noted by the Secretary on these Bylaws, or this section may be amended to state the new location.
2. Other Offices. For purposes of PLAN JPA, the jurisdictional area of PLAN JPA is the territory of the member entities. The Board of Directors may at any time establish branch or subordinate offices at any place or places where PLAN JPA is qualified to conduct its activities.

**ARTICLE III  
RECITALS AND OBJECTIVES**

1. The cities listed in Appendix I (each a "Member Entity" and collectively the "Member Entities") have entered into a Joint Powers Agreement (the "Agreement") effective as of July 1, 2018. Under the Agreement, PLAN JPA has agreed to provide liability and other lines of coverage, claims management, and risk management services to each Member Entity. In return, each Member Entity has agreed to make premium payments including Administrative and Program Premiums to PLAN JPA, and to cooperate with PLAN JPA in the claims management and risk management programs.
2. The purpose of the Agreement is to benefit the citizens of each Member Entity by establishing a stable, cost-effective self-insurance, risk sharing and risk management program (PLAN JPA) for each Member Entity.
3. The objectives of PLAN JPA shall be to benefit the citizens of each Member Entity in the area of risk management, including:
  - a. Establish overall policy in implementing the Agreement;
  - b. Receive and collect all of the Administrative Premium and Program Premiums and all other amounts required to be paid to PLAN JPA pursuant to the Agreement;
  - c. Exercise such rights and remedies conferred on PLAN JPA pursuant to the Agreement as may be necessary or convenient:
    - i. to enforce payment of the Administrative and Program Premiums and any other amounts

- required to be paid to PLAN JPA,
  - ii. otherwise to protect the interests of PLAN JPA in the event of a default by any Member Entity under the Agreement; and
  - d. The right to establish the policy for a mandatory claims management and risk management program.
4. PLAN JPA does not have employees. Directors, Alternate Directors, Officers, and Committee Members are employees of their respective Member Entities. Each Member Entity is therefore responsible for its own employment and post-employment obligations. PLAN JPA Members do not jointly or severally have employment liabilities as participants in PLAN JPA.
  5. All capitalized terms shall have the meaning given to them in the Agreement.

**ARTICLE IV  
NONPARTISAN ACTIVITIES**

PLAN JPA is formed under the California Government Code Sections 6500, et seq., for the public purposes described above, and it shall be nonprofit and nonpartisan. PLAN JPA shall not participate or intervene (including publishing or distributing statements) in any political campaign on behalf of any candidate for public office.

**ARTICLE V  
DEDICATION OF ASSETS**

The properties and assets of PLAN JPA are irrevocably dedicated to promoting the social welfare of the citizens of the Member Entities. No part of the net earnings, properties, or assets of PLAN JPA, on dissolution or otherwise, shall inure to the benefit of any private person or individual, or any Director of PLAN JPA. On liquidation or dissolution, all properties and assets and obligations shall be distributed and paid over to the Member Entities.

**ARTICLE VI  
MEMBERSHIP**

1. All Prior ABAG PLAN members that duly sign the appropriate resolution and Joint Powers Agreement are included as members of PLAN JPA at its formation.
2. As respects any potential future Member Entities (Members), any governmental agency which is authorized to participate in a joint powers agreement under the Government Code and is located within the State of California may become a Member of PLAN JPA by agreeing to be bound by the Governing Documents and by complying with all of the following requirements:
  - a. Submit a completed application for membership 90 days before the start of the program year. The application must be accompanied by the Board of Directors' approved fee, which shall be returned if membership is approved;
  - b. Submit a signed resolution acknowledging participation under the terms and conditions which then prevail;

- c. Execute the Agreement then in effect and agree to be bound by any subsequent amendments to the Agreement;
  - d. Agree to be a Member for at least three consecutive fiscal years after commencement of membership;
  - e. Be accepted for membership by a two-thirds vote of the Board of Directors;
  - f. Appoint, in writing, a Director and one Alternate Director to the Board; and
  - g. Ensure the Director and Alternate Director file with the Administrator the required Fair Political Practices Commission (FPPC) forms upon assuming office, annually, and upon termination of office.
3. The Administrator shall evaluate each applicant, including its most recent audited financial statement and associated management letters, and may schedule and coordinate a safety inspection of the facilities of the applicant. The Administrator shall report the results of the evaluation and inspections to the Executive Committee who shall provide a recommendation to the Board of Directors. A two-thirds vote of the Board of Directors is required to approve the application, based upon the Executive Committee's recommendation, the application, and any evaluations, inspections, reports, or other material pertinent to the decision.

## **ARTICLE VII DIRECTORS**

1. Powers.
- a. General Powers. Subject to the provisions of the Government Code and any limitations in the Agreement, and these Bylaws, the business and affairs of PLAN JPA shall be managed, and all delegated powers shall be exercised, by or under the direction of the Board of Directors.
  - b. Specific powers. Without prejudice to these general powers, and subject to the same limitations, the Directors shall have the power to:
    - i. select and remove all Officers of PLAN JPA and legal counsel to PLAN JPA; prescribe any powers and duties for them that are consistent with law, the Joint Powers Agreement, and with these Bylaws; and fix their compensation, if any;
    - ii. change the principal executive office or the principal business office in the State of California from one location to another;
    - iii. borrow money and incur indebtedness on behalf of PLAN JPA, as authorized by the Joint Powers Agreement; annually set Administrative Premium, and Program Premiums within the standards and criteria set forth in the Bylaws;
    - iv. annually set an Administrative Premium allocation formula;
    - v. provide legal defense, claims management and risk management services for Member Entities; and
    - vi. collect Program Premiums and Administrative Premiums.
2. Numbers. The authorized number of Directors shall be equal to the number of Member Entities in PLAN JPA.

3. Appointment of Directors and Alternates.
  - a. The governing body of each Member Entity in PLAN JPA shall each appoint one (1) Director and one (1) voting Alternate Director (Alternate) to serve at the respective Member Entity's pleasure.
  - b. Each appointment shall set forth the Director's or Alternate Director's name and his/her position with the Member Entity.
4. Alternate Directors. Alternate Directors may attend any meeting of the Board of Directors but may vote only if the Director for whom the Alternate Director serves is absent. All provisions of these Bylaws relating to Directors shall also apply to Alternate Directors.
5. Vacancies.
  - a. Events Causing Vacancy. A vacancy or vacancies in the Board of Directors shall be deemed to exist on the occurrence of the following:
    - i. the death, resignation, or removal of any Director;
    - ii. the removal, dismissal or resignation of a Director from the position he/she held with the appointing Member Entity at the time of his/her appointment;
    - iii. the declaration by resolution of the Board of Directors of a vacancy of the office of a Director who has been declared of unsound mind by an order of court or convicted of a felony or has been found by final order or judgment of any court to have breached a duty under the Joint Powers Agreement or California Government Code Section 6500 et seq.; or
    - iv. the increase of the authorized number of Directors.
  - b. Resignations. Except as provided in this paragraph, any Director may resign, which resignation shall be effective on giving written notice to the President or the Secretary unless the notice specifies a later time for the resignation to become effective. No Director may resign when PLAN JPA would then be left without a duly elected Director or Alternate Director in charge of its affairs.
  - c. Vacancies. Pursuant to Section 3 of this Article, the Member Entity shall appoint a Director, or Alternate Director, at any time to fill any vacancy or vacancies.
  - d. Reduction or Increase in Number of Directors. The authorized number of Directors shall be reduced by one (1) for each Member Entity who has withdrawn, has been expelled from PLAN JPA or whose Coverage has been canceled. The authorized number of Directors shall be increased by one (1) for each addition or reinstatement of a Member Entity.
  - e. Interested Directors. The Directors shall be subject to the California Law pertaining to Local Agencies, including but not limited to Conflict of Interest Codes, the Fair Political Practices Act, the Ralph M. Brown Act ("Brown Act") and Government Code Section 1090.
6. Place of Meetings; Meetings by Telephone. Upon seventy-two (72) hours' notice, regular meetings of the Board of Directors may be held at any place permitted under the Brown Act. Special meetings of the Board shall be held at any place permitted by the Brown Act. Any meeting, regular or special, may be held by conference telephone or similar communication equipment, with notice as provided by the Brown Act and, so long as all Directors and members of the public participating in the meeting

can hear those remotely participating, and a majority of the quorum of the Directors are present in person at such meeting.

7. Regular Meetings. Regular meetings of the Board of Directors shall be held at such time as shall from time to time, and no less than one time per fiscal year, and be fixed by the Board of Directors.
8. Special Meetings.
  - a. Authority to call. Special meetings of the Board of Directors for any purpose may be called at any time by the President, Vice President, the Secretary, or any three (3) Directors.
9. Notice.
  - a. Manner of Giving -- Regular Meetings. Notice of the time and place of regular meetings shall be given by posting at the location of the meeting in compliance with the Brown Act and to each Director by one of the following methods:
    - i. by personal delivery of written notice;
    - ii. by first-class mail, postage paid;
    - iii. by facsimile; or
    - iv. by email.
  - b. Manner of Giving -- Special Meetings. Notice of the time and place of special meetings shall be in compliance with the Brown Act and given to each Director by any of the methods set forth in Subsection 9(a), or by telephone communication, either directly to the Director or to a person at the Director's office who would reasonably be expected to communicate such notice promptly to the Director.
  - c. Address. All such notices shall be given or sent to the Director's address or telephone number as shown on the records of PLAN JPA.
  - d. Notice Contents. The notice shall state the time and place for the meeting, and the purpose(s) of the meeting.
  - e. Ralph M. Brown Act. The noticing and conduct of all meetings shall comply with the Brown Act.
10. Quorum. A majority of the authorized number of Directors shall constitute a quorum for the transaction of business, except to adjourn as provided in Section 11 of this Article VII. 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 shall be regarded as the act of the Board of Directors
11. Adjournment. A majority of the Directors present, whether or not constituting a quorum, may adjourn any meeting to another time and place as provided in the Brown Act.
12. Reimbursement. Directors and members of committees may receive such reimbursement of expenses as may be determined by resolution of the Board of Directors to be just and reasonable.
13. Delegation of Powers. The Board of Directors may delegate any of its powers.

**ARTICLE VIII**  
**COMMITTEES**

1. Committees of Directors. In addition to the Claims Committee, Risk Management Committee, and Finance Committee, the Board of Directors may, by resolution adopted by a majority of the Directors then in office, designate one (1) or more committees, each consisting of two (2) or more Directors, to serve at the pleasure of the Board. Any committee, to the extent provided in the resolution of the Board, shall have all the authority of the Board, except that no committee, regardless of Board resolution, may:
  - a. Take any final action on matters which, under the Law governing Joint Powers Authorities or California Law regarding Local Agencies, requires approval of a majority of all the Directors;
  - b. Approve reimbursements of the Directors for serving on the Board or on any committee;
  - c. Amend or repeal bylaws or adopt new bylaws;
  - d. Amend or repeal any resolution of the Board of Directors which by its express terms is not so amendable or repealable;
  - e. Appoint any other committees of the Board of Directors or the members of these committees; or
  - f. Approve any transaction (1) to which PLAN JPA is a party and one (1) or more Directors have a material financial interest; or (2) between PLAN JPA and one (1) or more of its Directors or between PLAN JPA or any person or entity in which one (1) or more of its Directors have a material financial interest.
2. Meetings and Action of Committees. Meetings and action of committees shall be governed by, and held and taken in accordance with, the provisions of Article VII of these Bylaws, concerning meetings of Directors, with such changes in the context of these Bylaws 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 determined either by resolution of the Board of Directors or by resolution of the Executive Committee. Special meetings of committees may also be called by the President or committee chair. Notice of special meetings of committees shall also be given to any and all Alternate Directors, who shall have the right to attend all meetings of the committee. Minutes shall be kept of each meeting of any committee and shall be filed with the corporate records. The Board of Directors may adopt rules for the government of any committee not inconsistent with the provisions of these Bylaws.
3. Executive Committee. A standing committee consisting of nine Directors: the President and Vice President, the Chair of each standing committee, or if the chair of a standing committee is the President or Vice President of the Board, a representative of such standing committee appointed by the committee and four at-large Directors of the Board elected by the Board. The Executive Committee may exercise all powers of the Board necessary to further the timely and orderly conduct of business, except it may not:
  - a. Set premiums;
  - b. Select or remove Officers or legal counsel to PLAN JPA, except in cases of emergency or where the legal counsel is unavailable or unable to perform his or her duties until the next meeting of the



Board of Directors. Any selection of legal counsel shall be subject to ratification by the Board of Directors at its next meeting;

- c. Borrow money; or
  - d. Amend these Bylaws or the Joint Powers Agreement.
4. Claims Committee (Liability). A standing committee consisting of no less than three (3) Directors appointed by the Board shall be charged with the duty and responsibility of:
    - a. Reviewing and authorizing all payment of settlements which exceed a Member Entity's deductible or upon request by PLAN JPA or Member Entity,
    - b. Establishing a defense counsel list, and hearing the initial appeal on all staff determinations of coverage for, and settlement of, a third party claim against a Member Entity.
  5. Risk Management Committee. A standing committee consisting of no less than three (3) Directors appointed by the Board shall be charged with the duty and responsibility of:
    - a. Reviewing and making recommendations to the Board for risk management programs, including but not limited to, voluntary and mandatory program changes in Member Entity activities, and restrictions on coverage; and
    - b. Reviewing and making recommendations to the Board on applications for admissions, expulsion, withdrawal notices and proposals for cancellation, including but not limited to, the terms and conditions under which such admissions, withdrawals, expulsions and cancellations are implemented.
  6. Finance Committee. A standing committee consisting of no less than three Directors appointed by the Board shall be charged with the duty and responsibility of reviewing and

making recommendations to the Board on the results of PLAN JPA's annual financial audit, reviewing and making recommendations to the Board regarding PLAN JPA's investments and Investment Policy.

## **ARTICLE IX OFFICERS**

1. Officers. The officers of PLAN JPA shall be the President and Vice President, and a Treasurer. All officers shall be Directors.
2. Election of Officers. At the first meeting of the Board of Directors, and at each annual meeting thereafter, nominations for the officers shall be made and seconded by a Director. If more than two (2) names are received in nomination for any one office, balloting shall occur until a nominee receives a majority of the votes cast; provided that after the first ballot the nominee receiving the fewest votes shall be dropped from the balloting. Each officer shall serve a two (2) year term. Any officer except the President and Vice President may succeed himself/herself and may serve any number of consecutive or non-consecutive terms. The President and Vice President may succeed himself/herself only if his/her first term was filled as a result of a vacancy in the office.
3. Removal of Officers. An Officer may be removed, with or without cause, by a two-thirds (2/3) vote of the Board of Directors at a regular or special meeting.
4. Vacancies. Any vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled for the balance of the vacated term in the manner prescribed in these Bylaws for regular appointments to that office; provided, however, that such vacancies may be filled at any regular or special meeting of the Board of Directors.
5. Resignation of Officers. Any Officer may resign at any time by giving written notice to the President or Secretary. Any resignation shall take effect at the date of the receipt of that notice or at any later time specified in that notice; and, unless otherwise specified in that notice, the acceptance of the resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any, of PLAN JPA under any contract to which the Officer is a party.
6. Responsibilities of Officers and Assigned Positions.
  - a. President of the Board. The President of the Board shall preside at meetings of the Board of Directors and exercise and perform such other powers and duties as may be from time to time assigned to him/her by the Board of Directors or prescribed by the Bylaws.
  - b. Vice President of the Board. The Vice President of the Board shall fulfill all the duties of the President in his/her absence.
  - c. Secretary. The General Manager for PLAN JPA shall serve as the Secretary and shall be appointed by the President. The Secretary may assign certain responsibilities to an Assistant Secretary of his/her choosing. The Secretary shall attend to the following:
    - i. Book of minutes. The Secretary shall keep or cause to be kept, at the principal executive office or such other place as the Board of Directors may direct, a book of minutes of all meetings and actions of Directors and committees of Directors, with the time and place of

- holding, whether regular or special, and, if special, how authorized, the notice given, the names of those present at such meetings and the proceedings of such meetings.
- ii. Notices, seal and other duties. The Secretary shall give, or cause to be given, notice of all meetings of the Board of Directors required by the Bylaws to be given. He or she shall keep the seal of PLAN JPA, if any, in safe custody. He or she shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or the Bylaws.
- d. Treasurer. The Treasurer may assign responsibilities to an Assistant Treasurer, who shall be the Finance Manager for PLAN JPA. Together, the Treasurer and Assistant Treasurer shall attend to the following:
- i. Books of account. Keep and maintain, or cause to be kept and maintained, adequate and correct books and records of accounts of the properties and business transactions of the PLAN JPA, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, retained earnings, and other matters customarily included in financial statements. The books of account shall be open to inspection by any Director at all reasonable times.
  - ii. Deposit and disbursement of money and valuables. Deposit all money and other valuables in the name and to the credit of PLAN JPA with such depositories as may be designated by the Board of Directors; shall disburse the funds of PLAN JPA as may be ordered by the Board of Directors; shall render to the President and Directors, whenever they request it, an account of all of his/her transactions as Treasurer and Assistant Treasurer and of the financial condition of PLAN JPA; and shall have other powers and perform such other duties as may be prescribed by the Board of Directors or the Bylaws.

## **ARTICLE X**

### **PURCHASE OF INSURANCE**

Purchase of Coverage. In conformance with the procedures and criteria set forth in Article III of these Bylaws, the Board of Directors may cause PLAN JPA to purchase commercial insurance or reinsurance or terminate commercial insurance or reinsurance upon a majority vote of the membership of the Board of Directors.

## **ARTICLE XI**

### **INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES, AND OTHER AGENTS**

1. Definitions. For the purpose of this Article, "agent" means any person who is or was a Director, Officer, employee, or other agent of PLAN JPA, or is or was serving at the request of PLAN JPA as a director, officer, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, or other enterprise, or was a director, officer, employee, or agent of a foreign or domestic corporation that was a predecessor of this PLAN JPA or of another enterprise at the request of the predecessor ABAG PLAN; "proceeding" means any threatened, pending, or completed action

or proceeding, whether civil, criminal, administrative, or investigative; and "expenses" includes, without limitation, all attorneys' fees, costs, and any other expenses incurred in the defense of any claims or proceedings against an agent by reason of his position or relationship as agent and all attorneys' fees, costs, and other expenses incurred in establishing a right to indemnification under this Article.

2. Successful Defense by Agent. To the extent that an agent of PLAN JPA has been successful on the merits in the defense of any proceeding referred to in this Article, or in the defense of any claim, issue, or matter therein, the agent shall be indemnified against expenses actually and reasonably incurred by the agent in connection with the claim. If an agent either settles any such claim or sustains a judgment rendered against him or her, then the provisions of Sections 3 through 5 of this Article shall determine whether the agent is entitled to indemnification.
3. Actions Brought by Persons Other Than PLAN JPA. Subject to the required findings to be made pursuant to Section 5 of this Article, below, PLAN JPA shall indemnify any person who was or is a party, or is threatened to be made a party, to any proceeding other than an action brought by, or on behalf of, PLAN JPA or the Attorney General for any breach of duty relating to assets held by PLAN JPA, by reason of the fact that such person is or was an agent of PLAN JPA, for all expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with the proceeding.
4. Action Brought by or On Behalf of PLAN JPA.
  - a. Claims settled out of court. If an agent settles or otherwise disposes of a threatened or pending action brought by or on behalf of PLAN JPA, with or without court approval, the agent shall receive no indemnification for either amounts paid pursuant to the terms of the settlement or other disposition or for any expenses incurred in defending against the proceeding, unless it is settled with the approval of the Attorney General.
  - b. Claims and suits awarded against agent. PLAN JPA shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action brought by or on behalf of PLAN JPA by reason of the fact that the person is or was an agent of PLAN JPA, for all expenses actually and reasonably incurred in connection with the defense of that action, provided that both of the following are met:
    - i. the determination of good faith conduct required by Section 5, below, must be made in the manner provided for in that section; and
    - ii. upon application, the court in which the action was brought must determine that, in view of all the circumstances of the case, the agent should be entitled to indemnity for the expenses incurred. If the agent is found to be so entitled, the court shall determine the appropriate amount of expenses to be reimbursed.
5. Determination of Agent's Good Faith Conduct. The indemnification granted to an agent in Sections 3 and 4 of this Article above is conditioned on the following:
  - a. Required standard of conduct. The agent seeking reimbursement must be found, in the manner provided below, to have acted in good faith, in a manner he/she believed to be in the best interest

of PLAN JPA, and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use in similar circumstances. The termination of any proceeding by judgment, order, settlement, conviction, or on a plea of noel contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith or in a manner which he/she reasonably believed to be in the best interest of PLAN JPA or that he/she had reasonable cause to believe that his/her conduct was unlawful. In the case of a criminal proceeding, the person must have had no reasonable cause to believe that his/her conduct was unlawful.

- b. Manner of determination of good faith conduct. The determination that the agent did act in a manner complying with Paragraph (a) above shall be made by:
  - i. the Board of Directors by a majority vote of a quorum consisting of Directors who are not parties to the proceeding; or
  - ii. the court in which the proceeding is or was pending. Such determination may be made on application brought by PLAN JPA or the agent or the attorney or other person rendering a defense to the agent, whether or not the application by the agent, attorney, or other person is opposed by PLAN JPA.
6. Limitations. No indemnification or advance shall be made under this Article, except as provided in Sections 2 or 5(b)(iii), above, in any circumstance when it appears:
  - a. That the indemnification or advance would be inconsistent with a provision of the Articles or an agreement in effect at the time of the accrual of the alleged cause of action asserted in the proceeding in which the expenses were incurred or other amounts were paid, which prohibits or otherwise limits indemnification; or
  - b. that the indemnification would be inconsistent with any condition expressly imposed by a court in approving a settlement.
7. Advance of Expenses. Expenses incurred in defending any proceeding may be advanced by PLAN JPA before the final disposition of the proceeding on receipt of an undertaking by or on behalf of the agent to repay the amount of the advance unless it is determined ultimately that the agent is entitled to be indemnified as authorized in this Article.
8. Contractual Rights of Non-directors and Non-officers. Nothing contained in this Article shall affect any right to indemnification to which persons other than Directors and Officers of PLAN JPA, or any subsidiary hereof, may be entitled by contract or otherwise.
9. Insurance. The Board of Directors may adopt a resolution authorizing the purchase and maintenance of Director's and Officer's insurance, or any other insurance, on behalf of any agent of PLAN JPA against any liability deemed appropriate by the Board.

## **ARTICLE XII**

### **RECORDS AND REPORTS**

1. Maintenance of Corporate Records. PLAN JPA shall keep:
  - a. Adequate and correct books and records of account; and
  - b. Minutes in written form of the proceedings of its Board, and committees of the Board.

All such records shall be kept at PLAN JPA's principal executive office, or if its principal executive office is not in the State of California, at its principal business office in this state.

2. Inspection Rights.
  - a. Any Member Entity may inspect the accounting books and records and minutes of the proceedings of the Board and committees of the Board, at any reasonable time, for a purpose reasonably related to such person's interest.
  - b. Any inspection and copying under this section may be made in person or by an agent or attorney or the entity entitled thereto and the right of inspection includes the right to copy and make extracts.
3. Maintenance and Inspection of Articles and Bylaws. PLAN JPA shall keep at its principal executive office, or if its principal executive office is not in the State of California, at its principal business office located in this state, the original or copy of the Articles and Bylaws as amended to date, which shall be open to inspection by any Member Entity at all reasonable times during office hours. If the principal executive office of PLAN JPA is outside the State of California and PLAN JPA has no principal business office in this state, the Secretary shall, on the written request of any member of the governing body of a Member Entity furnish to that member a copy of the Articles and Bylaws as amended to date.
4. Inspection by Directors. Every Director shall have the absolute right at any reasonable time to inspect all books, records, and documents of every kind and the physical properties of PLAN JPA. This inspection by a Director may be made in person or by an agent or attorney, and the right of inspection includes the right to copy and make extracts of documents.
5. Annual Report.
  - a. Not later than one hundred twenty (120) days after the close of PLAN JPA's fiscal year, the Board shall cause an annual report/financial audit prepared by a certified public accountant to be sent to the governing body of each Member Entity. Such report shall contain the following information in reasonable detail:
    - i. the assets and liabilities, including the trust funds, of the PLAN JPA as of the end of the fiscal year;
    - ii. the principal changes in assets and liabilities, including trust funds, during the fiscal year;
    - iii. the revenue or receipts of PLAN JPA, both unrestricted and restricted to particular purposes, for the fiscal year; and
    - iv. the expenses or disbursements of PLAN JPA, for both general and restricted purposes, during the fiscal year.
  - b. The report required by this Section shall be accompanied by any report thereon of independent accountants, or, if there is no such report, by the certificate of an authorized Officer of PLAN JPA that such statements were prepared without audit from the books and records of PLAN JPA.
6. Fiscal Year. PLAN JPA's fiscal year shall be from July 1 to June 30.

**ARTICLE XIII**  
**CONSTRUCTION AND DEFINITIONS**

Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the California Government Code Section 65000, et seq. and the California Government Code related to Local Agencies shall govern the construction of these Bylaws. Without limiting the generality of the above, the masculine gender includes the feminine and neuter, the singular number includes the plural, the plural number includes the singular, the term "person" includes both PLAN JPA and a natural person and any capitalized term not defined in these Bylaws shall have the meaning ascribed to them in the Agreement.

**ARTICLE XIV**  
**AMENDMENTS**

1. Amendment by Directors. Subject to the limitations set forth below, the Board of Directors may adopt, amend or repeal Bylaws. Such power is subject to the following limitations:
  - a. The Board of Directors may not amend a bylaw provision fixing the authorized number of directors or the minimum and maximum number of directors.
  - b. If any provision of these Bylaws requires the vote of a larger proportion of the Directors than otherwise required by law, such provision may not be altered, amended or repealed except by vote of such larger number of Directors.
  - c. The Board of Directors may not delete or amend Bylaw provisions requiring compliance with the Agreement except as provided in the Agreement.