

**BYLAWS
OF THE
CALIFORNIA ASSOCIATION OF LOCAL AGENCY FORMATION COMMISSIONS**

ARTICLE I

OFFICES

1.1 Principal Office. The principal office of California Association of Local Agency Formation Commissions (“Corporation”) is located at California Local Agency Formation Commissions, 801 12th Street, Suite 611, Sacramento, California 95814.

1.2 Change of Address. The Board (as that term is defined in Section 4.1.1 of these Bylaws) hereby is granted full power and authority to change the location of the principal office of Corporation. Any such change shall be noted by the Secretary in these Bylaws, but shall not be considered an amendment of these Bylaws.

ARTICLE II

MEMBERS

2.1 Classification and Qualifications of Members. The Corporation shall have three (3) classes of members as follows: Member LAFCOs; Officers of Member LAFCOs; and Associate Members. Member LAFCOs shall be any local agency formation commission (“LAFCO”), which have paid the required annual membership dues and assessments and have indicated by appropriate action their desire to join the Corporation. Officers of Member LAFCOs shall be any regular or alternate Commissioner, executive officer, deputy executive officer, legal counsel, or deputy legal counsel of any LAFCO in good standing as a Member LAFCO. Associate Members of the Corporation shall be any member of the public, a government agency, a business, or an educational institution, either who or which has paid the required annual membership dues and assessments and has indicated by appropriate action its desire to join the Corporation. Notwithstanding any other provision in these Bylaws to the contrary, the terms generally meaning “approval of members or the membership” or “ratification by the members or membership” or “adopted by the members or membership” shall mean such approval or ratification or adoption by members eligible to vote.

2.2 Membership Dues. The Board shall identify the privileges, and set the amount of membership dues, in accordance herewith, for membership categories during the budget adoption process. The membership dues payable to the Corporation for the admission calendar year by newly admitted members shall be payable in full at the time of admittance. The amount of membership dues and the time or times of payment may, in accordance herewith, be determined and fixed by the Board, and a member, upon learning of any change in such amount or the time or times of payment, may avoid liability therefor by promptly resigning from membership. **(Amended 6 September 2006)**

2.2.1 Notwithstanding the foregoing, Member LAFCO annual membership dues shall be levied based upon a formula that includes the following components:

(1) Dues are population based. The fiscal year 2006-2007 dues uses a .004 per capita rate and 2005 data from the Department of Finance. The fiscal year 2007-2008 dues uses a .0055 per capita rate and 2006 data from the Department of Finance. The fiscal year 2008-2009 dues uses a .007 per capita rate and 2007 data from the Department of Finance.

(2) Maximum dues for fiscal year 2006-2007 are \$4,000. Maximum dues for fiscal year 2007-2008 are \$5,500. Maximum dues for fiscal year 2008-2009 are \$7,000.

(3) Minimum dues have two components. The first component utilizes the California State Association of Counties (CSAC) classification based on population of rural, suburban or urban counties. The second component is that no LAFCO will pay less than its current dues. For fiscal year 2006-2007, the minimum dues for a rural LAFCO are \$650, and for a suburban LAFCO are \$1,800. For fiscal year 2007-2008, the minimum dues for a rural LAFCO are \$675, and for a suburban LAFCO are \$2,000. For fiscal year 2008-2009, the minimum dues for a rural LAFCO are \$725, and for a suburban LAFCO are \$2,200.

2.2.2 Based on the above-described formula, the fiscal years 2006-2009 dues for each LAFCO are as follows:

| | 2006-07 Dues | 2007-08 Dues | 2008-09 Dues |
|--------------|---------------------|---------------------|---------------------|
| ALAMEDA | \$ 4,000 | \$ 5,500 | \$ 7,000 |
| AMADOR | \$ 650 | \$ 675 | \$ 725 |
| BUTTE | \$ 1,800 | \$ 2,000 | \$ 2,200 |
| CALAVERAS | \$ 650 | \$ 675 | \$ 725 |
| COLUSA | \$ 650 | \$ 675 | \$ 725 |
| CONTRA COSTA | \$ 4,000 | \$ 5,500 | \$ 7,000 |
| DEL NORTE | \$ 650 | \$ 675 | \$ 725 |
| EL DORADO | \$ 1,800 | \$ 2,000 | \$ 2,200 |
| FRESNO | \$ 3,534 | \$ 5,500 | \$ 6,185 |
| GLENN | \$ 650 | \$ 675 | \$ 725 |
| HUMBOLDT | \$ 1,800 | \$ 2,000 | \$ 2,200 |
| IMPERIAL | \$ 1,800 | \$ 2,000 | \$ 2,200 |
| INYO | \$ 650 | \$ 675 | \$ 725 |
| KERN | \$ 3,012 | \$ 4,142 | \$ 5,271 |
| KINGS | \$ 1,800 | \$ 2,000 | \$ 2,200 |
| LAKE | \$ 650 | \$ 675 | \$ 725 |
| LASSEN | \$ 650 | \$ 675 | \$ 725 |
| LOS ANGELES | \$ 4,000 | \$ 5,500 | \$ 7,000 |
| MADERA | \$ 1,800 | \$ 2,000 | \$ 2,200 |
| MARIN | \$ 1,800 | \$ 2,000 | \$ 2,200 |
| MARIPOSA | \$ 650 | \$ 675 | \$ 725 |
| MENDOCINO | \$ 650 | \$ 675 | \$ 725 |
| MERCED | \$ 1,800 | \$ 2,000 | \$ 2,200 |
| MODOC | \$ 650 | \$ 675 | \$ 725 |
| MONO | \$ 650 | \$ 675 | \$ 725 |

| | | | |
|-----------------|----------|----------|----------|
| MONTEREY | \$ 1,800 | \$ 2,338 | \$ 2,976 |
| NAPA | \$ 1,800 | \$ 2,000 | \$ 2,200 |
| NEVADA | \$ 650 | \$ 675 | \$ 725 |
| ORANGE | \$ 4,000 | \$ 5,500 | \$ 7,000 |
| PLACER | \$ 1,800 | \$ 2,000 | \$ 2,200 |
| PLUMAS | \$ 650 | \$ 675 | \$ 725 |
| RIVERSIDE | \$ 4,000 | \$ 5,500 | \$ 7,000 |
| SACRAMENTO | \$ 4,000 | \$ 5,500 | \$ 7,000 |
| SAN BENITO | \$ 650 | \$ 675 | \$ 725 |
| SAN BERNARDINO | \$ 4,000 | \$ 5,500 | \$ 7,000 |
| SAN DIEGO | \$ 4,000 | \$ 5,500 | \$ 7,000 |
| SAN FRANCISCO | \$ 3,197 | \$ 4,396 | \$ 5,595 |
| SAN JOAQUIN | \$ 2,613 | \$ 3,593 | \$ 4,573 |
| SAN LUIS OBISPO | \$ 1,800 | \$ 2,000 | \$ 2,200 |
| SAN MATEO | \$ 2,894 | \$ 3,979 | \$ 5,064 |
| SANTA BARBARA | \$ 1,800 | \$ 2,306 | \$ 2,935 |
| SANTA CLARA | \$ 4,000 | \$ 5,500 | \$ 7,000 |
| SANTA CRUZ | \$ 1,800 | \$ 2,000 | \$ 2,200 |
| SHASTA | \$ 1,800 | \$ 2,000 | \$ 2,200 |
| SIERRA | \$ 650 | \$ 675 | \$ 725 |
| SISKIYOU | \$ 650 | \$ 675 | \$ 725 |
| SOLANO | \$ 1,800 | \$ 2,319 | \$ 2,952 |
| SONOMA | \$ 1,914 | \$ 2,631 | \$ 3,349 |
| STANISLAUS | \$ 2,018 | \$ 2,775 | \$ 3,531 |
| SUTTER | \$ 650 | \$ 675 | \$ 725 |
| TRINITY | \$ 650 | \$ 675 | \$ 725 |
| TULARE | \$ 1,800 | \$ 2,254 | \$ 2,869 |
| TUOLUMNE | \$ 650 | \$ 675 | \$ 725 |
| VENTURA | \$ 3,252 | \$ 4,472 | \$ 5,691 |
| YOLO | \$ 1,800 | \$ 2,000 | \$ 2,200 |
| YUBA | \$ 650 | \$ 675 | \$ 725 |

2.2.3 Dues will be increased by the Board on an annual basis for fiscal year 2009-2010 and following to reflect changes in the Consumer Price Index (CPI).

2.2.4 Membership dues may be reduced by the board if financial hardship is demonstrated to the satisfaction of the Board.

2.2.5 Officers of member LAFCOs shall not pay membership dues.

2.2.6 Notwithstanding the foregoing, associate member annual membership dues shall be established by action of the Board of Directors.

2.3 Assessments. Assessments may be imposed on members by resolution of the Board, except that any such assessments established by the Board first must be ratified by the voting membership before becoming effective. A member, upon learning of an assessment, may avoid liability therefor by promptly resigning from membership.

2.4 Number of Members. There shall not be any limit on the number of members the Corporation may have.

2.5 Membership Book. The Corporation shall keep in any form capable of being converted in written form a membership book containing the name, address, and class of each member. The book also shall contain the fact of termination and the date on which such membership ceased. Such book shall be kept at the principal office of the Corporation and shall be subject to the rights of inspection required by law and as set forth in Section 2.6 of these Bylaws.

2.6 Inspection Rights of Members.

2.6.1 The accounting books and records and minutes of proceedings of the members, the Board, and committees of the Board shall be open to inspection upon written demand on the Corporation of any member at any reasonable time, for a purpose reasonably related to such person's interests as a member.

2.6.2 Inspection pursuant to this Section 2.6 of these Bylaws by a member may be made in person or by agent or attorney, and the right of inspection includes the right to copy and make extracts at such member's sole expense and cost.

2.6.3 If any record subject to inspection pursuant to this Section 2.6 of these Bylaws is not maintained in written form, the Corporation shall at its expense make such record available in written form.

2.6.4 Notwithstanding the foregoing, the right of a member to inspect and copy or obtain a copy of the list of names and addresses of members is as prescribed by Sections 6330 through 6338, inclusive, of the California Corporations Code ("CCC").

2.7 Certificates of Membership. The Corporation shall not issue membership certificates; however, the Corporation reserves the right to issue identity cards or similar devices to members which serve to identify members qualifying to use the facilities or services of the Corporation.

2.8 Nonliability of Members. A member of the Corporation shall not, solely because of such membership, be personally liable for the debts, obligations, or liabilities of the Corporation.

2.9 Transferability of Membership. Neither the membership in the Corporation nor any rights in the membership may be transferred or assigned for value or otherwise.

2.10 Termination of Membership.

2.10.1 The membership and all rights of membership automatically shall terminate on the occurrence, where applicable, of any of the following:

(A) Death.

- (B) The voluntary resignation of a member, effective as of the date notice of such resignation is either personally hand-delivered to the President or Secretary of the Corporation or deposited in United States first-class mail, postage prepaid.
- (C) The nonpayment of required dues, assessments or fees.

2.10.2 Termination of membership shall not relieve the resigning member from any obligation for charges incurred, services or benefits actually rendered, dues, assessments, or fees, arising from contract or otherwise prior to such effective date of resignation, and shall not diminish any right of the Corporation to enforce any such obligation or obtain damages for its breach.

ARTICLE III

MEETINGS OF MEMBERS

3.1 Place. Meetings of members shall be held at the principal office of the Corporation or at such location within the State of California as may be designated from time to time by the Board.

3.2 Regular Meetings. Regular meetings shall be as determined by the Board. The business to be conducted at such meetings shall include, but not be limited to:

- (1) the election to the Board of Directors as provided in Article IV of these Bylaws;
- (2) the written resolution of any Member LAFCO in good standing, provided such resolution was submitted to the Board at least sixty (60) days prior to such meeting; and
- (3) the written resolution of any Member LAFCO in good standing not submitted in accordance with the immediately preceding clause (2), provided not less than fifty percent (50%) of Member LAFCOs eligible to vote are present and not less than two-thirds (K) of such present members agree to waive the 60 day prior notice requirement in the immediately preceding clause (2).

3.3 Special Meetings. Special meetings may be called by the Chairperson or by a majority of the voting members of the Corporation for any lawful purpose.

3.4 Notice of Meetings. Notice of member meetings shall be given in writing as follows:

3.4.1 Written notice of regular and special meetings shall be given not less than thirty (30) days nor more than ninety (90) days prior to the meeting to each

Member LAFCO and Associate Member of the Corporation. Such notice shall state the place, date and hour of the meeting, and in the case of the annual meeting, those matters which the Board, at the time of the mailing of the notice, intends to present for action by the members.

3.4.2 Notice of any meeting, written ballot, or report shall be given either personally, by first-class United States mail, postage prepaid, or other means of written communication, addressed to the member at the address of such member appearing on the books of the Corporation or given by the member to the Corporation for the purpose of notice; or if no such address appears or is given, at the place where the principal office of the Corporation is located. The notice, written ballot, or report shall be deemed to have been given at the time when delivered personally, deposited in the mail, or otherwise sent, as the case may be. An affidavit of mailing of any notice, written ballot, or report in accordance with the provisions of this Section 3.4.2 of these Bylaws, executed by the Secretary, shall be evidence of the giving of the notice, written ballot, or report.

3.4.3 Except as otherwise prescribed by the Board in particular instances and except as otherwise provided by applicable law, the Secretary shall prepare and give, or cause to be prepared and given, the notice of meetings and the written ballots.

3.5 Approvals. No action may be taken at a regular or special meeting unless a majority of the voting members are present. The Corporation may act on all matters upon the majority vote of the voting members present at the meeting. All such approvals shall be made a part of the minutes of the meeting.

3.6 Quorum.

3.6.1 A quorum at any meeting shall consist of not less than fifty (50%) of the members entitled to vote.

3.6.2 Except where a greater vote is required by the Articles of Incorporation, these Bylaws, or applicable law, if a quorum is present, the affirmative vote of a majority of the members present shall be the act of the members.

3.6.3 In the absence of a quorum, any meeting of members may be adjourned from time to time by the vote of a majority of the members present, but no other business may be transacted.

3.6.4 When a meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place thereof is announced at the meeting at which the adjournment is taken. The meeting shall not be adjourned for more than 45 days. At the adjourned meeting, the Corporation may transact any business which might have been transacted at the original meeting.

3.7 Voting of Membership.

3.7.1 Each Member LAFCO, in good standing, is entitled to one (1) vote on each matter submitted to a vote of the members. A Member LAFCO's vote may be cast by the Officer of a Member LAFCO designated in writing to the Executive Director or the Board by such Member LAFCO prior to or at the meeting. Members in the class of either Officer of a Member LAFCO or Associate Member are not entitled to vote on any matter submitted to a vote of the members.

3.7.2 Cumulative voting shall not be authorized for any purposes.

3.7.3 Proxies are not permitted.

3.8 Written Ballot of Members.

3.8.1 Whenever the members are to vote on any proposal for action which could be taken at any regular or special meeting of members, the members may, in the discretion of the Board (unless a specific method of voting is prescribed by these Bylaws), vote by written ballot without a meeting pursuant to this Section 3.8 of these Bylaws.

3.8.2 A written ballot shall be mailed to every member entitled to vote on the matter pursuant to Section 3.4.2 of these Bylaws.

3.8.3 The written ballot shall set forth the time by which the ballot must be received in order to be counted and the minimum number of written ballots which must be returned to meet the quorum requirement.

3.8.4 If the vote is for other than Directors, then the written ballot shall set forth:

- (A) The proposal to be voted on, and for this purpose related proposals may be grouped as a single proposal for the written ballot.
- (B) Offer the member a choice between approval and disapproval on each such proposal.
- (C) Specify that the proposal must be approved by a majority of the written ballots voting on the proposal, provided that sufficient written ballots are returned to meet the quorum requirement.

3.8.5 Approval by written ballot shall be valid only when the number of votes cast by ballot within the time period specified equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.

3.8.6 A written ballot may not be revoked.

3.9 Unanimous Written Consent of Members. In addition to the written ballot procedure of Section 3.8 of these Bylaws, any action required or permitted to be taken by the members may be taken without a meeting if all members individually or collectively shall consent in writing to the action. The written consent or consents shall be filed with the minutes of the proceedings of the members. The action by written consent shall have the same force and effect as the unanimous vote of the members.

3.10 Conduct of Meetings.

3.10.1 The President of the Corporation or, in his or her absence, the Vice President of the Corporation, or in his or her absence, any other person chosen by a majority of the voting members present in person shall be Chairperson of and shall preside over the meetings.

3.10.2 The Secretary of the Corporation shall act as the Secretary of all meetings; provided that in his or her absence, the Chairperson shall appoint another person to act as secretary of the meetings.

3.10.3 The Chairperson shall decide questions of order at Member meetings subject to appeal by a majority of the quorum.

3.11 Inspectors of Election.

3.11.1 In advance of any meeting, the Board may appoint inspectors of election to act at the meeting and any adjournment thereof. If inspectors of election are not so appointed, or if any person appointed fails to appear or refuses to act, the Chairperson of any meeting may, and on the request of any member present shall, appoint inspectors of election (or persons to replace those who fail or refuse) at the meeting. The number of inspectors shall be either one or three. If appointed at a meeting on the request of one or more members, the majority of members present shall determine whether one or three inspectors are to be appointed.

3.11.2 The inspectors of election shall determine the number of memberships outstanding, the number present at the meeting, the existence of a quorum, receive votes, ballots or consents, hear and determine all challenges and questions in any way arising in connection with the right to vote, count and tabulate all votes or consents, determine when the polls shall close, determine the result and do such acts as may be proper to conduct the election or vote with fairness to all members.

3.11.3 The inspectors of election shall perform their duties impartially, in good faith, to the best of their ability and as expeditiously as is practical. If there are three inspectors of election, the decision, act or certificate of a majority is effective in all respects as the decision, act or certificate of all. Any report or certificate made by the inspectors of election is prima facie evidence of the facts stated therein.

ARTICLE IV

DIRECTORS

4.1 Number.

4.1.1 The authorized number of Directors of the Corporation shall be eighteen (18) Commissioners to be elected from among the Commission Members as follows:

- (1) Four (4) Directors shall be city members or alternates of LAFCOs, and two (2) Directors shall be elected at each annual meeting;
- (2) Four (4) Directors shall be county members or alternates of LAFCOs, and two (2) Directors shall be elected at each annual meeting;
- (3) Three (3) Directors shall be public members or alternates of LAFCOs, and two (2) Directors shall be elected at annual meetings held in odd-numbered years and one (1) Director shall be elected at annual meetings held in even-numbered years;
- (4) Four (4) Directors shall be special district members or alternates of LAFCOs, and two (2) Directors shall be elected at each annual meeting;
- (5) One Director, appointed by the voting members of the Board, shall be an Executive Officer or a person functioning as executive officer of a Member LAFCO, who shall be a nonvoting Director;
- (6) One Director, appointed by the voting members of the Board, shall be the Executive Director of the Corporation, who shall be a nonvoting Director; and
- (7) One Director, appointed by the voting members of the Board, shall be a legal counsel or deputy legal counsel of a Member LAFCO, who shall be a nonvoting Director

Collectively, the Directors shall be known as the Board of Directors (“Board”).

4.2 Nomination; Election; and Term.

4.2.1 Prior to the annual meeting, the Board shall appoint a recruitment committee consisting of one Commissioner representing cities, one Commissioner representing counties, one Commissioner representing the general public, and one

Commissioner representing special districts, in accordance with election procedures adopted by the Board. The committee shall submit nominations at the annual meeting for all positions on the Board, the terms of which will expire with that meeting. Nominations may also be made from the floor at the annual meeting. The Board shall make such rules as are necessary to carry out the provisions of this section.

4.2.2 Only Commissioners of Member LAFCOs in good standing and whose membership dues and assessments are fully paid may be nominated to be a Director by the method of nomination authorized by the Board or by any other method authorized by law.

4.2.3 Directors shall be elected at a regular or special meeting or by written ballot as authorized by Section 3.8 of these Bylaws. Directors shall be eligible for reelection without limitation on the number of terms they may serve.

4.2.4 Directors are elected for a term of two (2) years.

4.2.5 A vacancy occurring in the office of Director may be filled by the Board for the balance of the unexpired term and until a successor has been elected and qualified.

4.2.6 Each elected Director shall hold office until the expiration of the term for which elected and until a successor has been elected and qualified.

4.3 Vacancies on Board. A vacancy or vacancies on the Board shall exist on the occurrence 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 of judgment of any court to have breached a duty under Article 3 of Chapter 2 of the CCC; or
- (C) The increase of the authorized number of Directors.

4.4 Resignations and Terminations of Directors. Except as provided below, any Director may resign by giving written notice to the President or the Secretary of the Board. The resignation shall be effective when the notice is given unless it specifies a later time for the resignation to become effective. The Board, in its sole discretion, may declare vacant the position of any Director who misses three (3) consecutive meetings of the Board. Such Director, however, first shall be given prior notice of such pending termination and given the opportunity to offer a reason for such absences.

4.5 Meetings of the Board.

4.5.1 Meetings of the Board shall be held at the principal office of the Corporation unless another place is stated in the notice of the meeting.

4.5.2 A special meeting of the Board may be called by the President, the Secretary, or any two Directors.

4.5.3 Notice of all regular and special meetings of the Board shall be given. A notice need not include the purpose or agenda for the meeting. The notice may be in writing and mailed at least three (3) days before the meeting. The notice may also be delivered personally or by telephone at least 48 hours before the meeting.

4.5.4 Notice of a meeting need not be given to any Director who signs a waiver of notice or a consent to holding the meeting or an approval of the minutes thereof, whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to such Director. All such waivers, consents and approvals shall be made a part of the minutes of the meeting.

4.5.5 Directors may participate in a meeting through use of conference telephone or similar communications equipment, so long as all such Directors participating in such meeting can hear one another. Participation in a meeting by this means constitutes presence in person at such meeting.

4.5.6 A majority of the authorized number of Directors shall constitute a quorum of the Board for the transaction of business, except to adjourn. A Director may give a proxy to the Executive Director solely for the purpose of constituting a quorum.

4.5.7 A majority of the Directors present, whether or not a quorum is present, may adjourn any meeting to another time and place. If the meeting is adjourned for more than 24 hours, notice of any adjournment to another time or place shall be given, prior to the time of the adjourned meeting, to the Directors who were not present at the time of adjournment.

4.6 Required Vote of Directors.

4.6.1 Every act or decision done or made by a majority of the Directors present at a meeting duly held at which quorum is present is the act of the Board. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of Directors, if any action taken is approved by at least a majority of the required quorum for such meeting.

4.7 Written Consent of Directors. Any action required or permitted to be taken by the Board may be taken without a meeting, if all Directors individually or collectively shall consent in writing to such action. 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 a unanimous vote of such Directors. All members of the Board, as used in this Bylaw does not include any "interested director" as defined in Section 5233 of the CCC.

4.8 Compensation of Directors. Directors shall receive no compensation for their services.

4.9 Inspection Rights of Directors. Every Director shall have the absolute right to any reasonable time to inspect and copy all books, records and documents of every kind and to

inspect the physical properties of the Corporation during normal weekday business hours. If a Director wishes to be accompanied by an attorney during such inspection, then the inspection will be scheduled at a time when the Corporation's attorney will be present.

4.10 Interested Persons. Not more than forty-nine percent (49%) of the persons serving on the Board may be interested persons.

4.10.1 As used in this section, an "interested person" means either:

- (A) Any person currently being compensated by the Corporation for services rendered to it within the previous twelve (12) months, whether as a full- or part-time 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 any such person.

4.10.2 The provisions of this Section 4.10 of these Bylaws shall not affect the validity or enforceability of any transaction entered into by the Corporation.

4.11 Powers of the Board.

- (1) It may call special meetings of the members whenever it deems it necessary.
- (2) It shall appoint and remove, at pleasure, all officers, agents, and employees of the Corporation and it shall prescribe their duties to the extent that they are not set out in these Bylaws.
- (3) It may appoint an executive officer or member LAFCO staff person to be a deputy Corporation executive officer.
- (4) It shall conduct and manage the affairs and business of the Corporation, and it shall make rules and regulations not inconsistent with these Bylaws for the guidance of the officers and management of the affairs of the Corporation.
- (5) It may contract with others for such staff and clerical assistance as may be necessary to perform its duties.
- (6) It shall establish, levy, and collect, in accordance with these Bylaws, annual dues and assessments and such other charges and fees necessary to carry out the purposes of the Corporation.

- (7) It may delegate any of its duties to committees to the extent not inconsistent with the Articles of Incorporation, these Bylaws, and applicable laws.
- (8) It shall possess any and all other powers not inconsistent with the Articles of Incorporation, these Bylaws, and applicable laws.

4.12 Duties of the Board.

- (1) It shall arrange and conduct an annual meeting of the Corporation and such other meetings and conferences as it determines necessary.
- (2) It shall arrange for the exchange of information among LAFCOs.
- (3) It shall review laws and proposed laws affecting LAFCOs and make such recommendations thereon as it deems appropriate.
- (4) It shall appoint such committees as are necessary to assist the Board in the performance of its duties.
- (5) It may adopt rules of procedure for the conduct of its meetings.
- (6) It shall perform such other duties as are necessary to carry out the purposes of the Corporation or as directed by the membership, all in accordance with the Articles of Incorporation, these Bylaws, and applicable laws.

ARTICLE V

OFFICERS

5.1 Number and Titles. The officers of the Corporation shall be a President or Chairperson, a Vice-President or Vice-Chairperson, a Secretary, a Treasurer, an Executive Director, and such other officers with such titles and such duties as shall be determined and deemed advisable by the Board.

5.1.1 The President shall preside over all meetings of the Board and of the membership and shall sign, in such capacity, all deeds, contracts, notes, conveyances, and other papers, documents, and instruments in writing in the name of the Corporation, which have first been approved by the Board, and shall have, subject to the direction of the Board, general supervision of the business affairs of the Corporation and generally shall discharge such other duties as may be required by the Board.

5.1.2 The Vice-President shall, in the absence of the President or the inability or refusal of the President to act, carry on all duties and powers required by law

or these Bylaws and shall all the powers conferred by law or these Bylaws upon the President.

5.1.3 The Secretary shall keep or cause to be kept the minute book of the Corporation as prescribed by Section 8.1 of these Bylaws. The Secretary shall sign in the name of the Corporation, either alone or with one or more other officers, all documents authorized or required to be signed by the Secretary. If the Corporation has a corporate seal, the Secretary shall keep the seal at the Corporation's principal office and shall affix the seal to documents as appropriate or desired. The Board may by resolution authorize one or more Assistant Secretaries to perform, under the direction of the Secretary, some or all the duties of the Secretary.

5.1.4 The Treasurer is the chief financial officer of the corporation, and, where appropriate, may be designated by the alternate title "Chief Financial Officer". The Treasurer is responsible for the receipt, maintenance, and disbursement of all funds of the Corporation and for the safekeeping of all securities of the Corporation. The Treasurer shall keep or cause to be kept books and records of account and records of all properties of the Corporation. The Treasurer shall prepare or cause to be prepared annually, or more often if so directed by the Board or President, financial statements of the Corporation. The Board may authorize one or more Assistant Treasurers to perform, under the direction of the Treasurer, some or all the duties of the Treasurer.

5.1.5 The Executive Director shall work directly with the Board in managing the day to day activities of the Corporation. The Executive Director shall be directly responsible for assisting the Board in the development of a strategic business plan to achieve greater financial performance and increased visibility, and generally be responsible for Board administration matters, education and training, communication, legislative activities, regulatory monitoring advocacy, and inter-agency communication, as may be described more fully by and at the pleasure of the Board.

5.2 Appointment and Removal of Officers.

5.2.1 The officers shall be elected by the Board.

5.2.2 Any officer elected by the Board may be removed from office at any time by the Board, with or without cause or prior notice.

5.2.3 When authorized by the Board, any elected officer may be appointed for a specific term under a contract of employment. Notwithstanding that such officer is appointed for a specified term or under a contract of employment, any such officer may be removed from office at any time pursuant to Section 5.2.2 of these Bylaws and shall have no claim against the Corporation on account of such removal other than for such monetary compensation as the officer may be entitled to under the terms of the contract of employment.

5.2.4 Any officer may resign at any time upon written notice to the Corporation without prejudice to the rights, if any, of the Corporation under any contract to which the officer is a party. Such resignation is effective upon receipt of the written

notice by the Corporation unless the notice prescribes a later effective date or unless the notice prescribes a condition to the effectiveness of the resignation.

5.2.5 The same person may hold more than one appointed office, except that neither the Secretary nor the Treasurer may serve concurrently as the President.

ARTICLE VI

INDEMNIFICATION

6.1 Indemnification of Directors, Officers, and Employees.

6.1.1 The Corporation may indemnify a Director, officer, or employee under the provisions of Section 5238 of the CCC, or pursuant to any contract entered into with any employee who is not an officer or Director.

6.1.2 Expenses incurred in defending any proceeding may be advanced by the Corporation as authorized in Section 5238 of the CCC prior to the final disposition of such proceeding, upon receipt of an undertaking by or on behalf of the Director, officer, or employee to repay such amount unless it shall be determined ultimately that the Director, officer, or employee is entitled to be indemnified.

6.1.3 The Corporation may purchase and maintain insurance on behalf of any Director, officer, or employee of the Corporation against any liability asserted against or incurred by the Director, officer, or employee in such capacity or arising out of the Director's officer's, or employee's status as such, whether or not the Corporation would have the power to indemnify the Director, officer, or employee against such liability under the provisions of Section 5238 of the CCC, except as provided in subdivision (I) of Section 5238 of the CCC.

ARTICLE VII

AMENDMENT

7.1 Amendment of Articles. The amendment of the Articles of Incorporation of the Corporation is provided for by California state law and generally requires the approval of the membership pursuant to these Bylaws and the filing of a certificate of amendment in the Office of the Secretary of State.

7.2 Amendment of Bylaws. The amendment of Bylaws is provided for by California state law and generally requires the approval of the membership pursuant to these Bylaws, and to the extent not inconsistent herewith:

(A) These Bylaws may be amended at a meeting of the Corporation or at any statewide, general meeting convened upon order of the Board. Bylaw amendments may be proposed by a Member LAFCO in good standing or by the Board.

(B) Proposed amendments shall be submitted to the Board in writing at least sixty days prior to the meeting at which they are to be considered. The Board shall mail copies of the proposed amendments to all Member LAFCOs in good standing at least thirty days prior to the meeting at which they are to be considered. A majority vote of the Member LAFCOs in good standing which are present and eligible to vote is required for adoption of the amendments submitted under this procedure.

(C) Written amendments to the Bylaws may be submitted and considered at a meeting of the Corporation without complying with the requirements set out in the preceding paragraph if at least fifty percent of the Member LAFCOs in good standing are present and eligible to vote at such meeting and two-thirds of the Member LAFCOs in good standing present and eligible to vote approve a waiver of the requirements set out in the immediately preceding subparagraph (B).

ARTICLE VIII

RECORDS

8.1 Minute Book. The Corporation shall keep or cause to be kept a minute book which shall contain:

- (A) The record of all meetings of the Board including date, place, those attending and the proceedings thereof, a copy of the notice of the meeting and when and how given, written waivers of notice of meeting, written consents to holding meeting, written approvals of minutes of meeting, and unanimous written consents to action of the Board without a meeting, and similarly as to meetings of committees of the Board established pursuant to the Bylaws and as to meetings or written consents of the incorporator of the Corporation prior to the appointment of the initial Directors.
- (B) A copy of the Articles of Incorporation and all amendments thereof and a copy of all certificates filed with the Secretary of State.
- (C) A copy of these Bylaws as amended, duly certified by the Secretary.

8.2 Annual Report.

8.2.1 Financial statements shall be prepared as soon as reasonably practicable after the close of the fiscal year. The financial statements shall contain in appropriate detail the following:

- (A) The assets and liabilities, including 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.
- (D) The expenses or disbursements of the Corporation for both general and restricted purposes, during the fiscal year.

8.2.2 Any report furnished to Directors of the Corporation which includes the financial statements prescribed by Section 8.2.1 of these Bylaws 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.

8.2.3 A report including the financial statements prescribed by Section 8.2.1 of these Bylaws shall be furnished annually to all Directors of the Corporation.

8.3 Report of Transactions and Indemnifications. The Corporation shall mail to all Directors a statement of any transaction between the Corporation and one of its officers or Directors or of any indemnification paid to any officer or Director if, and to the extent, required by Section 6322 of the CCC. The statement shall be mailed within 120 days after the close of the fiscal year. The statement required by this Section 8.3 of these Bylaws shall describe briefly:

- (A) Any covered transaction during the previous fiscal year involving more than Fifty Thousand Dollars (\$50,000), or which was one of a number of covered transactions in which the same “interested person” had a direct or indirect material financial interest, and which transactions in the aggregate involved more than Fifty Thousand Dollars (\$50,000).
- (B) The names of the “interested persons” involved in such transactions, stating such person’s relationship to the Corporation, the nature of such person’s interest in the transaction and, where practicable, 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.
- (C) The statement shall describe briefly the amount and circumstances of any indemnifications or advances aggregating more than Ten Thousand Dollars (\$10,000) paid during the fiscal year to any officer or Director of the Corporation pursuant to Section 5233 of the CCC.

For these purposes, an “interested person” is any Director, officer, or member of the Corporation.

ARTICLE IX

MISCELLANEOUS

9.1 Bonding. All employees handling funds shall be properly bonded.

9.2 Self-Dealing. In the exercise of voting right by Directors, no Director shall vote on any issue, motion or resolution which directly or indirectly inures to his or her benefit financially, except that such Director may be counted in order to qualify a quorum and, except as the board may otherwise direct, participate in a discussion on such an issue, motion or resolution if he or she first discloses the nature of his or her interest subject to Section 5230 through, and including Section 5239 of the CCC.

CERTIFICATE OF SECRETARY

I, the undersigned, do hereby certify:

1. That I am the duly elected and acting Secretary of California Association of Local Agency Formation Commissions, a California nonprofit corporation; and

2. That the foregoing Bylaws, comprising eighteen (18) pages, constitute the Bylaws of said Corporation as duly adopted by the Incorporator of said Corporation, and as duly approved by the required vote of the members of said Corporation at a meeting duly held on Thursday, 10 September, 1998 and amended on 6 September, 2006.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Corporation this 6th day of October, 2006.



Susan Vicklund-Wilson
Secretary