

BYLAWS FOR THE

CHICO URBAN AREA JOINT POWERS FINANCING AUTHORITY

**Approved and Adopted by Chico
Urban Area Joint Powers Financing
Authority Resolution No. 01-07,
Adopted August 29, 2007**

**BYLAWS OF THE
CHICO URBAN AREA JOINT POWERS FINANCING AUTHORITY**

ARTICLE I – NAME, OFFICE; POWERS, PURPOSE, MEMBERS

Section 1. Name. The official name of the Authority shall be the "Chico Urban Area Joint Powers Financing Authority."

Section 2. Office. The main office of the Authority shall be at 411 Main Street, Chico, California, 95928 or such other location in the City of Chico as may be designated by the Board of Directors of the Authority.

Section 3. Powers. The powers of the Authority shall be as set forth in Section 3.1 of the Joint Exercise of Powers Agreement for the Chico Urban Area Joint Powers Financing Authority, dated June 1, 2006 (the "Authority Agreement") as it exists or is hereafter amended. The Authority, acting through the Board, shall exercise its powers in accordance with the Authority Agreement, as may be amended, the provisions of the Government Code Section 6500 et seq.) and all other applicable laws. The Authority may delegate such powers as are permitted by law, as appropriate within a suitable framework.

Section 4. Members. The Authority has two (2) members: the Chico Redevelopment Agency, a public body corporate and politic (the "Agency") and the County of Butte, a political subdivision of the State of California (the "County").

ARTICLE II – BOARD OF DIRECTORS

Section 1. Number Authority Board Members. The Authority shall be administered by a governing board of directors (the "Board") of four (4) members.

Section 2. Board Members. The members of the Board shall be two (2) members of the Agency appointed by the Agency and two (2) members of the County Board of Supervisors appointed by the County Board of Supervisors. The members of the Board appointed by the Agency shall serve at the discretion of the Agency. The members of the Board appointed by the County Board of Supervisors shall serve at the discretion of the County Board of Supervisors.

Section 3. Compensation. No member of the Board shall receive compensation from the Authority for serving as such, but a member of the Board may be reimbursed from the Authority's funds for expenses incurred in the conduct of the Authority's business, subject to any applicable policy of the Authority.

ARTICLE III - OFFICERS

Section 1. Officers. The officers of the Authority shall be the Chair, Vice Chair, Executive Director, Deputy Executive Director, Treasurer, Auditor, Secretary and Authority Counsel.

Section 2. Additional Officers and Assistant Officers. The Board may, by resolution, appoint such additional officers, and assistant officers, establish their terms of office, and define their duties as the Board determines necessary or desirable.

Section 3. Chair. The Chair shall be a member of the Board. The initial Chair shall be Jane Dolan. The office of the chair shall rotate among Board members at the discretion of the Board. The Chair shall preside at all meetings of the Board at which the Chair is in attendance. Subject to applicable statutory restrictions, the Chair shall be entitled to vote on all matters coming before the Board. The Chair shall submit such information and recommendations to the Board as he or she may consider proper concerning the business, policies and affairs of the Authority.

Section 4. Vice-Chair. The initial Vice-Chair shall be Ann Schwab. The office of the Vice-Chair shall rotate among Board members at the discretion of the Board. The Vice-Chair shall perform the duties of the Chair in the absence or incapacity of the Chair. In case of the resignation or death of the Chair, the Vice-Chair shall perform such duties as are imposed on the Chair until such time as a new Chair is selected in accordance with these Bylaws. Subject to applicable statutory restrictions, the Vice-Chair shall be entitled to vote on all matters coming before the Board.

Section 5. Secretary. The Secretary shall be the Agency's Secretary. The Secretary shall keep the records of the Authority, shall act as Secretary at the meetings of the Authority and record all votes, shall keep a record of the proceedings to be kept for such purposes, and shall perform all duties incident to the office of the Secretary. In addition, the Secretary shall file the notices required by Government Code Section 6503.5 and 53051 and shall give all notices required by law to be given by the Authority or the Board, in the manner directed by the Board and consistent with any requirement of law as to the timing, content and manner of distribution of a particular type of notice. The Secretary's obligation in connection with Government Code Section 53051 shall include the following: within 10 days after any change in the facts required to be stated in the Roster of Public Agencies (including a change in the name or address of the Authority or the name, address or title of the members of the Authority Board), the Secretary shall or shall cause an amended statement containing updated information to be filed with the Secretary of State and the County Clerk, in the form prescribed by the Secretary of State.

Section 6. Executive Director. The initial Executive Director shall be the Executive Director of the Agency. The Executive Director shall serve at the discretion of the Board. The Executive Director shall serve as administrative officer of the Authority and shall be directly responsible to the Board. Subject to the discretion of the Board, the Executive Director, along with the Deputy Executive Director, shall have complete control of the responsibility for the execution of the Authority's policies, the administration of its affairs, and the fulfillment of such other duties as from time to time the Board may impose. The Executive Director may execute all documents of whatever description upon prior authorization of the Board or as otherwise required for the intended operation of the Authority's powers.

Section 7. Deputy Executive Director. The initial Deputy Executive Director shall be the County's Chief Administrative Officer. The Deputy Executive Director shall serve at the

discretion of the Board. The Deputy Executive Director shall serve as administrative officer of the Authority and shall be directly responsible to the Board. Subject to the discretion of the Board, the Deputy Executive Director, along with the Executive Director, shall have complete control of the responsibility for the execution of the Authority's policies, the administration of its affairs, and the fulfillment of such other duties as from time to time the Board may impose. The Deputy Executive Director may execute all documents of whatever description upon prior authorization of the Board or as otherwise required for the intended operation of the Authority's powers.

Section 8. Treasurer. The Treasurer shall be the Treasurer of the Agency. The Treasurer shall be the depository for and have the custody of all money of the Authority from whatever source and shall have all of the duties and obligations of the Treasurer as set forth in Sections 6505 and 6505.5 of the Government Code. The Treasurer shall deposit into the Sewer Improvements Capital Trust Fund, established under Section 4.1 of the Authority Agreement, all revenue received by the Authority to repay the JPA Loan (as defined in the Authority Agreement) and shall disburse money from this fund as necessary to repay the JPA Loan. The Treasurer shall be responsible for receiving quarterly reports and verifying the balance of these reports with respect to the balance as maintained by the records of the Auditor.

Section 9. Auditor. The Auditor shall be the Auditor of the Agency. The Auditor shall have the duties and obligations of the Auditor as set forth in Section 6505 and 6505.5 of the Government Code. The Auditor shall assure strict accountability of all receipts and disbursements of the Authority and shall make arrangements with a certified public accountant or firm of certified public accountants for the annual audit of accounts and records of the Authority.

Section 10. Authority Counsel. The Authority Counsel shall be the attorney for the Authority.

Section 11. Additional Duties. The officers of the Authority shall perform such other duties and functions as may from time to time be required by the Board, the Authority Agreement, these Bylaws, other rules or regulations of the Authority, and applicable law.

Section 12. Authority to Bind. No member, officer, agency or employee of the Authority, without prior specific or general authority by a vote of the Board shall have any power or authority to bind the Authority by any contract, to pledge its credit, or to render it liable for any purpose in any amount.

Section 13. Fidelity Bonds. Pursuant to Section 6505.1 of the Government Code, the Authority shall require that the Treasurer and Auditor furnish adequate fidelity bonds in an amount approved by the Authority. Authority shall pay for the premiums on such bonds.

Section 14. Authority Personnel. With the prior authorization of the Board, the Authority may from time to time employ or retain such personnel as it deems necessary to exercise its powers, duties, and functions as prescribed by applicable law. In addition, staff of the Agency and County may provide staff services for the Authority. As of the date of these

Bylaws, the Authority does not separately employ any personnel, but instead uses the services of Agency and County personnel.

ARTICLE IV - MEETINGS

Section 1. Meeting Time and Place. All meetings of the Board shall be open and public, and all persons shall be permitted to attend any meeting of the Board, except that closed sessions may be held when permitted by law.

Section 2. Regular Meeting. The time and place of regular meetings of the Board shall be as determined by the Board. At least 72 hours before a regular meeting, an agenda containing a brief general description of each item of business to be transacted or discussed shall be posted at a location freely accessible to member of the public. The agenda shall include an opportunity for public testimony and specify the time and location of the regular meeting. No action shall be taken on any item not appearing on the posted agenda except as permitted by law.

Section 3. Special Meetings. A special meeting may be called at any time by the Chair or upon the request of three of the members of the Board by delivering written notice to each member and to each person or entity entitled by law to receive such notices. Notices must be delivered personally or by mail and must be received at least 24 hours before the time of such meeting as specified in the notice. The notice shall specify the time and place of the special meeting and the business to be transacted, describe the public's right to comment and shall be posted at least 24 hours prior to the special meeting in a location that is freely accessible to members of the public. No other business shall be considered at such meetings by the Board. Such written notice may be dispensed with as to any Board member who at or prior to the time the meeting convenes files with the Secretary of the Authority a written waiver of notice. Such written notice may also be dispensed with as to any member who is actually present at the time it convenes.

Section 4. Adjourning Meetings and Continuing Public Hearings to Other Times or Places. The Board may adjourn any meeting to a time and place specified in the order of adjournment. Less than a quorum may so adjourn from time to time. If all Board members are absent from any regular meeting or adjourned regular meeting the Secretary (or acting secretary) of the Authority may declare the meeting adjourned to a stated time and place and shall cause written notice of the adjournment to be given in the same manner as provided in Section 3 unless such notice is waived as provided in Section 3. A copy of the order or notice of adjournment shall be conspicuously posted on or near the door of the place where the meeting was held within 24 hours after the time of the adjournment. When a regular or adjourned regular meeting is adjourned as provided in this section, the resulting adjourned regular meeting is a regular meeting for all purposes. When an order of adjournment of any meeting failed to state the hour at with the adjourned meeting is to be held, it shall be held at the hour specified for regular meetings.

Any public hearing being held, or any hearing noticed or ordered to be held at any meeting may by order or notice of continuance be continued or recontinued to any subsequent meeting in the same manner and to the same extent set forth herein for the adjournment of the meetings; provided, that if the hearing is continued to a time less than 24 hours after the time

specified in the order or notice of hearing a copy of the order or notice of continuance shall be posted immediately following the meeting at which the order or declaration of continuance was adopted or mad.

Section 5. Quorum. A majority of the members of the Board shall constitute a quorum for the purpose of conducting its business and exercising its powers and for all other official purposes, except that less than a quorum may adjourn from time to time until a quorum is obtained. Except as otherwise provided by law, the unanimous vote of all members of the Board of Directors shall be required for the Authority to take action. Each member of the Board of Directors shall have one vote.

Section 6. Order of Business. At the regular meetings of the Authority, the following shall be the general order of business:

1. Roll Call
2. Consent Agenda
3. Public Hearings
4. Regular Agenda
5. Items Added After Posting of Agenda
6. Business from the Floor
7. Adjournment

Section 7. Parliamentary Procedure. The rules of parliamentary procedure set forth in Robert's Rules of Order shall govern all meetings of the Authority, except as otherwise herein provided.

ARTICLE V - GENERAL PROVISIONS

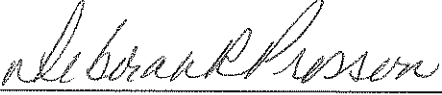
Section 1. Fiscal Year. The fiscal year of the Authority shall commence on July 1 of any calendar year and end on June 30 in the succeeding calendar year.

Section 2. Purchasing and Contracting. The policies, procedures and standards for Authority purchasing and contracting shall be those policies, procedures and standards in effect for the Agency from time to time, unless modified by resolution of the Board.

Section 3. Amendments to Bylaws. Any of these Bylaws may be amended or repealed and new Bylaws may be adopted with the approval of a majority of the members of the Board at a regular or special meeting.

CERTIFICATE OF SECRETARY

The undersigned, Secretary of the Chico Urban Area Joint Powers Financing Authority, does hereby certify that the above and foregoing Bylaws were duly adopted by the Board of Directors of the Chico Urban Area Joint Powers Financing Authority by JPFA Resolution No. 02-07 on August 29, 2007, and that they now constitute said Bylaws.


Deborah R. Presson, JPFA Secretary