

CONSTITUTION AND BYLAWS
OF
INDEPENDENT INSURANCE AGENTS AND BROKERS
OF
ORANGE COUNTY

Revised May 4, 2010

ARTICLE I.

Name

Section 1.01. The name of this Corporation shall be INDEPENDENT INSURANCE AGENTS AND BROKERS OF ORANGE COUNTY.

Successor Entity

Section 1.02. This Corporation is the successor in interest to all of the assets and liabilities of the INDEPENDENT INSURANCE AGENTS ASSOCIATION OF ORANGE COUNTY.

ARTICLE II.

OFFICES

Principal Office

Section 2.01. The principal office of the Corporation for the transaction of business is located at 1442 E. Lincoln Ave. PMB 441, Orange, CA 92865-1934.

Change of Address

Section 2.02. The Board of Directors is hereby granted full power and authority to change the principal office of the Corporation from one location to another. Any such change shall be noted by the Secretary in these Bylaws, but shall not be considered an amendment of these Bylaws.

ARTICLE III.

MEMBERS

Classification and Qualification of Members

Section 3.01. The membership of this Corporation shall be unlimited as to the number of members, and shall consist of two (2) classes of membership, which shall consist of Active Membership and Associate Membership.

Active Membership

Section 3.02. Active membership shall be composed of insurance agents and brokers who operate as individuals, partnerships or corporations, limited liability partnerships, or limited liability companies, with an Office located in Orange County, California; make written application for membership; actively solicit insurance from the public and place it, at their election, with one or more insurance companies; are compensated on a commission or fee basis; are licensed as insurance broker-agents or life agents by the State of California; pay membership fees; and agree to abide by the Articles of Incorporation, and Bylaws of the Corporation.

Associate Membership

Section 3.03. Associate membership shall be composed of insurance related organizations, whether licensed or not licensed as insurance broker-agents, who, upon making written application for membership, are accepted by the Board of Directors, pay membership fees and agree to abide by all applicable Articles of Incorporation and Bylaws of the Corporation.

Membership Fees and Assessments

Section 3.04. The Board of Directors of the Corporation shall fix annual membership dues for each class of membership from time to time.

Each Active or Associate Member in good standing must pay, within the time and conditions set by the Board of Directors, the annual dues and the amounts established periodically by the Board of Directors. Assessments shall be made payable at such times and on such notice as the Board of Directors shall prescribe.

Voting Rights

Section 3.05. Each Active and Associate Member shall have one (1) vote for the election of Officers and any other matter, which requires the vote of the members of the Corporation. There shall be no voting by proxy.

Dissolution

Section 3.06. Members shall have no identifiable property rights in the assets of the Corporation. In the event of a voluntary or involuntary dissolution of the Corporation, by approval of the majority of the Board of Directors, and after satisfaction of all debts and liabilities, the remaining assets of the Corporation shall be distributed to statewide non-profit trade associations dedicated to similar aims.

ARTICLE IV.

BOARD OF DIRECTORS

Number of Directors

Section 4.01. The number of Directors of the Corporation shall not be less than five (5) nor more than nine (9) until changed by a Bylaw adopted by the majority of the members present at an Annual Meeting. The Board of Directors shall fix the exact number of Directors from time to time, within the specified limits.

Section 4.02. The Immediate Past President of the Corporation is an ex-officio a member of the Board of Directors.

Section 4.03. The elected Officers of the Corporation shall be members of the Board of Directors by virtue of their office. The remaining members of the Board of Directors shall be elected by the members of the Corporation and they shall hold office for a term of two (2) years until the next Annual Meeting or until their successors are appointed and have qualified.

Section 4.03.1. The Board of Directors may, at its discretion, appoint Associate member(s) of the Board to act as representative(s) of the Associate Membership.

Corporate Affairs

Section 4.04. The conduct of affairs of this Corporation and the enforcement and interpretation of its Articles of Incorporation and Bylaws shall be vested in the Board of Directors.

Vacancies

Section 4.05. Any Vacancy in the Board of Directors may be filled by action of the Directors then in office.

Rules of Conduct

Section 4.06. The Board of Directors shall formulate its own rules of the conduct of its business. Any action required or permitted to be taken by the Board of Directors may be taken without a meeting if all of its members consent in writing, conference call or electronic communication to such action. Such consent shall be filed with the minutes of the proceedings of the Board and shall have the same force and effect as the unanimous vote of the Directors.

Quorum

Section 4.07. A Quorum of the Board of Directors shall consist of a majority of its members. The majority vote of a quorum shall be considered as binding on the Corporation.

Suspension or Expulsion of Member

Section 4.08. The Board of Directors is authorized to enforce compliance with the provisions of the Articles of Incorporation and Bylaws of the Corporation and suspend or expel a member thereof upon a two-thirds (2/3) vote of its members after a thirty (30) day notice has been given to the member of the charges against him and an opportunity is afforded to be heard at least ten (10) days prior to such suspension or expulsion from membership. Upon request of the member, a right of appeal of the membership shall be granted at the next meeting of the membership prior to the imposition of a penalty.

ARTICLE V.

OFFICERS

General Provisions

Section 5.01. The Officers of the Corporation shall consist of a President, Vice President, and Secretary/Treasurer, all of whom shall be Active Members and shall be elected at the Annual Meeting of the membership and shall hold office for one (1) year or until their successors are elected and qualified.

President and Vice President

Section 5.02. The President shall be the Executive Officer and shall preside at the meetings of the Corporation. He shall be a member of all committees of the Board, except the nominating committee, with the right to vote only in the case of a tie. In his absence, his duties shall ~~devolve upon~~ pass to the First Vice President.

Secretary/Treasurer

Section 5.03. The Secretary/Treasurer shall keep a correct record of the proceedings and accounts of the Corporation and of its Board of Directors and perform such other duties as are assigned by the Board.

ARTICLE VI.

EXECUTIVE DIRECTOR

Section 6.01. The Board of Directors may employ an Executive Director or other staff whose duty it shall be to maintain the office of the Corporation and conduct its business under instruction of the Board. The Executive Director or staff shall serve at the pleasure of the Board of Directors.

Section 6.02. The Executive Director or staff shall not be a member of the Corporation and shall not engage, directly or indirectly, in the insurance business for his own account without the prior written consent of the Board of Directors.

ARTICLE VII.

COMMITTEES

General Provisions

Section 7.01. The Board of directors shall have an Executive Committee and such other Committees as its President may from time to time appoint with the concurrence of the Board.

Section 7.02. The Executive Committee shall consist of the Officers of the Corporation.

Section 7.03. The Executive Committee may act in the place and stead of the Board of Directors between Board Meeting on all matters except those specifically reserved to the Board by the Bylaws. Minutes of all meetings of the Executive Committee shall be sent to each Director within ten (10) days following such meetings. Their actions must be ratified at the next Board Meeting.

Section 7.04. Any vacancy occurring on the Executive Committee shall be filled by appointment of by the remaining members of the Board of Directors.

Nominating Committee

Section 7.05. The President shall, at the beginning of his term, appoint a Nominating Committee, which shall consist of the Immediate Past President, who shall chair the committee, the Vice President, a past director and one Active Member in good standing.

The Nominating Committee shall nominate qualified individuals from among the Active Membership and nominate them for the Director and Officer positions to be elected at the next Annual Meeting, and secure from each nominee a written statement that he or she is willing to serve if elected.

ARTICLE VIII.

MEETINGS

Annual Meeting

Section 8.01. The Annual Meeting of the Corporation shall be held at a regular meeting of the membership during the fourth quarter of each year, with the place of the said meeting to be designated by the Board of Directors.

Section 8.01.1 Directors and officers shall be elected at the Annual Meeting of the membership for the term prescribed in Sections 4.02 and 5.01 of these Bylaws.

Special Meetings

Section 8.02. Special Meetings may be called by the Board of Directors, the President or upon request of five percent (5%) or more of the Active Members of the Corporation.

Notices

Section 8.03. Notice of the annual Meeting or any Special Meeting shall be mailed to all Active Members by first class mail or electronic transmission at their last address of record no later than twenty (20) days prior to such meeting. A notice of meeting shall also state the purpose of the meeting and no other business other than stated in the call shall be transacted. Roberts Rules of Order shall govern the transaction of business.

Quorum

Section 8.04. The presence in person of five percent (5%) of the Active Members shall constitute a quorum.

ARTICLE IX.

ADOPTION, AMENDMENT AND REPEAL OF BYLAWS

Adoption/Amendment of Bylaws

Section 9.01. New Bylaws may be adopted, or these Bylaws may be amended or repealed, by the written consent of the majority of Active members of the Corporation or by a majority of the quorum at a meeting of the members duly called for that purpose.

Amendment By Board of Directors

Section 9.03. Bylaws, including amendments, shall be binding upon all members.

ARTICLE X.

INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES AND OTHERS

Definitions

Section 10.01. "Agent." Agent means any person who is or was a director, Officer, committee member, employee, or other agent of this Corporation, or is or was serving at the request of this

Corporation as a Director, Officer, committee member, employee, or agent of another corporation, partnership, joint venture, trust or other enterprise;

"Proceeding" Proceeding means any threatened, pending or completed action or proceeding whether civil, administrative, or investigative; and

"Expenses." Expenses include without limitation, all attorney's 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 attorney's fees, costs, and other expenses incurred in establishing a right to indemnification under this Article.

Section 10.02. To the extent that an agent of this Association 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 claims or sustains a judgement rendered against him, then the provisions of Sections 10.03 - 10/05 shall determine whether the agent is entitled to indemnification.

Section 10.03. Subject to the required findings to be made pursuant to Sections 13.05 below, this Corporation 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 described in Section 10.04 below, by reason of the fact that such person is or was an agent of this Corporation for all expenses, judgments, fines, settlements, and other amounts actually and reasonable incurred in connection with the proceeding.

Section 10.04. If any agent settles or otherwise disposes of a threatened or pending action brought by or on behalf of the Corporation, 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.

The Corporation shall indemnify any person who was or is a party to **or** is threatened to be made a party to any threatened, pending, or completed action brought by or on behalf of this Corporation by reason of the fact that the person is or was an agent of this Corporation, for all expenses actually and reasonably incurred in connection with the defense of the action, provided that both of the following are met:

1. The determination of good faith conduct required by Section 10.05, below, must be made in the manner provided for in that section; and

2. Upon application, the court in which the action was brought must determine that, in view of all of the circumstances of the case, the agent should be entitled to indemnification for the expenses incurred. If the agent is found to be entitled, the court shall determine the appropriate amount of expenses to be reimbursed.

Section 10.05. The indemnification granted to an agent in Sections 10.03 and 10.04 above is conditioned upon the following:

A. The agent seeking reimbursement must be found, in the manner provided below, that he acted in good faith, in the manner he believed to be in the best interest of this Corporation, and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use in similar order, settlement, conviction, or on a plea of nolo 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 reasonably believed to be in the best interests of this Corporation or that he had reasonable cause to believe that his conduct was unlawful. In the case of a criminal proceeding, the person must have had no reasonable cause to believe that his conduct was unlawful.

B. The determination that the agent did act in a manner complying with Paragraph (A) above shall be made by:

1. The Board of Directors by a majority vote of a quorum consisting of Directors who are not parties to the proceedings; or

2. The affirmative vote of a majority of votes represented and voting at a duly held meeting of the members at which a quorum is present (which affirmative votes also constitute a majority of the required quorum); or

3. The court in which the proceeding is or was pending. Such determination may be made on application brought by this Corporation or the agent or the attorney or other person rendering a defense to the agent, whether or not this Corporation opposes the application by the agent, attorney, or other person.

Section 10.06. No indemnification or advance shall be made under this Article, except as provided in Section 10.02 or 10.05 (B) (2), in any circumstances when it appears:

1. That the indemnification or advance would be inconsistent with a provision of the Articles, a resolution of the members, 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

2. That the indemnification would be inconsistent with any condition expressly imposed by a court in approving a settlement.

Section 10.07. Expenses incurred in defending any proceeding may be advanced by this Association before the final disposition of the proceeding upon 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.

Section 10.08 This Article does not apply to any proceeding against any trustee, investment manager, or other fiduciary of an employee benefit plan in that person's capacity as such, even though that person may also be an agent of the association as defined in Section 10.01 of these Bylaws. Nothing contained in this Article shall limit any right to indemnification to which such a trustee, investment manager, or other fiduciary may be entitled by contract, or otherwise, which shall be enforceable to the extent permitted by applicable law.

ARTICLE XI

EFFECT OF CONSTITUTION AND BYLAWS OF INDEPENDENT INSURANCE AGENTS AND BROKERS OF ORANGE COUNTY

Section 11.01 They Bylaws of the Corporation as set forth herein, together with amendment thereto, shall supersede any Constitution and Bylaws of the Independent Insurance Agents and Brokers of Orange County in their entirety as have been previously adopted by the Members of said Association.

ARTICLE XII

MISCELLANEOUS

Section

Section 12.01. The use of the male or female gender herein shall be interpreted to include the other.

ADOPTED THIS _____ DAY OF _____, 2_____.

_____ SECRETARY/TREASURER.