FIFTH AMENDMENT TO

JOINT EXERCISE OF POWERS AGREEMENT

FOR INSURANCE AND RISK MANAGEMENT PURPOSES

This Fifth Amendment To Joint Exercise Of Powers Agreement For Insurance and Risk Management Purposes ("Agreement") is executed by and among the public entities, hereafter referred to as Member or Members, each of which is organized and existing under the laws of the State of California and is a signatory to this Agreement and listed in Appendix "A", which is attached hereto and made a part hereof. This Agreement, dated October 13, 2004, for identification purposes, amends the Joint Exercise of Powers Agreement For Insurance and Risk Management Purposes dated August 12, 1998.

RECITALS

This Agreement is predicated upon the following facts:

The following State laws, among others, authorize the Members to enter into this Agreement:

1. Labor Code Section 3700, permitting a Member to fund its own Workers' Compensation claims;

2. Government Code Section 990, permitting a Member to insure itself against tort or inverse condemnation liability;

3. Government Code Section 990.4, permitting a Member to provide insurance and self-insurance in any desired combination;

4. Government Code Section 990.6, permitting the proper costs for self-insurance to be charged against each Member and authorizing the Governing Board to make premium payments for such coverage in an amount such Governing Board determines to be necessary to provide such coverage;

5. Government Code Section 990.8, permitting two or more Members to enter into an agreement to jointly fund such expenditures under the authority of Government Code Sections 6500 et seq.;

6. Government Code Section 6500 et seq., permitting two or more Members to jointly exercise, under an agreement, any power which is common to each of them.

NOW, THEREFORE, for and in consideration of the mutual benefits, covenants, and agreements set forth in this Agreement, the Members agree as follows:

ARTICLE 1. CREATION OF THE INDEPENDENT CITIES RISK MANAGEMENT AUTHORITY.

1.1 Pursuant to Article I (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California, the Members hereby create a public entity, separate and apart from the Members, to be known as the

Independent Cities Risk Management Authority, hereinafter referred to as "ICRMA" or the "Authority". Pursuant to Government Code Section 6508.1, the debts, liabilities, and obligations of the Authority shall not constitute debts, liabilities, or obligations of any Member.

ARTICLE 2. PURPOSE.

2.1 The purpose of creating this Authority is to exercise the powers of the Members to jointly accomplish the following:

2.1.1 Develop effective Risk Management Programs to reduce the amount and frequency of their losses.

2.1.2 Develop Risk Management Programs of insurance to protect Members from the effects of catastrophic or unexpected losses. Such programs shall include, but not be limited to, coverages for losses arising out of Tort Liability, Workers' Compensation, Health Benefits, and the ownership or use of real or personal property.

2.1.3 Design Risk Management Programs of the Authority on a pooled or self-funded basis whereby the Members share some portion, or all, of the costs of the program losses.

2.1.4 Jointly purchase insurance, excess insurance, or reinsurance and/or develop alternative financial arrangements for the purpose of transferring risk of loss to commercial insurers.

2.1.5 Assist Members to the maximum extent authorized by law to secure long term solutions enabling the Authority to provide adequate protection to Members against catastrophic, or greater than expected, claims and to attract major reinsurers for the purpose of transferring risk.

2.1.6 Jointly secure administrative and other services including, but not limited to, general administration, underwriting, risk management, loss prevention, claims adjusting, data processing, brokerage, accounting, and legal services when related to any of the other purposes.

ARTICLE 3. DEFINITIONS

3.1 The following definitions shall apply to the provisions of this Agreement and the By-Laws of the Authority and Risk Management Programs:

3.1.1 "Agreement" shall mean this Agreement, as it may be amended from time to time, creating the Independent Cities Risk Management Authority.

3.1.2 "Board" or "Governing Board" shall mean the governing body of the Authority.

3.1.3 "By-Laws" shall mean the rules governing the management of the Authority and each individual Risk Management Program.

3.1.4 "Claim(s)" shall mean demand(s) complying with the requirements of California Government Code Section 910 and made against the Member arising out of occurrences which are covered or alleged to be covered by the Authority's Memorandums of Coverage, or policies of insurance.

3.1.5 "Fiscal Year" shall mean the period of time commencing on July 1 of each year, and thereafter ending on June 30 each following year.

3.1.6 "Governing Documents" shall mean this Agreement, the By-Laws of the Authority and each Risk Management Program, the Memorandum of Coverage and any other document stipulated as a Governing Document in the By-Laws or by action of the Governing Board.

3.1.7 "Insurance" shall mean insurance or reinsurance purchased by the Authority to cover losses for its Members.

3.1.8 "Member" shall mean any Municipal Corporation or public entity authorized to be a member of a Joint Powers Authority, which is a party to this Agreement and is participating in one or more Risk Management Programs.

3.1.9 "Memorandum of Coverage" shall mean the document or documents issued by the Authority specifying the types of coverages and limits provided to the Members.

3.1.10 "Program Year" shall mean a period of time in which each program shall be segregated for ease in determining coverage premiums.

3.1.11 "Participation" or "Participating" shall mean a Member has elected to jointly participate in the management of a specific risk and is a member of that Risk Management Program.

3.1.12 "Risk Management" shall mean the process of identifying, evaluating, reducing, transferring, and eliminating risks. Risk Management includes, but is not limited to, various methods of funding claims payments, purchasing insurance, legal defense of claims, controlling losses, and determining self-insured retention levels and the amount of reserves for potential claims.

3.1.13 "Risk Management Program" shall mean those coverage programs of risk sharing, insurance, and risk management services created by the Authority to manage specific Risk Management Programs, i.e. "Liability Risk Management Program".

ARTICLE 4. PARTIES TO THE AGREEMENT AND RESPONSIBILITIES OF MEMBERS.

4.1 Each Member represents and warrants that it intends to, and does hereby, contract with all other Members listed in Appendix "A", and any new members admitted to the Authority pursuant to Article 16. Each Member also represents and warrants that the withdrawal or expulsion of any Member, pursuant to Article 14

or 15, shall not relieve any Member of its rights, obligations, liabilities or duties under this Agreement or the individual Risk Management Programs in which the Member participates.

4.2 Each Member agrees to be bound by and to comply with all of the terms and conditions of the Governing Documents and any Resolution or other action adopted by the Governing Board as they now exist or may hereinafter be adopted or amended. Each Member assumes the obligations and responsibilities set forth in the Governing Documents.

ARTICLE 5. GOVERNING BOARD.

5.1 The Authority shall be governed by a Governing Board the composition of which shall be set forth in the Authority's By-Laws. Immediately upon admission of a new Member pursuant to Article 16, the Member shall be entitled to appoint a Representative to the Governing Board and an alternate Representative and, if desired, a substitute alternate Representative, each of whom shall meet the parameters set forth in the Authority's By-Laws. Decisions of the Member representative, or the Governing Board in his/her absence, shall be binding on the Member.

5.2 The Member Representative and/or alternate Representative or substitute alternate Representative shall be removed from the Governing Board upon the occurrence of any one of the following events: (1) the expulsion or withdrawal of the Member from the Authority; (2) the death or resignation of the Member Representative; (3) the Authority receives the written notice from the Member

that the Member Representative is no longer a member of the governing body of the Member or as otherwise provided in the Authority's By-Laws.

5.3 Pursuant to Government Code Section 6505.6, the Governing Board shall designate an officer or employee, or officers and employees, to receive, deposit, invest, and disburse the property of the Authority pursuant to Government Code Sections 6505 and 6505.5. The Governing Board shall fix the amount of the fidelity bond to be filed by such public officer(s) and/or employee(s).

ARTICLE 6. BOARD MEETINGS AND RECORDS

6.1 Regular Meetings. The Governing Board and all standing committees shall hold meetings at the location and time set forth in the By-Laws of the Authority and each individual Risk Management Program.

6.2 Ralph M. Brown Act. All meetings of the Governing Board, and appointed committees, including without limitation, regular, adjourned regular, and special meetings, shall be called, noticed, held, and conducted in accordance with the Ralph M. Brown Act (Section 54950 et. seq. of the Government Code).

6.3 Minutes. Minutes of regular, adjourned regular, and special meetings of the Authority shall be kept under direction of the Secretary. As soon as possible after each meeting, the Secretary shall forward copies of the minutes to each Governing Board member.

6.4 Quorum. A majority of the members of the Governing Board is a quorum for the transaction of business. However, less than a quorum may adjourn from time to

time. A vote of the majority of a quorum at a meeting is sufficient to take action.

ARTICLE 7. OFFICERS.

7.1 The Governing Board shall elect a president, vice-president, Treasurer and Secretary from among its members. The manner of election and term of office of elected officers and their authority and responsibilities shall be as set forth in the Authority By-Laws. If any of the officers cease to be a Member's representative, the resulting vacancy shall be filled as provided in the Authority By-Laws. The Governing Board may appoint such other officers as it considers necessary.

ARTICLE 8. POWERS.

8.1 The Authority shall have the powers common to its Members and is authorized, in its own name, to do all acts necessary and to exercise such common powers to fulfill the purposes of this Agreement referred to in Article 2 including, but not limited to, each of the following:

8.1.1 Finance through the issuance of Bonds or other financial instruments of indebtedness, self-insurance reserve funds necessary or convenient for the implementation of this Agreement.

8.1.2 Incur debts, liabilities, and obligations.

8.1.3 Acquire, hold, or dispose of real and personal property.

8.1.4 Receive contributions and donations of property, funds, services, and other forms of assistance from any source.

8.1.5 Sue and be sued in its own name.

8.1.6 Employ agents and employees.

8.1.7 Acquire, construct, manage, maintain, or operate buildings, works, or improvements.

8.1.8 Lease real or personal property, including that of a Member.

8.1.9 Receive, collect, and disburse monies.

8.1.10 Invest money in the treasury of the Authority in the same manner and on the same conditions as local agencies pursuant to Government Code Section 53601.

8.1.11 Exercise all other powers necessary and proper to carry out the provisions of this Agreement.

8.1.12 Develop and implement Risk Management Programs.

8.1.13 Jointly purchase for the benefit of Members, insurance, excess insurance, reinsurance, and enter into agreements for the benefit of Members, for the purpose of transferring risk of loss to commercial insurers or reinsurers or other insurance pools.

ARTICLE 9. RISK MANAGEMENT PROGRAMS.

9.1 The Governing Board shall establish Risk Management Programs as provided in the Authority's By-Laws.

9.2 No Risk Management Program shall become operational, or possess any authority, until the proposed Risk Management Program By-Laws have been

approved by the Governing Board. The voting on the approval of By-Laws shall be restricted to Governing Board Member representatives of the particular Risk Management Program. Approval of the By-Laws and any amendments thereto shall be as provided in the By-Laws of the individual Risk Management Programs. On approval of the By-Laws, the various Risk Management Programs shall become operational and will have all of the powers specifically delegated to them by the Governing Board.

ARTICLE 10. BUDGET

10.1 The Governing Board shall adopt an annual budget not later than 30 days prior to the beginning of each Fiscal Year.

ARTICLE 11. ANNUAL AUDIT AND REVIEW.

11.1 The Governing Board shall cause an annual financial audit of the accounts and records to be made and filed as provided in the Authority's By-Laws and the laws of the State.

ARTICLE 12. ESTABLISHMENT AND ADMINISTRATION OF FUNDS.

12.1 Funds of the Authority may be commingled for investment and administration purposes. However, each Risk Management Program shall be accounted for separately on a full accrual basis.

12.2 The Governing Board shall establish the policy for warrants drawn to pay demands against the Authority.

12.3 The coverage for each Program Year of each Risk Management Program shall be as specified in the Memorandum of Coverage or policies of insurance for that

Program Year of the Risk Management Program.

ARTICLE 13. WITHDRAWAL.

13.1 Any Member which enters a Risk Management Program may withdraw from that Risk Management Program and may at a later time seek to renew participation in said Program subject to the terms and conditions as set forth in the By-Laws of that particular Risk Management Program.

13.2 A Member is no longer a party to the Authority or this Agreement upon its withdrawal from all of the Authority's Risk Management Programs.

ARTICLE 14. EXPULSION.

14.1 The Governing Board may expel any Member from the Authority and/or from a Risk Management Program at any time for material breaches of the Governing Documents. Such expulsion shall be as provided in the By-Laws of the Authority or each Individual Risk Management Program.

ARTICLE 15. TERMINATION.

15.1 This Agreement shall continue until terminated by vote or written consent of two-thirds of the Members provided, however, that this Agreement and the Authority shall continue to exist for the purposes of disposing of all claims, the distribution of assets, and any other functions necessary to conclude the affairs of the Authority.

15.2 Upon termination of this Agreement, all assets of the Authority shall be distributed only among the Members that have been participants in its Risk Management Programs, including any of those Members which previously

withdrew or were expelled pursuant to Articles 13 and 14 of this Agreement, in accordance with and proportionate to their net premium payments made during the term of this Agreement. The Governing Board shall determine such distribution within six months after the last claim covered by this Agreement has been finalized.

15.3 The Governing Board is vested with all powers of the Authority for the purpose of concluding and dissolving the business affairs of the Authority. These include the power to require those Members which were Risk Management Program participants at the time of any particular occurrence which was covered or alleged to be covered under the Memorandum(s) of Coverage or policies of insurance to pay their share of any additional amount of premium deemed necessary by the Governing Board for the final disposition of all claims and expenses associated with such loss.

ARTICLE 16. NEW MEMBERS.

16.1 Any governmental agency, organized and operating under the laws of the State of California which is authorized to participate in a joint powers authority under the Government Code may become a member of the Authority by complying with the requirements of the Authority By-Laws.

ARTICLE 17. LIABILITY OF THE AUTHORITY.

17.1 Each Member agrees to indemnify, save and defend the Authority and all other Members harmless from and against all claims, losses, and damages, including legal fees and expenses, arising out of any breach or default on the part of such

Member in performance of any of its obligations under this Agreement, or any act or negligence of such Member or any of its agents, contractors, servants, employees or licensees with respect to this Agreement. No indemnification is made under this Section for claims, losses or damages, including legal fees and expenses, arising out of the willful misconduct, negligence or breach of duty under this Agreement by the Authority or a Member or their officers, employees, agents or contractors.

17.2 The Representatives to the Governing Board and to each of the Risk Management Programs and any officer, employee, contractor, or agent of the Authority shall use ordinary care and reasonable diligence in the exercise of their power and in the performance of their duties under this Agreement.

17.3 Funds of the Authority may be used to defend, indemnify, and hold harmless the Authority and any member of the Governing Board, any member of a Risk Management Program, and any employee of the Authority for their actions taken within the scope of their duties while acting on behalf of the Authority. Nothing herein shall limit the right of the Authority to purchase insurance to provide such coverage as is hereinabove set forth.

ARTICLE 18. NOTICES.

18.1 Notices to each Member under this Agreement shall be sufficient if mailed to its respective address on file with the Authority. Any Member may designate any other address in substitution of the foregoing address to which such notice will be given at any time by giving five days written notice to the Authority and all other

Members.

ARTICLE 19. AMENDMENTS TO THIS AGREEMENT AND PROGRAM BY-LAWS.

19.1 This Agreement may be amended at any time by vote of two-thirds of the Members acting through their governing body. Amendments to the individual Risk Management Program By-Laws require the two-third vote of the Governing Board members representing Members of that Risk Management Program.

ARTICLE 20. SEVERABILITY.

20.1 Should any portion, term, condition, or provision of this Agreement be decided by a court of competent jurisdiction to be illegal or in conflict with any law of the State of California, or be otherwise rendered unenforceable or ineffectual, the validity of the remaining portions, terms, conditions, and provisions shall not be affected thereby.

ARTICLE 21. AGREEMENT COMPLETE.

21.1 The foregoing constitutes the full and complete Agreement of the parties. There are no oral understandings or agreements not set forth in writing herein.

ARTICLE 22. TERM OF AGREEMENT.

22.1 This fifth amended Agreement shall become effective upon the Authority receiving notice of the approval by the governing body of two-thirds of the Members.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first written above.

City of Bell

By _____
Nestor Enrique Valencia

Title _____Mayor_____

Executed before me this

10th day of July, 2014

(City Seal)

_____
City Clerk

City of Bell

APPENDIX "A"

INDEPENDENT CITIES RISK MANAGEMENT AUTHORITY

MEMBER CITIES
As of July 1, 2014

1. Alhambra
2. Azusa
3. Baldwin Park
4. Bell
5. Culver City
6. Downey
7. El Monte
8. El Segundo
9. Fullerton
10. Glendora
11. Hawthorne
12. Hermosa Beach
13. Huntington Park
14. Inglewood
15. Lynwood
16. Manhattan Beach
17. Monrovia
18. Monterey Park
19. Redondo Beach
20. San Fernando
21. South Gate