

# South Valley Charter School

A California Public Benefit Corporation

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## Bylaws

### ARTICLE I NAME

The name of this corporation is South Valley Charter School, a California non-profit public benefit corporation.

### ARTICLE II LOCATION

**Section 2.1 Principal Office.** The Principal Office of the corporation for the transaction of its business is located at 9530 Monterey Road Morgan Hill, CA 95037.

**Section 2.2 Change of Address.** The Board of Directors is hereby granted full power and authority to change the Principal Office of the corporation from one location to another in the County of Santa Clara, California. Any such change shall be noted by the Secretary in these Bylaws but shall not be considered an amendment of these Bylaws.

### ARTICLE III PURPOSE

**Section 3.1 Objectives and Purposes.** The specific purposes for which this Corporation is organized are to administer and operate the South Valley Charter School, Morgan Hill, California as provided by the charter establishing the school and the Charter Schools Act, California Education Code sections 47600 et seq. Specifically, the corporation desires to implement and promote the use of project-based learning, strong family involvement and community interaction to develop lifelong learners prepared to be successful and innovative participants in the global community.

**Section 3.2 Public Benefit.** This corporation is organized and operated exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code and California Revenue and Taxation Code Section 23701d.

**Section 3.3 Activities.** This corporation shall administer and operate one or more California public charter schools as provided by the charters establishing the schools and the Charter Schools Act, California Education Code Section 46700, *et seq.* This includes, but is not limited to, the following activities:

- 3.3.1** to make and enter into contracts;
- 3.3.2** to employ agents and employees;
- 3.3.3** to acquire, construct, manage, maintain or operate any building or works of improvement;
- 3.3.4** to acquire, hold or dispose of personal property;
- 3.3.5** to acquire and hold or lease real property interests;
- 3.3.6** to incur debts, liabilities or obligations;
- 3.3.7** to sue or be sued in its own name; and

**3.3.8** to undertake all functions and activities authorized by the charters of the charter schools operated by South Valley Charter School.

**Section 3.4 Name Change.** Any change in the name or location of the South Valley Charter School shall not affect the purpose of this corporation, provided that at least one charter school operated by South Valley Charter School shall continue to exist pursuant to a charter approved and authorized pursuant to the Charter Schools Act, California Education Code Section 46700, *et seq.*

#### **ARTICLE IV DIRECTORS**

**Section 4.1 Duties.** The activities and affairs of this corporation shall be conducted, and all corporate powers shall be exercised by or under the direction of the Board of Directors (“Board”). The Board may delegate the management of the activities of the corporation to any person or persons, management company or committee however composed, provided that the activities and affairs of the corporation shall be managed and all corporate powers shall be exercised under the ultimate direction of the Board.

**Section 4.2 Number.** The number of Directors of the corporation (“Directors”) shall not be less than five (5) nor more than nine (9). The indefinite or fixed number of Directors may be changed, or a definite number may be fixed without provision for an indefinite number, by a duly adopted amendment to this Bylaw adopted by a vote of the Members. No amendment may change the stated maximum number of authorized Directors to a number greater than two (2) times the stated minimum number of Directors minus one (1).

**Section 4.3 Composition.** The Board of Directors shall include, but is not limited to: (a) at least two (2) but no more than three (3) Directors that are parents or guardians of an enrolled student (“Family Director”) (at least one (1) parent or guardian must be from each of the schools operated by South Valley Charter School); (b) one (1) staff member from each of the schools operated by South Valley Charter School; (c) at least two (2) but no more than three (3) members of the community (“Community Director”). ; one individual shall not represent more than one Director position. All directors shall have full voting rights, including any representative appointed by the chartering authority as consistent with Education Code Section 47604(c). If the chartering authority appoints a representative to serve on the Board of Directors, the Corporation may appoint an additional director to ensure an odd number of Board members.

**4.3.1 Interested Persons.** Notwithstanding any other provision of these Bylaws, not more than forty-nine percent (49%) of the persons serving on the Board may be interested persons. For the purposes of this Section, "interested persons" means either: (i) 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 Officer or other employee, independent contractor, or otherwise; or (ii) 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.

**4.3.2 Conflict of Interest.** Directors are subject to the conflict of interest rules under the Political Reform Act (Government Code Section 81000, *et seq.*), Government Code Section 1090, as set forth in Education Code Section 47604.1, and other applicable laws.

**Section 4.4 Election.**

- 4.4.1 Nominations.** Nomination to run for election to the Board shall be sought by the remaining Board members and the corporation's Members, as the case may be.
- 4.4.2 Family Director.** The Family Director(s) shall be elected at the last general meeting of the fiscal year by a majority vote of the Family Members in Good Standing, subject to the quorum requirements, as those terms are defined in Article VII, Sections 7.5 and 7.12.2. Each Family Director shall serve a two (2) year term. A Family Member must be a Member in Good Standing as defined in Article VII, Section 7.5 in order to stand for election.
- 4.4.3 Community Director.** The Community Directors shall be elected at the last general meeting of the fiscal year by a majority vote of the Members in Good Standing, subject to the quorum requirements, as those terms are defined in Article VII, Sections 7.5 and 7.12.2. Every Community Director shall serve a two (2) year term. A Community Director shall not also be a parent or guardian, or of a student currently enrolled in any charter school operated by South Valley Charter School, a staff member or a member of the school administration.
- 4.4.4 Staff Director.** The Staff Director shall be elected at the last general meeting of the fiscal year by a majority vote of the Staff Members in Good Standing, subject to the quorum requirements, as those terms are defined in Article VII, Sections 7.5 and 7.12.2. The Staff Director shall serve a two (2) year term. A Staff Member must be a Staff Member in Good Standing as defined in Article VII, Section 7.5 in order to stand for election.

**Section 4.5 Limit on Consecutive Terms.** No Director shall serve more than two (2) consecutive terms, nor more than three (3) total terms.

**Section 4.6 Resignations and Removals.** Vacancies on the Board of Directors shall exist (1) on the death, resignation or removal of any Director or (2) whenever the number of authorized Directors is increased.

- 4.6.1 Removal by Court Order.** The Board of Directors may declare vacant the office of a Director who has been declared of unsound mind by a final order of court, or convicted of a felony, or been found by a final order or judgment of any court to have breached any duty under California Nonprofit Public Benefit Corporation Law, Chapter 2, Article 3.
- 4.6.2 Removal by Default.** The Board of Directors may declare vacant the office of a Director who fails to attend three (3) successive or one-third (1/3) of the meetings scheduled in one calendar year.
- 4.6.3 Removal by Majority Vote.** A Director may be removed without cause by a vote of two-thirds (2/3) majority of all Members, or by vote of a two-thirds (2/3) of those represented at a formal meeting of the Membership at which a quorum (to consist of one-third (1/3) of registered Members) is present.
- 4.6.4 Resignation.** Any Director may resign effective upon giving written notice to the Chairperson of the Board, the Chief Executive Officer, the Secretary or the Board of Directors, unless the notice specifies a later time for the effectiveness of such resignation. No director may resign if the corporation would then be left without a duly elected Director or Directors in charge of its affairs, except upon notice to the Attorney General.

**Section 4.7 Filling Vacancies.** Vacancies on the Board may be filled by appointment by a majority vote of the remaining Board members until the next scheduled election by the applicable Membership. The filling of vacancies shall be in accordance with the Ralph M. Brown Act (“Brown Act”). (Chapter 9 (commencing with Section 54950) of Division 2 of Title 5 of the Government Code).

**Section 4.8 Compensation.** Directors shall serve without any compensation for their service as Directors. Directors may receive a reasonable advance or reimbursement of expenses incurred in the performance of their duties as may be fixed or determined by resolution of the Board of Directors to be just and reasonable as to the Corporation at the time that the resolution is adopted, and in accordance with Cal Corp. Code §5236.

**Section 4.9 Liability.**

**4.9.1 Non-Liability of Directors.** No Director shall be held personally liable (individually or collectively) for the debts, liabilities, or other obligations of the corporation, except, as provided by law.

**4.9.2 Indemnification by Corporation of Directors, Officers, Employees, and Other Agents.** To the fullest extent permitted by law, the Corporation shall indemnify its directors, officers, employees, and other persons described in Corporations Code Section 5238(a), including persons formerly occupying any such positions, against all expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred by them in connection with any “proceeding,” as that term is used in that section, and including an action by or in the right of the Corporation by reason of the fact that the person is or was a person described in that section. “Expenses,” as used in this bylaw, shall have the same meaning as in that section of the Corporations Code.

On written request to the Board of Directors by any person seeking indemnification under Corporations Code Section 5238 (b) or Section 5238 (c) the Board of Directors shall promptly decide under Corporations Code Section 5238 (e) whether the applicable standard of conduct set forth in Corporations Code Section 5238 (b) or Section 5238 (c) has been met and, if so, the Board of Directors shall authorize indemnification.

**4.9.3 Insurance for Corporate Agents.** The Board of Directors shall adopt a resolution authorizing the purchase and maintenance of insurance on behalf of any agent of the corporation (including a Director, Officer, employee or other agent of the corporation) against any liability other than for violating provisions of law relating to self-dealing (Section 5233 of the California Nonprofit Public Benefit Corporation Law) asserted against or incurred by the agent in such capacity or arising out of the agent’s status as such, whether or not the corporation would have the power to indemnify the agent against such liability under the provisions of Section 5238 of the California Nonprofit Public Benefit Corporation Law.

**Section 4.10 Meetings.**

**4.10.1 Place of meetings.** Regular and special meetings of the Board of Directors shall be held at any place within the physical boundaries of the county in which that charter school or schools are located. Unless otherwise specified, the meetings shall be held at the principal office of the corporation designated in Article II,

Section 2.1 of these Bylaws. All meetings of the Board of Directors shall be called, held and conducted in accordance with the terms and provisions of the Brown Act. A two-way teleconference location shall be established at each school site and each resource center.

**4.10.2 Regular Meetings.** All meetings of the Board of Directors and its committees shall be called, noticed, and held in compliance with the provisions of the Brown Act. Regular meetings of the Board of Directors shall be held monthly. The Board may modify the time, date and frequency of such Regular Meetings from time to time, as it sees fit, provided that such changes are consistent with all applicable laws and regulations.

**4.10.3 Special Meetings.** Special meetings of the Board of Directors for any purpose may be called at any time by the Chairman of the Board of Directors, if there is such an officer, or a majority of the Board of Directors. If a Chairman of the Board has not been elected then the Chief Executive Officer is authorized to call a special meeting in place of the Chairman of the Board. The party calling a special meeting shall determine the place, date, and time thereof.

**4.10.4 Notice of Meetings.**

**4.10.4.1 Regular Meetings.** At least seventy-two (72) hours before a regular meeting, the Board of Directors, or its designee shall post an agenda containing a brief general description of each item of business to be transacted or discussed at the meeting.

**4.10.4.2 Special Meetings.** In accordance with the Brown Act, special meetings of the Board of Directors may be held only after twenty-four (24) hours notice is given to each director and to the public through the posting of an agenda. Directors shall also receive at least twenty-four (24) hours notice of the special meeting, in the following manner:

- a. Any such notice shall be addressed or delivered to each director at the director's address as it is shown on the records of the Corporation, or as may have been given to the Corporation by the director for purposes of notice, or, if an address is not shown on the Corporation's records or is not readily ascertainable, at the place at which the meetings of the Board of Directors are regularly held.
- b. Notice by mail shall be deemed received at the time a properly addressed written notice is deposited in the United States mail, postage prepaid. Any other written notice shall be deemed received at the time it is personally delivered to the recipient or is delivered to a common carrier for transmission, or is actually transmitted by the person giving the notice by electronic means to the recipient. Oral notice shall be deemed received at the time it is communicated, in person or by telephone or wireless, to the recipient or to a person at the office of the recipient whom the person giving the notice has reason to believe will promptly communicate it to the receiver.
- c. The notice of special meeting shall state the time of the meeting, the place, and the general nature of the business proposed to be transacted at the meeting. No business, other than the business

the general nature of which was set forth in the notice of the meeting, may be transacted at a special meeting.

**4.10.4.3 Teleconference Meetings.** Members of the Board of Directors may participate in teleconference meetings so long as all of the following requirements in the Brown Act are complied with:

- a. At a minimum, a quorum of the members of the Board of Directors shall participate in the teleconference meeting from locations within the physical boundaries of the county in which the Charter School is located;
- b. All votes taken during a teleconference meeting shall be by roll call;
- c. If the Board of Directors elects to use teleconferencing, it shall post agendas at all teleconference locations with each teleconference location being identified in the notice and agenda of the meeting;
- d. All locations where a member of the Board of Directors participates in a meeting via teleconference must be fully accessible to members of the public and shall be listed on the agenda;<sup>1</sup>
- e. Members of the public must be able to hear what is said during the meeting and shall be provided with an opportunity to address the Board of Directors directly at each teleconference location; and
- f. Members of the public attending a meeting conducted via teleconference need not give their name when entering the conference call.<sup>2</sup>

**4.10.4.4 Adjourned Meetings.** A majority of the directors present, whether or not a quorum is present, may adjourn any Board of Directors meeting to another time or place. Notice of such adjournment to another time or place shall be given, prior to the time schedule for the continuation of the meeting, to the directors who were not present at the time of the adjournment, and to the public in the manner prescribed the Brown Act.

**4.10.6 Conduct of Meetings.** Meetings of the Board of Directors shall be presided over by the Chairperson of the Board, or, in his or her absence, the Vice-Chairperson, or in his or her absence, by the Chief Financial Officer or Secretary or in the absence of these persons, by an acting Chairperson chosen in accordance with Article V, Section 5.1 by the Directors present at the meeting. The Secretary or Chief Financial Officer of the corporation shall act as secretary of all meetings of

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<sup>1</sup> This means that members of the Board of Directors who choose to utilize their homes or offices as teleconference locations must open these locations to the public and accommodate any members of the public who wish to attend the meeting at that location.

<sup>2</sup> The Brown Act prohibits requiring members of the public to provide their names as a condition of attendance at the meeting.

the Board, provided that, in his or her absence, the presiding Officer shall appoint another person to act as Secretary of the Meeting.

#### **Section 4.11 Board Action.**

**4.11.1 Quorum.** A majority of the Directors then in office constitutes a quorum. Except as otherwise provided in these Bylaws or in the Articles of Incorporation of this corporation, or by law, no business shall be considered by the Board at any meeting at which a quorum, as herein defined, is not present, and the only motion which the Chairperson shall entertain at such meeting is a motion to adjourn. The Directors present at a duly called and held meeting at which a quorum is initially present may continue to do business notwithstanding the loss of a quorum at the meeting due to a withdrawal of Directors from the meeting, provided that any action thereafter taken must be approved by at least a majority of the required quorum for such meeting or such greater percentage as may be required by law, or the Articles of Incorporation, or the Bylaws of this corporation. Directors may not vote by proxy. The vote or abstention of each board member present for each action taken shall be publicly reported.

**4.11.2 Majority and Board Action.** Every act or decision executed or made by a majority of the Directors present at a meeting duly held at which a quorum is present is the act of the Board of Directors, except to the extent that any of the following require a greater percentage or different voting rules for approval of a matter by the Board:

**4.11.2.1** the Articles of Incorporation or Bylaws of this corporation, or

**4.11.2.2** provisions of the California Nonprofit Public Benefit Corporation Law, particularly those provisions relating to appointment of committees (Section 5212), and indemnification of Directors (Section 5238(e)).

**4.11.3 Action By the Board of Directors.** No action shall be taken (as defined in Section 54952.6 of the Brown Act) by the Board of Directors in violation of the Brown Act or other applicable laws and regulations, including but not limited to the right of the public to public notice of meetings (as defined in Section 54952.2 of the Brown Act), and attendance at Board meetings other than those sessions which are closed in accordance with the Brown Act and other applicable laws.

### **ARTICLE V OFFICERS**

**Section 5.1 Number of Officers.** The Officers of this corporation shall include a Chairperson of the Board, a Vice Chairperson, a Chief Executive Officer, a Chief Financial Officer and a Secretary. The Chairperson and Vice Chairperson of the Board must be an elected member of the Board of Directors. The corporation may also designate, as determined by the Board of Directors from time to time, Assistant Secretaries, Assistant Chief Financial Officers, or other Officers. Any number of offices may be held by the same person, except that neither the Secretary nor the Chief Financial Officer may simultaneously serve as either the Chief Executive Officer or the Chairperson of the Board. The District Director shall not serve as Chairperson of the Board.

**Section 5.2 Qualifications, Appointment and Term.** Any natural person of legal majority may serve as an Officer of this corporation. Officers shall be appointed annually by the Board of Directors, from time to time, and each Officer shall hold office for one (1) year or until he or she resigns or is removed or is otherwise disqualified to serve, or until his or her successor shall be appointed and qualified, whichever occurs first.

- 5.2.1 Sub Officers.** The Board of Directors may appoint such other Officers or agents as it may deem desirable, and such Officers shall serve such terms, have such authority, and perform such duties as may be prescribed from time to time by the Board of Directors.
- 5.2.2 Removal and Resignation.** Without prejudice to the rights of any officer under an employment contract, any Officer may be removed, either with or without cause, by a two third (2/3) vote of the Board of Directors, at any time. Any Officer may resign at any time by giving written notice to the Board of Directors or to the Chief Executive Officer or Secretary of the corporation. Any such resignation shall take effect at the date of receipt of such notice or at any later date specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.
- 5.2.3 Vacancies.** Any vacancy caused by the death, resignation, removal, disqualification, or otherwise, of any Officer shall be filled by the Board of Directors. In the event of a vacancy in any office other than that of Chief Executive Officer, such vacancy may be filled temporarily by appointment by the Chief Executive Officer until such time as the Board shall fill the vacancy. Vacancies occurring in offices of Officers appointed at the discretion of the Board may or may not be filled, as the Board shall determine.

### **Section 5.3 Duties of Officers.**

- 5.3.1 Chairperson of the Board.** If a Chairperson of the Board is elected, he or she shall preside at meetings of the Board of Directors and shall exercise and perform such other powers and duties as the Board may assign from time to time. If a Chairperson of the Board of Directors is elected, there shall also be a Vice-Chairperson of the Board of Directors. In the absence of the Chairperson, the Vice-Chairperson shall preside at Board of Directors meetings and shall exercise and perform such other powers and duties as the Board of Directors may assign from time to time.
- 5.3.2 Chief Executive Officer.** The Chief Executive Officer, also known as the Executive Director, shall, subject to the control of the Board of Directors, supervise and control the affairs of the corporation and the activities of the Officers. He or she shall perform all duties incident to his or her office and such other duties as may be required by law, by the Articles of Incorporation of this corporation, by these Bylaws, or which may be prescribed from time to time by the Board of Directors. If applicable, the Chief Executive Officer shall preside at all meetings of the Members. Except as otherwise expressly provided by law, by the Articles of Incorporation, or by these Bylaws, he or she shall, in the name of the corporation, execute such deeds, mortgages, bonds, contracts, checks, or other instruments which may from time to time be authorized by the Board of Directors.
- 5.3.3 Secretary.** The Secretary shall:
- 5.3.3.1** Certify and keep at the principal office of the corporation the original, or a copy of these Bylaws as amended or otherwise altered to date;
  - 5.3.3.2** Keep at the principal office of the corporation, or at such other place as the Board may determine, a book of minutes of all meetings of the Directors and, if applicable, meetings of committees of Directors and of Members, recording therein the time and place of holding, whether regular or special, how called, how notice thereof was given, the names of those present or represented at the meeting, and the proceedings



thereof; and the vote or abstention of each board member present for each action taken.

**5.3.3.3** See that all notices are duly given in accordance with the provisions of these Bylaws or as required by law;

**5.3.3.4** Be custodian of the records of the corporation;

**5.3.3.5** If the corporation has a seal, keep a copy of the seal and see that the seal is affixed to all duly executed documents, the execution of which on behalf of the corporation under its seal is authorized by law or these Bylaws;

**5.3.3.6** Keep at the principal office of the corporation a Membership book containing the name and address of each and any Members, and, in the case where any Membership has been terminated, he or she shall record such fact in the Membership book together with the date on which such Membership ceased;

**5.3.3.7** Exhibit at all reasonable times to any Director of the corporation, or to his or her agent or attorney, on request therefor, the Bylaws, the Membership book, and the minutes of the proceedings of the Directors of the corporation; and

**5.3.3.8** In general, perform all duties incident to the office of Secretary and such other duties as may be required by law, by the Articles of Incorporation of this corporation, or by these Bylaws, or which may be assigned to him or her from time to time by the Board of Directors.

**5.3.4 Chief Financial Officer.** Subject to the provisions of these Bylaws relating to the "Execution of Instruments, Deposits and Funds," the Chief Financial Officer shall:

**5.3.4.1** Have charge and custody of, and be responsible for, all funds and securities of the corporation, and deposit all such funds in the name of the corporation in such banks, trust companies, or other depositories as shall be selected by the Board of Directors;

**5.3.4.2** Receive, and give receipt for, monies due and payable to the corporation from any source whatsoever;

**5.3.4.3** Disburse, or cause to be disbursed, the funds of the corporation as may be directed by the Board of Directors, taking proper vouchers for such disbursements;

**5.3.4.4** Be available, or through an authorized designee be available, on a daily basis to make disbursements;

**5.3.4.5** Keep and maintain adequate and correct accounts of the corporation's properties and business transactions, including accounts of its assets, liabilities, receipts, disbursements, gains and losses;

**5.3.4.6** Exhibit at all reasonable times the books of account and financial records to any director of the corporation, or to his or her agent or attorney, on request therefor;

- 5.3.4.7 Render to the Chief Executive Officer and Directors, whenever requested, an account of any or all of his or her transactions as Chief Financial Officer and of the financial condition of the corporation;
- 5.3.4.8 Prepare, or cause to be prepared, and certify, or cause to be certified, the financial statements to be included in any required reports; and
- 5.3.4.9 In general, perform all duties incident to the office of Chief Financial Officer and such other duties as may be required by law, by the Articles of Incorporation of the corporation, or by these Bylaws, or which may be assigned to him or her from time to time by the Board of Directors.

**Section 5.4 Compensation.** Officers shall serve without any compensation for their service as Officers. Officers may receive a reasonable advance or reimbursement of expenses incurred in the performance of their duties as may be fixed or determined by resolution of the Board of Directors and in accordance with Cal Corp. Code §5236. This section does not prohibit the compensation of an officer pursuant to an employment contract. The compensation received by Officers for services rendered to the Corporation, outside of the services rendered as an Officer, must be reasonable and is allowable under the provisions of Section 5.5, "Conflict of Interest".

**Section 5.5 Conflict of Interest.** Officers are subject to the conflict of interest rules under the Political Reform Act (Section 81000, *et seq.* of the California Government Code), Government Code Section 1090, *et seq.*, as set forth in Education Code Section 47604.1, and other applicable laws.

## ARTICLE VI COMMITTEES

**Section 6.1 Committees.** The Board may establish committees, other than an executive committee each consisting of two or more Directors, and no one who is not a Director, in accordance with Section 5212 of the California Nonprofit Corporation Law.

**Section 6.2 Advisory Committees.** The corporation may create such other committees as may from time to time be designated by resolution of the Board of Directors. Such other committees may consist of persons who are not also Directors. These additional committees shall act in an advisory capacity only to the Board and shall be clearly titled as "advisory" committees. Such committees shall operate in accordance with the applicable provisions of the Brown Act.

**Section 6.3 Membership Committees.** The corporation may create additional committees appropriate to operation of the corporation or of its charter school(s) as required by these Bylaws and by applicable law. Such committees may consist of persons who are not also Directors but will consist of Members of the corporation.

**Section 6.4 Meetings and Action of Committees.** Meetings and actions of committees of the Board of Directors shall be governed by, held, and taken under the provisions of these bylaws concerning meetings, other Board of Directors' actions, and the Brown Act, if applicable, except that the time for general meetings of such committees and the calling of special meetings of such committees may be set either by Board of Directors' resolution or, if none, by resolution of the committee. Minutes of each meeting shall be kept and shall be filed with the corporate records. The Board of Directors may adopt rules for the governance of any committee as long as the rules are consistent with these bylaws. If the Board of Directors has not adopted rules, the committee may do so.

## ARTICLE VII MEMBERS

**Section 7.1 Determination of Type of Membership and Rights of Members.**

**7.1.1** No Member shall hold more than one type of Membership per year in the corporation. A person who qualifies for more than one type of Membership may select, at his or her discretion, but only once each year, the type of Membership that the person shall hold for that year.

**7.1.2** Except as expressly provided in or authorized by the Articles of Incorporation or Bylaws of this corporation, all Memberships shall have the same rights, privileges, restrictions and conditions. A Member of the corporation has the following rights as more specifically delineated in these bylaws: the right to vote to (i) elect the Board of Directors, (ii) amend the Bylaws as set forth in Article XI, (iii) amend the Articles of Incorporation as set forth in Article XI and (iv) provide an advisory vote at the request of the Board of Directors.

**Section 7.2 Voluntary Membership.** Apart from the few exceptions noted below, Membership in the corporation is voluntary and shall not be a condition of enrollment in the charter school, employment by the charter school or the corporation, or acceptance of volunteer support. All qualifying individuals shall be duly informed of their eligibility for membership, the associated responsibilities, and the right to decline membership. Once an individual has chosen to be a member, that Membership shall roll over from year to year so long as the Member (i) has at least one child attending the charter school, (ii) remains in good standing or (iii) has not informed the corporation that he or she no longer desires to be a member. Cessation of membership shall not affect a child’s right to attend the charter school.

**Section 7.3 Qualifications and Types of Members.** No person shall be denied membership in this corporation based on race, ethnicity, color, religion, national origin, gender, disability, or sexual orientation. Any natural person who subscribes to and desires to help further the purposes of this corporation may choose to become a Member of the corporation for the duration of the current fiscal year by fulfilling any one or more of the following Membership conditions:

**7.3.1 Family Member** by virtue of relation to student (“Family”), which may be:

**7.3.1.1** One or both parents or legal guardian(s); **7.3.1.2** For purposes of Section 7.12.2 below, no more than two Family Members, whether a parent or legal guardian, may participate in a voice vote.

**7.3.1.3** Parents or guardians shall not be required to become Family Members. No student’s enrollment in the charter school shall be hindered by the choice of the family or sponsors to accept or decline Membership rights and responsibilities or by any action which terminates those Membership rights.

**7.3.2 Staff Member** by virtue of employment by the corporation (“Staff”), provided that employment is for an annual average of not less than three (3) hours per week. Staff members are full- or part-time employees but may not be independent contractors. No staff member’s employment may be conditioned upon membership in the corporation; however, the administration may require staff to attend meetings, provide appropriate information on school activities, and otherwise interact with the Membership, to the extent that it serves the academic purposes of the charter school.

**Section 7.4 Fees, Dues, and Assessments**

**7.4.1** No fees shall be charged for making application to or for becoming a Member of the corporation.

**7.4.2** No annual dues shall be payable to the corporation by its Members.

**Section 7.5 Standing Of Members.** Only a Member In Good Standing is entitled to the rights and privileges of Members of the corporation. A Member that is not in Good Standing may not be a candidate for a Director or Officer position in the corporation. Members shall be considered in Good Standing under the following conditions:

**7.5.1 Family Member:** Family Members must have a student attending the charter school.

**7.5.2 Staff Member:** The Staff Member provides service to the charter school, pursuant to his or her employment contract.

**Section 7.6 Number of Members.** There is no limit on the number of Members the corporation may admit.

**Section 7.7 Membership Book.** The corporation shall keep a Membership book containing the name and address of each Member. Termination of the Membership of any Member shall be recorded in the book. Such book shall be kept at the corporation's principal office and shall be available for inspection by any director or Member of the corporation during regular business hours. The record of names and addresses of the Members of this corporation shall constitute the Membership list of this corporation and shall not be used, in whole or in part, by any person for any purpose not reasonably related to a Member's interest as a Member.

**Section 7.8 Non-Liability of Members.** A Member of this corporation is not, as such, personally liable for the debts, liabilities, or obligations of the corporation.

**Section 7.9 Nontransferability of Memberships.** Except with regard to a parent requesting that a Sponsor become a Family Member, no Member may transfer a Membership or any right arising therefrom.

**Section 7.10 Term of Membership.** A Member's right to participate in the Corporation, pursuant to the terms and conditions hereunder, shall cease and such individual shall no longer be deemed a Member of the Corporation upon the occurrence of any of the following events

**7.10.1** Upon the happening of an event which alters the status of a Member such that they no longer meet the requirements as set forth in Sections 7.3 and 7.5 as the case may be.

**7.10.2** Upon revocation (or failure to renew, beyond the time required for renewal) of the Charter by that local educational authority which was a Grantor.

**7.10.3 Rights on Termination of Membership.** All Membership rights of a Member in the corporation shall cease on termination of Membership as herein provided. Termination of Membership rights shall not affect a child's right to attend the School.

**7.10.4 Amendments Resulting in the Termination of Membership.** Notwithstanding any other provision of these Bylaws, if any amendment of the Articles of Incorporation or of the Bylaws of this corporation would result in the termination of all Memberships or any class of Memberships, then such amendment or

amendments shall be effected only in accordance with the provisions of Section 5342 of the California Nonprofit Public Benefit Corporation Law.

## **Section 7.11 Meetings of Members.**

**7.11.1 Place of Meetings.** Meetings of Members shall be held at any place that may be designated by the Board of Directors in accordance with Section 54954(b) of the California Government Code and other applicable laws. Unless otherwise so designated, the meetings shall be held at the principal office of the corporation designed in Article II, Section 2.1 of these Bylaws.

**7.11.2 Annual Meetings.** The Members shall meet annually on the fourth Wednesday of April in each year, at 6:30 PM, for the purpose of electing Directors and transacting other business as may come before the meeting. The Board may modify the date and time of the annual meeting, provided due notice of such change is provided to all members as described in Section 7.11.4 of this Article. Cumulative voting for the election of Directors shall not be permitted. The candidates receiving the highest number of votes, up to the number of Directors to be elected, shall be elected. Except as set forth in Article VII, Section 7.12.3, each Member in Good Standing shall be entitled to cast one vote for the Community Director(s) and one vote for the director representing their Member group, if any. The annual meeting of Members for the purpose of electing Directors shall be deemed a regular meeting and any reference in these Bylaws to regular meetings of Members refers to this annual meeting. If the day fixed for the annual meeting or other regular meetings falls on a legal holiday, such meeting shall be held at the same hour and place on the next business day.

**7.11.3 Special Meetings.** Special meetings of the Members shall be called by the Board of Directors, the Chairperson of the Board, or the Chief Executive Officer of the corporation. In addition, special meetings of the Members for any lawful purposes may be called by petition signed by five percent (5%) or more of the Members of record. Such meetings shall be called in accordance with the Brown Act and other applicable laws.

### **7.11.4 Notice of Meetings.**

**7.11.4.1 Time of Notice.** Whenever Members are required or permitted to take action at a meeting, a written notice of the meeting shall be given by the Secretary of the corporation not less than ten (10) nor more than ninety (90) days before the date of the meeting to each Member who, on the record date for the notice of the meeting, is entitled to vote thereat, provided, however, that if notice is given by mail, and the notice is not mailed by first-class, registered, or certified mail, that notice shall be given twenty (20) days before the meeting.

**7.11.4.2 Manner of Giving Notice.** Notice of a Members' meeting or any report shall be given either personally or by mail 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 address appears or is given, at the place where the principal office of the corporation is located or by publication of notice of the meeting at least once in a newspaper of general circulation in the county in which the principal office is located. Notice shall be deemed to have been given at the time when delivered personally or deposited in the mail or sent by telegram or other means of

written communication, including email provided that the person has on record with the corporation an email address to be used for this purpose.

**7.11.4.3 Contents of Notice.** Notice of a Membership meeting shall state the place, date, and time of the meeting. In addition:

**7.11.4.3.1** In the case of a special meeting, the notice must state the general nature of the business to be transacted, and no other business may be transacted at that meeting.

**7.11.4.3.2** In the case of a regular meeting, those matters which the Board, at the time notice is given, intends to present for action by the Members must be stated in the notice. However, subject to any provision to the contrary contained in these Bylaws or the Brown Act, or other applicable laws and regulations, any proper matter may be presented at a regular meeting for appropriate action.

**7.11.4.3.3** The notice of any meeting of Members at which Directors are to be elected shall include the names of all those who are nominees at the time notice is given to Members.

**7.11.4.4 Notice of Meetings Called by Members.** If a special meeting is called by Members as authorized by these Bylaws, the request for the meeting shall be submitted in writing, specifying the general nature of the business proposed to be transacted and shall be delivered personally or sent by registered mail or by facsimile to the Chairperson of the Board, Chief Executive Officer or Secretary of the corporation. The Officer receiving the request shall promptly cause notice to be given to the Members entitled to vote that a meeting will be held, stating the date of the meeting. The date for such meeting shall be fixed by the Board and shall not be less than thirty-five (35) nor more than ninety (90) days after the receipt of the request for the meeting by the Officer. If the notice is not given within twenty (20) days after the receipt of the request, persons calling the meeting may give the notice themselves.

**7.11.4.5 Waiver of Notice of Meetings.** The transactions of any meeting of Members, however called and noticed, and wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice, if a quorum is present and if, either before or after the meeting, each of the persons entitled to vote, but not present, signs a written waiver of notice or a consent to the holding of the meeting or an approval of the minutes thereof. All such waivers, consents and approvals shall be filed with the corporate records or made a part of the minutes of the meeting. Waiver of notices or consents need not specify either the business to be transacted or the purpose of any regular or special meeting of Members, except that if action is taken or proposed to be taken for approval of any of the matters specified in subparagraph 7.12.4.6 of this section, the waiver of notice or consent shall state the general nature of the proposal.

**7.11.4.6 Special Notice Rules for Approving Certain Proposals.** If action is proposed to be taken or is taken with respect to the following proposals, such action shall be invalid unless the general nature of the proposal is stated in the notice of meeting or in any written waiver of notice or unless the action is unanimously approved by those entitled to vote:

**7.11.4.6.1** Removal of Directors without cause;

**7.11.4.6.2** Filling of vacancies on the Board by Members, including vacancies for Special Directors where the appropriate constituency has failed to fill a vacancy for more than sixty (60) days;

**7.11.4.6.3** Amending the Articles of Incorporation or the Bylaws; and

**7.11.4.6.4** An election to voluntarily wind up and dissolve the corporation.

**7.11.4.7 Adjourned Meetings.** When a meeting is adjourned for lack of a sufficient number of Members at the meeting or otherwise, it shall not be necessary to give any notice of the time and place of the adjourned meeting or of the business to be transacted at such meeting other than by announcement at the meeting at which the adjournment is taken of the time and place of the adjourned meeting. However, if after the adjournment a new record date is fixed for notice or voting, a notice of the adjourned meeting shall be given to each Member who, on the record date for notice of the meeting, is entitled to vote at the meeting. A meeting shall not be adjourned for more than two (2) days.

**7.11.4.8 Brown Act Compliance.** Any provisions of this section notwithstanding, reasonable notice shall be given in accordance with the Brown Act and all other applicable laws and regulations.

**7.11.5 Conduct of Meetings.** Meetings of Members shall be presided over by the Chairperson of the Board, or, if there is no Chairperson, by the Chief Executive Officer of the Corporation or, in his or her absence, by the Vice Chief Executive Officer of the Corporation or, in the absence of all of these persons, by a Chairperson chosen by a majority of the voting Members present. The Secretary of the corporation shall act as Secretary of all meetings of Members, provided that, in his or her absence, the presiding Officer shall appoint another person to act as Secretary of the meeting. Meetings shall be conducted using such procedures as may be devised from time to time by the Board of Directors, insofar as such procedures are not inconsistent with or in conflict with these Bylaws, with the Articles of Incorporation of this corporation, or with any provision of law.

## **Section 7.12 Membership Action.**

**7.12.1 Subjects of Membership Action.** In the ordinary course of events, only four items shall be subject to Membership action: (i) election of the Board of Directors as described in these Bylaws, (ii) amendment of the Bylaws as set forth in Article XI, (iii) amendment of the Articles of Incorporation as set forth in Article XI and (iv) provision of an advisory vote at the request of the Board of Directors. Amendment, adoption and repeal of the Bylaws or Articles of Incorporation may also be made by the Board of Directors as set forth in Article XI unless the action would materially and adversely affect the rights of the Members as to voting or transfer.

**7.12.2 Quorum.** A quorum for general business shall consist of one-third (1/3) of the Members of record of the corporation. For election of the Family Director, quorum shall require one-third (1/3) of the Family Members in Good Standing. For election of the Staff Director, quorum shall require one-third (1/3) of the Staff Members in Good Standing. The Members present at a duly called and held meeting at which the necessary quorum is initially present may continue to do business notwithstanding the loss of a quorum at the meeting due to a withdrawal of Members from the meeting, provided that any action taken after the loss of a

quorum must be approved by at least a majority of the Members required to constitute a quorum. In the absence of a quorum, any meeting of the Members may be adjourned from time to time by the vote of a majority of the votes represented in person or by proxy at the meeting, but no other business shall be transacted at such meeting. Notwithstanding any other provision of this Article, if this corporation authorizes Members to conduct a meeting with a quorum of less than one-third (1/3) of the voting power, then, if less than one-third (1/3) of the voting power actually attends a regular meeting, in person or by proxy, then no action may be taken on a matter unless the general nature of the matter was stated in the notice of the regular meeting.

**7.12.3 Voting.** Voting at duly held meetings may be by voice vote by Members. Election of Directors, removal of Directors, Amendments to Bylaws or Amendments to the Articles of Incorporation shall all be by written ballot. Advisory votes may be by voice vote. Each Member is entitled to one vote on each matter submitted to a vote by the Members, provided that any Member who qualifies as more than one category of Member will be entitled to a total of one vote cumulatively, with the exception that voting for certain Board Positions is limited as follows:

**7.12.3.1 Staff Member.** Each Staff Member is entitled to one vote.

**7.12.3.2 Family Member.** Although each Family (defined as the parents, guardians, and Sponsors for a particular student enrolled in the charter school) may have more than one Member, for purposes of any vote cast by written ballot, each Family is entitled to only one vote.

**7.12.4 Majority and Membership Action.** Every act or decision done or made by a majority of voting Members present in person or by proxy or absentee ballot at a duly held meeting at which a quorum is present is the act of the Members, unless the law, the Articles of Incorporation of this corporation, or these Bylaws require either a greater number of the total membership or, as in the case of Board elections, majorities of certain Member categories.

**7.12.5 Proxy Voting.** Members shall not be permitted to vote or act by proxy; no provision in this or other Sections of these Bylaws referring to proxy voting shall be construed to permit any Member to vote or act by proxy.

**7.12.6 Absentee Ballots.** The Board of Directors may establish a special procedure to allow for absentee ballots, for individuals who present compelling reasons for being unable to attend a meeting of Members. Any such procedure will specify a range of criteria and either a committee or a designated official to approve such exceptions, whose decision as to the need for an absentee ballot shall be final. Such an absentee ballot procedure shall be allowed wherever voting by proxy might otherwise have been permissible by law. Members entitled to vote by a written absentee ballot executed by such person or by his or her duly authorized agent and filed with the Secretary of the corporation, may subsequently vote in person or by ballot. An absentee ballot is revocable and may be revoked for any reason prior to the election, following procedures for proxy revocation given in Section 5613 of the California Nonprofit Public Benefit Corporation Law. All absentee ballots shall state the matters to be voted on, and, in the case of an absentee ballot given to vote for the election of Directors, shall list those persons who were nominees at the time the notice of the vote for election of Directors was given to the Members. Absentee ballots shall afford an opportunity for the Member to specify a choice between approval and disapproval for each matter or group of related matters intended, at the time the ballot is distributed, to be acted



upon at the meeting to which the ballot applies. The absentee ballot shall also provide that when the person solicited specifies a choice with respect to any such matter, their vote shall be deemed cast in accordance therewith.

**7.12.7 Action by Written Ballot Without a Meeting.** Approval by written ballot pursuant to this section 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.

**7.12.8 Nomination Procedures.** Generally, in addition to the candidates slated by any person who is qualified to be elected to the Board of Directors may be nominated at or before the Annual Meeting of Members held for the purpose of electing Directors by any Member present at the meeting. The corporation shall provide reasonable procedures and means for members to nominate persons for election to the Board. However, if the corporation has five hundred (500) or more Members, any of the additional nomination procedures specified in subsections (a) and (b) of Section 5221 of the California Nonprofit Public Benefit Corporation Law may be used to nominate persons for election to the Board of Directors. If this corporation has five thousand (5,000) or more Members, then the nomination and election procedures specified in Section 5522 of the California Nonprofit Corporation Law shall be followed by this corporation in nominating and electing persons to the Board of Directors.

**7.12.9 Election Procedures.** This corporation shall make available to Members procedures with respect to the election of Directors by Members. Such procedures shall take into account the nature, size and operations of the corporation, and shall include reasonable means and opportunities for:

**7.12.9.1** A nominee to communicate to the Members the nominee's qualifications and the reasons for the nominee's candidacy,

**7.12.9.2** all nominees to solicit support, and

**7.12.9.3** all Members to choose among the nominees.

**7.12.10 Provision of Information Pursuant to Elections.** Upon the written request by any nominee to the Board and the payment with such request of the reasonable costs of copying and mailing (including postage), the corporation shall, within ten (10) business days after such request (provided payment has been made) mail to all Members or such portion of them that the nominee may reasonably specify, any material which the nominee shall furnish and which is reasonably related to the election, unless the corporation within five (5) business days after the request allows the nominee, at the corporation's option but with reminders to the nominee of the confidentiality of the information and the consequences for misuse delineated in Sections 7.7 and 7.10.2 of this Article, the right to do either of the following:

**7.12.10.1** inspect and copy the record of all Members' names, addresses and voting rights, at reasonable times, upon five (5) business days' prior written demand upon the corporation, which demand shall state the purpose for which the inspection rights are requested; or

**7.12.10.2** obtain from the Secretary, upon written request and payment of a reasonable charge, a list of the names, addresses and voting rights of those Members entitled to vote for the election of directors, as of the most recent record date for which it has been compiled or as of any date specified by the nominee subsequent to the date of request. The request shall state the purpose for which the list is requested and the Membership list shall be made available on or before the later of ten (10) business days after the demand is received or after the date specified therein as the date as of which the list is to be compiled.

**7.12.11 Equal Provision of Election Material.** If the corporation distributes any written election material soliciting votes for any nominee for director at the corporation's expense, it shall make available, at the corporation's expense, to each other nominee, in or with the same material, the same amount of space that is provided any other nominee, with equal prominence, to be used by the nominee for a purpose reasonably related to the election.

**7.12.12 Action by Members.** No action shall be taken (as defined in Section 54952.6 of the Brown Act) by the Members in violation of the Brown Act or other applicable laws and regulations, including but not limited to the right of the public to public notice of meetings (as defined in Section 54952.2 of the Brown Act), and attendance at Member meetings other than those sessions which are closed in accordance with the Brown Act and other applicable laws.

**7.12.13 Record Date for Meetings.** The record date for purposes of determining the Members entitled to notice, voting rights, written ballot rights, or any other right with respect to a meeting of Members or any other lawful Membership action, shall be fixed pursuant to Section 5611 of the California Nonprofit Public Benefit Corporation Law.

## **ARTICLE VIII EXECUTION OF INSTRUMENTS, DEPOSITS AND FUNDS**

**Section 8.1 Execution of Instruments.** The Board of Directors, except as otherwise provided in these Bylaws, may by resolution authorize any Officer or agent of the corporation to enter into any contract or execute and deliver any instrument in the name of, and on behalf of, the corporation, and to issue checks in a nominal amount for the day to day operations of the school, and such authority may be general or confined to specific instances. Unless so authorized, no Officer, agent, or employee shall have any power or authority to bind the corporation by any contract or engagement or to pledge its credit or to render it liable monetarily for any purpose or in any amount.

**Section 8.2 Checks and Notes.** Except as otherwise specifically determined by resolution of the Board of Directors, or as otherwise required by law, checks, drafts, promissory notes, orders for the payment of money, warrants issued by the County Treasurer and other evidence of indebtedness of the corporation shall be signed by the Chief Financial Officer and countersigned by the Chief Executive Officer of the corporation.

**Section 8.3 Deposits.** All funds of the corporation shall be deposited from time to time to the credit of the corporation in such banks, trust companies, or other depositories as agreed to by the Board of Directors and the County of Santa Clara.

**Section 8.4 Gifts.** The Board of Directors may accept on behalf of the corporation any contribution, gift, bequest, or devise for the charitable or public purposes of this corporation.

## **ARTICLE IX CORPORATE RECORDS AND REPORTS**

**Section 9.1 Maintenance of Corporate Records.** The corporation shall keep at its principal office in the State of California:

- 9.1.1** Minutes of all meetings of Directors, committees of the Board and, if this corporation has Members, of all meetings of Members, indicating the time and place of holding such meetings, whether regular or special, how called, the notice given, and the names of those present and the proceedings thereof, such information to be used only for the intended purposes of conducting the proper business of the corporation;
- 9.1.2** Adequate and correct books and records of account, including accounts of its employees, properties and business transactions and accounts of its assets, liabilities, receipts, disbursements, gains and losses;
- 9.1.3** A record of its Members, if any, indicating their names and addresses and, if applicable, the class of Membership held by each Member and the termination date of any Membership; such information is to be used only for the intended purposes of conducting the proper business of the corporation;
- 9.1.4** A copy of the corporation's Articles of Incorporation and Bylaws as amended to date, which shall be open to inspection by the Members, if any, of the corporation at all reasonable times during normal business hours.

**Section 9.2 Corporate Seal.** The Board of Directors shall not adopt or use a corporate seal, unless such a seal is deemed to be essential to accomplish the legal purposes of the corporation, or it is subsequently determined by action of the Board that continuing to conduct business without such a seal would be impractical. Unless and only to the extent required by law, failure to affix a seal to corporate instruments shall not affect the validity of any such instrument.

**Section 9.3 Directors' Inspection Rights.** Every Director shall have the absolute right at any reasonable time to inspect and copy all books, records and documents of every kind and to inspect the physical properties of the corporation, provided that such inspection and copying is subject to Section 6250 of the California Government Code and other applicable laws. This right to inspect may be circumscribed in instances where the right to inspect conflicts with California or federal law (e.g., restrictions on the release of educational records under FERPA) pertaining to access to books, records, and documents.

**Section 9.4 Members' Inspection Rights.** Subject to the corporation's right to set aside a demand for inspection pursuant to Section 6331 of the Corporation Code, the corporation's obligations to maintain the confidentiality of certain materials under Section 6250 of the California Government Code and other applicable laws, and the power of the court to limit inspection rights pursuant to Section 6332 of the Corporation Code, and unless the corporation provides a reasonable alternative as permitted below, a Member satisfying the qualifications set forth hereinafter may do one or more of the following:

- 9.4.1** inspect and copy the record of all Members' names and voting rights, at reasonable times, upon five (5) business days' prior written demand on the corporation, which demand shall state the purpose for which the inspection rights are requested;
- 9.4.2** obtain from the Secretary of the corporation, upon written demand and payment of a reasonable charge, an alphabetized list of the names, and voting rights of those Members entitled to vote for the election of Directors as of the most recent record date for which the list has been compiled or as of the date specified by the

Member subsequent to the date of demand. The demand shall state the purpose for which the list is requested. The Membership list shall be made available on or before the later of ten (10) business days after the demand is received or after the date specified therein as of which the list is to be compiled;

**9.4.3** Inspect at any reasonable time the books, records, or minutes of proceedings of the Members or of the Board or committees of the Board, upon written demand on the corporation by the Member, for a purpose reasonably related to such person's interests as a Member. The corporation may, within ten (10) business days after receiving a demand pursuant to Section 9.4.2 of this Article, deliver to the person or persons making the demand a written offer of an alternative method of achieving the purpose identified in said demand without providing access to or a copy of the Membership list. An alternative method which reasonably and in a timely manner accomplishes the proper purpose set forth in a demand made pursuant to Section 9.4.2 of this Article shall be deemed reasonable; unless within a reasonable time after acceptance of the offer, the corporation fails to do those things which it offered to do. Any rejection of the offer shall be in writing and shall indicate the reasons the alternative proposed by the corporation does not meet the proper purpose of the demand made pursuant to Section 9.4.2 of this Article.

**9.4.4 Right To Copy and Make Extracts.** Any inspection under the provisions of this Article may be made in person or by agent or attorney and the right to inspection includes the right to copy and make extracts.

## **Section 9.5**

**Annual Report.** The Board shall cause an annual report to be furnished not later than one hundred and twenty (120) days after the close of the corporation's fiscal year to all Directors of the corporation and, if this corporation has Members, to any Member who requests it in writing (and who pays a reasonable fee for reproduction and postage), which report shall contain the following information in appropriate detail:

**9.5.1** The assets and liabilities, including the trust funds, of the corporation as of the end of the fiscal year;

**9.5.2** The principal changes in assets and liabilities, including trust funds, during the fiscal year;

**9.5.3** The revenue or receipts of the corporation, both unrestricted and restricted to particular purposes, for the fiscal year;

**9.5.4** The expenses or disbursements of the corporation, for both general and restricted purposes, during the fiscal year;

**9.5.5** Any information required by Section 9.5.6 of this Article.

**9.5.6** The annual report 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. If this corporation has Members and it receives Twenty- Five Thousand Dollars (\$25,000), or more, in gross revenues or receipts during the fiscal year, then, if Section 6321(f) of the California Non-Profit Organization Code does not apply to the corporation, the corporation shall automatically send the above annual report to all Members, in such manner, at such time, and with such contents, including an accompanying report from independent accountants or certification of a corporate Officer, as specified by the

above provisions of this Section relating to the annual report. Any and all Members may elect to have their annual reports sent to them via email by providing the corporation with their consent to receiving the report in this manner and with their email address.

**Section 9.6 Annual Statement of Specific Transactions.** This corporation shall mail or deliver to all Directors, and any and all Members requesting it in writing, a statement within one hundred and twenty (120) days after the close of its fiscal year which briefly describes the amount and circumstances of any indemnification or transaction of the following kind:

- 9.6.1** Any transaction in which the corporation was a party, and in which:
  - 9.6.1.1** Any Director or Officer of the corporation had a direct or indirect material financial interest; or
  - 9.6.1.2** Any holder of more than ten percent (10%) of the voting power of this corporation had a direct or indirect material financial interest.
- 9.6.2** The above statement need only be provided with respect to a transaction during the previous fiscal year involving more than fifty thousand dollars (\$50,000) or which was one of a number of transactions with the same persons involving, in the aggregate, more than fifty thousand dollars (\$50,000). Similarly, the statement need only be provided with respect to indemnifications or advances aggregating more than ten thousand dollars (\$10,000) paid during the previous fiscal year to any Director or Officer, except that no such statement need be made if such indemnification was approved by the Members pursuant to Section 5238(e)(2) of the California Nonprofit Public Benefit Corporation Law.
- 9.6.3** Any statement required by this Section shall briefly describe the names of the interested persons involved in such transactions, stating each person's relationship to the corporation, the nature of such person's interest in the transaction and, where practical, 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.
- 9.6.4** If this corporation has any Members and provides all Members with an annual report according to the provisions of Section 9.5 of this Article, then such annual report may include the information required by this Section.

## **ARTICLE X PROHIBITION AGAINST SHARING CORPORATE PROFITS AND ASSETS**

No Member, Director, Officer, employee, or other person connected with this corporation, or any private individual, shall receive at any time any of the net earnings or pecuniary profit from the operations of the corporation; provided, however, that this provision shall not prevent payment to any such person of reasonable compensation for services performed for the corporation in effecting any of its public or charitable purposes, provided that such compensation is otherwise permitted by these Bylaws and is fixed by resolution of the Board of Directors; and no such person or persons shall be entitled to share in the distribution of, and shall not receive, any of the corporate assets on dissolution of the corporation. All Members, if any, of the corporation shall be deemed to have expressly consented and agreed that on such dissolution or winding up of the affairs of the corporation, whether voluntarily or involuntarily, the assets of the corporation, after all debts have been satisfied, shall be distributed as required by the Articles of Incorporation of this corporation and not otherwise.

## **ARTICLE XI CONTRACTS WITH DIRECTORS**

The Corporation shall not enter into a contract or transaction in which a director directly or indirectly has a material financial interest (nor shall the Corporation enter into any contract or transaction with any other corporation, firm, association, or other entity in which one or more of the Corporation's directors are directors and have a material financial interest). Pursuant to Education Code section 47604.1 (effective Jan. 1, 2020), notwithstanding Article 4 (commencing with Section 1090) of Chapter 1 of Division 4 of Title 1 of the Government Code, an employee of a charter school shall not be disqualified from serving as a member of the governing body of the charter school because of that employee's employment status. A member of the governing body of a charter school who is also an employee of the charter school shall abstain from voting on, or influencing or attempting to influence another member of the governing body regarding, all matters uniquely affecting that member's employment.

## **ARTICLE XII CONTRACTS WITH NON-DIRECTOR DESIGNATED EMPLOYEES**

The Corporation shall not enter into a contract or transaction in which a non-director designated employee (e.g., officers and other key decision-making employees) directly or indirectly has a material financial interest unless all of the requirements in the Corporation's Conflict of Interest Code have been fulfilled.

## **ARTICLE XIII LOANS TO DIRECTORS AND OFFICERS**

The Corporation shall not lend any money or property to or guarantee the obligation of any director or officer; provided, however, the Corporation may advance money to a director or officer of the Corporation for expenses reasonably anticipated to be incurred in the performance of his or her duties if that director or officer would be entitled to reimbursement for such expenses of the Corporation.

## **ARTICLE XIV AMENDMENT OF BYLAWS**

Subject to any provisions of law applicable to the amendment of Bylaws of public benefit nonprofit corporations, these Bylaws, or any of them, may be altered, amended, or repealed and new Bylaws adopted so long as the altered, amended or new Bylaws are not in conflict with the charter or any joint powers agreement, as follows:

**Section 11.1** Subject to California Corporations Code Sections 5150, 5151, 5220, 5224, 5512 and 5613, if the Corporation has less than fifty (50) Members, by approval of sixty percent (60%) of the Board of Directors; or

**Section 11.2** Subject to California Corporations Code Sections 5150, 5151, 5220, 5224 and 5613, if this corporation has fifty (50) or more Members, by approval of either sixty percent (60%) of the Members or sixty percent (60%) of the Board of Directors.

## **ARTICLE XV AMENDMENT OF ARTICLES OF INCORPORATION**

**Section 12.1** **Amendment of Articles.** The Articles of Incorporation may be amended by the approval of both sixty percent (60%) of the Members (if any) and sixty percent (60%) of the Board of Directors.

**Section 12.2** **Certain Amendments.** Notwithstanding the above sections of this Article, this corporation shall not amend its Articles of Incorporation to alter any statement which appears in the original Articles of Incorporation of the names and addresses of the first Directors of this corporation, nor the name and address of its initial agent, except to correct an error in such statement or to delete such statement after the corporation has filed a "Statement by a Domestic Non-Profit Corporation" pursuant to Section 6210 of the California Nonprofit Corporation Law.

**ARTICLE XIII FISCAL YEAR OF THE CORPORATION**

The fiscal year of the corporation shall begin on the first day of July and end on the last day of June in each year.