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**BYLAWS
OF
GUAJOME PARK ACADEMY, INCORPORATED**

ARTICLE I

Purposes

The corporation is organized for the public purposes specified in its Articles of Incorporation.

ARTICLE II

Offices

Section 1: Principal Office

The corporation's principal office shall be located at such place within the County of San Diego, State of California as the Board of Directors ("Board") of Guajome Park Academy, Incorporated shall determine. The Board has full power and authority to change the principal office from one location to another within the attendance boundaries of the Vista Unified School District in the County of San Diego, State of California.

Section 2: Other Offices

Branch or subordinate offices may at any time be established by the Board at any place or places where the corporation is qualified to do business.

ARTICLE III

Membership

Section 1: No Members

The Corporation shall have no members as that term is defined in Section 5056 of the California Nonprofit Corporation Law.

Section 2: Associates

Nothing in this Article shall be construed to limit the corporation's right to refer to persons associated with it as "members" even though such persons are not members, and no such reference by the corporation shall render anyone a member within the meaning of Section 5056 of the California Nonprofit Corporation Law. Such individuals may originate and take part in the discussion of any subject that may properly come before any meeting of the Board, but such individuals may not vote. The corporation may confer, by amendment of its Articles of Incorporation or these Bylaws, some or all of a member's rights, as set forth in the California Nonprofit Corporation Law, upon any person who does not have the right to vote for the election of Board members, on a disposition of substantially all of the corporation's assets, on a merger,

on a dissolution, or on changes to the corporation's Articles of Incorporation or Bylaws, but no such person shall be a member within the meaning of Section 5056.

ARTICLE IV
Board of Directors

Section 1: Powers

Subject to the limitations of the California Nonprofit Public Benefit Corporation Law, the corporation's Articles of Incorporation, these Bylaws, and such California local public agency laws of general application as may be applicable to the corporation, the activities and affairs of the corporation shall be conducted and all corporate powers shall be exercised by or under the direction of the Board, with the individual members of the Board being generically referred to as Directors. The Board may delegate the management of the corporation's activities to any person(s), management company, or committees, 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. No assignment, referral, or delegation of authority by the Board or anyone acting under such delegation shall preclude the Board from exercising full authority over the conduct of the corporation's activities, and the Board may rescind any such assignment, referral, or delegation at any time.

Without prejudice to its general powers, but subject to the same limitations set forth above, the Board shall have the following powers in addition to any other powers enumerated in these Bylaws and permitted by law:

- a. To select and remove all of the officers, agents, and employees of the corporation; to prescribe powers and duties for them that are not inconsistent with law, the corporation's Articles of Incorporation, or these Bylaws; to fix their compensation; and to require security from them for faithful service;
- b. To conduct, manage, and control the affairs and activities of the corporation and to make such rules and regulations therefore that are not inconsistent with law, the corporation's Articles of Incorporation, or these Bylaws;
- c. To adopt, make, and use a corporate seal and to alter the seal from time to time;
- d. To borrow money and incur indebtedness for the purposes of the corporation, and to cause to be executed and delivered therefore, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations, and other evidences of debt and securities therefore;
- e. To carry on a business and apply any revenues in excess of expenses that result from the business activity to any activity in which it may lawfully engage;
- f. To act as trustee under any trust incidental to the principal object of the corporation, and receive, hold, administer, exchange, and expend funds and property subject to such trust;

- g. To acquire by purchase, exchange, lease, gift, devise, bequest, or otherwise, and to hold, improve, lease, sublease, mortgage, transfer in trust, encumber, convey, or otherwise dispose of real and personal property;
- h. To assume any obligations, enter into any contracts or other instruments, and do any and all other things incidental or expedient to the attainment of any corporate purpose; and,
- i. To carry out such other duties as are described in the Charter of Guajome Park Academy, Incorporated as approved by the Vista Unified School District.

Section 2: Number and Qualifications of Directors Comprising the Board

- a. The number of Directors on the Board shall not be less than three (3), nor more than eighteen (18) unless changed by amendment to these Bylaws. The exact number of Directors shall be fixed, within these limits, by a resolution adopted by the Board.
- b. The qualifications for Directors are generally as follows:
 - 1) No more than three (3) absences in a fiscal year (July 1 – June 30), without prior notification of personal emergency, for all Board meetings including regularly scheduled meetings, special meetings, and Board workshops. Prior notification must be communicated to the Board President or designee at least 48 hours before the Board meeting whenever possible. Non-adherence to the attendance requirement will be recognized as a tacit resignation;
 - 2) A willingness to actively support and promote Guajome Park Academy;
 - 3) A dedication to Guajome Park Academy’s educational philosophy and goals;
 - 4) No record of adverse behavior toward Guajome Park Academy. Present employees, who have received formal disciplinary action(s) will not be considered to meet required qualifications. Past employees who have received a disciplinary action from Guajome Park Academy or individuals who have acted adversely against the interests of Guajome Park Academy (as documented by a demand to cease and desist activities, letter of ouster, temporary restraining order, lawsuit, etc.) will not be considered to meet the required qualifications; and
 - 5) Any individual who has been convicted of any felony or serious/violent criminal offense will not be considered to meet the qualifications. Failure to disclose this information may result in immediate dismissal from the Board.

Nominees to the Board will be assessed as to their ability to maintain board confidentiality, comply with fiduciary standards, and the ability to keep the mission and vision of Guajome Park Academy as a primary focus.

Section 3: Appointment or Election of Directors and Terms of Directors

- a. Six (6) Parent Directors. Any parent of a student attending GPA shall be entitled to nominate a non-interested parent, including him or herself, to serve on the Board. Those parents nominated must be non-interested, and must have a child attending GPA during their Board term. The Board shall duly consider each nominee and shall select as many as needed to ensure six non-interested parents serve on the Board. Each Parent Director term will be three years unless otherwise indicated upon appointment. If a parent member is no longer a parent of a child at GPA, a tacit resignation is assumed. If re-elected by the Board, a parent member may serve unlimited terms, with no more than two consecutive terms.
- b. Six (6) Staff Directors. Any member of the staff of GPA shall be entitled to nominate a staff member, including him or herself, to serve on the Board. They shall elect candidates representing staff from the following areas of the school: two instructional middle school staff members, two instructional high school staff members, one instructional ELC staff member, and one support staff member. The Board shall duly consider each candidate and vote thereon. Each Staff Director term will be three years unless otherwise indicated upon appointment. If a staff member is no longer employed by GPA, a tacit resignation is assumed. If re-elected by the Board, a staff member may serve unlimited terms, with no more than two consecutive terms.
- c. Four (4) Community Directors. The Superintendent may appoint up to four non-interested Community Directors. The appointee's information will be submitted to a Board appointed Recruitment Committee who will review the qualifications of the appointees and forward qualified appointees to the Board for recommended election on the Board. The Board shall duly consider each recommended appointee and vote thereon. Each Community Director term will be two years. A Community Director may serve unlimited terms if re-elected by the Board.
- d. One (1) Community Director AGSEM Representative. The Superintendent shall appoint one non-interested Community Director AGSEM Representative, as determined by the AGSEM Board. The GPA Board shall duly consider the recommended appointee and vote thereon. The Community Director AGSEM Representative term will be two years. The Community Director AGSEM Representative may serve unlimited terms if re-elected by the GPA Board.
- e. At its option, the VUSD shall have the ability to appoint one (1) Director to the Board of GPA. Should the District fail to appoint such a Director, the Board's President may appoint a Director to represent the District, but any such appointed Director shall serve on the GPA Board at the VUSD's pleasure. The term of the VUSD Director will be three (3) years.

By law, no more than 49 percent of the Board can be interested (vested) persons. To ensure a majority representation of non-interested (not employed or compensated by GPA) members, it was agreed that Directors from the community, parent, and student members must

be non-interested persons. This would ensure that at least 12 of the 18 members of the Board are non-interested persons.

Section 4: Resignation and Removal

Subject to the provisions of Section 5226 of the California Nonprofit Public Benefit Corporation Law, any Director may resign effective upon giving written notice to the President, the secretary, or the Board, unless the notice specifies a later effective time. If the resignation is effective at a future time, a successor may be selected before such time, to take office when the resignation becomes effective. If a Director is appointed, such Director may be removed only by the person or entity entitled to appoint the Director. All other Directors may be removed only upon the vote of a majority of the Directors then in office.

Section 5: Vacancies

- a. A Board vacancy or vacancies shall be deemed to exist if any Director dies, resigns, is removed, or otherwise becomes ineligible, or if the authorized number of Directors is increased.
- b. Notwithstanding Section 4, the Board may declare vacant the office of any Director who has been convicted of a felony, or has been found to have breached any duty arising under Article 3 of Chapter 2 of the California Nonprofit Public Benefit Corporation Law or to be of unsound mind by any court of competent jurisdiction.
- c. An unscheduled vacancy on the Board shall be filled in accordance and consistent with Section 3. Each Director so elected, appointed, or designated shall hold office until the expiration of the term of the replaced Director and continue to hold office until a qualified successor has been elected, appointed, or designated.
- d. No reduction of the authorized number of Directors shall have the effect of removing any Director prior to the expiration of the Director's term of office.

Section 6: Place of Meeting

Meetings of the Board shall be held at the principal office of the corporation or at any other place within or without the State of California that has been designated in the notice of the meeting, or, if there is no such notice, by resolution of the Board

Section 7: Meetings: Annual Meeting

Notwithstanding any other provision of these bylaws, all meetings of the Board and its committees shall be called, noticed, and held in compliance with the provisions of the Ralph M. Brown Act ("Brown Act") to the extent required by law.

The Board shall meet annually for the purpose of organization, appointment of officers, and the transaction of such other business as may properly be brought before the meeting. This meeting shall be held at a time, date, and place as may be specified and noticed by resolution of the Board.

Section 8: Regular Meetings

Regular meetings of the Board, including annual meetings, shall be held at such times and places as may, from time to time, be fixed by the Board. At least seventy-two (72) hours before a regular meeting, the Board, 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.

Section 9: Special Meetings

Special meetings of the Board for any purpose may be called at any time by the Chairman of the Board, if one is appointed, or by the President of the Board or majority of the Board. The party calling a special meeting shall determine the place, date, and time thereof. Notice of special meetings includes the following:

- a. In accordance with the Brown Act, special meetings of the Board may be held only after twenty-four (24) hours notice is given to each Director and the public through the posting of an agenda. Pursuant to the Brown Act, notice may be given to each Board member personally or by any other means and shall be received at least 24 hours before the time of the meeting as specified in the notice.
- b. 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 Directors are regularly held.
- c. 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.
- d. The notice of special meeting shall state the time of the meeting, and the place if the place is other than the principal office of the corporation, 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

Section 10: Emergency Meetings

Emergency meetings of the Board are governed by Government code 54956.5. Emergency meetings may be held with one (1) hour notice under circumstances where either of the following situations arises and requires prompt action due to the disruption or threatened disruption of public facilities:

- a. An emergency is a work stoppage, crippling activity or other activity that severely impairs public health or safety, as determined by a majority of the members of the Board.
- b. A dire emergency is a crippling disaster, mass destruction, terrorist act or threatened terrorist activity that poses immediate and significant peril.

Emergency meetings may be held by the Board without complying with either the 24-hour notice or posting requirement, though all other special meeting restrictions apply.

Section 11: Quorum

One-half of the Directors then in office shall constitute a quorum. Every act or decision done or made by majority of the Directors present at a meeting duly held at which a quorum is present is an act of the Board. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of Directors, if any action taken is approved by at least a majority of the required quorum for such meeting. Directors may not vote by proxy.

Section 12: 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 boundaries of the school district in which the Charter School operates;
- 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;¹

¹ 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.

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. The agenda shall indicate that members of the public attending a meeting conducted via teleconference need not give their name when entering the conference call.²

Section 13: Adjournment

A majority of the Directors present, whether or not a quorum is present, may adjourn any Board meeting to another time or place. If a meeting is adjourned for more than twenty-four (24) hours, notice of such adjournment to another time or place shall be given, prior to the time scheduled 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 by any applicable public open meeting law.

Section 14: Rights of Inspection

Every Director has 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, to the full extent permitted under applicable federal and state laws (e.g. restrictions regarding pupil confidentiality under FERPA).

Section 15: Board Committees

The Board may appoint an Executive Board Committee and one or more other committees each consisting of two (2) or more Directors and no one who is not a director, to serve at the pleasure of the Board, and delegate to such committee any of the authority of the Board, except with respect to:

- a. The approval of any action for which the California Nonprofit Public Benefit Corporation Law requires the approval of the Board;
- b. The filling of vacancies on the Board or on any committee that has the authority of the Board;
- c. The fixing of compensation of the Directors for serving on the Board or on any committee;
- d. The amendment or repeal of bylaws or the adoption of new bylaws;

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

- e. The amendment or repeal of any resolution of the Board that by its expressed terms is not so amendable or capable of being repealed;
- f. The appointment of other committees having the authority of the Board; or

Any such committee must be created, and the members thereof appointed, by resolution adopted by a majority of the number of Directors then in office, and any such committee may be designated as an executive committee or by such other name as the Board shall specify. The Board may appoint, in the same manner, alternate members to a committee who may replace any absent member at any meeting of the committee. The Board shall have the power to prescribe the manner in which proceedings of any such committee shall be conducted. In the absence of any such prescription, such committee shall have the power to prescribe the manner in which its proceedings shall be conducted. Unless the Board, such committee, or these bylaws shall otherwise provide, the regular and special meetings and other actions of any such committee shall be governed by the provisions of this Article applicable to meetings and actions of the Board. Minutes shall be kept of each meeting of each committee.

Section 16: Finance Committee

- a. Pursuant to Section 15 of this Article IV, the Board is hereby authorized to appoint a Finance Committee (“Committee”) to prepare and approve an annual operating budget (“Budget”) for Guajome Park Academy, Incorporated. Said Committee shall meet on such days and at such times as are established by the Board and said Committee shall submit the Budget to the Board in June of each calendar year.
- b. All “interested persons,” as that term is defined in Article IV, Section 20 of these Bylaws, are excluded from participating in any way whatsoever on the Committee.

Section 17: Other Committees

- a. The President, subject to the limitations imposed by the Board, or the Board, may create other committees, either standing or special, to serve the Board that do not have the powers of the Board. The President, with the approval of the Board, shall appoint members to serve on such committees, and shall designate the committee chairman. If a Director is on a committee, he or she shall be the chairman. Each member of a committee shall continue as such until the next annual election of officers and until his or her successor is appointed, unless the member sooner resigns or is removed from the committee.
- b. 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 the Chairman of the Board (if there is such a position), the chairman of the committee, or a majority of the

committee's voting members. 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. Each committee shall meet as often as is necessary to perform its duties. A majority of the voting members of a committee shall constitute a quorum for the transaction of business at any meeting of the committee. A committee may take action by majority vote.

- c. Any member of a committee may resign at any time by giving written notice to the chairman of the committee or to the President. Such resignation, which may or may not be made contingent upon formal acceptance, shall take effect upon the date of receipt or at any later time specified in the notice. The chairman may, with prior approval of the Board, remove any appointed member of a committee. The President, with the Board's approval, shall appoint a member to fill a vacancy in any committee or any position created by an increase in the membership for the un-expired portion of the term.

Section 18: Fees and Compensation

Directors and members of committees shall not receive any compensation for their services as such; however, the Board may approve reimbursement of a Director's actual and necessary expenses incurred in the conduct of the corporation's business.

Section 19: Non-Liability of Directors

No Director shall be personally liable for the debts, liabilities, or other obligations of this corporation.

Section 20: Interested Persons

Not more than forty-nine percent (49%) of the Directors serving on the Board may be "interested persons." An "interested person" is (i) any person compensated by the corporation for services rendered to it within the previous twelve (12) months whether as a full- or part-time employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a Director as Director, and (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. However, any violation of the provisions of this Section shall not affect the validity or enforceability of any transaction entered into by the corporation.

ARTICLE V
Standards of Care

Section 1: Standard of Care

- a. A Director shall perform the duties of a Director, including duties as a member of any committee of the Board upon which the Director may serve, in good faith, in

a manner such Director believes to be in the best interests of the corporation and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances. In performing the duties of a Director, a Director shall be entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, in each case prepared or presented by:

- 1) One or more officers or employees of the corporation whom the Director believes to be reliable and competent in the matters presented;
- 2) Counsel, independent accountants, or other persons as to matter that the Director believes to be within such person's professional or expert competence; or
- 3) A committee of the Board upon which the Director does not serve as to matters within its designated authority, provided that the Director reasonably believes that such information merits confidence and the Director acts in good faith, after reasonable inquiry when the need therefore is indicated by the circumstances, and without knowledge that would cause such reliance to be unwarranted.

Section 2: Contracts or Transactions with Directors

The Corporation shall comply with applicable federal and state anti-self dealing and conflict of interest laws.

Section 3: Corporate Loans and Advances

The corporation shall not make any loan of money or property to or guarantee the obligation of any Director or officer, unless approved by the Attorney General; provided, however, that the corporation may advance money to a Director or officer of the corporation or any subsidiary for expenses reasonably anticipated to be incurred in the performance of the duties of such officer or Director, if, in the absence of such advance, such Director or officer would be entitled to be reimbursed for such expenses by the corporation, its parent, or any subsidiary.

ARTICLE VI
Officers

Section 1: Officers

The officers of this corporation shall be a President, a Secretary, and a Financial Officer. The corporation may also have, at the discretion of the Board, a Chairman of the board, and a Vice-Chairman of the board. Any number of offices may be held by the same person, except

that neither the Secretary nor the Financial Officer may serve concurrently as the President of the Board.

Section 2: Appointment of Officers

Except as otherwise specified in Sections 3 and 9 of this Article, the officers of the corporation shall be chosen annually by the Board and each shall hold office until he or she shall resign or shall be removed or otherwise disqualified to serve, or his or her successor shall be elected and qualified.

Section 3: Subordinate Officers

The President may appoint such other officers as the business of the corporation may require, each of whom shall hold office for such period, have such authority, and perform such duties as are provided in the bylaws or as the Board may from time to time determine.

Section 4: Chairman of the Board

If a Chairman of the Board of Directors is elected, he or she shall preside at the 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. The Chairman of the Board, in conjunction with the President, shall prepare the agendas for meetings of the Board. If a Chairman of the Board of Directors is elected, there shall also be a Vice-Chairman of the Board of Directors. In the absence of the Chairman, the Vice-Chairman 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.

Section 5: Vice-Chairman of the Board.

The Vice-Chairman shall preside at Board of Directors meetings in the absence of the Chairman of the Board and shall exercise and perform such other powers and duties as the Board of Directors may assign from time to time.

Section 6: President

Subject to such supervisory powers as the Board of Directors may give to the Chairman of the Board, if any, and subject to the control of the Board, and subject to President's contract of employment, the President (also known as the Superintendent of Schools in his/her employment title) shall be the general manager of the corporation and shall supervise, direct, and control the corporation's activities, affairs, and officers as fully described in any applicable employment contract, agreement, or job specification. The President shall have such other powers and duties as the Board of Directors or the bylaws may require. The President, in conjunction with the Chairman of the Board, shall prepare the agendas for meetings of the Board.

Section 7: Secretary

The Secretary shall keep or cause to be kept, at the corporation's principal office or such other place as the Board of Directors may direct, a book of minutes of all meetings, proceedings, and actions of the Board and of committees of the Board. The minutes of meetings shall include the time and place that the meeting was held; whether the meeting was annual, regular, special, or emergency and, if special or emergency, how authorized; the notice given; and the names of the directors present at Board of Directors and committee meetings.

The Secretary shall keep or cause to be kept, at the principal California office, a copy of the articles of incorporation and bylaws, as amended to date.

The Secretary shall give, or cause to be given, notice of all meetings of the Board and of committees of the Board of Directors that these bylaws require to be given. The Secretary shall keep the corporate seal, if any, in safe custody and shall have such other powers and perform such other duties as the Board of Directors or the bylaws may require.

Section 8: Financial Officer

The Financial Officer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and accounts of the corporation's properties and transactions. The Financial Officer shall send or cause to be given to directors such financial statements and reports as are required to be given by law, by these bylaws, or by the Board. The books of account shall be open to inspection by any director at all reasonable times.

The Financial Officer shall (a) deposit, or cause to be deposited, all money and other valuables in the name and to the credit of the corporation with such depositories as the Board of Directors may designate; (b) disburse the corporation's funds as the Board of Directors may order; (c) render to the President, Chairman of the Board, if any, and the Board, when requested, an account of all transactions as Financial Officer and of the financial condition of the corporation; and (d) have such other powers and perform such other duties as the Board, contract, job specification, or the bylaws may require.

If required by the Board, the Financial Officer shall give the corporation a bond in the amount and with the surety or sureties specified by the Board of Directors for faithful performance of the duties of the office and for restoration to the corporation of all of its books, papers, vouchers, money, and other property of every kind in the possession or under the control of the Financial Officer on his or her death, resignation, retirement, or removal from office.

Section 9: Removal and Resignation

Any officer may be removed in his or her capacity of officer only, either with or without cause, by the Board at any time. In the case of an officer appointed by the President, the President shall also have the power of removal. **Any such removal shall be without prejudice to the rights, if any, of the officer under any contract of employment.** Any officer may

resign at any time by giving written notice to the corporation, but without prejudice to the rights, if any, of the corporation under any contract to which the officer is a party. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 10: Vacancies

A vacancy in any office because of death, resignation, removal, disqualification, or any other cause, shall be filled in the manner prescribed in the bylaws for regular election or appointment to such office, provided that such vacancies shall be filled as they occur and not on an annual basis.

ARTICLE VII
Indemnification

Section 1: Definition

For the purposes of this Article, “agent” means any person who is or was a trustee, director, officer, or employee of this corporation, or is or was serving at the request of the corporation as a trustee, director, officer, employee or agent of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise, or was a trustee, director, officer, employee, or agent of a foreign or domestic corporation that was a predecessor corporation of this corporation or of another enterprise at the request of such predecessor corporation; and “proceeding” means any threatened, pending, or completed action or proceeding, whether civil, criminal, administrative, or investigative; and “expenses” includes, without limitation, attorneys’ fees and any expenses of establishing a right to indemnification under Sections 4 or 5.b. of this Article.

Section 2: Indemnification in Actions by Third Parties

This corporation may indemnify any person who was or is a party or is threatened to be made a party to any proceeding (other than an action by or in the right of this corporation to procure a judgment in its favor, an action brought under Section 5233 of the California Nonprofit Public Benefit Corporation law, or an action brought by the Attorney General, or a person granted relator status by the Attorney General for any breach of duty relating to assets held in charitable trust) by reason of the fact that such person is or was an agent of this corporation, against expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with such proceeding if such person acted in good faith and in a manner such person reasonably believed to be in the best interests of this corporation, and, in the case of a criminal proceeding, had no reasonable cause to believe the conduct of such person was unlawful. The termination of any proceeding by judgment, order, settlement, conviction or upon a plea of *nolo contendere* or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in the best interests of this corporation or that the person had reasonable cause to believe that the person’s conduct was unlawful.

Section 3: Indemnification in Actions by or in the Right of the Corporation

This corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action by or in the right of this corporation, or brought under Section 5233 of the California Nonprofit Public Benefit Corporation Law, or brought by the Attorney General, or a person granted relator status by the Attorney General for breach of duty relating to assets held in charitable trust, to procure a judgment in its favor by reason of the fact that such person is or was an agent of the corporation, against expenses actually and reasonably incurred by such person in connection with the defense or settlement of such action if such person acted in good faith, in a manner such person believed to be in the best interests of the corporation, and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances. No indemnification shall be made under this Section:

- a. In respect of any claim, issue, or matter as to which such person shall have been adjudged to be liable to this corporation in the performance of such person's duty to the corporation, unless and only to the extent that the court in which such proceeding is or was pending shall determine upon application that, in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for the expenses which such court shall determine;
- b. Of amounts paid in settling or otherwise disposing of a threatened or pending action, with or without court approval; or
- c. Of expenses incurred in defending a threatened or pending action which is settled or otherwise disposed of without court approval, unless it is settled with the approval of the Attorney General.

Section 4: Indemnification Against Expenses

To the extent that an agent of this corporation has been successful on the merits in defense of any proceeding referred to in Sections 2 or 3 of this Article or in defense of any claim, issue, or matter therein, the agent shall be indemnified against expenses actually and reasonably incurred by the agent in connection therewith.

Section 5: Required Determinations

Except as provided in Section 4 of this Article, any indemnification under this Article shall be made by this corporation only if authorized in the specific case, upon a determination that indemnification of the agent is proper in the circumstances because the agent has met the applicable standard of conduct set forth in Sections 2 or 3 of this Article by:

- a. A majority vote of a quorum consisting of Directors who are not parties to such proceeding; or

- b. The court in which such proceeding is or was pending upon application made by this corporation or the agent or the attorney or other person rendering services in connection with the defense, whether or not such application by the agent, attorney, or other person is opposed by this corporation.

Section 6: Advance of Expenses

Expenses incurred in defending any proceeding may be advanced by this corporation prior to the final disposition of such proceeding upon receipt of an undertaking by or on behalf of the agent to repay such amount unless it shall be determined ultimately that the agent is entitled to be indemnified as authorized in this Article.

Section 7: Other Indemnification

No provision made by this corporation to indemnify its or its subsidiary's trustees, directors, or officers for the defense of any proceeding, whether contained in the Articles of Incorporation, bylaws, a resolution of trustees/directors, an agreement, or otherwise, shall be valid unless consistent with this Article. Nothing contained in this Article shall affect any right to indemnification to which (i) persons other than such trustees/directors and officers may be entitled by contract or under the provisions of the California Tort Claims Act, or (ii) such trustees/directors may be entitled under the provisions of the California Tort Claims Act, or (iii) either may otherwise be entitled.

Section 8: Forms of Indemnification Not Permitted

No indemnification or advance shall be made under this Article, except as provided in Sections 4 or 5.b., in any circumstances where it appears:

- a. That it would be inconsistent with a provision of the Articles of Incorporation, these bylaws, or an agreement in effect at the time of the accrual of the alleged cause of action asserted in the proceeding in which the expenses were incurred or other amounts were paid, which prohibits or otherwise limits indemnification; or
- b. That it would be inconsistent with any condition expressly imposed by a court in approving a settlement.

Section 9: Insurance

The corporation shall have the power to purchase and maintain insurance on behalf of any agent of this corporation against any liability asserted against or incurred by the agent in such capacity or arising out of the agent's status as such whether or not this corporation would have the power to indemnify the agent against such liability under the provisions of this Article; provided, however, that this corporation shall have no power to purchase and maintain such insurance to indemnify any agent of the corporation for a violation of Section 5233 of the California Nonprofit Public Benefit Corporation Law.

Section 10: Non-Applicability to Fiduciaries of Employee Benefit Plans

This Article does not apply to any proceeding against any Director, investment manager, or other fiduciary of an employee benefit plan in such person's capacity as such, even though such person may also be an agent of the corporation as defined in Section 1 of this Article. The corporation shall have power to indemnify such Director, investment manager, or other fiduciary to the extent permitted by subdivision (f) of Section 207 of the California General Corporation Law.

Section 11: Indemnification and the California Tort Claims Act

Notwithstanding any other provision of this Article VI, the corporation shall have the right and obligation to insure, defend, and indemnify the corporation's employees, officers, and directors for all claims brought pursuant to the California Tort Claims Act (California Government Code Section 810, et seq.) to the fullest extent allowed under said Act.

ARTICLE VIII
Miscellaneous

Section 1: Fiscal Year

The fiscal year end of the corporation shall be determined by the Board.

Section 2: Checks, Drafts, Etc

All checks, drafts, or other orders for payment of money, notes, or other evidences of indebtedness issued in the name of or payable to the corporation and any and all securities owned by or held by the corporation requiring signature for transfer shall be signed or endorsed by such person or persons and in such manner as from time to time shall be determined by the Board..

Section 3: Endorsement or Execution of Documents and Contracts

Subject to the provisions of applicable law, any note, mortgage, evidence of indebtedness, contract, conveyance, or other instrument in writing and any assignment or endorsement thereof executed or entered into between the corporation and any other person, when signed by the President, the secretary or the financial officer of the corporation, shall be valid and binding on the corporation in the absence of actual knowledge on the part of the other person that the signing officer(s) had no authority to execute the same. Additionally, by resolution of the Board, general signatory authority may be granted and delegated to other persons on behalf of the corporation. Any such instruments may be signed by any other person or persons and in such manner as from time to time shall be determined by the Board, or the President of the Board. Unless so authorized, no officer, agent, or employee shall have any power or authority to bind the corporation to any contract or engagement or to pledge its credit or to render it liable for any purpose or amount.

Section 4: Annual Report

Pursuant to Section 6321 of the California Nonprofit Public Benefit Corporation Law, the financial officer shall cause an annual report to be prepared and sent to each Director not later than 120 days after the close of the fiscal or calendar year. Such annual report shall be prepared in conformity with the requirements of the California Nonprofit Public Benefit Corporation Law as it may be in effect from time to time

Section 5: Annual Statement of Certain Transactions and Incidents of Indemnification

The corporation shall furnish an annual statement of certain transactions and incidents of indemnification to each of the Directors no later than 120 days after the close of the fiscal year. If the corporation issues an annual report as set forth in Section 4 of this Article above, this requirement shall be satisfied by including the required information, as set forth below, in such report. Such annual statement shall describe:

- a. Any “covered transaction” (defined below) during the previous fiscal year of the corporation involving (a) more than Fifty Thousand Dollars (\$50,000) or, (b) which was one of a number of “covered transactions” in which the same “interested person” (defined below) had a direct or indirect material financial interest, and which transactions in the aggregate involved more than Fifty Thousand Dollars (\$50,000). The statement shall describe the names of any “interested persons” involved in such covered transactions, including such “interested persons” relationship to the transaction, and, where practicable, the amount of such interest; provided, that in the case of a transaction with a partnership of which the “interested person” is only a partner, only the interest of the partnership need be stated.
- b. For the purposes of this Section, a “covered transaction” is a transaction in which the corporation, its parent, or its subsidiary, was a party, and in which either of the following had a direct or indirect material financial interest:
 - 1) Any Director or officer of the corporation, or its parent or subsidiary; or
 - 2) Any holder of more than ten percent (10%) of the voting power of the corporation, its parent, or its subsidiary.
- c. The amount and circumstances of any indemnification or advances aggregating more than Ten Thousand Dollars (\$10,000) paid during the fiscal year of the corporation to any officer or Director of the corporation.

For purposes of this Section, any person described in either paragraph 1) or 2) of subsection b above is an “interested person.”

ARTICLE IX
Amendments

These bylaws shall be reviewed at least once every three (3) years and such review shall be documented in the minutes of the Board meetings. These bylaws may be amended or repealed and/or new bylaws adopted only by approval of a majority of the number of Directors then in office.