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(AMENDED)
BYLAWS OF
AMETHOD PUBLIC SCHOOLS
(Formerly Oakland Charter Academy)
A California Nonprofit Public Benefit Corporation

Amended by
The Board of Directors
DATE: Aug. 29, 2018

Adopted by
The Board of Directors DATE:
June 16, 2006

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BYLAWS OF

AMETHOD PUBLIC SCHOOLS
(Amendment Date: _____, 2018)

A California Nonprofit Public Benefit Corporation

ARTICLE I
NAME

Section 1. NAME. The name of this corporation is Amethod Public Schools, a California Nonprofit Public Benefit Corporation (“Corporation”), (formerly Oakland Charter Academy, Inc.).

ARTICLE II
PRINCIPAL OFFICE OF THE CORPORATION

Section 1. PRINCIPAL OFFICE OF THE CORPORATION. The principal office for the transaction of the activities and affairs of the Corporation shall be within the City of Oakland, Alameda County, California. The Board of Directors of the Corporation (“Board”) may change the location of the principal office. Any such change of location must be noted by the Secretary of the Board; alternatively, this Section may be amended to state the new location.

Section 2. OTHER OFFICES OF THE CORPORATION. The Board may, at any time, establish branch or subordinate offices at any place or places where the Corporation is qualified to conduct its activities.

ARTICLE III
GENERAL AND SPECIFIC PURPOSES

Section 1. GENERAL PURPOSE AND SPECIFIC PURPOSES. The Corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Corporation law of California for public and charitable purposes. The specific purposes for which this Corporation is organized are to manage, operate, guide, direct and promote one or more California public charter schools (“Charter Schools”).

The Corporation is organized and operated exclusively for educational and charitable purposes pursuant to and within the meaning of Section 501 (c) (3) of the Internal Revenue Code or the corresponding provision of any future United States Internal Revenue law. Notwithstanding any other provision of these articles, the Corporation shall not, except to an insubstantial degree, engage in any other activities or exercise of power that do not further the purposes of the Corporation. The Corporation shall not carry on any other activities not permitted to be carried on by: (a) a corporation exempt from federal income tax under Section 501(c) (3) of the Internal Revenue code, or the corresponding section of any future federal tax code; or (b) by a corporation, contributions to which are deductible under Section 170(c) (2) of the Internal Revenue Code, or the corresponding section of any future federal tax code.

ARTICLE IV

DEDICATION AND DISTRIBUTION OF ASSETS

Section 1. DEDICATION OF ASSETS. The Corporation's assets are irrevocably dedicated to public benefit and/or charitable purposes. No part of the net earnings, properties, or assets of the Corporation, on dissolution or otherwise, shall inure to the benefit of any private person or individual, or to any Director or officer of the Corporation.

Section 2. DISTRIBUTION OF ASSETS UPON DISSOLUTION, Upon dissolution or winding up of the Corporation, its assets remaining after payment of all debts and liabilities of the Corporation shall be distributed to a nonprofit fund, foundation, or corporation which is organized and operated exclusively for educational, public or charitable purposes and which has established it tax exempt status under section 501(c)(3) of the Internal revenue Code, or the corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for public purposes. Any such assets not so disposed of shall be disposed of by a court of competent jurisdiction of the county in which the principal office of the Corporation is then located, exclusively for educational, public or charitable purposes or to such organization or organizations, as said court shall determine, which are organized and operated exclusively for such educational, public or charitable purposes.

ARTICLE V CORPORATION WITHOUT MEMBERS

Section 1. CORPORATION WITHOUT MEMBERS. The Corporation shall have no "members" as that term is used in the California Nonprofit Public Benefit Corporation Law. All rights, which would otherwise vest in the members, shall vest in the Board. Any action which would otherwise require approval by a majority of all members or approval by the members shall require only approval of the Board. All rights which would otherwise vest in the members shall vest in the Board. The Board may, in its discretion, admit individuals to one or more classes of nonvoting members; the class or classes shall have such rights and obligations as the Board finds appropriate.

Section 2. ASSOCIATES. Nothing in Article V, Section 1 shall be construed as limiting the right of the Corporation to refer to persons associated with it as "members" even though such persons are not members within the meaning of section 5056 of the California Nonprofit Corporation Law, and no such reference shall constitute anyone a member, within the same meaning. The Corporation may confer by amendment of its Articles or of these Bylaws some or all of the rights of a member, as set forth in the California Nonprofit Corporation law, upon any person or persons who is without the right to vote in the election of Directors or on a disposition of substantially all of the assets of the Corporation or on a merger or on a dissolution or on changes to the Corporation's Articles or Bylaws. No such person, however, shall be a member within the meaning of said section 5056.

ARTICLE VI BOARD OF DIRECTORS

Section 1. GENERAL POWERS. Subject to the provisions and limitations of the California Nonprofit Public Benefit Corporation Law, the Articles of Incorporation of the Corporation, these Bylaws. The Charter Schools Act of 1992, and any other applicable laws, the Corporation's activities, business, and affairs shall be managed, and all corporate powers shall be

exercised, by or under the direction of the Board, except as provided in Section 3 hereof. The Board may not delegate the responsibilities of budget approval or approval of fiscal and performance audits.

Section 2. SPECIFIC POWERS. Without prejudice to the general powers set forth in Section 1 above, but subject to the same limitations, the Board shall have the power to:

- a. To select and remove, at the pleasure of the Board, the Chief Executive Officer ("CEO"), and his/her subordinates, prescribe powers and duties for him/her, as may be consistent with law, the Articles of Incorporation, and these Bylaws; to fix his/her compensation and to require from her/him security for faithful performance.
- b. To conduct, manage, and control the affairs and activities of the Corporation and to make such rules and regulations for this purpose, consistent with law, the Articles of Incorporation, and these Bylaws, as it deems best;
- c. Fix the compensation for corporate officers and employees; and to require from them security for faithful service;
- d. To adopt, make and use a corporate seal, and alter the form of the seal from time to time, as it deems best;
- e. To borrow money and incur indebtedness on behalf of the Corporation, and cause to be executed and delivered for the Corporation's purposes, in the corporate name, promissory notes, debentures, bonds, deeds of trust, mortgages, hypothecations, pledges, and other evidence of debt or securities;
- f. To act as trustee under any trust incidental to the principal object of the Corporation, and to receive, hold, administer, exchange and expend funds and property to such trust;
- g. To acquire by purchase, exchange, lease, gift, devise, bequest, and to hold, improve, sublease, mortgage, transfer in trust, encumber, convey or otherwise dispose of real 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.
- i. To carry out such other duties as are described in the Charter of each school.

Section 3. DELEGATION OF MANAGEMENT. The Board may delegate the management of the Corporation's activities to any person or persons, management company, or committees, however composed, provided 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.

Section 4. NUMBER OF DIRECTORS. The authorized number of Directors shall be no less than five (5) and no more than eleven (11), with the exact number to be fixed by the Board by resolution from time to time.

Section 5. RESTRICTION ON INTERESTED PERSONS AS DIRECTORS. No more than 49 percent of the persons serving on the Board may be interested persons. An interested person is:

- a. Any person compensated by the Corporation for services rendered to it within the previous 12 months, whether as a full-time or part-time employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a Director as Director; and/or
- b. 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 such person.

However, any violation of this paragraph shall not affect the validity or enforceability of transactions entered into by the Corporation. The Board may adopt other policies circumscribing potential conflicts of interest.

Section 6. NOMINATIONS BY COMMITTEE. In the event that there is a vacancy pursuant to Section 9 below, the Chair, will appoint an ad hoc advisory committee to nominate qualified candidates for election to the Board ("Nominating Committee"), which in turn will select a Chairman of the committee. The Nominating Committee's shall not be less than three (3) members and its duties are as follows:

- (1) Identify a need/priority for the Corporation based on the Board composition and the expertise need described in Section 4 herein;
- (2) Review every candidate(s) thoroughly, including meeting the candidate(s) in person, at which meeting a majority of the Nominating Committee is present;
- (3) Vote as a majority to move the candidate(s) forward; if there is no majority then the candidate(s) cannot move forward.
- (4) Schedule a meeting between the candidate(s) and the CEO; the meeting shall occur no later than thirty (30) days after the candidate(s) meets with the Nominating Committee;
- (5) The candidate(s) who is voted to move forward shall attend a board meeting and meet the current Board Members;
- (6) The Nominating Committee shall make an oral presentation on the candidate(s) to the Board at a regularly scheduled meeting.

Section 7. TERM OF OFFICE. Each Director shall hold office for a term of four (4) years or until the Director's death, removal, or resignation, whichever occurs first. Upon completion of an initial four (4) year term, each Director may serve one (1) additional four (4) term, subject to approval by a majority of the Board of Directors. No Directors shall serve in excess of two (2) consecutive terms, except as set forth herein. Nothing shall prevent a former Director from rejoining the Board as long as that Director has not been a member of the Board with the preceding twelve (12) months. In the event that the Board consists of three (3) members or fewer, then those Directors shall hold office until their respective successors are duly elected.

Section 8. BOARD ROSTER. The Secretary shall maintain and update the Board roster as necessary after each election. Any director who is elected on or before June 30 shall be treated as though elected January 1 of that year for the purpose of term limits. Any Director who is elected after June 30 of a given year shall be treated as though elected in January of the following year, effectively giving that Director up to an additional six months during the Director's first term.

Section 9. EVENTS CAUSING VACANCIES ON BOARD. A vacancy or vacancies on the Board of Directors shall occur in the event of:

The death, resignation, or removal of any Director;

The declaration by Board resolution of a vacancy of the office of a Director who has been declared of unsound mind by an order of court or convicted of a felony or found by final order or judgment of any court to have breached a duty under California Non -Profit Public Benefit Corporation Law, Chapter 2, Article 3; or found to have neglected or violated his or her duties and responsibilities provided that notice of that meeting at which vote is taken and of the removal questions are given to each member of the Board and to the Director subject to the removal questions are given at least 10 days prior to the meeting. Any vacancy caused by the removal of a Director shall be filled as provided in these Bylaws.

Any Director who does not attend three (3) successive board meetings will automatically be removed from the Board without Board resolution unless the Director suffers from an illness or disability that prevents him or her from attending meetings and the Board adopts a resolution waiving the automatic removal procedure of this subsection. A Director that has been removed from the Board pursuant to this subsection may be reinstated as a Director by resolution of the Board if the Director's seat on the Board remains vacant.

Section 10. RESIGNATION OF DIRECTORS. Except as provided below, any Director may resign by giving oral or written notice to the Chairman of the Board, or to the Secretary of the Board. The resignation shall be effective when the notice is given unless the notice specifies a later time for the resignation to become effective. If oral notice is given, confirmation of the resignation will be confirmed in writing by the Chairman of the Board within 72 hours of receiving oral notice. If a Director's resignation is effective at a later time, the Board may elect a successor to take office as of the date when the resignation becomes effective.

Section 11. DIRECTOR MAY NOT RESIGN IF NO DIRECTOR REMAINS. Except on notice to the California Attorney General, no Director may resign if the Corporation would be

left without a duly elected director or directors.

Section 12. NO REMOVAL ON REDUCTION OF NUMBER OF DIRECTORS. No reduction of the authorized number of Directors shall have the effect of removing any Director before that Director's term of office expires unless the reduction also provides for the removal of that specified Director in accordance with these Bylaws and California Nonprofit Corporation Law.

Section 13. REMOVAL OF DIRECTORS. Any Director may be removed, with or without cause, by the vote of the majority of the members of the entire Board at a special meeting called for that purpose, or at a regular meeting, provided that notice of that meeting and of the removal questions are given in compliance with the provisions of the Ralph M. Brown Act (Chapter 9 [commencing with Section 54950] of Division 2 of Title 5 of the Government Code). Any vacancy caused by the removal of a Director shall be filled as provided by the Bylaws.

Section 14. VACANCIES FILLED BY BOARD. Vacancies on the Board may be filled by approval of the Board of Directors or, if the number of Directors then in office is less than a quorum, by:

- (a) the unanimous consent of the Directors then in office;
- (b) the affirmative vote of a majority of the Directors then in office at a meeting held according to notice or waivers of notice complying with Corporations Code Section 5211; or
- (c) a sole remaining Director.

Section 15. COMPENSATION AND REIMBURSEMENT. Directors shall serve without compensation except that they shall be allowed reasonable advancement or reimbursement of actual reasonable expenses incurred in carrying out his or her duties. Directors shall not otherwise be compensated.

Section 16. NON-LIABILITY OF DIRECTORS. No Director shall be personally liable for the debts, liabilities, or other obligations of the Corporation.

Section 17. COMPLIANCE WITH LAWS GOVERNING STUDENT RECORDS. The Corporation and the Board shall comply with all applicable provisions of the Family Education Rights Privacy Act ("FERPA") as set forth in Title 20 of the United States Code Section 1232g and attendant regulations as they may be amended from time to time.

ARTICLE VII **MEETINGS OF THE BOARD OF DIRECTORS**

Section 1. LOCATION OF BOARD OF DIRECTORS MEETINGS. The Board may designate that a meeting be held at any place within California, where the Corporation operates a charter school. All meetings of the Board shall be called, held and conducted in accordance with the terms and provisions of the Ralph M. Brown Act, California Government Code Sections 54950, *et seq.*, as said chapter may be modified by subsequent legislation.

1.1. Meetings by Telephone or Similar Communication Equipment. A teleconference meeting is a meeting in which one or more Directors attend the meeting from a remote location via telephone or other electronic means, transmitting audio or audio/video. Any meeting may be held by conference telephone or other communications equipment permitted by California Nonprofit Corporation Law, and all Directors shall be deemed to be present in person at such meeting as long as all Directors participating in the meeting can communicate with one another and all other requirements of California Nonprofit Corporation Law are satisfied. Such meeting must also be noticed and conducted in compliance with Section 54953(b) of the Brown Act, including without limitation the following:

- (a) At a minimum, a quorum of the Board shall participate in the teleconference meeting from locations within the school's jurisdiction;
- (b) All votes taken during a teleconference meeting shall be by roll call;
- (c) The Board shall post agendas at all teleconference locations with each such location being identified in the notice and agenda of the meeting;
- (d) All locations where a Director participates in a teleconference meeting must be fully accessible to members of the public and shall be listed on the agenda.
- (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 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.

Section 2. ANNUAL MEETINGS. Pursuant to sufficient notice, the Board shall hold an annual meeting for the purposes of organization, selection of directors and officers, and the transaction of other business.

Section 3. REGULAR MEETINGS. Regular meetings of the Board shall be held at regularly scheduled times as established by the majority of the Board, unless otherwise noted. Such meeting shall comply with the notice and open meeting requirements of the Brown Act (Govt. Code section 5490, *et seq.*)

Section 4. SPECIAL MEETINGS. Special meetings of the Board for any purpose may be called at any time by the Chair of the Board, if there is such an officer, the Vice-Chair, the Secretary, or any two Directors. The party calling a special meeting shall determine the place, date, and time thereof.

Section 5. NOTICE OF MEETINGS.

5.1. Notice of Regular Meetings. At least seventy-two (72) hours before an annual meeting or 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, including items to be discussed in closed session. A brief general description of an item generally need not exceed twenty (20) words. The agenda shall specify the time and location of the meeting and shall be posted in a location that is freely accessible to members of the public, as well as on either the Corporation's or the charter school's website, if any. The posting of the agenda and the contents of the agenda shall be in accordance with Section 54954.2 of the Brown Act. No action or discussion shall be undertaken at any annual or regular meeting on any item not appearing on the posted agenda, except as set forth in Section 54954.2 of the Brown Act.

5.2. Notice of Special Meetings.

5.2.1 Manner of Giving Notice. Notice of the time and place of all regular and special meetings shall be given to each Director by one of the following methods:

- (a) Personal Delivery of written notice;
- (b) First-class mail, postage paid;
- (c) Telephone, including a voice messaging system or other system or technology designed to record and communicate messages; or
- (d) Facsimile, electronic mail ("e-mail") or other means of electronic transmission if the recipient has consented to accept notices in this manner.

All such notices shall be given or sent to the Director's address, phone number, facsimile number or e-mail address as shown on the records of the Corporation.

Notice of the time and place of all regular and special meetings shall be given to members of the public in the following ways:

- (a) Posting on the Corporation's website, if any;
- (b) Posting in a location freely accessible to members of the public.

5.2.2. Time Requirements. Notices of special meetings of the Board sent by first-class mail shall be deposited in the United States mail at least 72 hours before the time set for the meeting. Notices given by personal delivery, telephone, or electronic transmission shall be delivered, telephoned, or transmitted at least twenty four (24) hours before the time set for the meeting. In addition to the foregoing, notice of the meeting shall comply with Section 54956 of the Brown Act, and the call of the meeting and notice shall also be posted at least twenty four (24) hours prior to the special meeting in a location that is freely accessible to members of the public.

5.2.3. Notice of Content. The call and notice of a special meeting of the Board shall state the time and place of the special meeting and the business to be transacted or discussed. No other business shall be considered at the special meeting. The notice of a special meeting shall comply with the requirements for special meetings set forth in The Brown Act.

Section 6. EMERGENCY MEETINGS. If there is an "emergency situation," as defined in Section 54956.5 of the Brown Act, involving matters upon which prompt action is necessary due to the disruption or threatened disruption of public facilities, the Board may hold an emergency meeting without complying with either the 24 hour posting requirement of Section 54956 of the Brown Act or both of the notice and posting requirements. The emergency meeting must be noticed and held in compliance with Section 54956.5 of the Brown Act.

Section 7. QUORUM AND ACTION OF THE BOARD.

7.1. Quorum. A majority of the voting Directors then in office shall constitute a quorum for the transaction of business, except adjournment.

7.2. Minimum Vote Requirements for Valid Board Action. Every action taken or decision made by a majority vote of the Directors then in office at a duly held meeting at which a quorum is present shall be the act of the Board, unless a greater number is expressly required by California Nonprofit Corporation Law, the Articles of Incorporation or these Bylaws. A meeting at which a quorum is initially present but due to the withdrawal of Directors, is no longer present, may not transact business; those Directors present may either: (a) elect to continue as a committee; or (b) adjourn to a future date. Directors may not vote by proxy.

Section 8. WAIVER OF NOTICE. Notice of a meeting need not be given to any Director who, either before or after the meeting, signs a waiver of notice, a written consent to the holding of the meeting, or an approval of the minutes of the meeting. The waiver or notice or consent need not specify the purpose of the meeting. All such waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meetings. Notice of a meeting need not be given to any Director who attends the meeting and does not protest, before or at the commencement of the meeting, the lack of notice to him or her.

Section 9. ADJOURNMENT. 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. 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 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 by any applicable public open meeting law.

Section 10. CONFLICT OF INTEREST. Any Director, officer, key employee, or committee member having an interest in a contract, or transaction, or program presented to or discussed by the Board or committee for authorization, approval, or ratification shall make a prompt and clear disclosure of his or her interest to the board or committee prior to its acting on such contract or transaction.

Such disclosure shall include all relevant and material facts known to such person about the contract or transaction which might reasonably be construed to exist. If a conflict is deemed to exist, such person shall not vote on, nor use his or her personal influence on, nor be present during the discussion or deliberations with respect to, such contract or transaction. The minutes of the

meeting shall reflect the disclosure made the vote thereon and, where applicable, the abstention from voting.

The policy requires:

Regular annual statements from Directors, officers, key employees to disclose existing and potential conflict of interest, and; Corrective and disciplinary actions with respect to transgressions of such policies.

Section 11. STANDARD OF CARE. A Director shall perform all duties of a Director, including duties as a member of any committee of the Board on which the Director may serve, in good faith, in a manner the Director believes to be in the best interests of the Corporation and with such care, including the duty to make reasonable inquiries, as an ordinarily prudent person in a like situation would use under similar circumstances.

In performing the duties of a Director, a Director may rely on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by:

- a. One or more officers or employees of the Corporation whom the Director believes to be reliable and competent in the matters presented;
- b. Legal counsel, independent accountants or other persons as to matters that the Director believes to be within such person's professional or expert competence; or
- c. A committee of the Board upon which the Director does not serve as to matters within its designated authority, provided the Director believes that the committee 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.

Except with respect to assets that are directly related to the Corporation's charitable programs, the Board shall avoid speculation in investing, reinvesting, purchasing, acquiring, exchanging, selling and managing the Corporation's investments. Instead, the Board is to consider the permanent disposition of funds, the probable income, the probable safety of the Corporation's capital, and is to comply with the express terms of the instrument or agreement, if any, pursuant to which the assets were contributed to the Corporation.

Section 12. CONDUCT OF MEETINGS. Meetings of the Board shall be presided over by the Chair, or, if there is no Chair or the Chair is absent, the Vice-Chair or, in the absence of each of these persons, by a chair of the meeting, chosen by a majority of the Directors present at the meeting. The Secretary shall act as secretary of all meetings of the Board, provided that, if the Secretary is absent, the presiding officer shall appoint another person to act as secretary of the meeting. Meetings shall be governed by rules of procedure as may be determined by the Board from time to time, insofar as such rules are not inconsistent with or in conflict with these Bylaws, with the Articles, or with any provisions of law applicable to the Corporation.

Section 13. RULES OF PROCEDURE. All meetings of the Board and of the committees shall be conducted in accordance with Robert's Rules of Order.

Section 14. CONTRACTS WITH DIRECTORS AND OFFICERS. At all times that the Corporation has a valid charter petition to operate a charter school and the charter petition so requires, members of the Board and the officers, managers and employees and any committees of the Corporation shall comply with Government Code Sections 1090 and 8100 et seq., federal and state laws, nonprofit integrity standards and any applicable charter authorizer policies and regulations regarding ethics and conflict of interest.

Section 15. LOANS TO DIRECTORS AND OFFICERS. The Corporation shall not lend any money or property to, or guarantee the obligation of any Director or officer without the approval of the California Attorney General; provided, however that 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 by the Corporation.

Section 16. TRAINING. Every Director who has not previously served on the Corporation's Board must commence attendance at a comprehensive, authorized training(s) regarding Board governance within 12 months of joining the Board as a Director.

ARTICLE VIII **COMMITTEES**

Section 1. CREATION AND COMPOSITION OF COMMITTEES. The Board may, by resolution adopted by a majority of the Directors then in office, create one or more Board Committees ("Committees"), each consisting of two or more Directors, and no persons who are not Directors, to serve at the discretion of the Board. Any two Committees or any particular duties of a Committee may be combined, in the interest of efficiency or management. Unless otherwise directed by the Board, Committees are empowered only to consider and make recommendations upon matters referred to them by the Board. All Committees shall be composed of at least one board member. By majority vote of the Committee members, each committee shall elect one of its members who are also Board members to act as chair of the committee. Any Committee, to the extent provided in the resolution of the Board and allowed by law, may be given the authority of the Board except that no Committee may:

- (a) approve any action for which the California Nonprofit Corporation Law also requires approval of the members or approval of a majority of all members;
- (b) fill vacancies on the Board or in any Committee which has the authority of the Board;
- (c) fix compensation of the Director for serving on the Board or on any Committee;
- (d) amend or repeal any resolution of the board which by its express terms

is not so amendable or repealable;

- (e) appoint any other Committees or the members of these Committees;
- (f) expend corporate funds to support a nominee for Director after more persons have been nominated than can be elected; or
- (g) approve any transaction (i) between the Corporation and one or more of its Directors or (ii) between the Corporation and any entity in which one or more of its directors have a material financial interest.

To facilitate the consideration and management of the Corporation under the Charter and as a corporate legal entity, the following Committee may be created as set forth within this section:

a. Executive Committee. The Executive Committee shall have the power to act in all matters pertaining to the Corporation, as directed by the Board, and, working in concert with the goals established by the committees, shall determine the Corporation's short-range and long-range goals. The Executive Committee shall review annually the conditions of employment of the Chief Executive Officer or Principal. The Executive Committee shall be composed of the Chair, Vice-Chair and such other members of the Board as the Board may elect.

b. Audit Committee: The Corporation shall have an audit committee consisting of at least one Director and may include nonvoting advisors. Directors who are employees or officers of the Corporation or who receive, directly or indirectly in any consulting, advisory or other compensatory fee from the Corporation (other than for service as a Director) may not serve on audit committee. The audit committee shall perform the duties and adhere to the guidelines set forth in the audit committee description as amended from time to time by the board. Such duties include: (1) Assisting the Board in choosing an auditor, if necessary; (2) Negotiating the auditor's compensation; (3) Conferring with the auditor regarding the Corporation's financial affairs; and (4) Reviewing and accepting or rejecting the audit.

c. Finance Committee: The Board Chair shall select the chair of the finance committee. The Treasurer should be a member of the committee. The Finance Committee shall be responsible for developing, recommending, and reviewing fiscal procedures, for the preparation and review of financial reports and projections of revenues and expenses, subject to approval by the board.

d. Other Committees of the Board: Other committees may, from time to time, be designated by resolution of the Board. Such other Committees may consist of persons who are not also members of the board. These additional Committees shall act in an advisory capacity only to the board and shall be clearly titled "advisory" committees.

Section 2. MEETINGS AND ACTION OF COMMITTEES. Meetings and action of Committees shall be governed by, and held and taken in accordance with, the provisions of Article VIII concerning meetings of Directors, with such changes in the context of Article VIII as are necessary to substitute the Committee and its members for the Board and its members, except that the time for regular meetings of Committees may be determined by resolution of the Board, and special meetings of Committees may also be called by resolution of the Board. Minutes shall be kept of each meeting of any Committee and shall be filed with the corporate records. The Committee

shall report to the Board from time to time as the Board may require. The Board may adopt rules for the governance of any Committee not inconsistent with the provisions of these Bylaws. In the absence of rules adopted by the Board, the Committee may adopt such rules.

Section 3. QUORUM RULES FOR COMMITTEES. A majority of the Committee members shall constitute a quorum for the transaction of Committee business, except to adjourn. A majority of the Committee members present, whether or not constituting a quorum, may adjourn any meeting to another time and place. Every act taken or decision made by a majority of the Committee members then in office at a meeting duly held at which a quorum is present shall be regarded as an act of the Committee, subject to the provisions of the California Nonprofit Corporation Law relating to actions that require a majority vote of the entire Board. Each Committee will hold its meetings in compliance with the Brown Act.

Section 4. REVOCAION OF DELEGATED AUTHORITY. The Board may, at any time, revoke or modify any or all of the authority that the Board has delegated to a Committee, increase or decrease (but not below two) the number of members of a Committee, and fill vacancies in a Committee from the members of the Board.

Section 5. ADVISORY COMMITTEES. The Board may create one or more advisory committees to serve at the pleasure of the Board. The action to create such advisory committees must be made pursuant to Brown Act requirements, meaning at a publicly noticed meeting with the item on the agenda. Appointments to such advisory committees need not, but may be Directors. The Board shall appoint and discharge advisory committee members. All actions and recommendations of an advisory committee shall require ratification by the Board before being given effect. These advisory committee meetings are not subject to the notice and posting requirements of the Brown Act so long as the committee is comprised solely of Board members; consists of less than the number of Board members who, if present at a meeting, would be able to make a decision; has a defined purpose and a time frame to accomplish that purpose; and is advisory.

ARTICLE IV **OFFICERS OF THE CORPORATION**

Section 1. OFFICERS OF THE CORPORATION. The officers of the Corporation ("Officers") shall be a Chair, Vice-Chair, Chief Executive Officer ("CEO"), Secretary and Treasurer. The Corporation may also have, at the Board's discretion, one or more assistant secretaries, one or more assistant treasurers and such other officers as the Board may appoint. Other than the Chair and Vice-Chair, these persons may, but need not be, selected from among the Directors.

Section 2. DUPLICATION OF OFFICE HOLDERS. Any number of offices may be held by the same person, except that neither the Secretary, nor the Treasurer, may serve concurrently as the Chair of the Board.

Section 3. ELECTION OF OFFICERS. The Officers shall be chosen annually by the Board during the first meeting of the fiscal year, and shall serve at the discretion of the Board until his or her successor shall be elected, or his or her earlier resignation or removal.

Section 4. TERM OF CHAIR AND VICE-CHAIR. The Chair and the Vice-Chair shall serve for a term of one (1) year. The Chair and Vice-chair may serve a maximum of two (2) consecutive terms in the same office. Any officer may be removed at any time, with or without cause, by the affirmative vote of a majority of the Board.

Section 5. REMOVAL OF OFFICERS. Subject to the rights, if any, of an Officer under any contract of employment, any Officer may be removed, with or without cause (i) by the Board, at any regular or special meeting of the Board or at the annual meeting of the Corporation; or (ii) by an Officer on whom such power of removal may be conferred by the Board.

Section 6. RESIGNATION OF OFFICERS. Any officer may resign at any time by giving written notice to the Corporation. The resignation shall take effect on the date the notice is received or at any later time specified in the notice; and, unless otherwise specified in the notice, the resignation need not be accepted to be effective. Any resignation shall be without prejudice to the rights, if any, of the Corporation under any contract to which the Officer is a party.

Section 7. VACANCIES IN OFFICE. A vacancy in any office due to death, resignation, removal, disqualification, or any other cause shall be filled in the manner prescribed in these Bylaws for regular appointment to that office, provided that such vacancies shall be filled as they occur and not on an annual basis.

Section 8. RESPONSIBILITIES OF OFFICERS.

Section 8.1. Chair. The Chair of the Corporation shall preside at all meetings of the Board and exercise and perform such other powers and duties as may from time to time be assigned to him by the Board or prescribed by these bylaws. Subject to the supervisory powers as the Board may give to the Chair of the Board, if any, the Chair shall, subject to the control of the Board, and in conjunction with the officers of the Charter School, shall assist in supervising and directing the business, activities, affairs and the Officers of the Corporation.

Section 8.2. Vice-Chair. In the absence or disability of the Chair, the Vice-Chair, if any, shall perform all duties of the Chair. When so acting, the Vice-Chair shall have all powers of and be subject to all restrictions on the Chair. The Vice-Chair shall have such other powers and perform such other duties as the board or the Bylaws may prescribe.

Section 8.3. CEO. Subject to the control of the Board, the CEO shall be the chief executive officer and general manager of the corporation and shall have general supervision, direction and control of the business and officers of the corporation. He or she shall have the general power and duties of management usually vested in the office of chief executive officer of a corporation and shall have such other powers or duties as may be prescribed by the Board or these Bylaws. Subject to such limitations as may be imposed by the Board, any powers or duties vested in the CEO may be delegated by him or her to such subordinates as he or she may choose.

Section 8.4. Secretary. The Secretary of the Corporation attend to the following:

8.4.1. Bylaws. The Secretary shall certify and keep or cause to be kept at the principal office of the Corporation the original or a copy of these Bylaws as amended to date.

8.4.2. Minute Book. The Secretary shall keep or cause to be kept a minute book as described herein in Article XV.

8.4.3. Notices. The Secretary shall give, or cause to be given, notice of all meetings of the board in accordance with these Bylaws.

8.4.5. Corporate Records. Upon request, the Secretary shall exhibit or cause to be exhibited at all reasonable times to any Director, or to his or her agent or attorney, these Bylaws and the minute book.

8.4.6. Corporate Seal. The Secretary shall keep or cause to be kept the seal of the Corporation, if any, in safe custody, and shall have such other powers and perform such other duties incident to office of Secretary as may be prescribed by the Board or these Bylaws.

Section 8.5. Treasurer. The Treasurer of the Corporation shall attend to the following:

8.5.1. Books of Account. The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and records of accounts of the Corporation's properties and business transactions, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, retained earnings, and other matters customarily included in financial statements. The books of account shall be open to inspection by any Director at all reasonable times.

8.5.2. Financial Reports. The Treasurer shall send or cause to be given to the Directors such financial statements and reports as are required to be given by law, by these Bylaws, or by the Board.

8.5.3. Deposit And Disbursement Of Money And Valuables. The Treasurer shall 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 may designate, shall disburse the Corporation's funds as the Board may order, shall render to the Chair, and the Board, when requested, an account of all transactions as Treasurer and of the financial condition of the Corporation, and shall have such other powers and perform such other duties as the Board or the Bylaws may prescribe.

8.5.4. Bond. If required by the Board, the Treasurer shall give the Corporation a bond in the amount of and with the or sureties specified by the board for faithful performance of the duties of his or her office and for restoration t the Corporation of all its books, papers, vouchers, money, and other property of every kind in his or her possession or under his or her control on his or her death, resignation, retirement, or removal from the office.

Section 9. COMPENSATION OF OFFICERS.

9.1. Salaries Fixed By Board. The salaries of Officers of the Corporation shall be fixed from time to time by resolution of the Board. In all cases, any salaries received by Officers

of the Organization Corporation shall be reasonable and given in return for services actually rendered for the Corporation. No salaried Officer of the Corporation may serve as a Director.

9.2. Fairness Of Compensation. The Board shall periodically review the fairness of compensation, including benefits, paid to every person, regardless of title, with powers, duties, or responsibilities comparable to the CEO, or chief financial officer: (i) once such person is hired; (ii) upon any extension or renewal of such person's term of employment, and (iii) when such person's compensation is modified.

ARTICLE X INDEMNIFICATION

Section 1. DEFINITIONS. For the purpose of this Article XII,

1.1. Agent. "Agent" means any person who is or was a Director, officer, employee, or other agent of the Corporation, or is or was serving at the request of the Corporation as a Director, officer, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, or other enterprise, or was a director, officer, employee, or agent of a foreign or domestic corporation which was a predecessor corporation of the Corporation or of another enterprise at the request of such predecessor corporation.

1.2. Proceeding. "Proceeding" means any threatened, pending or completed action or proceeding, whether civil, criminal, administrative, or investigative.

1.3. Expenses. "Expenses" includes, without limitation, all reasonable attorneys' fees, costs and any other expenses reasonably incurred in the defense of any claims or proceedings against an Agent by reason of his or her position or relationship as Agent and all attorneys' fees, costs and other expenses reasonably incurred in establishing a right to indemnification under this Article XII.

Section 2. APPLICABILITY OF INDEMNIFICATION PROVISIONS.

2.1. Successful Defense by Agent. To the extent that an Agent has been successful on the merits in the defense of any proceeding referred to in this Article XII, or in the defense of any claim, issue, or matter therein, the Agent shall be indemnified against expenses actually and reasonably incurred by the Agent in connection with the claim.

2.2. Settlement or Unsuccessful Defense by Agent. If an Agent either settles any proceeding referred to in this Article XII, or any claim, issue, or matter therein, or sustains a judgment rendered against him, then the provisions of Section 3 through Section 7 shall determine whether the Agent is entitled to indemnification.

Section 3. ACTIONS BROUGHT BY PERSONS OTHER THAN THE CORPORATION. This Section 3 applies to any proceeding other than an action "by or on behalf

of the Corporation” as defined in Section 4 below. Such proceedings that are not brought by or on behalf of the Corporation are referred to in this Section 3 as “Third Party proceedings.”

3.1. Scope of Indemnification in Third Party Proceedings.

Subject to the required findings to be made pursuant to Section 3.2 the Corporation may indemnify any person who was or is a party, or is threatened to be made a party, to any Third Party proceeding, by reason of the fact that such person is or was an Agent, for all expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with the proceeding.

3.2. Required Standard Of Conduct For Indemnification in Third Party Proceedings. Any indemnification granted to an Agent in Section 3.1 above is conditioned on the following: the Board must determine, in the manner provided in Section 7 thereof, that the Agent seeking reimbursement acted in good faith, in a manner he or she reasonably believed to be in the best interest of the Corporation, and, in the case of a criminal proceeding, he or she must have had no reasonable cause to believe that his or her conduct was unlawful. The termination of any proceeding by judgment, order, settlement, conviction, or on a plea of *nolo contendere* or its equivalent shall not, of itself, create a presumption that the person did not act in good faith or in a manner he or she reasonably believed to be in the best interest of the Corporation or that he or she had reasonable cause to believe that his or her conduct was unlawful.

Section 4. ACTION BROUGHT BY OR ON BEHALF OF THE CORPORATION.

This Section 4 applies to any proceeding brought (i) by or in the right of the Corporation, or (ii) by an Officer, Director or person granted relator status by the Attorney General, or by the Attorney General, on the ground that the defendant Director was or is engaging in self-dealing within the meaning of section 5233 of the California Nonprofit Corporation Law, or (iii) by the Attorney General or person granted relator status by the Attorney General for any breach of duty relating to assets held in charitable trust (any such proceeding is referred to in these Bylaws as a proceeding “by or on behalf of the Corporation”).

4.1. Scope Of Indemnification In Proceeding By Or On Behalf Of The Corporation. Subject to the required findings to be made pursuant to Section 4.2 and except as provided in Sections 4.3 and 4.4, the Corporation may indemnify any person who was or is a party, or is threatened to be made a party, to any proceeding by or on behalf of the Corporation, by reason of the fact that such person is or was an Agent, for all expenses actually and reasonably incurred in connection with the defense or settlement of such action.

4.2. Required Standard Of Conduct For Indemnification In Proceeding By Or On Behalf Of The Corporation. Any indemnification granted to an Agent in Section 4.1 is conditioned on the following. The Board must determine, in the manner provided in Section 5 hereof, that the Agent seeking reimbursement acted in good faith, in a manner he or she believed to be in the best interest of the Corporation and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances.

4.3. Claims Settled Out Of Court. If any Agent settles or otherwise disposes of a threatened or pending action brought by or on behalf of the Corporation, with or without court approval, the Agent shall receive no indemnification for amounts paid pursuant to the terms of the

settlement or other disposition. Also, in cases settled or otherwise disposed of without court approval, the Agent shall receive no indemnification for expenses reasonably incurred in defending against the proceeding, unless the proceeding is settled with the approval of the Attorney General.

4.4. Claims And Suits Awarded Against Agent. If any Agent is adjudged to be liable to the Corporation in the performance of the Agent's duty to the Corporation, the Agent shall receive no indemnification for amounts paid pursuant to the judgment, and any indemnification of such Agent under Section 4.1 for expenses actually and reasonably incurred in connection with the defense of that action shall be made only if both of the following conditions are met:

- (a) the determination of good faith conduct required by Section 4.2 must be made in the manner provided for in Section 5 hereof; and
- (b) upon application, the court in which the action was brought must determine that, in view of all of the circumstances of the case, the Agent is fairly and reasonably entitled to indemnity for the expenses incurred. If the Agent is found to be so entitled, the court shall determine the appropriate amount of expenses to be reimbursed.

Section 5. DETERMINATION OF AGENT'S GOOD FAITH CONDUCT. The indemnification granted to an Agent in Section 3 and Section 4, hereof, is conditioned on the findings required by those Sections being made by:

- (a) the Board by a majority vote of the Directors then in office, not counting any vote of parties to the proceeding; or
- (b) the court in which the proceeding is or was pending. Such determination may be made on application brought by the Corporation or the Agent or the attorney or other person rendering a defense to the Agent, whether or not the application by the Agent, attorney, or other person is opposed by the Corporation.

Section 6. LIMITATIONS. No indemnification or advance shall be made under this Article XII, except as provided in Section 2 or Section 7(b), in any circumstances when it appears:

- (a) that the indemnification or advance would be inconsistent with a provision of the Articles of Incorporation, as amended, 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 the indemnification would be inconsistent with any condition expressly imposed by a court in approving a settlement.

Section 7. ADVANCE OF EXPENSES. Expenses incurred in defending any proceeding may be advanced by the Corporation before the final disposition of the proceeding on receipt of an undertaking by or on behalf of the Agent to repay the amount of the advance unless it is

determined ultimately that the Agent is entitled to be indemnified as authorized in this Article XII.

Section 8. CONTRACTUAL RIGHTS OF NON-DIRECTORS AND NON-OFFICERS. Nothing contained in this Article XII shall affect any right to indemnification to which persons other than Directors and Officers of the Corporation, or any of its subsidiaries, may be entitled by contract or otherwise.

Section 9. INSURANCE. The Board may adopt a resolution authorizing the purchase and maintenance of insurance on behalf of any Agent, as defined in this Article XII, against any liability asserted against or incurred by any 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 the liability under the provisions of this Article XII.

Pursuant to the purchase and maintenance of such insurance, any indemnification under this Article shall be made by the 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 Section 7 of this Article XII, by:

a majority vote of the Directors then in office, not counting any vote of parties to such proceeding; or

the court in which such proceeding is or was pending upon application made by the 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 the Corporation.

ARTICLE XI **MAINTENANCE OF CORPORATE RECORDS**

Section 1. MAINTENANCE OF CORPORATE RECORDS. The Corporation shall keep:

- a. Adequate and correct books and records of account;
- b. Written minutes of the proceedings of its members, Board, and committees of the Board; and
- c. Such reports and records as required by law.

Section 2. INSPECTION BY DIRECTORS. Every Director shall have the absolute right at any reasonable time to inspect the Corporation's books, records, documents of every kind, physical properties, and the records of each subsidiary, if any, as permitted by California and federal law. The inspection may be made in person or by the Director's agent or attorney. The right of inspection includes the right to copy and make extracts of documents as permitted by California and federal law. 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 3. ACCOUNTING RECORDS AND MINUTES. On written demand on the Corporation, any Director may inspect, copy, and make extracts of the accounting books and records and the minutes of the proceedings of the Board and committees of the Board at any reasonable time for a purpose reasonably related to the Director's interest as a Director. Any such inspection and copying may be made in person or by the Director's agent or attorney. This right of inspection extends to the records of any subsidiary of the Corporation.

Section 4. MAINTENANCE AND INSPECTION OF ARTICLES AND BYLAWS. This corporation shall keep at its principal California office the original or a copy of the articles of incorporation and bylaws, as amended to the current date, which shall be open to inspection by the Directors at all reasonable times during office hours. If the corporation has no business office in California, the Secretary shall, on the written request of any Director, furnish to that Director a copy of the articles of incorporation and bylaws, as amended to the current date.

ARTICLE XII
ENDORSEMENT OF DOCUMENTS: CONTRACTS

Section 1. ENDORSEMENT OF DOCUMENTS: CONTRACTS. Any contract or conveyance made in the name of the Corporation, which is authorized or ratified by the Board or done within the scope of authority conferred by the Board or within the agency power of the Officer executing it, except as the Board's authority is limited by law, binds the Corporation and the Corporation acquires rights thereunder whether the contract is executed wholly or in part.

ARTICLE XIII
REQUIRED REPORTS

Section 1. ANNUAL REPORTS. The Board of Directors shall cause an annual report to be sent to itself (the Board) within 120 days after the end of the Corporation's fiscal year. That report shall contain the following information, in appropriate detail:

- a. The assets and liabilities, including the trust funds, or the Corporation as of the end of the fiscal year;
- b. The principal changes in assets and liabilities, including trust funds;
- c. The Corporation's revenue or receipts, both unrestricted and restricted to particular purposes;
- d. The Corporation's expenses or disbursement for both general and restricted purposes;
- e. Any information required under these bylaws; and
- f. An independent accountant's report or, if none, the certificate of an authorized officer of the Corporation that such statements were prepared without audit from the Corporation's books and records.

This requirement of an annual report shall not apply if the Corporation receives less than \$25,000 in gross receipts during the fiscal year, provided, however, that the information specified above for inclusion in an annual report must be furnished annually to all Directors and to any member who requests it in writing.

Section 2. ANNUAL STATEMENT OF CERTAIN TRANSACTIONS AND INDEMNIFICATIONS. As part of the annual report to the Board, or as a separate document if no annual report is issued, the Corporation shall, within 120 days after the end of the Corporation's fiscal year, annually prepare and mail or deliver to each Director and furnish to each Director a statement of any transaction or indemnification of the following kind:

a. Any transaction (i) in which the Corporation, or its parent or subsidiary, was a party, (ii) in which an "interested person" had a direct or indirect material financial interest, and (iii) which involved more than \$50,000 or was one of several transactions with the same interested person involving, in the aggregate, more than \$50,000. For this purpose, an "interested person" is either:

- (1) Any Director or officer of the Corporation, its parent, or subsidiary (but mere common directorship shall not be considered such an interest); or
- (2) Any holder of more than 10 percent of the voting power of the Corporation, its parent, or its subsidiary. The statement shall include a brief description of the transaction, the names of interested persons involved, their relationship to the Corporation, the nature of their interest, provided that if the transaction was with a partnership in which the interested person is a partner, only the interest of the partnership need be stated.

b. Any indemnification or advances aggregating more than \$10,000 paid during the fiscal year to any officer or Director of the Corporation as permitted under these bylaws, unless the indemnification has already been approved by the Directors under Corporation's code section 5238(d)(2).

ARTICLE XIV **OTHER PROVISIONS**

Section 1. CONSTRUCTION AND DEFINITIONS. Unless the context requires otherwise the general provisions, rules of construction, and definitions in the California Nonprofit Corporation Law and in the California Nonprofit Public Benefit Law shall govern the construction of these Bylaws. Without limiting the generality of foregoing, words in these Bylaws shall be read as the masculine or feminine gender and as the singular or plural, as the context requires. The term "person" includes both a legal entity and a natural person. The captions and headings in these Bylaws are for convenience of reference only and are not intended to limit or define the scope or effect of any provision.

Section 2. AMENDMENT OF BYLAWS. The Board may adopt, amend, or repeal these Bylaws by a majority vote of the Directors then in office at a meeting duly held at which a quorum is present.

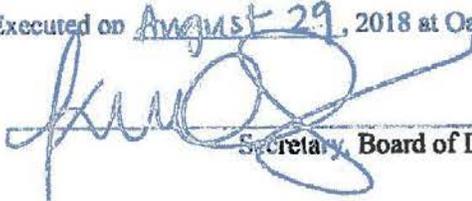
Section 3. VALIDITY OF INSTRUMENT. Subject to the provisions of applicable law, any note, mortgage, evidence of indebtedness, contract, conveyance or other written instrument and any assignment or endorsement thereof executed or entered into between the Corporation and any other person, shall be valid and binding on the Corporation when signed by the Chair, Vice-Chair, CEO, Chief Financial Officer, Secretary or Treasurer of the Corporation unless the other person has actual knowledge that the signing officers had no authority to execute the same. Any such instruments may be signed by any other person(s) and in such manner and from time to time shall be determined by the Board and, unless so authorized by the Board, no officer, agent or employee shall have any power or authority to bind the Corporation by any contract or engagement, to pledge its credit, or to render it liable for any purpose or amount.

Section 4. FISCAL YEAR. The fiscal year of the Corporation shall be will be July 1, through June 30 or as set by the Board.

CERTIFICATE OF SECRETARY

I certify that I am the duly elected and acting Secretary of the Amethod Public Schools, a California Nonprofit Public Benefit Corporation; that these Bylaws, are the Bylaws of this Corporation as adopted by the Board of Directors on June 6, 2006, and amended on

Executed on August 29, 2018 at Oakland, California.



Secretary, Board of Directors

**Amethod Public Schools Inc.
Public Charter Schools**

Board Policy 9000-00
Conflict of Interest
Approved (Rev. 2010, 2018)

Purpose

The purpose of the conflict of interest ("COI") policy is to protect Amethod Public Schools ("AMPS") (the "Organization")'s interest as applicable to a California public charter school, and the definitions contained in the Political Reform Act of 1974, the regulations of the Fair Political Practices Commission, specifically California Code of Regulations Section 18730, and any amendments or modifications to the Act and regulations are incorporated by reference to this Code as applicable to charter schools in CA.

Article I: Definition of Terms

• **Interested Person**

Any director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

• **Financial Interest**

A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- a) An ownership or investment interest, other than de minimis, in any entity with which the Organization has a transaction or arrangement,
- b) A compensation arrangement with the Organization or with any entity or individual with which the Organization has a transaction or arrangement, or
- c) A potential ownership or investment interest, other than de minimis, in, or compensation arrangement with, any entity or individual with which the Organization is negotiating a transaction or arrangement.

Article II: Designated Employees

Employees of AMPS Charter Schools, including governing board members and candidates for election and/or appointment to the governing board, who hold positions that involve the making or participation in the making, of decisions that may foreseeably have a material effect on any financial interest, shall be "designated employees." The designated positions are listed in "Exhibit A" attached to this policy and incorporated by reference herein.

Article III: Procedures

• **Duty to Disclose**

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of a financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

• **Determining Whether a Conflict of Interest Exists**

A financial interest is not necessarily a conflict of interest. A person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists. After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists. Notwithstanding anything herein, a conflict of interest shall not exist and no review or action by any governing board or committee shall be necessary for one

or more grants in an aggregate amount of Five Thousand Dollars (\$5,000) or less in any single calendar year, from the Organization to an organization that is tax exempt under Section 501(c)(3) of the Internal Revenue Code, where a financial interest as described herein exists.

- **Standards of Conduct- No Board Member or Key Employee shall:**

Engage in conduct that constitutes a conflict of interest, which shall be defined as use by a Board Member or employee of authority of his/her office or employment of any confidential information received through his/her position for the private pecuniary benefit of himself/herself, a member of his immediate family, or a business with which the Board Member or employee or a member of his/her immediate family is associated. "Immediate family" is defined to mean a parent, grandparent, spouse, child, brother or sister and domestic partner.

- **Procedures for Addressing a Conflict of Interest**

- a) An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- b) The President or chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- c) After exercising due diligence, the governing board or committee shall determine whether the Organization can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- d) If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Organization's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

- **Violations of the Conflicts of Interest Policy**

- a) If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- b) If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Article IV: Records of Proceedings

The minutes of the governing board and all committees with board delegated powers shall contain:

- a) The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.

The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

Article V: Compensation

- (a) A voting member of the governing board who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.

- (b) A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.
- (c) A voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

Article VI: Annual Statements

Each director, principal officer and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person:

- a) Has received a copy of the conflicts of interest policy,
- b) Has read and understands the policy,
- c) Has agreed to comply with the policy, and
- d) Understands the Organization is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Article VII: Periodic Reviews

To ensure the Organization operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a) Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.
- b) Whether partnerships, joint ventures, and arrangements with management organizations conform to the Organization's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

Article VIII: Anti-Nepotism

Consistent with the principle that employees and prospective employees shall be hired, evaluated, and advanced on the basis of individual merit, without reference to considerations of any factors not involving professional qualifications and performance, the following restrictions, designed to avoid the possibility of favoritism based on family or personal relationship, shall be observed with respect to personnel:

- a) No one with supervisory responsibility shall hire or recommend for hire any related person.
- b) With respect to the concurrent service of related persons within the same department, neither related person shall be permitted, either individually or as a member of the faculty or as a member of a committee, to participate in the evaluation, advancement, or salary decisions of the other related person.

The definition of "related persons" includes: parent and child; siblings; grandparent and grandchild; spouses and registered domestic partners; aunt/uncle and niece/nephew, and step-parent and step-child.