

**WESTERN ENCORE PROPERTIES INCORPORATED**

**WRITTEN CONSENT OF THE DIRECTORS  
TO ACTION TAKEN WITHOUT A MEETING**

**September 22, 2022**

Pursuant to the authority granted in Section 5211(b) of the Nonprofit Public Benefit Corporation Law of the State of California and Section 6.20 of Article VI of the Bylaws of Western Encore Properties Incorporated, a California nonprofit public benefit corporation (the "Corporation"), to Directors to take action by unanimous written consent without a meeting, the undersigned Directors of the Corporation, constituting all the Directors of the Corporation, hereby consent to and adopt, of the date set forth above, the Resolutions attached hereto as Exhibit A.

*[Signature page follows]*

IN WITNESS WHEREOF, the undersigned Directors have executed this Written Consent effective as of the date first set forth above.

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Ricardo Mireles, Director

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Caprice Young, Director

**Exhibit A**  
**Resolutions**  
*(See attached)*

**WESTERN ENCORE PROPERTIES INCORPORATED**  
**RESOLUTIONS OF THE BOARD OF DIRECTORS**  
**(Governance of 16955 Lemon Street, LLC)**

The Board of Directors (the “Board”) of Western Encore Properties Incorporated hereby adopts the following Resolutions:

**WHEREAS**, Encore Education Corporation, a California nonprofit public benefit corporation (“Encore”), is organized for charitable purposes;

**WHEREAS**, Western Encore Properties Incorporated, a California nonprofit public benefit corporation (“WEP” or the “Corporation”), was formed and is operated exclusively to support Encore;

**WHEREAS**, WEP has formed and is the sole member of 16955 Lemon Street, LLC, a California limited liability company (the “LLC”);

**WHEREAS**, WEP adopted an Operating Agreement for the LLC dated as of January 15, 2016, under which Operating Agreement the management of the business and assets of the LLC is vested solely in WEP, as the Sole Member of the LLC;

**WHEREAS**, WEP proposes to revise the Articles of Organization of the LLC and the Operating Agreement for the LLC to provide for management of the business and assets of the LLC by a single manager appointed by the Sole Member of the LLC, which single manager initially shall be Encore;

**WHEREAS**, the Board finds that the proposed revision of the Articles of Organization of the LLC and the Operating Agreement for the LLC is in the best interests of Encore and the Corporation and in furtherance of the charitable purposes of the Corporation;

**NOW, THEREFORE, BE IT RESOLVED**, that the Board approves the execution and the filing with the California Secretary of State of an Amendment to the Articles of Organization (“Amendment”) substantially in the form attached hereto as Exhibit A and the execution and delivery of a restated Operating Agreement (“Restated Operating Agreement”) for the LLC substantially in the form attached hereto as Exhibit B;

**RESOLVED, FURTHER**, that the Board authorizes the execution, delivery and performance by WEP and the LLC of and all such other documents, instruments and agreements as may be necessary or advisable to facilitate the proposed revision of the Articles of Organization of the LLC and the Operating Agreement for the LLC;

**RESOLVED FURTHER**, that the Board appoints Ricardo Mireles and Caprice Young, as officers of the Corporation, and Sabrina Bow, as an authorized signatory, and each of them individually (each, an “Authorized Signatory”), as authorized signatories of WEP Entities for purposes of executing the Amendment and the Restated Operating Agreement;

**RESOLVED FURTHER**, that these resolutions shall take effect and be in full force immediately after their adoption by the Board; and

**RESOLVED FURTHER**, that the Authorized Signatories, and each of them individually, are authorized and directed, for and in the name and on behalf of the Corporation, for itself and as the member or manager of the LLC, and for and in the name and on behalf of the LLC, to approve, execute and deliver any and all documents, instruments and agreements, and to perform or cause to be performed any and all acts as may, in their judgment, be necessary or desirable to accomplish the purposes of the foregoing resolutions and the transactions contemplated thereby and by the agreements therein approved, and any such documents, instrument or agreements so executed and delivered or actions taken by them or any of them shall be conclusive evidence of their authority in so doing.

### **Certificate of Secretary**

The undersigned certifies that the undersigned is the duly appointed and acting Secretary of the Corporation and that the foregoing is a true and correct copy of Resolutions that were duly adopted effective September 22, 2022, by the unanimous written consent of the members of the board of directors of the Corporation then in office.

**IN WITNESS WHEREOF**, I have hereunto set my hand as Secretary of the Corporation this 22nd day of September 2022.

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Ricardo Mireles, Secretary

**Exhibit A**

**Amendment**

*(See attached)*



**Secretary of State  
Amendment to Articles of  
Organization of a  
Limited Liability Company (LLC)**

**LLC-2**

**Filing Fee - \$30.00**

**Certification Fee (Optional) - \$5.00**

**Note:** You must file a Statement of Information (Form LLC-12), to change the business address(es) of the LLC or to change the name or address of the LLC's manager(s) and/or agent for service of process, which can be filed online at [bizfileOnline.sos.ca.gov](http://bizfileOnline.sos.ca.gov).

*Above Space For Office Use Only*

**1. LLC Exact Name** (Enter the exact name on file with the California Secretary of State.)

**2. LLC 12-Digit Entity (File) Number** (Enter the exact 12-digit Entity (File) Number issued by the California Secretary of State.)

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**3. New LLC Name (If Amending)** (List the proposed LLC name exactly as it is to appear on the records of the California Secretary of State. The name must contain an LLC identifier such as LLC or L.L.C. "LLC" will be added, if not included.)

**4. Management (If Amending)** (Select **only** one box)

The LLC will be managed by:

One Manager     
  More than One Manager     
  All LLC Member(s)

**5. Purpose Statement** (Do not alter Purpose Statement.)

The purpose of the limited liability company is to engage in any lawful act or activity for which a limited liability company may be organized under the California Revised Uniform Limited Liability Company Act.

**6. Additional Amendment(s)** set forth on attached pages, if any, are incorporated herein by reference and made part of this Form LLC-2. (All attachments should be 8½ x 11, one-sided, legible and clearly marked as an attachment to this form LLC-2.)

**Signature**

By signing, I affirm under penalty of perjury that the information herein is true and correct and that I am authorized by California law to sign.

\_\_\_\_\_  
Sign here

\_\_\_\_\_  
Print your name here



**Exhibit B**

**Restated Operating Agreement**

*(See attached)*

**OPERATING AGREEMENT**  
**OF**  
**16955 LEMON STREET, LLC**  
**a California limited liability company**

**THIS OPERATING AGREEMENT** is dated as of September 26, 2022, by Western Encore Properties Incorporated, a California nonprofit public benefit corporation (the “Initial Member”), and is made with reference to the following:

A. The Initial Member formed 16955 Lemon Street, LLC (the “Company”) as a limited liability company under and pursuant to the California Revised Uniform Limited Liability Company Act set forth in sections 17701.01 *et seq.* of the California Corporations Code (as amended from time to time, the “Act”) by filing Articles of Organization (the “Articles”) for the Company with the California Secretary of State on February 22, 2016.

B. The Initial Member caused an Amendment to the Articles to be filed with the California Secretary of State on September 23, 2022 (the “Amendment Date”). The Articles, as amended, provide that the Company shall be managed by one manager.

C. The Initial Member adopted an Operating Agreement of the Company effective as of January 15, 2016 (the “Original Operating Agreement”). The Initial Member desires to amend and restate the Original Operating Agreement to provide for the management of the Company by one member and for other reasons.

B. **NOW, THEREFORE**, the Initial Member declares the following to be the Operating Agreement (“Agreement”) of the Company effective as of the Amendment Date:

Article I  
**ORGANIZATION**

**1.1 Formation.** The Initial Member caused the Articles to be filed with the California Secretary of State, and the formation of the Company shall be effective as of the date of said filing.

**1.2 Name.** The name of the Company shall be “16955 Lemon Street, LLC.” The Company shall conduct its business and affairs under said name or such other name as the Sole Member (as defined below) may determine from time to time.

**1.3 Agent for Service of Process.** The name and address of the agent for service of process on the Company is Sabrina Bow, 16955 Lemon Street, Hesperia, California 92345. The Manager may from time to time change the Company’s agent for service of process.

**1.4 Principal Office.** The principal office of the Company shall be located at 16955 Lemon Street, Hesperia, California 92345 or at such other place as the Manager may determine from time to time.

**1.5 Term.** The term of the Company shall commence on the filing of the Articles of Organization with the California Secretary of State and shall continue until the Company is dissolved and wound-up and liquidated pursuant to this Agreement or by operation of law.

**1.6 Purpose.** The Company is organized and will operate:

(a) exclusively to support the charter schools operated by Encore Education Corporation, a California nonprofit public benefit corporation (the “Supported Corporation”);

(b) for the specific purpose of holding title to property, including real and personal property located at 16955 Lemon Street, Hesperia, California 92345, (collectively, the “Property”), managing, operating, leasing and otherwise dealing with the Property and collecting the income therefrom and turning over the entire amount of said income, less expenses, to the Sole Member, which is an organization exempt from federal income tax under Internal Revenue Code § 501(c)(3) and from state corporate tax under California Revenue and Taxation Code § 23701d; and

(c) to do any and all things and to engage in any and all other activities and transactions necessary, convenient, appropriate or incidental to the accomplishment of the foregoing purposes or otherwise for the protection and benefit of the Company.

Notwithstanding the foregoing and any other provisions of this Agreement, the actions, activities and transactions of the Company will be limited to those permitted under California Revenue and Taxation Code § 23701h.

**1.7 Tax Status.** It is the intention of the Sole Member that the Company be disregarded as an entity separate from the Sole Member solely for federal and all relevant state tax purposes. All provisions of the Articles of Organization and this Agreement are to be construed so as to preserve that tax status.

## Article II MEMBERSHIP

**2.1 Sole Member.** The Company shall have a single member (the “Sole Member”). As of the date of this Agreement, the Initial Member is the Sole Member of the Company. The name and address of the Sole Member is listed on Schedule A attached hereto.

**2.2 Membership Interest.** The Sole Member shall own the sole membership interest in the Company, which includes all rights in the Company collectively, including the Sole Member’s transferable interest, any right to vote or participate in management, and any right to information concerning the business and affairs of the Company.

**2.3 Capital Contributions.** The Sole Member may contribute cash or other property to the Company as the Sole Member shall determine from time to time.

**2.4 Limited Liability.** The Sole Member shall not be bound by, or be personally liable for, the expenses, liabilities or obligations of the Company, except as otherwise provided in the Act.

### Article III **MANAGEMENT**

#### **3.1 Management.**

3.1.1. The management of the business and assets of the Company shall be vested solely in a single manager (the “Manager”) appointed by the Sole Member. The Sole Member shall have the power to remove and replace the Manager from time to time, with or without cause. The Manager shall have the full and sole power and authority to manage, control and conduct the business and affairs of the Company and may exercise all powers of the Company without the need for further approval by the Sole Member or any additional or successor members of the Company. The Sole Member hereby appoints the Supported Corporation as the initial Manager of the Company.

3.1.2. The Manager may appoint a President, a Chief Executive Officer, one or more Vice Presidents, a Secretary, a Chief Financial Officer and such other officers as the Manager may deem necessary or advisable to manage the day-to-day business affairs of the Company (each, an “Officer”), and such Officers shall have the titles, powers and duties as shall be determined by the Manager. The Manager may appoint other persons as authorized signatories to execute agreements, certificates and other documents on behalf of the Company.

3.1.3. Without limiting the foregoing Paragraphs 3.1.1 and 3.1.2, the Manager shall have the right, in its sole and absolute discretion, without the consent of the Sole Member, to, or to cause the Company to, as applicable:

(a) take all actions necessary or convenient to the accomplishment of the Company’s purposes set forth in Paragraph 1.6;

(b) enter into any loan, credit, guarantee or other similar financing arrangements, including the opening, maintaining and closing of bank accounts, in order to receive or borrow funds to fulfill the Company’s purposes and objectives;

(c) enter into agreements for the purchase, improvement, renovation, lease, or sale of real property, which agreements may include such representations, warranties, covenants, indemnities and guarantees as the Manager deems necessary or advisable;

(d) own, sell, lease, exchange, or otherwise dispose of all, or substantially all, of the Company’s property, with or without the goodwill, in or outside the ordinary course of the Company’s activities;

(e) mortgage, pledge or otherwise encumber the Company’s property;

(f) make and perform such other agreements, undertakings and transfers of property as the Manager deems necessary or advisable; and

(g) except as otherwise provided in Article 10 of the Act, take any other act within or outside the ordinary course of the Company's activities.

**3.2 Meetings.** No annual, regular or special meetings of the Sole Member, the Manager, or Officers are required.

#### Article IV

### ALLOCATIONS AND DISTRIBUTIONS

**4.1 Allocations.** All profits and losses, each item thereof, and all other items attributable to the membership interest shall be allocated to the Sole Member for tax, accounting and all other purposes.

**4.2 Distributions.** At such times as the Manager deems appropriate, the Manager shall cause the Company to distribute cash or other property held by the Company to the Sole Member. Notwithstanding the previous sentence, if for any reason the Company should generate any taxable income resulting in tax liability for the Sole Member, the Manager shall cause the Company to make timely cash distributions to the Sole Member in such amounts as are sufficient to enable the Sole Member to make tax payments as they fall due, and shall promptly indemnify and hold the Sole Member harmless from and against any penalties and interest accruing by reason of failure to make timely cash distributions. The Company shall turn over the entire amount of its income, less expenses, to the Sole Member periodically.

#### Article V

### COMPANY ADMINISTRATION

#### 5.1 Books and Records.

5.1.1. The books and records of the Company shall be kept and maintained at the Company's principal office in California, shall reflect all of the Company transactions, and shall be appropriate and adequate for the Company's business.

5.1.2. Without limiting the requirements set forth in Paragraph 5.1.1, the Company shall maintain at its principal office in California all of the following:

(a) A current list of the full name and last known business or residence address of the Sole Member, together with the capital contribution and share in profits or losses of the Sole Member;

(b) A copy of the Articles of Organization, as amended from time to time;

(c) Copies of the Company's Federal, state and local income tax or information returns and reports, if any, for the six (6) most recent taxable years;

- (d) Executed counterparts of this Agreement, as amended;
- (e) Any powers of attorney under which the Articles of Organization or any amendments thereto are executed;
- (f) Financial statements of the Company for the six (6) most recent fiscal years; and
- (g) The books and records of the Company as they relate to the Company's internal affairs for the current and past four (4) fiscal years.

**5.2 Accounting.** Books and records of the Company shall be kept on the method of accounting selected by the Manager and applied on a consistent basis in the preparation of its financial reports and for tax purposes. The taxable and fiscal years of the Company shall coincide with the taxable and fiscal years of the Sole Member.

**5.3 Banking.** All funds of the Company shall be deposited in the name of the Company in one or more distinct separate accounts with one or more recognized financial institutions and at such locations, all as shall be determined by the Manager. Any withdrawal from such accounts shall require the signature of the Manager or such other person or persons authorized to do so by the Manager.

**5.4 Assets.** All assets of the Company, whether real or personal, shall be held in the name of the Company.

## Article VI **TRANSFERS**

**6.1 Transfers.** Subject to the terms and provisions of the Articles, the Sole Member may assign, sell, gift, transfer or otherwise dispose of ("Transfer") all or any part of its membership interest in the Company, including only all or any part of its transferable interest in the Company, at any time (the transferee hereinafter referred to as "Transferee"). An assignee of the Sole Member's entire membership interest in the Company shall become a substituted member automatically upon such assignment, provided that, if a Transfer of such membership interest in the Company is made for purposes of security, the Transferee of such Transfer shall not become the equitable owner of the membership interest until such time as the Transferee has acquired equitable ownership of such membership interest through a foreclosure sale or otherwise.

**6.2 Duties of Substituted Member.** Any person admitted to the Company as a substituted member shall be subject to all of the provisions of this Agreement that apply to the Sole Member from whom the membership interest was assigned.

**6.3 Division of Allocations and Distributions.** If any membership interest, or part thereof, is assigned during any fiscal year in compliance with the provisions of this Article VI, profits, losses, each item thereof and all other items attributable to such membership interest for such fiscal year shall be divided and allocated between the transferor and the transferee by taking into account their varying membership interests during the period in accordance with section 706(d) of the Internal Revenue Code of 1986, as amended, using any convention permitted

by law selected by the Manager. All distributions on or before the date of such assignment shall be made to or for the account of the transferor, and all distributions thereafter shall be made to or for the account of the transferee. Solely for purposes of making such allocations and distributions, the Company shall recognize such assignment not later than the end of the calendar month during which the assignment occurs. None of the Company, the Sole Member, or the Manager shall incur any liability for making allocations and distributions in accordance with the provisions of this Paragraph 6.3.

**6.4 Rights of Transferee of Transferable Interest.** A Transferee of a transferable interest has the right to receive, in accordance with the transfer, distributions to which the transferor would otherwise be entitled.

## Article VII INDEMNIFICATION

To the extent of Company assets, the Company agrees to defend each member, manager, officer, and authorized signatory of, and each entity controlling, or directly or indirectly related to, the Company (each, an “Affiliate”), including, without limitation, any director, officer, employee, or agent of any member, manager, officer or Affiliate acting on behalf of the Company (each, an “Indemnitee” and, collectively, the “Indemnitees”), against all claims or demands arising from the acts or omissions of the Company and agrees to indemnify and hold each of the foregoing harmless against all liabilities, losses, damages, expenses, costs or any other economic detriment suffered, paid, or incurred, foreseen or unforeseen, arising from any claim, demand, action, suit or proceeding, whether civil, criminal, administrative, or investigative, or whether threatened, pending or completed, which pertain to any Indemnitee, as described above, in such capacity, arising from the acts or omissions of the Company, to the fullest extent permitted by applicable law in effect on the date hereof and to such greater extent as applicable law may hereafter from time to time permit. No member shall be subject to personal liability or be required to fund or cause to be funded any obligation of the Company described in this Article VII.

## Article VIII DISSOLUTION

**8.1 Events of Dissolution.** The Company shall dissolve upon the earliest to occur of:

- (a) the decision of the Sole Member;
- (b) the entry of a decree of judicial dissolution under section 17707.03 of the California Corporations Code.

**8.2 Winding Up.** Upon dissolution of the Company, the Company shall engage in no further business other than that necessary to wind up the business and affairs of the Company. The Manager shall wind up the affairs of the Company and give written notice of the commencement of winding up by mail to all known creditors and claimants against the Company whose addresses appear in the records of the Company. After paying or adequately providing for the payment of all known debts of the Company, including, without limitation, debts and liabilities to the Sole Member as a creditor of the Company, the remaining assets of the Company shall be distributed to the Sole Member.

Article IX  
**GENERAL**

**9.1 Amendment.** This Agreement may be amended only in a writing signed by the Sole Member.

**9.2 Binding Agreement.** Subject to any restrictions on transfers set forth in this Agreement, this Agreement shall inure to the benefit of and be binding upon the Sole Member and its respective legal representatives, successors, and Transferees.

**9.3 Headings.** The article and paragraph headings are included in this Agreement solely for convenience of reference and in no way describe, define, limit, extend or interpret the scope, intent or extent of this Agreement, or any provision hereof. If there is any conflict between such headings and the text of this Agreement, the text shall control.

**9.4 Number and Gender.** Unless the context clearly indicates otherwise, the singular shall include the plural and vice versa. In all cases the masculine gender shall include the neuter and feminine genders and vice versa.

**9.5 Severability.** If any provision of this Agreement or the application thereof to any “person” (as defined in the Act) or circumstance shall be held invalid or unenforceable to any extent, the remainder of this Agreement, or the application of such provisions to persons or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby, and the intent of this Agreement shall be enforced to the greatest extent permitted by law.

**9.6 References to this Agreement.** Numbered or lettered articles and paragraphs herein contained refer to articles and paragraphs of this Agreement unless otherwise expressly stated.

**9.7 Parties in Interest.** Except as otherwise expressly provided in this Agreement, nothing contained in this Agreement shall be deemed to confer any right or benefit on any person who is not a party to this Agreement.

**9.8 Other Businesses.** The Sole Member, any Affiliate, any officer, director, or employee of the Sole Member or of any Affiliate or and any other person holding a legal or beneficial interest in the Sole Member or Affiliate (collectively, the “Interested Parties”) may engage in or conduct any business, investment, profession or other activity it chooses, whether or not the same is competitive with the Company, without any accountability to the Company and without having or incurring any obligation to offer any interest in such business, investment, profession or other activity to the Company. The Company shall have no right by virtue of this Agreement in and to any such business, investment, profession or other activity or to the income or profits arising therefrom, nor shall the Sole Member be required to permit the Company to participate in such business, investment, profession or activity. Except as expressly provided in this Agreement, each Interested Party shall have no fiduciary obligation to the Company by virtue of this Agreement to submit to the Company any business opportunity, whether or not such opportunity arose from its activities with respect to the Company.



**9.9 Entire Agreement.** This Agreement constitutes the entire agreement with respect to the subject matter of this Agreement.

**9.10 Schedules and Exhibits.** Any schedules or exhibits referred to in this Agreement are incorporated by reference into this Agreement and made a part hereof.

**9.11 Execution.** This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which shall constitute one agreement binding on the parties hereto, notwithstanding that all of the parties are not signatories to the same counterpart. The delivery by electronic transmission of a counterpart signature page of this Agreement executed by a party hereto shall be deemed as valid as the delivery by such party of an originally signed counterpart of this Agreement.

**9.12 Governing Law.** The laws of the State of California (without regard to otherwise governing principles of conflicts of law or choice of law) shall govern the validity of this Agreement, the construction of its terms, and the interpretation and enforcement of the rights and duties of the parties hereof.

**IN WITNESS WHEREOF**, the Initial Member has executed this Operating Agreement effective the day and year first set forth above.

**INITIAL MEMBER:**

**WESTERN ENCORE PROPERTIES  
INCORPORATED,**  
a California nonprofit public benefit corporation

By: \_\_\_\_\_  
Caprice Young  
President

**CONSENT OF MANAGER**

The undersigned consents to the foregoing and accepts its appointment as Manager of the Company.

**ENCORE EDUCATION CORPORATION,**  
a California nonprofit public benefit corporation

By: \_\_\_\_\_  
Sabrina Bow  
Executive Director

**SCHEDULE 1**

Sole Member

Western Encore Properties Incorporated  
16955 Lemon Street  
Hesperia, California 92345