



Date: December 4, 2020

To: Board of Directors

From: Kevin Sved, CEO

Subject: Creation of Support Entities

As Navigator Schools pursues the development of a private facility to house Watsonville Prep School, it will be necessary to utilize a Support Corporation as well as a Limited Liability Corporation (LLC) to ensure segregation of finances and separation of decision-making structures. Creating an affiliated 501(c)(3) support corporation (Navigator Schools Support Corporation) and a subordinate LLC (407 Main Street LLC) will also ensure maximum rent reimbursement allowable under SB740. It is also recommended that, over time, the Navigator Schools Support Corporation becomes the primary entity to receive philanthropic donations to support Navigator School operations and programs. Attachment A delineates the functions of these entities.

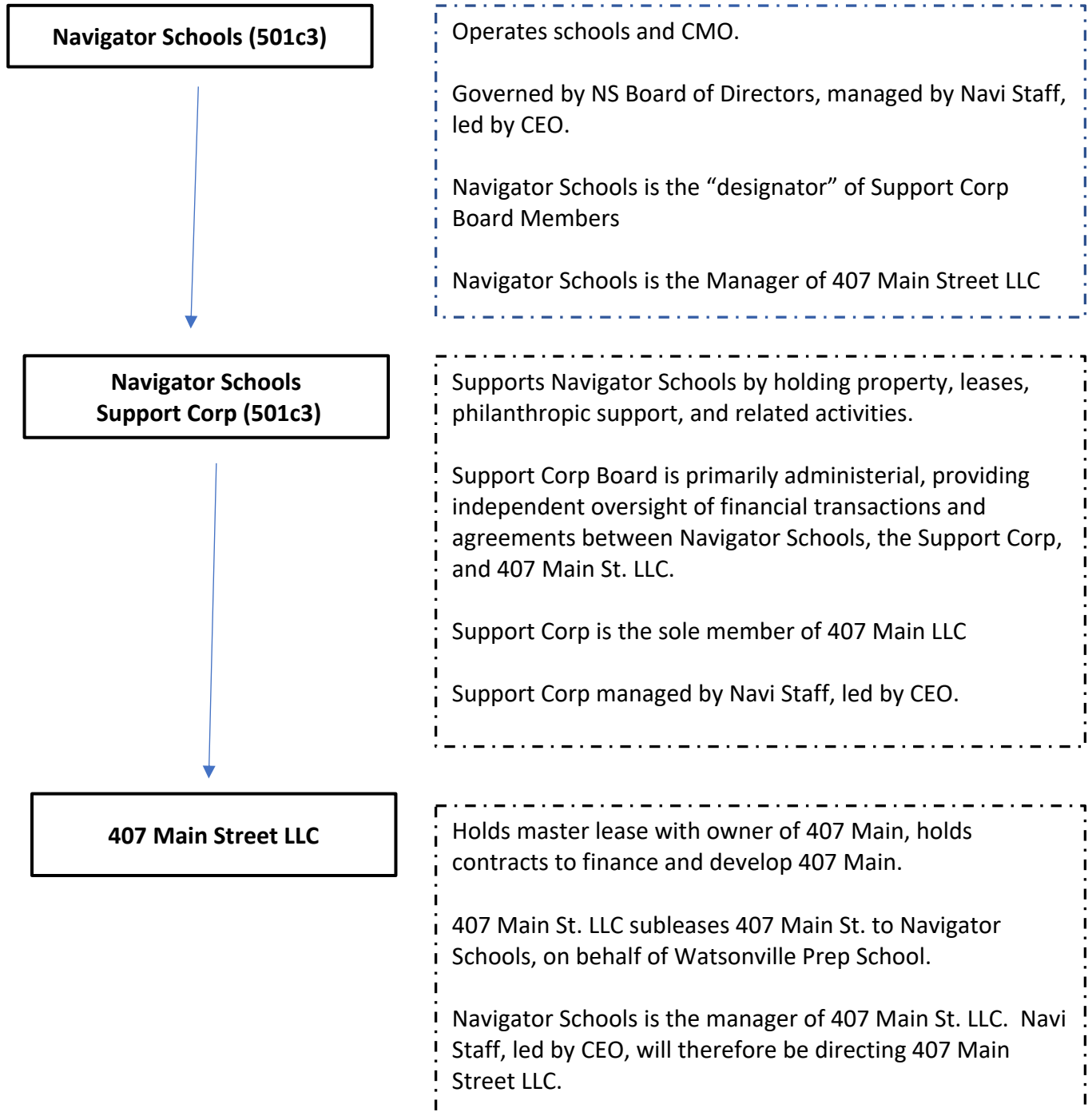
The Navigator Schools Support Corporation requires a board of directors of which no more than forty-nine percent of whom are “interested persons.” Navigator Schools Board members and staff are considered interested persons. In an initial board composed of three members, one of the three could be a current Navigator Schools Board member or staff member.

It is proposed that a special meeting be held during the week of December 14 for the Board to consider approving the documents to ratify the creation of these entities and appoint the initial board of the Navigator Schools Support Corporation. Articles of incorporation have been filed with the California Secretary of State and certified copies are attached.

Attachments:

- Attachment A: Overview of Related Structures
- Articles of Incorporation for Navigator Schools Support Corporation
- Articles of Incorporation for 407 Main Street LLC

Attachment A, Overview of Related Entities



4657053

ARTICLES OF INCORPORATION
of
NAVIGATOR SCHOOLS SUPPORT CORPORATION

FILED
Secretary of State
State of California

OCT 26 2020

ARTICLE I

The name of this corporation is Navigator Schools Support Corporation.

ARTICLE II

A. This corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for public and charitable purposes.

B. This corporation is organized, and shall be operated, exclusively for the benefit of, to perform the functions of, and to carry out the purposes of Navigator Schools, a California nonprofit public benefit corporation (the "Designator").

C. The primary purpose of the corporation is to operate and maintain an educational institution that operates charter schools; to facilitate the development of charter schools; to lease, own, manage, and maintain charter school facilities; to provide charter school facilities and operational and other support to charter schools; to assist philanthropists and foundations in supporting the operations and growth of charter schools; and to provide and otherwise obtain or assist in obtaining charter school financing. Additionally, the corporation may engage in any activities that are reasonably related to or in furtherance of its stated public and charitable public purposes, or in any other charitable activities

D. The corporation is organized and operated exclusively for charitable and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code ("Code").

E. No substantial part of the activities of the corporation shall be the carrying on of propaganda or otherwise attempting to influence legislation (except as otherwise provided in Section 501(h) of the Code), and the corporation shall not participate or intervene (including the publication or distribution of statements) in any political campaign on behalf of (or in opposition to) any candidate for public office.

F. All the property and assets of this corporation are irrevocably dedicated to charitable and educational purposes described in Section 501(c)(3) of the Code. No part of the net income or assets of the corporation shall inure to the benefit of any of its directors, officers or other private persons.

ARTICLE III

The name and business address in this State of the corporation's initial agent for service of process is:

Kevin Sved
650 San Benito Street, Suite 230
Hollister, CA 95023

4657053

ARTICLE IV

The initial street and mailing address of the corporation is:

650 San Benito Street, Suite 230
Hollister, CA 95023

ARTICLE V

Upon the dissolution or winding up of the corporation, its assets remaining after payment, or provision for payment, of all debts and liabilities shall be distributed to the Designator, if the Designator then is an organization that is described in, and has established its tax exempt status under, Section 501(c)(3) of the Code or, if not, to one or more organizations each of which then is described in, and has established its tax exempt status under, Section 501(c)(3) of the Code.

ARTICLE VI

This corporation shall have all the powers of a natural person, subject only to limitations imposed by these Articles, the Bylaws of this corporation and applicable laws. Notwithstanding any such powers or any other provision of these Articles, this corporation shall not carry on any activities not permitted to be carried on (a) by a corporation exempt from Federal income tax under Section 501(c)(3) of the Code, or (b) by a corporation contributions to which are deductible under Section 170(c)(2) of the Code.

ARTICLE VII

Any amendment of these Articles of Incorporation must be approved by the Designator in writing.

IN WITNESS WHEREOF, for the purpose of forming this nonprofit public benefit corporation under the laws of the State of California, the undersigned has executed these Articles of Incorporation.

Ken Sved

Kevin Sved



I hereby certify that the foregoing transcript of 2 page(s) is a full, true and correct copy of the original record in the custody of the California Secretary of State's office.

OCT 27 2020 *H*

Date: _____

Alex Padilla

ALEX PADILLA, Secretary of State



Secretary of State
Articles of Organization
Limited Liability Company (LLC)

LLC-1

202030110032

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FILED
Secretary of State
State of California

OCT 26 2020 *ms*

IMPORTANT — Read Instructions before completing this form.

Filing Fee — \$70.00

Copy Fees — First page \$1.00; each attachment page \$0.50;
Certification Fee — \$5.00

Note: LLCs may have to pay minimum \$800 tax to the California Franchise Tax Board each year. For more information, go to <https://www.ftb.ca.gov>.

100 This Space For Office Use Only

1. Limited Liability Company Name (See Instructions — Must contain an LLC identifier such as LLC or L.L.C. "LLC" will be added, if not included.)

407 Main Street LLC

2. Business Addresses

| | | | |
|--|-------------------------|-------|----------|
| a. Initial Street Address of Designated Office in California - Do not enter a P.O. Box | City (no abbreviations) | State | Zip Code |
| 650 San Benito Street, Suite 230 | Hollister | CA | 95023 |
| b. Initial Mailing Address of LLC, if different than item 2a | City (no abbreviations) | State | Zip Code |
| | | | |

3. Service of Process (Must provide either Individual OR Corporation.)

INDIVIDUAL — Complete Items 3a and 3b only. Must include agent's full name and California street address.

| | | | |
|---|-------------------------|-----------|----------|
| a. California Agent's First Name (if agent is not a corporation) | Middle Name | Last Name | Suffix |
| Kevin | | Sved | |
| b. Street Address (if agent is not a corporation) - Do not enter a P.O. Box | City (no abbreviations) | State | Zip Code |
| 650 San Benito Street, Suite 230 | Hollister | CA | 95023 |

CORPORATION — Complete Item 3c. Only include the name of the registered agent Corporation.

| |
|---|
| c. California Registered Corporate Agent's Name (if agent is a corporation) — Do not complete Item 3a or 3b |
| |

4. Management (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. 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.

Additional signatures set forth on attached pages, if any, are incorporated herein by reference and made part of this Form LLC-1. (All attachments should be 8 1/4 x 11, one-sided, legible and clearly marked as an attachment to this Form LLC-1.)

Kevin Sved

Organizer sign here

Kevin Sved

Print your name here

ATTACHMENT TO
ARTICLES OF ORGANIZATION
OF
407 MAIN STREET LLC

1. Per Cal. Code Regs., Title 18, §136

(a) This limited liability company ("LLC") is organized and operated exclusively for charitable purposes as specified in the Internal Revenue Code and California Revenue & Taxation Code ("R&T Code") §214.

(b) This LLC shall be operated exclusively to further the exempt purposes, as set forth in R&T Code §214, of its member or members.

(c) Each member of this LLC shall be a qualifying organization as specified in Cal. Code Regs., Title 18, §136(b)(1) or (b)(2).

(d) No membership interest of this LLC shall, directly or indirectly, be transferred to any non-qualified person or entity.

(e) The property owned by this LLC is irrevocably dedicated to charitable purposes, and no part of the net income or assets of this LLC shall ever inure to the benefit of any private member or individual.

(f) Upon dissolution or winding up of this LLC, all assets remaining after payment, or provision for payment, of all debts and liabilities of this LLC shall be distributed to such of its members as are organizations organized and operated exclusively for exempt purposes as specified in R&T Code §214 and which have established their tax exempt status under Internal Revenue Code §501(c)(3) or under R&T Code §23701d, and, if no member is so organized and operated and has established such tax exempt status at the time of said dissolution, to an organization which is so organized and operated and which has established such tax exempt status.

(g) Any amendments to the Articles of Organization and to the Operating Agreement of this LLC shall be consistent with R&T Code §214.

(h) To the fullest extent permitted by law, for the purpose of qualifying for the Welfare Exemption under the rules of the California Board of Equalization, this LLC is prohibited from merging with, or converting into, a for-profit entity.

(i) No distribution shall be made to any member who ceases to be an organization described in R&T Code §214.

202030110032

2. Per Form 3500

This LLC is organized for the exclusive purpose of holding title to property, collecting income therefrom, and turning over the entire amount thereof, less expenses, to an organization that itself is exempt under section 501 of the Internal Revenue Code, as contemplated by section 23701h of the California Revenue and Tax Code.

This LLC is organized for nonprofit purposes, and no part of the net earnings of this LLC shall inure to the benefit of any private member or individual.

Notwithstanding any statement of purposes and powers set forth in this document, this LLC may not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the exclusive purposes of this organization.



I hereby certify that the foregoing transcript of 3 page(s) is a full, true and correct copy of the original record in the custody of the California Secretary of State's office.

OCT 27 2020 *MC*

Date: _____

Alex Padilla

ALEX PADILLA, Secretary of State