

REVISED AND RESTATED BYLAWS
OF
CALIFORNIA ONLINE PUBLIC SCHOOLS

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BYLAWS
OF
CALIFORNIA ONLINE PUBLIC SCHOOLS

ARTICLE 1
OFFICES

Section 1.1 Principal Office.

The corporation's principal office shall be located at 33272 Valle Rd, San Juan Capistrano, CA 92675. The Board of Directors ("Board") is granted full power and authority to change the principal office from one location to another within California.

Section 1.2 Other Offices.

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 2
PURPOSES

Section 2.1 Description In Articles.

The corporation's specific and general purposes are described in its Articles of Incorporation.

ARTICLE 3
MEMBERSHIP

Section 3.1 No Members.

Unless and until these bylaws are amended to provide otherwise, this corporation shall have no statutory members, as the term "member" is defined in Section 5056 of the California Nonprofit Corporation Law. Any action which would otherwise by law 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 by law vest in the members shall rest in the Board.

Section 3.2 Associates.

Nothing in this Article 3 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, and no such reference by the corporation shall render anyone a member within the meaning of Section 5056 of the California Nonprofit Corporation Law, including honorary or donor members. Such individuals may originate and take part in the discussion of any subject that may properly come

before any meeting of the Board, but may not vote. The corporation may confer, by amendment of its Articles of Incorporation 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 who does not have the right to vote for the election of directors, on a disposition of substantially all of the assets of the corporation, on a merger or dissolution of it, or on changes to its Articles of Incorporation or Bylaws, but no such person shall be a member within the meaning of said Section 5056. The Board may also, in its discretion, without establishing memberships, establish an advisory council or honorary board or such other auxiliary groups as it deems appropriate to advise and support the corporation.

ARTICLE 4 DIRECTORS

Section 4.1 Powers.

Subject to the limitations of the California Nonprofit Public Benefit Corporation Law, the corporation's Articles of Incorporation and these Bylaws, and such local public agency laws as may be applicable to the corporation, the corporation's activities and affairs shall be conducted and all corporate powers shall be exercised by or under the direction of the Board. The Board may delegate the management of the corporation's activities to any person(s), management company or committees, however composed, provided that the activities and affairs of the corporation shall be managed and all corporate powers shall be exercised under the ultimate direction of the Board. Without prejudice to its general powers, but subject to the same limitations, it is hereby expressly declared that the Board shall have the following powers in addition to any other powers enumerated in these Bylaws and permitted by law:

- A. To select and remove officers, agents and employees of the corporation; to prescribe powers and duties for them which are not inconsistent with law, the corporation's Articles of Incorporation or these Bylaws; to fix their compensation; and to require security from them for faithful service;
- B. To conduct, manage and control the affairs and activities of the corporation and to make such rules and regulations therefore as are consistent with law, the corporation's Articles of Incorporation or these Bylaws, as they may deem best;
- C. To adopt, make and use a corporate seal and to alter the form of the seal from time to time as they may deem best;
- D. To borrow money and incur indebtedness for the corporation's purposes, and to cause to be executed and delivered therefor, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations and other evidences of debt and securities therefore;
- E. To carry on a business and apply any profit that results from such business activity to any activity that it may lawfully engage in;
- F. To act as trustee under any trust incidental to the principal object of the corporation, and receive, hold, administer, exchange and expend funds and property subject to such trust;
- G. To acquire by purchase, exchange, lease, gift, devise, bequest, or otherwise, and to hold, improve, lease, sublease, mortgage, transfer in trust, encumber, convey or otherwise dispose of real and personal property;
- H. To assume any obligations, enter into any contracts or other instruments, and do any

and all other things incidental or expedient to the attainment of any corporate purpose; and

- I. To carry out such duties as are described in any charter or charters authorizing the corporation's operation of one or more charter schools pursuant to the Charter Schools Act of 1992, Education Code Section 47600 *et seq.*

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 4.2 Number of Directors.

The authorized number of directors shall be not less than five (5) or more than fifteen (15), unless changed by a duly adopted amendment to this provision. The exact number of directors shall be fixed within these limits by a resolution of the Board.

Section 4.3 Qualifications of Directors.

- A. The qualifications for directors are generally the ability to attend Board meetings, a willingness to actively support and promote the corporation and its multi-site charter schools, and a dedication to its educational endeavors; provided that any school authorizers who authorize a school operated by the corporation, may, but are not obligated to, appoint a member to the Board.
- B. The Board of Directors shall endeavor to appoint at least one (1) Director in the following categories, where one (1) Director may satisfy multiple categories:
 - a. A parent or guardian of one or more current or former student(s) who is/are/were enrolled in a charter school operated by the corporation.
 - b. An individual currently employed in the area of education, such as either a teacher, administrator, college instructor, etc., or an individual who has served in those capacities or who otherwise has expertise in education, as determined at the discretion of the Board of Directors.
 - c. A generally recognized community leader in the area served by the school(s) operated by the corporation, as determined at the discretion of the Board of Directors.
 - d. A representative of each charter school operated by the corporation, such as someone who resides in the local area and/or a county served by that charter school.
- C. Any School District sponsoring a charter school operated by the corporation shall be entitled to elect or appoint a single member of the Board of Directors.
- D. In addition to the number of directors otherwise prescribed by these Bylaws, pursuant to Education Code section 47604.2, the Board composition shall also include a seat reserved for a pupil member. Pupils enrolled in a charter school managed by the Corporation in ninth through twelfth grades are eligible for election to the Board of Directors as the pupil member. The pupil member shall be elected by a vote of the students enrolled in a charter school operated by the Corporation in ninth through twelfth grades. The term of the pupil member shall be one (1) year commencing on July 1 each year.

Section 4.4 Appointment and Term of Office.

Directors shall be selected at an annual meeting of the Board by a majority of the directors holding office as of the date of such meeting and shall take office at the end of the annual meeting

at which he or she is elected.

Directors shall hold office for a term of three (3) years, or until a successor has been appointed. Directors shall be classified with respect to the time for which they shall hold office by dividing them into three (3) classes, each class to consist of, as nearly as possible, an equal number of directors. The directors of the first class shall hold office for an initial term of one (1) year, and the directors of the second class for an initial term of two (2) years, and the directors of the third class for an initial term of three (3) years. At the close of each Annual Meeting of this corporation, the successors to the class of directors whose terms expire that year shall commence to hold office for a term of three (3) years, or until their successors have been elected and qualified. In the event of an increase in the number of directors, the remaining directors shall assign the newly created directorship(s) to the appropriate class or classes so that the three (3) classes shall continue to consist of, as nearly as possible, an equal number of directors.

Section 4.5 Director Approval of Certain Corporate Actions.

The Board must approve the following actions:

- A. the annual budget of the corporation;
- B. any non-budgeted expenditures of the corporation over \$25,000;
- C. any initial contract for the establishment or operation of, or licensing of rights to, a charter school;
- D. the removal of directors without cause pursuant to Section 5222 of the California Corporations Code;
- E. the approval of the sale, lease, conveyance, exchange, transfer, or other disposition of all or substantially all of the assets of the corporation;
- F. the approval of the principal terms of a merger of the corporation with another organization;
- G. the approval of the filing of a petition for the involuntary dissolution of the corporation if statutory grounds for such a dissolution exist;
- H. the approval of the voluntary dissolution of the corporation or the revocation of such an election to dissolve it; and
- I. the approval of any borrowing of money.

Section 4.6 Resignation and Removal.

Subject to the provisions of Section 5226 of the California Nonprofit Public Benefit Corporation Law, any director may resign effective upon giving written notice to the President, the Secretary, or the Board, unless the notice specifies a later time for the effectiveness of such resignation. If the resignation is effective at a future time, a successor may be selected before such time, to take office when the resignation becomes effective.

Section 4.7 Vacancies.

- A. A vacancy on the Board shall be deemed to exist if a director dies, resigns, or is removed, or if the authorized number of directors is increased.
- B. The Board may declare vacant the office of any director who has been declared of unsound mind by a final order of court, convicted of a felony, or found by a final order or judgment of any court to have breached any duty arising under Article 3 of Chapter 2 of the California Nonprofit Public Benefit Corporation Law.
- C. Vacancies on the Board shall be filled by the vote of a majority of directors then in

- office. Each director so selected shall hold office until the expiration of the term of the replaced director and until a successor has been appointed.
- D. No reduction of the authorized number of directors shall have the effect of removing any director prior to the expiration of the director's term of office.

Section 4.8 Place of Meeting.

Meetings of the Board shall be held at the principal office of the corporation or at any other place(s) within the State of California designated in the notice of the meeting or, if there is no notice, at such place as has been designated from time to time by resolution of the Board.

Section 4.9 Meetings; Annual Meeting.

The Board shall hold an annual meeting for the purpose of organization, appointment of officers and the transaction of other business. Such meeting shall be held at a time, date and place as may be specified and noticed by resolution of the Board. Notwithstanding any other provision of these Bylaws, to the extent required by law or by charter, or contract, all meetings (regular and special) of the Board and its committees shall be called, noticed, and held in compliance with the provisions of the Ralph M. Brown Act (California Government Code Sections 54950 *et seq.*) ("Brown Act").

Section 4.10 Regular Meetings.

Regular meetings of the Board, including annual meetings, shall be held with notice given pursuant to the Brown Act, on such dates and at such times and places as may be fixed from time to time by the Board.

Section 4.11 Special Meetings.

Special meetings of the Board for any purpose(s) may be called at any time by the president, the secretary or any two directors, and shall be held with public notice given pursuant to the Brown Act. The party calling such special meeting shall determine the place, date and time thereof.

Section 4.12 Notice of Special Meetings.

- A. Special meetings of the Board may be held only after each director has received four (4) days' prior notice by first-class mail or forty-eight (48) hours' notice delivered personally or by telephone, including a voice messaging system or other system or technology designed to record and communicate messages, telegraph, facsimile, electronic mail, or other electronic means, provided that such notice otherwise complies with the Brown Act.
- B. Any such notice shall be addressed or delivered to each director at the director's address (or telephone or facsimile number, or electronic mail address, as applicable) as it is shown on the records of the corporation or as may have been given to the corporation by the director for purposes of notice or, if an address is not shown on the corporation's records or is not readily ascertainable, at the place at which the meetings of the directors are regularly held.
- C. Notice by mail shall be deemed received at the time a properly addressed written notice is deposited in the United States mail, postage prepaid. Any other written notice shall be deemed received at the time it is personally delivered to the recipient or is delivered to a common carrier for transmission, or is actually transmitted by the person giving the notice by electronic means to the recipient. Oral notice shall be deemed received at the time it is

communicated, in person or by telephone or wireless, to the recipient or to a person at the office of the recipient whom the person giving the notice has reason to believe will promptly communicate it to the receiver.

- D. The notice of special meeting shall state the time of the meeting, and the place if the place is other than the principal office of the corporation, and the general nature of the business proposed to be transacted at the meeting. No business, other than the business the general nature of which was set forth in the notice of the meeting, may be transacted at a special meeting.

Section 4.13 Quorum.

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

Section 4.14 Participation in Meetings By Conference Telephone and Electronic Video.

Except as otherwise may be provided in the Brown Act, members of the Board may participate in a meeting through the use of conference telephone, electronic video screen communication, or other communications equipment, so long as all Directors participating in such meeting can hear one another. Participation in a meeting through use of conference telephone constitutes presence in person at such meeting. Participation in a meeting through use of electronic video screen communication or other communications equipment (other than conference telephone) constitutes presence in person at that meeting if (i) each member participating can communicate with all other members concurrently, (ii) each member is provided the means of participating in all matters before the Board including, without limitation, the capacity to propose, or to interpose an objection to, specific action to be taken, and (iii) the corporation has adopted and implemented some means of verifying both that the person participating in the meeting is a director or other person entitled to participate in the meeting and that all actions of, or votes by, the Board are taken or cast only by the directors and not by persons who are not directors.

Section 4.15 Waiver of Notice.

Except as otherwise may be provided in the Brown Act, notice of a meeting need not be given to any director who signs a waiver of notice or a written consent to holding the meeting or an approval of the minutes thereof, whether before or after the meeting, or who attends the meeting without protesting the lack of notice to such director prior thereto or at its commencement. All such waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meetings.

Section 4.16 Adjournment.

A majority of the directors present, whether or not a quorum is present, may adjourn any 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.

Section 4.17 Action Without Meeting.

Except as otherwise required pursuant to the Brown Act, any action required or permitted to be taken by the Board under any provision of the Nonprofit Public Benefit Corporation Law may be taken without a meeting if all members of the Board shall individually or collectively consent in writing to such action. Such consent(s) shall be filed with the minutes of the proceedings of the Board and shall have the same force and effect as a unanimous vote of such directors. For purposes of this section only, the phrase “all members of the Board” shall not include any “interested persons” as defined in Section 4.20.

Section 4.18 Rights of Inspection.

Subject to applicable federal and state laws regarding student confidentiality, every director shall have the absolute right at any reasonable time to inspect and copy all books, records, and documents of every kind and to inspect the corporation’s physical properties. Such inspection may be made in person or by an agent or attorney, and shall include the right to make photocopies and extracts.

Section 4.19 Fees and Compensation.

Directors and members of committees shall not receive any compensation for their services; however, the Board may approve reimbursement of a director’s actual and necessary expenses incurred in the conduct of the corporation’s business. The corporation may carry liability insurance respecting the conduct of the corporation’s business by the directors. Subject to Section 4.20 of this Article 4, nothing herein shall preclude a director from serving the corporation in any other capacity, including, but not limited to, as an officer, agent, or employee of the corporation and receiving compensation for such service.

Section 4.20 Restriction on Interested Directors.

Not more than forty-nine percent (49%) of the directors 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 twelve (12) months whether as a full- or part-time employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a director as director, and (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 any such person. However, any violation of the provisions of this Section shall not affect the validity or enforceability of any transaction entered into by the corporation.

Section 4.21 Standard of Care.

- A. A director shall perform the duties of a director, including duties as a member of any committee of the Board upon which the director may serve, in good faith, in a manner such director believes to be in the best interests of the corporation and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances.
- B. In performing the duties of a director, a director shall be entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, in

each case prepared or presented by:

- a. One or more of the corporation's officers or employees whom the director believes to be reliable and competent in the matters presented;
- b. Legal counsel, independent accountants or other persons as to matters which 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 merits confidence and the director acts in good faith, after reasonable inquiry when the need therefor is indicated by the circumstances and without knowledge that would cause such reliance to be unwarranted.

Section 4.22 Property Rights.

No director shall have any right or interest in any of the corporation's property or assets.

Section 4.23 Non-liability of Directors.

Except as required by the California Nonprofit Public Benefit Corporation Law, no director shall be personally liable for the debts, liabilities or other obligations of this corporation.

Section 4.24 General Public Agency Prohibitions Governing Certain Transactions.

Notwithstanding the foregoing Sections, nothing in this Article 4 shall be construed to authorize any transaction otherwise prohibited by California Government Code Sections 81000 et seq., or other applicable laws.

Section 4.25 Common Directorships.

Pursuant to Section 5234 of the California Nonprofit Public Benefit Corporation Law, the corporation shall not be a party to a transaction with another corporation, firm or association in which one or more of its directors is also a director or are directors ("Overlapping Director(s)") unless, prior to entering into the transaction, after full disclosure to the Board of all material facts as to the proposed transaction and the Overlapping Directors overlapping directorship, the Board finds that the transaction is just and reasonable as to the corporation and authorizes, approves or ratifies the transaction in good faith by a vote of the Directors then in office sufficient without including the vote of the Overlapping Director. This provision does not apply to transactions covered by Section 5233 of the California Nonprofit Public Benefit Corporation Law.

**ARTICLE 5
OFFICERS**

Section 5.1 Officers.

The officers of the corporation shall be a president, one or more vice presidents, a secretary, and a chief financial officer. The corporation may also have, at the discretion of the Board, one or more assistant secretaries, one or more assistant treasurers, and such other officers as may be elected or appointed by the Board. Any number of offices may be held by the same person, except that neither the secretary nor the treasurer may serve concurrently as the president.

Section 5.2 Appointment of Officers.

The corporation's officers, except such officers as may be appointed in accordance with the provisions of Section as otherwise specified in Sections 5.3 or 5.6 of this Article, shall be chosen at an annual meeting by, and shall serve at the pleasure of, the Board, and shall hold their respective offices until their resignation, removal, or other disqualification from service, or until their respective successors shall be appointed.

Section 5.3 Subordinate Officers.

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

Section 5.4 Removal.

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

Section 5.5 Resignation.

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

Section 5.6 Vacancies.

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

Section 5.7 President.

The president is the chief executive officer of the corporation and has, subject to the control of the Board, general supervision, direction and control of the business and affairs of the corporation. The President shall preside at all meetings of the Board. The president has the general management powers and duties usually vested in the office of president of a corporation, as well as such other powers and duties as may be prescribed from time to time by the Board. The president shall be an ex officio voting member of each Board committee.

Section 5.8 Vice President.

In the absence or disability of the president, vice president (or if more than one (1) vice president is appointed, in order of their rank as fixed by the Board or if not ranked, the vice president designated by the Board) shall perform all the duties of the president and when so acting shall

have all the powers of, and be subject to all of the restrictions upon, the President. The vice presidents shall have such other powers and perform such other duties as from time to time may be prescribed by the Board.

Section 5.9 Secretary.

The secretary shall keep or cause to be kept, at the principal office or such other place as the Board may order, a book of minutes of all meeting of the Board and its committees, with the time and place of holding, whether regular or special, and if special, how authorized, the notice thereof given, the names of those present and absent, and the proceedings thereof. The Secretary shall keep, or cause to be kept, at the principal office in the State of California, the original or a copy of the corporation's Articles of Incorporation and Bylaws, as amended to date, and a register showing the names of all directors and their respective addresses. The secretary shall keep the seal of the corporation and shall affix the same on such papers and instruments as may be required in the regular course of business, but failure to affix it shall not affect the validity of any instrument.

The secretary shall give, or cause to be given, notice of all the meetings of the Board required by these Bylaws or by law to be given, and shall distribute the minutes of meetings of the Board to all members promptly after the meetings. The Secretary shall see that all reports, statements and other documents required by law are properly kept or filed, except to the extent the same are to be kept or filed by the treasurer. In general, the Secretary shall have such other powers and perform such other duties as may be prescribed from time to time by the Board.

Section 5.10 Chief Financial Officer.

The chief financial officer shall keep and maintain or cause to be kept and maintained adequate and correct accounts of the properties and business transactions of the corporation, including accounts of its assets, liabilities, receipts, disbursements, gains and losses. The books of account shall at all times be open to inspection by any director.

The chief financial officer shall deposit or cause to be deposited all monies and other valuables in the name and to the credit of the corporation in such depositories as may be designated from time to time by the Board. The chief financial officer shall disburse the funds of the corporation as shall be ordered by the Board, shall render to the President and the directors, upon request, an account of all transactions as chief financial officer and of the corporation's financial condition. The chief financial officer shall present to the Board at all regular meetings an operating statement and report since the last preceding regular meeting of the Board. The chief financial officer shall have such other powers and perform such other duties as may be prescribed from time to time by the Board.

ARTICLE 6 COMMITTEES

Section 6.1 Board Committees.

The Board may, by resolution, create one or more standing or *ad hoc* committees, each consisting of at least two (2) members of the Board, to serve at the Board's pleasure. Appointments to such Board committees shall be by majority vote of the Directors then in office, and the chairs of such Board committees shall be appointed by the President. The Board may

appoint, in the same manner, alternate members to a committee who may replace any absent member at any meeting of the committee. Unless otherwise provided in these Bylaws or by the laws of the State of California, each committee shall have all of the Board's authority to the extent delegated by the Board, except that no committee, regardless of Board resolution, may:

- A. Fill vacancies on the Board or on any committee which has the authority of the Board;
- B. Fix the compensation, if any, of the directors for serving on the Board or on any committee;
- C. Amend or repeal the Bylaws or adopt new bylaws;
- 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 of the Board or the members thereof;
- F. Spend corporate funds to support a nominee or applicant for director; or
- G. Approve any self-dealing transaction as such transactions are defined in Section 5233(a) of the California Nonprofit Public Benefit Corporation Law, except as permitted under Section 7.4 of Article 7.

Section 6.2 Meetings and Action of Board Committees.

Meetings and actions of Board committees shall be governed by, and held and taken in accordance with, the provisions of Article 4 of these Bylaws concerning meetings of the Board, and such changes in the context of those provisions as are necessary to substitute the committee and its members for the Board and its members, except that the time or regular meetings of the committees may be determined either by resolution of the Board or by resolution of the committee. Special meetings of committees may also be called by resolution of the Board. Notice of special meetings of Board committees shall also be given to any and all alternate members who shall have the right to attend all meetings of the committee and public notice shall be given pursuant to the Brown Act. The Board may adopt rules for the government of any board committee not inconsistent with the provisions of these Bylaws. Minutes shall be kept of each meeting of each committee.

Section 6.3 Executive Committee.

The Executive Committee, if created, shall be a Board-appointed committee. When the Board is not in session, the Executive Committee shall have the power and authority of the Board to transact the corporation's regular business, subject to any prior limitation imposed by law, the board, or these Bylaws. The Executive Committee shall report to the Board at the next Board meeting all actions taken.

Section 6.4 Other Committees.

- A. The president, subject to the limitations imposed by the Board, or the Board itself, may create other committees, either standing or special, to serve the Board which do not have the powers of the Board. The president, with the approval of the Board, shall appoint members to serve on such committees, and shall designate the chair for such committees. If a director is on a committee, he or she shall be the chair. Each member of a committee shall continue as such until the next annual election of officers and until his or her successor is appointed, unless the member sooner resigns or is removed from the committee.
- B. Meetings of a committee may be called by the president, the chair of the committee or a

majority of the committee's voting members. Each committee shall meet as often as is necessary to perform its duties. Notice of a meeting of a committee may be given at any time and in any manner reasonably designed to inform the committee members of the time and place of the meeting. A majority of the voting members of a committee shall constitute a quorum for the transaction of business at any meeting of the committee. Each committee may keep minutes of its proceedings and shall report periodically to the Board. A committee may take action by majority vote.

- C. Any member of a committee may resign at any time by giving written notice to the president. Such resignation, which may or may not be made contingent upon formal acceptance, shall take effect upon the date of receipt or at any later time specified in the notice. The president may, with prior approval of the Board, remove any appointed member of a committee.
- D. A vacancy in any committee or any increase in membership thereof shall be filled for the unexpired portion of the term by the president with approval of the Board.

ARTICLE 7 SELF-DEALING TRANSACTIONS

Section 7.1 Definition.

Self-dealing transaction means a transaction to which the corporation is a party and in which one or more of the directors ("interested director(s)") has a material financial interest and does not meet the requirements of Section 7.2 below, except that the following will not be deemed a self-dealing transaction, but are subject to the general standard of care by the board:

- A. An action by the Board fixing the compensation of a director as a director or officer of the corporation.
- B. A transaction that is part of a public or charitable program of the corporation if the transaction is (1) approved or authorized by the corporation in good faith and without unjustified favoritism, and (2) results in a benefit to one or more directors or their families because they are in a class of persons intended to be benefited by the public or charitable program.
- C. A transaction of which the interested directors have no actual knowledge, and which does not exceed the lesser of one percent (1%) of the corporation's gross receipts for the preceding fiscal year or One Hundred Thousand Dollars (\$100,000).

Section 7.2 Action of the Board.

If a transaction is thought to be a self-dealing transaction, the interested director has the burden of showing the following to sustain validity of it:

- A. Prior to consummating the transaction or any part thereof, the Board authorized or approved the transaction in good faith by vote of a majority of the directors then in office without counting the vote of the interested director(s), and with knowledge of the material facts concerning the transaction and the interested director's interest in the transaction. Except as provided in Section 7.4 below, action by a committee of the Board will not satisfy this requirement.
- B. That either:
 - a. Prior to authorizing or approving the transaction, the Board considered and in

good faith determined after reasonable investigation under the circumstances that the corporation could not have obtained a more advantageous arrangement with reasonable effort under the circumstances, or

- b. The corporation in fact could not have obtained a more advantageous arrangement with reasonable effort under the circumstances.
- C. The corporation entered into the transaction for its own benefit;
- D. The transaction was fair and reasonable as to the corporation at the time the corporation entered into the transaction.

Section 7.3 Interested Director's Vote.

In determining whether the Board had validly met to authorize or approve a self-dealing transaction, interested directors may be counted to determine the presence of a quorum, but an interested director's vote may not be counted toward the required majority for such authorization, approval or ratification.

Section 7.4 Committee Approval.

A Board committee may approve a self-dealing transaction in a manner consistent with the standards prescribed for approval by the Board if it was not reasonably practical to obtain approval of the Board prior to entering into the transaction and the Board determines in good faith that the committee met the same requirements the Board would have had to meet in approving the transaction and the Board ratifies the transaction at its next meeting by a vote of a majority of the directors then in office without counting the vote of the interested director or directors.

Section 7.5 Prior Approval by the Attorney General.

Remedies specified in the California Nonprofit Public Benefit Corporation Law for an improper self-dealing transaction are not available if the Attorney General of the State of California approves the transaction before its consummation. The corporation may seek the approval of the Attorney General by application setting forth all relevant and material facts.

Section 7.6 Persons Liable and Extent of Liability.

If a self-dealing transaction has not been approved as provided above, the interested director(s) may be required to do such things and pay such damages as a court may provide as an equitable and fair remedy to the corporation, taking into account any benefit received by it and whether or not the interested director(s) acted in good faith and with the intent to further the corporation's best interests.

Section 7.7 Statute of Limitations.

An action to remedy an improper self-dealing transaction, brought by a proper party as defined by Section 5233(c) of the California Nonprofit Public Benefit Corporation Law to remedy an improper self-dealing transaction, must be commenced either:

- A. Within two (2) years after written notice setting forth the material facts of the transaction was filed with the Attorney General in accordance with the Attorney General's regulations; or
- B. If no such notice is filed, within three (3) years after the transaction occurred, except

for the Attorney General, who shall have ten (10) years after the transaction occurred within which to file an action.

Section 7.8 Corporate Loans and Advances.

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

Section 7.9 Annual Statement of Certain Transactions and Indemnifications.

Pursuant to Section 6322 of the California Nonprofit Public Benefit Corporation Law, the corporation shall furnish an annual statement of certain transactions and indemnifications to each of the directors no later than 120 days after the close of the fiscal year. If the corporation issues an annual report as set forth in Section 8.3, this requirement shall be satisfied by including the required information, as set forth below, in such report. Such annual statement shall describe:

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

- B. The amount and circumstances of any indemnifications or advances aggregating more than Ten Thousand Dollars (\$10,000) paid during the fiscal year of the corporation to any officer or director of the corporation.

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

ARTICLE 8 OTHER PROVISIONS

Section 8.1 Validity of Instruments.

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

Section 8.2 Checks, Drafts, Etc.

All of the corporation's checks, drafts or other orders for payment of money, notes or other evidences of indebtedness issued in the name of or payable to the corporation and any and all securities owned by or held by the corporation requiring signature for transfer shall be signed or endorsed by as required by the fiscal control policies of the corporation as adopted by the Board, and in compliance with such other requirements as the Board from time to time may require.

Section 8.3 Annual Report.

The corporation shall provide to each of the directors and such other persons designated by the Board, within one hundred and twenty (120) days after the close of its fiscal year, a report prepared in conformity with the requirements of the California Nonprofit Public Benefit Corporation Law as it may be in effect from time to time. The report shall contain the following information in reasonable detail:

- A. The assets and liabilities, including the trust funds, of the corporation as of the end of the fiscal year.
- B. The principal changes in the assets and liabilities, including trust funds, during the fiscal year.
- C. The revenue or receipts of the corporation, both unrestricted and restricted to particular purposes, for the fiscal year.
- D. The expenses or disbursements of the corporation, for both general and restricted purposes, during the fiscal year.

Section 8.4 Public Inspection and Disclosure.

The corporation shall have available for public inspection at its principal office a copy of each of its annual tax exempt organization information returns for each of the last three years and a copy of its state and federal applications for recognition of tax exemption. Additionally, if the corporation provides services or information to the general public that can be obtained from the federal government free of charge or for a nominal charge, such availability shall be

conspicuously disclosed in an easily recognizable format in any solicitation or offer made by the corporation.

Section 8.5 Construction and Definitions.

Unless the context otherwise requires, the general provisions, rules of construction, and definitions contained in the General Provisions of the California Nonprofit Corporation Law and in the California Nonprofit Public Benefit Corporation Law shall govern the construction of these Bylaws. Words in these Bylaws shall be read as the masculine or feminine gender, and as the singular or plural, as the context requires. The captions and headings in these Bylaws are for convenience only and are not intended to limit or define the scope or effect of any provision.

Section 8.6 Authority to Vote Securities.

The President or any other officer(s) authorized by the Board are each authorized to vote, represent, and exercise on behalf of the corporation all rights incident to any and all voting securities of any other corporation(s) standing in the name of this corporation. The authority granted herein may be exercised either in person or by any person authorized to do so by proxy or by power of attorney executed by the president or authorized officer.

Section 8.7 Fiscal Year.

The fiscal year of the corporation shall be a fiscal year ending June 30.

Section 8.8 Robert's Rules of Order.

Except to the extent otherwise provided in these Bylaws, the corporation's meetings shall be conducted and governed by the parliamentary procedures set forth in Robert's Rules of Order.

Section 8.9 Termination and Dissolution.

This corporation shall exist only so long as is necessary to accomplish its general and specific purposes. Once the Board determines that the corporation's purposes have been fulfilled, it shall immediately resolve to terminate and dissolve the corporation in accordance with applicable law and the corporation's Articles of Incorporation.

**ARTICLE 9
INDEMNIFICATION AND INSURANCE**

Section 9.1 Definitions.

For the purposes of this Article 9, "agent" means any person who is or was a trustee, director, officer, or employee of this corporation, or is or was serving at the request of the corporation as a trustee, director, officer, employee or agent of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise, or was a trustee, director, officer, employee or agent of a foreign or domestic corporation which was a predecessor corporation of this corporation or of another enterprise at the request of such predecessor corporation; and "proceeding" means any threatened, pending completed action or proceeding, whether civil, criminal, administrative or investigative; and "expenses" includes, without limitation, attorneys'

fees and any expenses of establishing a right to indemnification under Sections 9.4 or 9.5.b. of this Article.

Section 9.2 Indemnification in Actions by Third Parties.

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

Section 9.3 Indemnification in Actions by or in the Right of the Corporation.

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

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

Section 9.4 Indemnification Against Expenses.

To the extent that an agent of this corporation has been successful on the merits in defense of any

proceeding referred to in Sections 9.2 or 9.3 of this Article or in defense of any claim, issue or matter therein, the agent shall be indemnified against expenses actually and reasonably incurred by the agent in connection therewith.

Section 9.5 Required Determinations.

Except as provided in Section 9.4, any indemnification under this Article 9 shall be made by this corporation only if authorized in the specific case, upon a determination that indemnification of the agent is proper in the circumstances because the agent has met the applicable standard of conduct set forth in Sections 9.2 or 9.3 of this Article by:

- A. A majority vote of a quorum consisting of directors who are not parties to such proceeding; or
- B. The court in which such proceeding is or was pending upon application made by this corporation or the agent or the attorney or other person rendering services in connection with the defense, whether or not such application by the agent, attorney or other person is opposed by this corporation.

Section 9.6 Advance of Expenses.

Expenses incurred in defending any proceeding may be advanced by this corporation prior to the final disposition of such proceeding upon receipt of an undertaking by or on behalf of the agent to repay such amount unless it shall be determined ultimately that the agent is entitled to be indemnified as authorized in this Article. The provisions of Section 7.8 do not apply to advances made pursuant to this Section 9.6.

Section 9.7 Other Indemnification.

No provision made by the corporation to indemnify its or its subsidiary's trustees, directors or officers for the defense of any proceeding, whether contained in the Articles of Incorporation, Bylaws, a resolution of members or directors, an agreement, or otherwise, shall be valid unless consistent with this Article 9. Nothing contained in this Article shall affect any right to indemnification to which: (i) persons other than such directors and officers may be entitled by contract or other provisions of the California Tort Claims Act, if applicable; or (ii) such directors may be entitled under the provisions of the California Tort Claims Act, if applicable; or (iii) either may otherwise be entitled. The corporation shall have the power to indemnify, to advance expenses to, or to procure insurance for any person who is an agent of the corporation (as the term "agent" is defined in Section 9.1) as long as such actions are consistent with this Article 9 and comply with the California Nonprofit Public Benefit Corporation Law.

Section 9.8 Forms of Indemnification Not Permitted.

No indemnification or advance shall be made under this Article 9, except as provided in Sections 9.4 or 9.5.b. of this Article, in any circumstances where it appears:

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

Section 9.9 Insurance.

The corporation shall have the power to purchase and maintain insurance on behalf of any agent of this corporation against any liability asserted against or incurred by the agent in such capacity or arising out of the agent's status as such whether or not this corporation would have the power to indemnify the agent against such liability under the provisions of this Article 9; provided, however, that this corporation shall have no power to purchase and maintain such insurance to indemnify any agent of the corporation for a violation of Section 5233 of the California Nonprofit Public Benefit Corporation Law.

Section 9.10 Non Applicability to Fiduciaries of Employee Benefit Plans.

This Article 9 does not apply to any proceeding against any trustee, investment manager or other fiduciary of an employee benefit plan in such a person's capacity as such, even though such person may also be an agent of the corporation as defined in Section 9.1 of this Article. The corporation shall have power to indemnify such trustee, investment manager or other fiduciary to the extent permitted by subdivision (f) of Section 207 of the California General Corporation Law.

Section 9.11 Indemnification and the California Tort Claims Act.

Notwithstanding any other provision of this Article 9, the corporation shall have the right and obligation to insure, defend, and indemnify the corporation's employees, officers, and directors for all claims brought pursuant to the California Tort Claims Act (Government Code Sections 810, et seq.) to the fullest extent allowed under said Act, if applicable.

**ARTICLE 10
AMENDMENTS**

Section 10.1 Bylaws.

These Bylaws will be reviewed not less often than once every four (4) years and documented as to date of review. New Bylaws may be adopted, or these Bylaws may be amended or repealed by the vote of a majority of directors then in office.

Section 10.2 Effective Date.

These Bylaws shall become effective as of June 21, 2023, unless the Board directs otherwise. Any amendments to these Bylaws shall become effective immediately upon adoption unless the Board directs otherwise.

CERTIFICATE OF ADOPTION

I, the undersigned, do hereby certify that I am the Secretary of California Connections Academies, and that the foregoing Bylaws constitute the Bylaws of such corporation as duly adopted by the corporation's Board of Directors on June 21, 2023.

Date: June 21, 2023

Adam Pulsipher, Board Secretary