

# PACIFIC COLLEGIATE SCHOOL

## BYLAWS

Amended December 3, 2008

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**PACIFIC COLLEGIATE SCHOOL BYLAWS**

**ARTICLE I**

**OFFICES**

Section 1.1 Principal Office

The corporation's principal office shall be fixed and located at such place within Santa Cruz County, California as the Board of Directors ("Board" or "Board of Directors") shall determine. The Board is granted full power and authority to change the principal office from one location to another within the County of Santa Cruz, California.

Section 1.2 Change of Address

The county of the corporation's principal office can be changed only by amendment of these Bylaws and not otherwise. The Board may, however, change the corporation's principal office from one location to another within the named county by noting the changed address and effective date below, and such changes shall not be deemed an amendment of these Bylaws; the Secretary shall note any change in principal office and effective date below:

New address: _____	Effective Date: _____
New address: _____	Effective Date: _____
New address: _____	Effective Date: _____

Section 1.3 Other Offices

The corporation may also have offices at such other places within the State of California as the Board may, from time to time, designate.

**ARTICLE II**

**PURPOSES**

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

## **ARTICLE III**

### **MEMBERSHIP**

#### Section 3.1 No Members

The corporation shall have no members. The rights which would otherwise vest in the members shall vest in the Directors ("Directors") of the corporation called Pacific Collegiate School ("PCS"). Actions 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.

## **ARTICLE IV**

### **BOARD OF DIRECTORS**

#### Section 4.1 General Powers

The Board shall conduct and direct the affairs of the corporation and exercise its powers, subject to the limitations of the California Nonprofit Public Benefit Corporation Law, the Articles of Incorporation, these Bylaws, and only those provisions of the California Education Code specifically regulating California Charter Schools. The Board may delegate the management of the activities of the corporation to others, so long as the affairs of the corporation are managed, and its powers are exercised, under the Board's ultimate jurisdiction. 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 anytime.

#### Section 4.2 Specific Powers

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

- A. To elect and remove Directors;
- B. To select and remove all of the Officers, agents and employees of the corporation; to prescribe powers and duties for them which are not inconsistent with the law, and to fix their compensation;
- C. To conduct, manage and control the affairs and activities of the corporation, and to make rules and regulations which are not inconsistent with the law, the corporation's Articles of Incorporation or these Bylaws, as it deems best;
- D. 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;
- E. To carry on a business at a profit and apply any profit that results from the business activity to any activity in which the corporation may lawfully engage;
- F. To act as Director under any trust incidental to the corporation's purposes, and to receive, hold, administer, exchange and expend funds and property subject to such a trust;

G. To acquire real or personal property, 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 such property;

H. To borrow money and incur indebtedness for the purpose of the corporation, and to cause to be executed and delivered therefore, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations and other evidences of debt and securities therefore;

I. To indemnify and maintain insurance on behalf of any of its Directors, Officers, employees or agents for liability asserted against or incurred by such person in such capacity or arising out of such person's status as such, subject to the provisions of the California Nonprofit Public Benefit Law and the limitations noted in these Bylaws;

J. To carry out such other duties as are described in the Charter.

K. To conduct meetings of the PCS Board of Directors in the spirit of the Brown Act.

### Section 4.3 Number of Directors

The number of Directors of the corporation shall be not less than seven (7) nor more than seventeen (17). The Board shall fix the exact number of Directors, within these limits, by Board resolution.

### Section 4.4 Election of Directors

A. Election. The Board shall elect all Directors, whether due to vacancy, completion of term of office, or otherwise, by the vote of a majority of the Directors then in office, whether or not the number of Directors in office is sufficient to constitute a quorum, or by the sole remaining Director.

B. Nomination of Directors:

- 1) The Vice President of the Board shall serve as the chair of the nominations committee.
- 2) Nominations for open Director positions shall be solicited from the parent community and may be extended to the wider community.
- 3) The nominations committee will interview applicants for Director positions and make a recommendation to the Board on Director nominees.
- 4) Directors may be selected for a variety of reasons including, but not limited to, the following:
  - a) the specific set of skills the applicant brings to the Board;
  - b) the applicant's commitment to the PCS vision;
  - c) the applicant's ability to commit his or her time to PCS Board activities; and,
  - d) any other relevant matter.
- 5) After election to the Board, the nominations committee is responsible for providing a formal Board orientation to the new Director.

C. Time of Elections. The Board shall elect Directors at the Annual Meeting for that year, or at a Regular Meeting designated for that purpose, or at a Special Meeting called for that purpose.

### Section 4.4a Director Eligibility

The Board may, in its discretion, elect any person who it believes will serve the interests of the corporation faithfully and effectively.

A In addition to other candidates, the Board may consider the following nominees:

- 1) Parent Representative. A parent of an active PCS student, who is designated by the parent club (hereinafter, "Parent Representative).
- 2) Alumni Representative. An alumna or alumnus of PCS (hereinafter, "Alumni Representative").

B Any person being compensated by the corporation for services rendered to it within the previous twelve (12) months, whether as a full-time or part-time employee, independent contractor or otherwise, shall not be a member of the Board.

#### Section 4.4b Advisory Members

A. The PCS Principal/Superintendent shall act as an advisor to the Board and shall attend all Board meetings. The PCS Principal/Superintendent shall not be a Director and shall not vote.

B. A PCS teacher, selected by the PCS Faculty, who is not on the Principal's Leadership Team, shall act as an advisor to the Board and shall attend all Board meetings. The PCS teacher shall be a Director and shall vote.

#### Section 4.5 Term of Office

A. The term of office for Directors shall be two years.

B. When Director Elected to Fill Vacancy. The term of office of a Director elected to fill a vacancy in these Bylaws begins on the date of the Director's election, and continues: (1) for the balance of the unexpired term in the case of a vacancy created because of the resignation, removal, or death of a Director, or (2) for the term specified by the Board in the case of a vacancy resulting from the increase of the number of Directors authorized.

C. When Number of Directors Reduced. A Director's term of office shall not be shortened by any reduction in the number of Directors resulting from amendment of the Articles of Incorporation or the Bylaws, or other Board action without his or her consent.

D. Maximum Continuous Term. No Director, other than a Director serving as a corporate Officer may serve for more than six (6) consecutive years.

E. No Extension by Amendment. A Director's term of office shall not be extended beyond that term for which the Director was elected by amendment of the Articles of Incorporation or the Bylaws, or other Board action.

#### Section 4.6 Removal of Director by the Board

The Board may remove a Director with or without cause by vote of a majority of the Directors then in office.

#### Section 4.7 Resignation by Director

Subject to the provisions of Section 5226 of the California Nonprofit Public Benefit Corporation Law, any Director may resign by giving written notice to the Board, the President or the Secretary. The resignation is effective upon the giving of notice, or at any later date specified in the notice. 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. No Director may resign if the Director's resignation would leave the corporation without a duly elected Director in charge of its affairs, without first giving notice to the California Attorney General.

#### Section 4.8 Vacancies:

- A. A vacancy on the Board shall exist: (1) on the completion of term, death, resignation or removal of any Director, and (2) whenever the number of authorized Directors is increased.
- B. The Board may declare vacant the office of a Director who has been removed under section 4.6.
- C. A vacancy shall be filled in the same manner as provided in Section 4.4. Except that if the number of Directors remaining falls below the number required for a quorum, Directors may be elected by a vote of a majority of the then remaining Directors.

#### Section 4.9 Compensation of Director

Directors shall serve without compensation. However, the Board may approve reasonable reimbursement of a Director's actual and necessary expenses while conducting corporation business.

#### Section 4.10 Executive Committee

The purpose of the Executive Committee is to make decisions needed to facilitate day to day operations of the school to prevent significant hardships which might occur if decisions are delayed until a full Board meeting.

- A. Executive Committee membership includes all PCS Board of Director officers: President, Vice President, Secretary and Treasurer. In addition, the Board shall appoint one Board member to serve as Co-Chair of the PCS Parent Volunteer Association ("PVA"), in accordance with the PVA Bylaws. The PVA Co-Chair who is appointed by the Board shall be a member of the Executive Committee with full voting privileges.
- B. The Executive Committee will meet between regular Board meetings to make decisions in case of emergencies or special circumstances.
- C. The Executive Committee will inform the full Board after it meets, following previously established guidelines, and include the reason for meeting and agenda items discussed.
- D. Decisions made by the Executive Committee will carry the same weight as a vote by the full Board.

### **ARTICLE V**

#### **MEETINGS OF THE BOARD**

##### Section 5.1 Place of Meetings

Board meetings shall be held at the corporation's principal office or at any other reasonably convenient place as the Board may designate from time to time. Any meeting, annual, regular or special, may be held by conference telephone or similar communications equipment, so long as all Directors and the public participating in such meeting can hear each other.

##### Section 5.2 Annual Meetings:

An Annual Meeting shall be held in May of each year for the purpose of electing Directors, making and receiving reports on corporate affairs, and transacting other business as comes before the meeting. Cumulative voting for the election of

Directors shall not be permitted. The candidates receiving the highest number of votes up to the number of Directors to be elected shall be elected. Each Director shall cast one vote for each Director to be elected, with voting being by ballot only.

### Section 5.3 Regular Meetings

Regular Meetings shall be held at least monthly except for the month of July.

### Section 5.4 Special Meetings

A. Special meetings of the Board for any purpose may be called at any time by the President of the Board, or by any four (4) Directors, and such meetings shall be held at the place designated by the person or persons calling the meeting and in the absence of such designation, at the corporation's principal office.

B. Special meetings of the Board may be held only after twenty-four (24) hours notice by electronic mail or similar means of communication.

C. Any such notice shall be addressed or delivered to each Director at the Director's email address as it is shown on the records of the corporation or as may have been given to the corporation by the Director for purposes of notice.

### Section 5.5 Adjournment

A majority of the Directors present at a meeting, whether or not a quorum, may adjourn the meeting to another time and place. Notice of the time and place of holding an adjourned meeting need not be given to absent Directors if the time and place is fixed at the meeting adjourned and if such adjourned meeting is held no longer than twenty four (24) hours from the time of adjournment of the original meeting. If the meeting is adjourned for longer than twenty-four (24) hours, then notice of the adjournment shall be given as specified in these Bylaws.

### Section 5.6 Notices

Notices of Board Meetings shall be given as follows:

A. Annual and Regular Meetings. Email notice shall be given within the time prescribed by the Brown Act.

B. Special Meetings. Email notice shall be given within the time limit prescribed by the Brown Act.

C. Director's Duty to Register Address. Directors shall have the duty to register their postal addresses with the Secretary of the corporation, and notices of meetings mailed or telegraphed to them at such addresses shall be valid notices thereof; Directors may also elect to register their electronic (e-mail) addresses with the Secretary of the corporation and, if they so elect, notices of meetings sent by electronic mail (e-mail) to them at such electronic (e-mail) addresses shall be valid notices thereof.

### Section 5.7 Contents of Notice

Notice of meetings not herein dispensed with shall specify the place, day, and hour of meeting and any other information required by the Brown Act.

## ARTICLE VI

### ACTIONS BY THE BOARD

#### Section 6.1 Quorum

A quorum shall consist of a simple majority of the voting Directors of the corporation. When a meeting is adjourned for lack of a quorum, it shall not be necessary to give any notice of the time and place of the adjourned meeting or of the business to be transacted at such meeting, other than by announcement at the meeting at which the adjournment is taken, unless the adjourned meeting is held more than twenty-four (24) hours from the time of the original meeting. If, for lack of quorum, a regular or special meeting is adjourned for more than twenty-four (24) hours from the time of the original meeting, appropriate notice shall be given to absent Directors as provided in Section 5.5. The Directors present at a duly-called and held meeting at which a quorum is initially present may continue to do business notwithstanding the loss of a quorum at the meeting due to a withdrawal of Directors from the meeting, provided that any action thereafter taken must be approved by at least a majority of the required quorum for such meeting or such greater percentage as may be required by law, or the Articles of Incorporation or Bylaws of this corporation.

#### Section 6.2 Actions by the Board

Majority Action as Board Action. Every act or decision done or made by a majority of the Directors present at a meeting duly held at which a quorum is present is the act of the Board, unless the Articles of Incorporation or Bylaws of this corporation, or provisions of the California Nonprofit Public Benefit Corporation Law, particularly those provisions relating to appointment of committees (Section 5212), approval of contracts or transactions in which a Director has a material financial interest (Section 5233) and indemnification of Directors (Section 5238(e)), require a greater percentage or different voting rules for approval of a matter by the Board.

#### Section 6.3 Conduct of Meetings

In the event of absence of an Officer from the Board meeting, meetings of the Board shall be presided over in the following order of priority: President, Vice-President, Secretary or Treasurer. In the absence of the previously-named officers, a Director chosen by a majority of the Directors present at the meeting shall preside over the meeting. The Secretary of the corporation shall act as secretary of all meetings of the Board, provided that, in his or her absence or need to preside over the meeting, another person chosen by a majority of the Directors present at the meeting shall act as Secretary of the meeting. Meetings shall be governed by Robert's Rules of Order, as such rules may be revised from time to time, insofar as such rules are not inconsistent with or in conflict with these Bylaws, with the Articles of Incorporation of this corporation, or with provisions of law.

#### Section 6.4 Standard of Care

A. Performance of Duties. Each Director shall perform all duties of a Director, including duties on any Board committee, in good faith, in a manner the Director believes to be in the corporation's best interest and with such care, including reasonable inquiry, as an ordinary prudent person in a like position would use under similar circumstances.

B. Reliance on Others. 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, presented or prepared by:

- 1). One or more Officers or employees of the corporation whom the Director believes to be reliable and competent in the matters presented;

2). Legal counsel, independent accountants or other persons as to matters that the Director believes are within that person's professional or expert competence; or

3). A Board committee on which the Director does not serve, as to matters within its designated authority, provided the Director believes the committee merits confidence and the Director acts in good faith, after reasonable inquiry when the need is indicated by the circumstances, and without knowledge that would cause such reliance to be unwarranted.

C. Investments. In investing and dealing with all assets held by the corporation for investment, the Board shall exercise the standard of care described above and avoid speculation, looking instead to the permanent disposition of the funds, considering the probable income, as well as the probable safety of the corporation's capital. The Board may delegate its investment powers to others, provided that those powers are exercised within the ultimate direction of the Board. No investment violates this section where it conforms to provisions authorizing such investment contained in an instrument or agreement pursuant to which the assets were contributed to the corporation.

### Section 6.5 Participation in Discussions and Voting

Every Director has the right to participate in the discussion and vote on all issues before the Board or any Board committee. Any Director shall be excused from the discussion and vote on any matter involving:

- 1) a self-dealing transaction;
- 2) a conflict of interest;
- 3) indemnification of that Director; or
- 4) any other matter at the discretion of a majority of the Directors then present.

### Section 6.6 Duty to Maintain Board Confidences

Every Director has a duty to maintain the confidentiality of all Board discussions held during the closed session. Any Director violating this confidence may be removed from the Board.

## **ARTICLE VII**

### **OFFICERS**

#### Section 7.1 Officers

The Officers of the corporation consist of a President ("President"), Vice President ("Vice President"), a Secretary and a Chief Financial Officers ("Treasurer"). The corporation may also have such other Officers as the Board deems advisable.

A. President. Subject to Board control, the President has general supervision, direction and control of the affairs of the corporation, and such other powers and duties the Board may prescribe. If present, the President shall preside at Board meetings.

B. Vice President. In the event the President is absent or disabled, or in the event of his or her inability or refusal to act, the Vice President shall perform all the duties of the President, and when so acting shall have all the powers of, and be subject to all the restrictions on, the President. The Vice President shall have other powers and perform such other duties as may be prescribed by law, by the Articles of Incorporation, or by these Bylaws, or as may be prescribed by the Board.

C. Secretary. The Secretary shall:

- 1). Certify, and keep, or cause to be kept, at the corporation's principal office a copy of the corporation's Articles of Incorporation and Bylaws, as amended or otherwise altered to date;
- 2). Keep, or cause to be kept, at the corporation's principal office or at such other place as the Board may determine, a book of minutes of all meetings of the Board and, if applicable, meetings of committees of Directors, recording therein the time and place of the meeting, whether it was regular or special, how called, how notice was given, the names of those present or represented at the meeting, and the proceedings thereof;
- 3). See that all notices are duly given in accordance with the provisions of these Bylaws or as required by law;
- 4). Be custodian of records and of the seal of the corporation, if any, and see that the seal is affixed to all duly executed documents, the execution of which on behalf of the corporation under its seal is authorized by law and by these Bylaws;
- 5). Exhibit at all reasonable times to any Director of the corporation, or to his or her agent or attorney, on request therefore, the Bylaws and the minutes of the proceedings of the Directors of the corporation;
- 6). In general, perform all duties incident to the office of Secretary and such other duties as may be required by law, by the Articles of Incorporation of this corporation, or by these Bylaws, or which may be assigned to him or her from time to time by the Board.

D. Treasurer. Subject to the provisions of these Bylaws relating to the "Execution of Instruments, Deposit and Funds," the Treasurer shall:

- 1). Have charge and custody of, and be responsible for, all funds and securities of the corporation, and deposit all such funds in the name of the corporation in such banks, trust companies, or other depositories as shall be selected by the Board;
- 2). Receive, and give receipt for, monies due and payable to the corporation from any source whatsoever;
- 3). Disburse, or cause to be disbursed, the funds of the corporation as may be directed by the Board, taking proper vouchers for such disbursements;
- 4). Keep and maintain adequate and correct accounts of the corporation's properties and business transactions, including accounts of its assets, liabilities, receipts, disbursements, gains and losses;
- 5). Exhibit at all reasonable times the books of account and financial records to any Director of the corporation or to his or her agent or attorney, on request therefore;
- 6). Render to the President, Directors and PCS Principal, whenever requested, an account of any or all of his or her transactions as Treasurer and of the financial condition of the corporation;
- 7). Prepare, or cause to be prepared, and certify, or cause to be certified, the financial statements to be included in any required reports;
- 8). In general, to perform all duties incident to the office of Treasurer and such other duties as may be required by law, by the Articles of Incorporation, or by these Bylaws, or which may be assigned to him or her from time to time by the Board.

## Section 7.2 Officer Election, Eligibility and Term of Office

A. Election. The Board shall elect the Officers annually at the Annual Meeting or a Regular Meeting designated for that purpose or at a Special Meeting called for that purpose, except that Officers elected to fill vacancies shall be elected as vacancies occur.

B. Eligibility. Any person may serve as an Officer of this corporation. In the event of a vacancy in more than one office, a remaining Officer may hold more than one office except that neither the Secretary nor the Treasurer may serve as the President.

C. Term of Office. Each Officer serves at the pleasure of the Board, holding office until resignation, removal or disqualification from service, or until his or her successor is elected, whichever occurs first.

## Section 7.3 Removal and Resignation of Officers

The Board may remove any Officer, with or without cause, at any time. Any Officer may resign at any time by giving written notice to the Board, the President or the Secretary of the corporation. The resignation shall take effect on receipt of the notice or at a later date specified in the notice, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. The provisions of this Section shall be superseded by any conflicting terms of a contract which has been approved or ratified by the Board relating to the employment of any Officers of the corporation.

## Section 7.4 Officer Vacancies

Any vacancy caused by the death, resignation, removal, disqualification, or otherwise, of any Officers shall be filled by the Board. In the event of a vacancy in any office other than that of President, such vacancy may be filled temporarily by appointment by the President until such time as the Board shall fill the vacancy.

## Section 7.5 Officer Compensation

The salaries of the Officers, if any, shall be fixed from time to time by resolution of the Board, and no Officers shall be prevented from receiving such salary by reason of the fact that he or she is also a Director of the corporation, provided, however, that such compensation paid a Director serving as an Officer of this corporation shall only be allowed if not inconsistent with his or her fiduciary duties to the corporation. In all cases, any salaries received by Officers of this corporation shall be reasonable and given in return for services actually rendered for the corporation which relate to the performance of the charitable or public purposes of this corporation.

## **ARTICLE VIII**

### **COMMITTEES**

#### Section 8.1 Board Committees

The Board may, by resolution adopted by a majority of the Directors then in office, provided that a quorum is present, create one or more standing or ad hoc committees to serve at the pleasure of the Board. Appointments to such Board committees shall be by majority vote of the Directors then in office, and the Chairperson of such Board committees shall be appointed by the President of the Board. Unless otherwise provided in these Bylaws or by the laws of the State of

California, each committee shall have all of the authority of the Board 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 compensation of Directors for serving on the Board or any committee;
- C. Amend or repeal 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 committees of the Board or the members thereof;
- F. Approve any self-dealing transaction, except as provided in Section 5233 (d) (3) of the California Nonprofit Public Benefit Corporation Law; or
- G. Approve any action for which the California Nonprofit Public Benefit Corporation Law requires the approval of the Board.

By a majority vote of its members then in office, the Board may at any time revoke or modify any or all of the authority so delegated, increase or decrease the number of its members, and fill vacancies therein from the members of the board. The Executive Committee, if any, shall keep regular minutes of its proceedings, cause them to be filed with the corporate records, and report the same to the Board from time to time as the Board may require.

### Section 8.2 Meetings and Action of Board Committees

The Board shall have the power to prescribe the manner in which proceedings of any such Board committee shall be conducted. In the absence of any such prescription, the committee shall have the power to prescribe the manner in which its proceedings shall be conducted. Unless the Board or such committee shall otherwise provide, meetings and actions of Board committees shall be governed by, held and taken in accordance with, the provisions of Article 5 of these Bylaws which concern meetings of the Board, with such changes in those provisions as required by this Article 8 and as necessary to substitute the committee and its members for the Board and its members, except that the time of 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 be given to any and all alternate members who shall have the right to attend all meetings of the committee. The Board may adopt rules for the government of any Board committee not inconsistent with the provisions of these Bylaws.

### Section 8.3 Other Committees

A. The President of the Board, subject to the limitations imposed by the Board, or the Board may create other committees, either standing or special, to serve the Board that do not have the powers of the Board. The Board President shall appoint members to serve on such committees, and shall designate the committee chairperson. 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. Such other committees may consist of persons who are not also members of the Board. These additional committees shall act in an advisory capacity only to the Board and shall be clearly titled as "advisory" committees.

C. Meetings of a committee may be called by the Board President, the chairperson 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.

D. Any member of a committee may resign at any time by giving written notice to the chairperson of the committee or to the President of the Board. 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 Board President may, with prior approval of the Board, remove any appointed member of a committee. The Board President, with the Board's approval, shall appoint a member to fill a vacancy in any committee or any position created by an increase in the membership for the unexpired portion of the term.

## **ARTICLE IX**

### **INDEMNIFICATION OF CORPORATE AGENTS**

#### Section 9.1 Definitions

For the purpose of this Article, "agent" means any person who is or was a Director, Officer, employee or other agent of this corporation. "Proceeding" means any threatened, pending or completed action or proceeding, whether civil, criminal, administrative or investigative; and "expenses" includes without limitation, attorney's fees and any expenses of establishing a right to indemnification under Section 9.2 C. or Section 9.2 D.(2) of these Bylaws.

#### Section 9.2 Indemnification of Agents

A. This corporation may indemnify any person who was or is a party, or is threatened to be made a party, to any proceeding (other than an action by or in the right of this corporation to procure a judgment in its favor, an action brought under Section 5233 of the California Nonprofit Public Benefit Corporation Law, or an action brought by the Attorney General of California or a person granted relator status by the Attorney General of California 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, judgment, 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, such person had no reasonable cause to believe his or her conduct 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, nor that the person had reasonable cause to believe that the person's conduct was unlawful.

B. This corporation may indemnify any person who was or is a party, or is threatened to be made a party, to any threatened, pending or completed action by or in the right of this corporation, or brought under Section 5233 of the California Nonprofit Public Benefit Corporation Law, or brought by the Attorney General of California or a person granted relator status by the Attorney General of California 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 this 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 this 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 9.2 b.:

1) 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 this 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;

2) Of amounts paid in settling or otherwise disposing of a threatened or pending action, with or without court approval; or

3) 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 of California.

C. To the extent that an agent of this corporation has been successful on the merits in defense of any proceeding referred to in subsection A. or B. of this Section 9.2 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.

D. Except as provided in subsection C. of this Section 9.2, any indemnification under this Section 9.2 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 subsection A. or B. of this Section 9.2, by:

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

2) 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.

E. 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 by this Section 9.2.

F. No provision made by this corporation to indemnify its or its subsidiary's Directors or Officers for the defense of any proceeding, whether contained in the Articles of Incorporation, these Bylaws, a resolution of the Directors, an agreement or otherwise, shall be valid unless consistent with this Section 9.2. Nothing contained in this Section 9.2 shall affect any right to indemnification to which persons other than such Directors and Officers may be entitled by contract or otherwise.

G. No indemnification or advance shall be made under this Section 9.2, except as provided in Section 9.2 C. or Section 9.2 D.(2) hereof, in any circumstances where it appears:

1) That it would be inconsistent with a provision of the Articles of Incorporation, these Bylaws or an agreement in effect at the time of 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

2) That it would be inconsistent with any condition expressly imposed by a court in approving a settlement.

### Section 9.3 Non-applicability to Fiduciaries of Employee Benefit Plans

This Article 9 does not apply to any proceeding against any Director, investment manager or other fiduciary of an employee benefit plan in such person's capacity as such, even though such person may also be an agent, as defined in Section 9.1, of the employer corporation. The corporation shall only have the power to indemnify such Director,

investment manager or other fiduciary to the extent permitted by Section 207 (f) of the California General Corporation Law.

## **ARTICLE X**

### **INSURANCE FOR CORPORATE AGENTS**

The Board may adopt a resolution authorizing the purchase and maintenance of insurance on behalf of any agent of the corporation (including a Director, Officer, employee or other agent of the corporation), against any liability other than for violating provisions of law relating to self-dealing (Section 5233 of the California Nonprofit Public Benefit Corporation Law) asserted against or incurred by the agent in such capacity or arising out of the agent's status as such, whether or not the corporation would have the power to indemnify the agent against such liability under the provisions of Section 3238 of the California Nonprofit Public Benefit Corporation Law.

## **ARTICLE XI**

### **SELF-DEALING TRANSACTIONS**

#### Section 11.1 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. Notwithstanding this definition of self-dealing transaction, the following transactions are not self-dealing transactions, and are subject to the Board's general standard of care:

- A. An action by the Board fixing the compensation of a Director as a Director or Officers of the corporation;
- B. A transaction which 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 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 fiscal year immediately preceding the year in which such transaction occurs or One Hundred Thousand Dollars (\$100,000).

#### Section 11.2 Action of the Board

If the transaction appears to be a self-dealing transaction, the interested Director must demonstrate the following in order to sustain the validity of the transaction:

- A. That, 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 excluding the vote of the interested Director(s) and with knowledge of the material facts concerning the transaction and the interested Director's interest in it. Except as provided in Section 11.4, action by a committee of the Board will not satisfy this requirement;
- B. That either:
  - 1) Prior to authorizing or approving the transaction, the Board considered and in good faith determined after reasonable investigation that the corporation could not have obtained a more advantageous arrangement with reasonable effort under the circumstances; or

2) The corporation in fact could not have obtained a more advantageous arrangement with reasonable effort under the circumstances.

C. That the corporation entered into the transaction for its own benefit; and

D. That the transaction was fair and reasonable as to the corporation at the time the corporation entered into the transaction.

### Section 11.3 Interested Director's Vote

In determining whether the Board 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 11.4 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; 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, excluding the vote of the interested Director(s).

### Section 11.5 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, considering any benefit received by it and whether or not the interested Director(s) acted in good faith and with the intent to further the best interests of the corporation.

### Section 11.6 Statute of Limitations

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

A. Within two ( 2 ) years after written notice putting forth the material facts of the transaction and the interested Director's interest in it 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 that the Attorney General shall have ten (10) years after the transaction occurred within which to file an action.

### Section 11.7 Corporate Loans and Advances

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

## Section 11.8 Annual Statement of Certain Transactions

The annual statement required by Section 6322 of the California Nonprofit Public Benefit Corporation Law shall be furnished to the Directors for any fiscal year in which a transaction or indemnification of the kind described in A. or B. below took place:

A. A transaction in which the corporation or a parent or subsidiary was a party and a Director or Officers of the corporation or a parent or subsidiary or a holder of more than ten percent (10%) of the voting power of the corporation or a parent or subsidiary had a direct or indirect material financial interest and which involved Fifty Thousand Dollars (\$50,000) or more or which was one of a number of such transactions which involved the same interested person and which amounted in the aggregate to Fifty Thousand Dollars (\$50,000) or more; or

B. Any indemnifications or advances aggregating more than Ten Thousand Dollars (\$10,000) paid during the fiscal year to any Officer or Director of the corporation or a parent or subsidiary.

Such statement shall be mailed or delivered to the Directors within one hundred twenty (120) days after the close of the corporation's fiscal year.

## **ARTICLE XII**

### **EXECUTION OF INSTRUMENTS, DEPOSITS AND FUNDS**

#### Section 12.1 Execution of Instruments

Except as otherwise provided in these Bylaws, the Board may by resolution authorize any Officers or agent of the corporation to enter into any contract or execute and deliver any instrument in the name of or on behalf of the corporation. Such authority may be general or confined to specific instances. Unless so authorized, no Officers, agent or employee shall have any power to bind the corporation by any contract or engagement, to pledge the corporation's credit, or to render it liable monetarily for any purpose or any amount.

#### Section 12.2 Checks and Notes

Except as otherwise specifically provided by Board resolution, or as otherwise required by law, checks, drafts, Promissory notes, orders for the payment of money and other evidence of indebtedness of the corporation may be signed by the President, Vice President, Treasurer or Secretary. Any such indebtedness in the amount of \$5,000.00 (five thousand dollars) or more requires two signatures, one of which must be the Treasurer's.

#### Section 12.3 Deposits

All funds of the corporation shall be deposited from time to time to the credit of the corporation in such banks, trust companies, or other depositories as the Board may select.

#### Section 12.4 Gifts

The Board may accept on behalf of the corporation any contribution, gift, bequest, or devise for the charitable or public purposes of this corporation.

## **ARTICLE XIII**

### **CORPORATE RECORDS and REPORTS**

#### Section 13.1 Maintenance of Corporate Records

The corporation shall keep at its principal office in the State of California:

- A. Minutes of all meetings of Directors and committees of the Board, indicating the time and place of holding such meetings, whether regular or special, how called, the notice given, and the names of those present and the proceedings thereof;
- B. Adequate and correct books and records of accounts, including accounts of its properties and business transactions and accounts of its assets, liabilities, receipts, disbursements, gains and losses;
- C. A copy of the corporation's Articles of Incorporation and Bylaws as amended to date.

#### Section 13.2 Rights of Inspection

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 physical properties of the corporation, provided that such inspection is conducted at a reasonable time after reasonable notice, and provided that such right of inspection and copying is subject to the obligation to maintain the confidentiality of the reviewed information, in addition to any obligations imposed by any applicable federal, state or local law.

#### Section 13.3 Right to Copy and Make Extracts

Any inspection under the provisions of this Article may be made in person or by agent or attorney and the right to inspection includes the right to copy and make extracts.

#### Section 13.4 Annual Report

The Board shall cause an annual report to be furnished not later than one hundred and twenty (120) days after the close of the corporation's fiscal year to all Directors of the corporation which shall contain the following information in appropriate 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 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.

The annual report shall be accompanied by any report thereon of independent accountants, or, if there is no such report, the certificate of an authorized Officer of the corporation that such statements were prepared without audit from the books and records of the corporation.

### Section 13.5 Conflict of Interest

Any Director, Officer, key employee, or committee member having an interest in a contract, other transaction or program presented to or discussed by the Board or Board Committee for authorization, approval, or ratification shall make a prompt, full and frank disclosure of his or her interest to the Board or committee prior to its acting on such contract or transaction. Such disclosure shall include all relevant and material facts known to such person about the contract or transaction, which might reasonably be construed to be adverse to the corporation's interest. The body to which such disclosure is made shall thereupon determine, by majority vote, whether the disclosure shows that a conflict of interest exists or can reasonably be construed to exist. If a conflict is deemed to exist, such person shall not vote on, nor use his or her personal influence on, such contract or transaction (other than to present factual information or to respond to questions prior to the discussion). The minutes of the meeting shall reflect the disclosure made, the vote thereon and, where applicable, the abstention from voting and participation. The Board may adopt conflict of interest policies requiring:

A. Regular annual statements from Directors, Officers, and key employees to disclose existing and potential conflicts of interest: and,

B. Corrective and disciplinary actions with respect to transgressions of such policies. For the purpose of this section, a person shall be deemed to have an "interest" in a contract or other transaction if he or she is the party (or one of the parties) contracting or dealing with the corporation, or is a Director, or Officer of, or has a significant financial or influential interest in, the entity contracting or dealing with the corporation.

## **ARTICLE XIV**

### **FISCAL YEAR**

The fiscal year of the corporation shall begin on July 1 of each year and shall end on June 30th of the following year.

## **ARTICLE XV**

### **OTHER PROVISIONS**

#### Section 15.1 Validity of Instrument

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

#### Section 15.2 Construction and Definitions

Unless the context otherwise requires, the general provisions, rules of construction, and definitions contained in the California Nonprofit Corporation Law and the California Nonprofit Public Benefit Corporation Law shall govern the construction of these Bylaws. Without limiting the generality of the foregoing, words in these Bylaws shall be read as the masculine or feminine gender, and as the singular or plural, as the context requires, and the word "person" includes both a

corporation and a natural person. The captions and headings in these Bylaws are for convenience of reference only and are not intended to limit or define the scope or effect of any provisions.

Section 15.2 Interpretation of Charter

Whenever any provision of these Bylaws is in conflict with the provisions of the Charter, the provisions of the Charter control.

**ARTICLE XVI**

**AMENDMENT**

A majority of the Directors may adopt, amend or repeal these Bylaws.

**ARTICLE XVII**


**SHARING CORPORATE PROFITS AND ASSETS PROHIBITED**

No Director, Officer, employee, or other person connected with this corporation, or any private individual, shall receive at any time any of the net earnings or pecuniary profit from the operations of the corporation, provided, however, that this provision shall not prevent payment to any such person of reasonable compensation for services performed for the corporation in effecting any of its public or charitable purposes, provided that such compensation is otherwise permitted by these Bylaws and is fixed by resolution of the Board; and no such person or persons shall be entitled to share in the distribution of, and shall not receive, any of the corporate assets on dissolution of the corporation.

**CERTIFICATE**

This is to certify that the foregoing is a true and correct copy of the Bylaws of the corporation named in the title thereto and that such Bylaws were duly adopted by the Board of Directors of said corporation at their December 3, 2008 regular Board meeting.

Dated December 3, 2008

  
\_\_\_\_\_  
Deepika Shrestha Ross, President

\_\_\_\_\_  
Kathleen Dammann, Vice President

  
\_\_\_\_\_  
Carol Foote, Secretary