

BY-LAWS
OF
MOUNTAIN OAKS SCHOOL

A California Nonprofit
Public Benefit Corporation

ARTICLE I
NAME AND OFFICES

Section 1.1 Name.

This Corporation shall be known as MOUNTAIN OAKS SCHOOL (the “Corporation”).

Section 1.2 Principal Office.

The principal office of the Corporation shall be located in the County of Calaveras, State of California. The Board of Directors is granted full power and authority to change said principal office from one location to another within said county.

Section 1.3 Other Offices.

Branch or subordinate offices may at any time be established by the Board of Directors at any place or places.

ARTICLE II
GOALS AND PURPOSES

Section 2.1 Goals and Procedures.

Without in any way limiting the generality of the general purposes and powers of the Corporation set forth in the Articles of Incorporation of the Corporation (the “Articles”), the goals and purposes of the Corporation include, without being limited to, the support of the learning, growth and development of the Mountain Oaks School and Community. One of the specific purposes for which this Corporation is organized is to manage, operate, guide, direct, and promote Mountain Oaks School, a Charter School formed under the laws of the State of California. Another specific purpose for which the Corporation is organized is to raise

money, issue scholarships, locate facilities, and other peripheral activities related to the Mountain Oaks School, independent of the government funding for Charter Schools.

ARTICLE III

STATUTORY MEMBERS

Section 3.1 Statutory Members.

The Corporation shall have Members. Each family unit with student(s) enrolled constitutes one Member, which shall be entitled to one vote. Each staff member and each director of the board constitutes one Member. In the event a staff member or Director is also a part of a family unit that Member or Director shall not be entitled to an additional vote for being a Director or staff member. In the event that students from any family reside in different households, each household shall be considered a separate family unit for voting purposes.

ARTICLE IV

DIRECTORS

Section 4.1 Powers.

Subject to any limitations stated in the Articles, these By-Laws, and the Nonprofit Corporation Law, and subject to the duties of Directors as prescribed by the Nonprofit Corporation Law, all corporate powers shall be exercised by, or under the direction of, and the business affairs of the Corporation shall be managed by, the Board of Directors. The individual Directors shall act only as members of the Board of Directors, and the individual Directors shall have no power to act on behalf of the Corporation.

Section 4.1.1 General Powers.

Subject to the Provisions and limitations of the California Non-Profit Benefit Corporation Law, the Corporation's Articles of Incorporation and these By-Laws, the Charter Schools Act of 1992, and any other applicable laws, the Corporation's activities and affairs shall be managed, 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 person(s), a 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. 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 4.1.2 Specific Powers.

Without prejudice to its general powers, but subject to the same limitations set forth above, the Board shall have the following powers in addition to any other powers enumerated in these By-Laws and permitted by law:

- (a) 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, the Corporation's Articles of Incorporation or these By-Laws; and to fix their compensation;
- (b) To conduct, manage and control the affairs and activities of the Corporation and to make such rules and regulations therefore which are not inconsistent with the law, the Corporation's Articles of Incorporation or these By-Laws as it deems best;
- (c) To adopt, make and use a corporate seal and to alter the form of the seal from time to time, as it deems best;
- (d) 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, hypothecation's and other evidences of debt and securities therefore;
- (e) To carry on a business at a profit and apply any profit that results from the business activity to any activity in which it may lawfully engage;
- (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;

Section 4.2. Number of Directors.

The authorized number of voting Directors of Corporation shall be seven. In addition there will be two non-voting positions. At his/her option, the Calaveras County Superintendent of Schools may name a non-voting representative to the Mountain Oaks Board of Directors to facilitate communications and mutual understanding between the School and County Board of Education. One high school student may be included as a voice of the student body.

Section 4.3 Election, Term of Office, and Qualifications.

- (a) Members shall elect Directors by sealed ballots no later than 40 days after the Annual Meeting of the Members of the Mountain Oaks School. The ballot shall contain the names of all candidates 1) approved for nomination by the Board of Directors and, if any, 2) who have advised School Administrators in writing not less than 7 days before the Annual Meeting of their desire to stand for Board election, supporting that written application with the signatures of at least ten Members, and 3) nominated by a simple majority of the Members present at the Annual Meeting.
- (b) Of the initial Directors, three shall serve for one-year terms and four shall serve for two-year terms. Thereafter, all Directors shall be elected to serve two-year staggered terms.
- (c) Four of the voting Directors shall be parents or guardians of enrolled students. Three of the voting Directors shall be individuals of the community who are not parents or guardians of enrolled students. No staff member shall be eligible to serve as a Director.

Section 4.4 Resignation.

Any Director may resign at any time by giving written notice of such resignation to the President of the Board, the Secretary, or the Board of Directors of the Corporation. Such resignation shall take effect at the time specified in the notice; provided, however, that if the resignation is not to be effective upon the receipt of the notice by the Corporation, the

effective date specified is subject to acceptance by the Board of Directors. Except upon notice to the Attorney General of the State of California (the “Attorney General”), no Director may resign if the Corporation would then be left without a duly elected Director or Directors in charge of its affairs. If the resignation is effective at a future time, a successor may be elected to take office when the resignation becomes effective.

Section 4.5 Removal.

- (a) Any number of Directors may be removed and replaced by the Members, with or without cause, by a majority vote. Only a petition signed by at least 25% of the Members can call for a vote for removal.
- (b) A Director may be removed by Board resolution if such Director has been declared of unsound mind by order of court, convicted of a felony, missed three consecutive meetings without a reason acceptable to a majority of Board members, or found to have breached a duty under the California Non-Profit Benefit Corporation Law.
- (c) No reduction of the authorized number of Directors shall have the effect of removing any Director prior to the expiration of such Director’s term of office.

Section 4.6 Vacancies.

- (a) A vacancy in the Board of Directors shall be deemed to exist in case of the death, resignation, or removal of any Director, or if the authorized number of Directors is increased, or if the Board of Directors declares vacant the position of any Director whose term has expired.
- (b) Vacancies on the Board of Directors may be filled by a majority of the Directors then in office or by a sole remaining Director. The term of a Director so elected shall be the unexpired portion of the term of the Director, if any, the Director so elected is replacing. However, in the event of removal of a Director by vote, a special meeting of the members shall be called to follow the procedure as set forth in 4.3(a).

Section 4.7 Annual Meeting of Directors.

The Annual Meeting of the Board of Directors at which officers of the Board shall be elected shall be within 45 days of the Annual Meeting of the Members at the principal office

of the Corporation, or at such other time or place as the Board of Directors may otherwise establish.

Section 4.8 Other Regular or Special Meetings.

The Board of Directors may establish the time and place for the holding of regular or special meetings of the Board of Directors.

Section 4.9 Calling Special Meetings.

Special meetings of the Board of Directors also shall be held whenever called by the President of the Board or any three Directors.

Section 4.10 Place of Meetings.

Meetings of the Board of Directors shall be held at any place within the State of California ~~that~~ which may be designated by the Board of Directors and stated in the notice of the meeting. In the absence of such designation, meetings of the Board of Directors shall be held at the principal office of the Corporation.

Section 4.11 Notice of Meetings.

Written notice of the time and place of meetings of the Board of Directors shall be delivered personally to each Director, or transmitted to each Director by first class mail, telephone, facsimile, or email. In case such notice is sent by mail, it shall be deposited in the United States mail at least seven days prior to the time of the holding of the meeting. For purposes of determining whether such seven-day requirement has been satisfied, the day of the meeting and the day notice is given shall each be counted as one full day regardless of the time of the day the meeting is held or the notice is mailed. Each notice shall be deemed given to a Director when deposited, with postage thereon prepaid, in a post office or official depository under the exclusive care and custody of the United States Post Office department and addressed to such Director at the address designated by him for that purpose or, if none is designated, at his or her last known address. The notice shall be deposited in U.S. Mail, First Class, 7 days before the meeting. Such notice may be given by the Secretary of the Corporation or by the persons who called said meeting. Such notice shall specify the purpose of the meeting (Agenda). Matters not on the agenda may be discussed but no action may be taken on them at the meeting. Notice shall not be necessary if appropriate waivers, consents, and/or approvals are filed in accordance with Section 4.12 of these By-Laws.

Section 4.12 Waiver of Notice.

Notice of a meeting need not be given to any Director who signs a waiver of notice, or a written consent to holding meeting, or an approval of the minutes of the meeting, whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to such Director. All such waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 4.13 Quorum.

A majority of the authorized number of Directors shall constitute a quorum for the transaction of business. 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 shall be the act of the Board of Directors, unless the Articles, these By-Laws, or the Nonprofit Corporation Law specifically require a greater number. In the absence of a quorum at any meeting of the Board of Directors, a majority of the Directors present may adjourn the meeting as provided in Section 4.14 of these By-Laws. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of enough Directors to leave less than a quorum, if any action taken is approved by at least a majority of the required quorum for such meeting. Directors may not vote by proxy. A Director may appear by telephone.

Section 4.14 Adjournment.

Any meeting of the Board of Directors, whether or not a quorum is present, may be adjourned to another time and place by the vote of a majority of the Directors present. Notice of the time and place of the adjourned meeting need not be given to absent Directors if said time and place are fixed at the meeting adjourned; provided, however, that if the meeting is adjourned for more than forty-eight hours, notice of any adjournment to another time or place shall be given prior to the time of the adjourned meeting to the Directors who were not present at the time of the adjournment.

Section 4.15 Standard of Care.

Section 4.15.1 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.

Section 4.15.2 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:

- (a) One or more officers or employees of the Corporation whom the Director believes to be reliable and competent in the matters presented;
- (b) Legal counsel, independent accountants or other persons as to matters that the Director believes are within that person's professional or expert competence;
or
- (c) 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.

Section 4.16 Governing Matters.

The provisions of the State of California "Brown Act" shall be followed by the Corporation for all matters relating to the governance of the Mountain Oaks School.

Section 4.17 Fees and Compensation.

Directors and members of Committees of the Board may receive compensation for their services as Directors, officers, or committee members and may be reimbursed in such amounts as may be determined from time to time by the Board of Directors for expenses paid while acting on behalf of the Corporation.

ARTICLE V
COMMITTEES

Section 5.1 Creation and Duties.

The Board of Directors may, by majority vote of the Directors then in office, create such standing and ad-hoc committees, as it deems appropriate and necessary. Each Director shall serve on at least one Committee. Each Committee shall include at least one Director.

Membership of Standing and Ad-Hoc Committees shall be unrestricted, and shall be open to all Statutory Members, and may include non-Members from the Community selected for their expertise or interest. Committee members shall excuse themselves from any Committee vote that may create a conflict of interest. Decisions by each Committee regarding specific recommendations for subsequent action by the Board shall be voted upon at regularly scheduled and noticed meetings by a majority of the Committee members present at such meetings. Minutes of each Committee meeting shall be kept and shall be placed with the Committee records. Committees may, by majority vote, form such sub-committees as necessary and appropriate without specific consent from the Board of Directors. Sub-committees must report back to the Committee that formed it, not to the Board of Directors.

Section 5.2 Standing Committees.

The Board from time to time will determine the Standing Committees of the Corporation, their duties and interrelationships.

ARTICLE VI

OFFICERS

Section 6.1 Officers.

The officers of the Corporation shall be a President, a Vice-President, a Secretary, and a Treasurer. One person may hold no more than two offices; however, neither the Secretary nor the Treasurer may serve concurrently as President.

Section 6.2 Election and Term.

The officers of the Corporation shall be elected annually by the Board of Directors at the annual meeting provided for in Section 4.7 of these By-Laws, and shall serve at the pleasure of the Board of Directors.

Section 6.3 Subordinate Officers.

The Board of Directors may 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 these By-Laws or as the Board of Directors may from time to time determine.

Section 6.4 Resignation.

Any officer may resign at any time by giving written notice to the Corporation. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein, and the acceptance of such resignation shall not be necessary to make it effective.

Section 6.5 Vacancies.

The Board of Directors shall fill a vacancy in any office because of death, resignation, removal, disqualification, or any other cause.

Section 6.6 President.

The Board President shall preside at all meetings of the Board of Directors. The main function of the Board President shall be to organize and facilitate meetings and to exercise other powers and duties as may from time to time be assigned to the Board President by the Board of Directors or as prescribed by these By-Laws.

Section 6.7 Vice President.

In the absence or disability of the Board President, the Vice-President designated by the Board of Directors shall perform the duties of the Board President, and when so acting shall have all the powers of, and be subject to all the restrictions upon, the Board President.

Section 6.8 Secretary.

- (a) The Secretary shall keep, or cause to be kept, a book of minutes in written form of the proceedings of the Board of Directors. Such minutes shall include, without limitation, all waivers of notice, consents to the holding of meetings, or approvals of the minutes of meetings.
- (b) The Secretary shall give, or cause to be given, notice of all meetings of the Board of Directors required by these By-Laws or by law to be given, and shall cause the seal of the Corporation, if any, to be kept in safe custody, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or these By-Laws.

Section 6.9 Treasurer.

- (a) The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and accounts of the Corporation's properties and transactions.

- (b) The Treasurer shall oversee the financial affairs of the Corporation.
- (c) The Treasurer shall present such financial statements and reports as may be required by law or as the Board may direct.

ARTICLE VII

BOOKS AND RECORDS

Section 7.1 Books and Records.

The Corporation shall keep or cause to be kept adequate and correct books and records of accounts and minutes of the proceedings of the Board of Directors and committees of the Board of Directors.

Section 7.2 Annual Report.

Except as otherwise provided below in these By-Laws, the Board of Directors shall cause an annual report (the “Annual Report”) to be sent to the members at the time of the Annual Meeting. The Annual Report shall state in appropriate detail the following:

- (a) Program information for prior academic year.
 - (1) Summary of student statistics including but not limited to enrollments, admissions, graduations, and academic achievement.
 - (2) Summary of student participation and achievement in school activities including but not limited to workshops, special events, athletics, community service, and extra curricular activities.
 - (3) Summary of staff information including but not limited to new hires, current staff level, turnover rate, qualifications, and training completed.
- (b) Financial Information
 - (1) The assets and liabilities, including the trust funds, of the Corporation as of the end of the fiscal year;
 - (2) The principal changes in assets and liabilities including trust funds, during the fiscal year;
 - (3) The revenue of receipts of the Corporation, both unrestricted and restricted to particular purposes, during the fiscal year;

- (4) The expenses or disbursements of the Corporation for both general and restricted purposes, during the fiscal year; and
 - (5) Any information required by Section 6322 of the Nonprofit Corporation Law.
- (c) To the extent necessary and required by the capacity of Mountain Oaks School as a Charter School and the County Board of Education, the Annual Report shall be an annual financial audit conducted by the independent auditor who audits the Calaveras County Office of Education. Should an audit not be necessary nor required by funding sources or any laws or regulations for any aspects of the Corporation, the Annual Report as to these matters shall be performed by a Certified Public Accountant familiar with non-profit accounting procedures.

ARTICLE VIII

SCHOOL ADMINISTRATOR(S)

Section 8.1 School Administrator(s).

The School Administrator(s) shall be appointed by the Board and shall be the Chief Executive Officer(s) of the Corporation subject to the direction and approval of the Board. The School Administrator(s) shall, subject to the control of the Board, supervise and direct the Corporation's activities and affairs and implement Board policies/procedures.

ARTICLE IX

INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 9.1 Indemnification by Corporation.

The Directors and Officers shall be indemnified and held harmless to the extent and in the manner permitted in California Nonprofit Corporation Law.

Section 9.2 Insurance.

The Corporation shall have power to purchase and maintain insurance on behalf of any agent of the 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 the Corporation would have the power to indemnify the agent against such liability under the provisions of

this section; provided, however, that the 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 Nonprofit Corporation Law (relating to self-dealing transactions).

ARTICLE X

ASSETS AND INVESTMENTS

Section 10.1 Dedication of Assets.

The properties and assets of this Corporation are irrevocably dedicated to the Corporation's being an exempt organization within the meaning of Section 501(c)(3) of the United States Internal Revenue Code of 1954, as amended (the "Internal Revenue Code"), and Section 23701 of the California Revenue and Taxation Code, as amended (the "Taxation Code"). (All references to the Internal Revenue Code and the Taxation Code contained in these By-Laws are deemed to include corresponding provisions of any future United States or California taxation law, as the case may be.)

Section 10.2 Standards, Retention of Property.

- (a) In investing, reinvesting, purchasing, acquiring, exchanging, selling, and managing the Corporation's investments, the Board of Directors shall act in accordance with the provisions of Section 5240 of the Nonprofit Corporation Law. The Board of Directors shall 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.
- (b) Unless limited by the Articles, the Corporation may continue to hold property properly acquired or contributed to it if and as long as the Board of Directors, acting in accordance with the provisions of Section 5240 of the Nonprofit Corporation Law, may consider that retention is in the best interest of the Corporation. No retention of donated assets violates this Section 10.2, where such retention was required by the donor in the instrument under which the assets were received by the Corporation, except that no such requirement may be effective more than ten years after the death of the donor.
- (c) Notwithstanding any other provision in these By-Laws, the Corporation may reject any donation, acceptance of which the Board of Directors deems would

not further the purposes of the Corporation or the acceptance of which would impose an undue burden on the Corporation.

- (d) In the event of closure of the Mountain Oaks Charter School this Nonprofit Public Benefit Corporation may continue; however, any net assets purchased with public funds through the school public funding sources shall be transferred to the Calaveras County Office of Education.

Section 10.3 Endowment Fund.

- (a) The Corporation may receive donations earmarked for an endowment fund from any source in cash or in other property acceptable to the Board of Directors, provided the terms and conditions, if any, are consistent with the purposes and powers of the Corporation as set forth in the Articles and/or these By-Laws. All donations so received together with the income therefrom (referred to in these By-Laws as the “School Support Fund”) shall be held, managed, administered, and paid out in accordance with any terms and conditions with respect thereto. Unless otherwise specifically required, the Corporation may mingle such restricted donations with other assets of the School Support Fund. The Corporation may reject any donation carrying restrictions deemed by the Board of Directors to be incompatible with the purpose of the School Support Fund and/or the Corporation.
- (b) The Corporation shall keep a complete record of the source of all gifts made to the Fund and shall take such steps as the Board of Directors deems appropriate to recognize and commemorate each such gift, to the end that the memory of the gift and of the donor shall be appropriately preserved.
- (c) The Corporation shall disburse the School Support Fund or the income therefrom at such time and in such a manner and in such amounts as the Board of Directors may in its discretion determine for the Corporation or its related activities.

ARTICLE XI

DISTRIBUTION OF INCOME AND PROHIBITED ACTIVITIES

Section 11.1 Distribution of Income and Prohibited Activities

In the event that the Corporation shall at any time be a private foundation within the meaning of Section 509 of the Code, the Corporation, so long as it shall be such a private foundation, shall distribute its income for each taxable year at such time and in such manner as not to subject it to the tax on undistributed income imposed by Section 4942 of the Code, and the Corporation shall not (i) engage in any act of self-dealing as defined in Section 4941(d) of the Code; (ii) retain any excess business holdings as defined in Section 4943(c) of the Code; (iii) make any investments in such manner as to subject the Corporation to any tax under Section 4944 of the Code; or (iv) make any taxable expenditures as defined in Section 4945(d) of the Code.

ARTICLE XII

FISCAL YEAR

Section 12.1 Fiscal Year

The fiscal year of the Corporation shall end on June 30 of each year unless and until changed by the Board of Directors.

ARTICLE XIII

AMENDMENTS

Section 13.1 Amendments

New By-Laws may be adopted or these By-Laws may be amended or repealed by the Board of Directors, except as otherwise provided by law or by the Articles.

First adopted: 12/9/2003

Revised: 8/17/2010