

BYLAWS
OF
LIVE OAK CHARTER SCHOOL
A California Nonprofit Public Benefit Corporation

Article 1 NAME AND OFFICES

SECTION 1. NAME

The name of this Corporation is Live Oak Charter School.

SECTION 2. PRINCIPAL OFFICE

The principal office of the Corporation for the transaction of its business is 100 Gness Concourse, Building 1, Petaluma, State of California.

SECTION 3. CHANGE OF ADDRESS

The Board of Directors may change the location of the principal office. Any such change of location must be noted by the Secretary with the effective date below, and such changes of address shall not be deemed an amendment of these Bylaws:

SECTION 4. OTHER OFFICES

The Corporation may also have offices at such other places where the Corporation is qualified to conduct its activities, within the State of California, as its business may require and as the Board of Directors may, from time to time, designate.

ARTICLE 2 PURPOSES

SECTION 1. OBJECTIVES AND PURPOSES

The primary objective and purpose of the Corporation is to operate one or more public charter schools. Also in the context of these purposes, the Corporation shall not, except to an insubstantial degree, engage in any other activities or exercise of power that do not further the purposes of the Corporation.

The Corporation shall not carry on any other activities not permitted to be carried on by: (a) a corporation exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code; or (b) a corporation, contributions to which are deductible under section 170(c)(2) of the Internal Revenue Code, or the corresponding section of any future federal tax code. No substantial part of the activities of the Corporation shall consist of the carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office.

ARTICLE 3 DIRECTORS

SECTION 1. NUMBER AND QUALIFICATION

The Corporation shall have seven (7) directors and collectively they shall be known as the Board of Directors. The number may be changed by amendment of this Bylaw, or by repeal of this Bylaw and adoption of a new bylaw, as provided in these Bylaws, but no change shall be inconsistent with the language of the charter that created the Live Oak Charter School. In accordance with Education Code Section 47604(b), the charter authorizer is entitled to appoint a single representative to the Board of Directors. All Directors shall have full voting rights.

Any California resident, 18 years or older, may serve as a Director of the Corporation. At least one (1) director shall be a parent or legal guardian of a current or former Live Oak Charter School student.

SECTION 2. GENERAL POWERS

Subject to the provisions of the California Nonprofit Public Benefit Corporation law and any other applicable laws and any limitations in the Articles of Incorporation or otherwise in these Bylaws, the activities and affairs of the Corporation shall be conducted, and all corporate powers shall be exercised, by or under the direction of the Board of Directors. The Board may delegate the management of the Corporation's activities and affairs 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 authority and direction of the Board.

SECTION 3. SPECIFIC POWERS AND DUTIES

Without prejudice to the general powers set forth in Article 3, Section 2 of these Bylaws, but subject to the same limitations, the Board of Directors shall have the following powers and duties:

- (a) To perform any and all duties imposed on them collectively or individually by law, by the Articles of Incorporation of the Corporation, or by these Bylaws;
- (b) To appoint and remove, employ and discharge, and, except as otherwise provided in these Bylaws, prescribe the duties and fix the compensation, if any, of all officers, agents and employees of the Corporation;
- (c) To supervise the school's officers, agents and employees and to delegate to any among them the supervision of other agents and employees of the Corporation to assure that their duties are performed properly;
- (d) To meet at such times and places as required by these Bylaws;
- (e) To register their addresses, including email addresses, with the Secretary of the Corporation. Notices of meetings mailed or emailed to them at such addresses shall be valid notices thereof, provided the notice of meetings is also provided in compliance with the Ralph M. Brown Act ("Brown Act") (Chapter 9 (commencing with Section 54950) of Division 2 of Title 5 of the Government Code);

(f) To engage in other such activities as it may deem necessary to furthering its primary objective and purpose, such as:

(i) 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;

(ii) To acquire by purchase, exchange, lease, gift, devise, bequest, or otherwise, and to hold, improve, lease, mortgage, transfer in trust, encumber, convey or otherwise dispose of real and personal property;

(iii) To borrow money and incur indebtedness on the Corporation's behalf and cause to be executed and delivered for the Corporation's purposes, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations, and other evidences of debt and securities.

SECTION 4. TERMS OF OFFICE

Directors shall be elected for terms of either three (3) or two (2) years. Four directors shall be elected to terms of three (3) years and three directors shall be elected to terms of two (2) years. Each Director, including a Director elected to fill a vacancy, shall hold office until the expiration of the term for which he or she was elected and until the election and qualification of a successor, or until that Director's earlier resignation or removal in accordance with these Bylaws and California Nonprofit Corporation Law. Directors may not hold office for more than nine (9) years unless the board is otherwise unable to fill a vacancy.

SECTION 5. COMPENSATION

The Corporation shall not pay any compensation to Directors for services rendered to the Corporation for their service and performance of duties as Directors, except that Directors may be reimbursed for expenses incurred in the performance of their duties to the Corporation, in reasonable amounts as approved by the Board.

SECTION 6. RESTRICTION REGARDING INTERESTED DIRECTORS

No persons serving on the Board of Directors may be interested persons. An interested person is (a) any person compensated by the Corporation for services rendered to it within the previous 12 months, whether as a full-time or part-time employee, independent contractor, or otherwise; and (b) any brother, sister, ancestor, descendant, spouse, domestic partner, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, or father-in-law of such person. However, any violation of this paragraph shall not affect the validity or enforceability of transactions entered into by the Corporation. The Board may adopt other policies circumscribing potential conflicts of interest.

SECTION 7. PLACE OF MEETINGS

Meetings shall be held at the principal office of the Corporation. The Board of Directors may designate that a meeting be held at any place within the jurisdiction of the charter authorizer which has been designated in the notice of the meeting.

All Board of Directors and Executive Committee meetings shall be called, held and conducted in accordance with the terms and provisions of the Brown Act.

SECTION 8. REGULAR AND ANNUAL MEETINGS AND ELECTIONS

Regular meetings of the Board of Directors shall be held at least ten times per year, for the purpose of organization, election of officer and transaction of other business, at a time, date and place as noticed by the Board of Directors in accordance with the Brown Act and these Bylaws to the extent not inconsistent therewith.

On an annual basis, no later than the end of March, the Board shall make known to the community the number of Board Members who are in the last year of their current term, and whose seats are therefore up for election. At the same time, the Board shall invite members of the general community and those Board Members in the last year of their current term who intend to seek reelection to the Board, to make their intention to seek nomination to the Board known.

At the regular meeting of the Board held in May of each year, Directors shall be elected by the Board of Directors in accordance with this section. A Director seeking reelection must be nominated by a Director not himself or herself. Candidates seeking election who are not current Directors must be nominated by a current Director. Each Director shall cast one vote during a public meeting for each Directorship to be filled, and Directors will be re-elected or elected on the basis of a simple majority of Directors present and voting.

At such times as an unexpected vacancy arises causing the number of Directors to be less than seven (7), the Board shall make known to the community that there is a vacancy on the Board and invite members of the community to make their intention to seek nomination to the Board known. Elections to the Board to fill such vacancies shall be held at the next regular meeting of the Board of Directors, excepting that no election shall be held until at least 30 days have passed from the date on which the Board made the vacancy known to the community.

SECTION 9. SPECIAL AND EMERGENCY MEETINGS

Special and emergency meetings of the Board of Directors may be called by the Chairperson of the Board of Directors, or by any Vice-Chairpersons or the Secretary, or by a majority of the Board of Directors. The party calling a special meeting shall determine the place, date, and time thereof.

SECTION 10. NOTICE OF MEETINGS

Regular meetings of the Board will be held at such times and places as may from time to time be fixed by the Board of Directors. At least 72 hours before a regular meeting, the Board of Directors, or its designee shall post an agenda containing a brief general description of each item of business to be transacted or discussed at the meeting.

Special meetings of the Board of Directors may be held, in accordance with Brown Act, only after twenty-four (24) hours' notice is given to the public through the posting of an agenda. Directors shall also receive at least twenty-four (24) hours' notice of the special meeting, in the following manner:

(a) Any such notice shall be addressed or delivered to each director at the director's 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, 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 Board of Directors are regularly held.

(b) Notice by mail shall be deemed received at the time a properly addressed written notice is deposited in the United States mail, postage prepaid.

(c) Any other written notice including but not limited to those electronically transmitted shall be deemed received at the time personally delivered to the recipient or delivered to a common carrier for transmission.

(d) Oral notice shall be deemed received at the time it is communicated, in person or by telephone, to the recipient or to a person at the residence or office of the recipient whom the person giving the notice has reason to believe will promptly communicate it to the receiver.

(e) 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.

Emergency meetings may be held according to the provisions of the Brown Act.

SECTION 11. CONTENTS OF NOTICE

Notice of meetings shall specify the place, day and hour of the meeting. The purpose of any board meeting shall be specified in the notice as found in the agenda which shall contain a brief general description of each item of business to be transacted or discussed at the meeting. All notice requirements will comply with the terms and provisions of the Brown Act.

SECTION 12. NOTICE AND CONSENT TO HOLDING MEETINGS

The transactions of any meeting of the Board are valid provided a quorum, as hereinafter defined, is present. Minutes of the meeting shall be taken, approved, and kept on file in the Corporation's principal office. Said minutes shall be a permanent part of the Corporate record and be made available to the public.

SECTION 13. TELECONFERENCE MEETINGS

Members of the Board of Directors may participate in teleconference meetings in compliance with the Brown Act.

SECTION 14. QUORUM FOR MEETINGS

A quorum shall consist of a majority of Directors then in office. Except as otherwise provided in these Bylaws or in the Articles of Incorporation of the Corporation, or by law, no business shall be considered

by the Board at any meeting at which a quorum, as hereinafter defined, is not present, and the only motion which the Chair shall entertain at such meeting is a motion to adjourn. Directors may not vote by proxy. The vote or abstention of each Director present for each action taken shall be publicly reported.

SECTION 15. 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 of Directors, unless the Articles of Incorporation or Bylaws of the Corporation, or provisions of the California Nonprofit Public Benefit Corporation Law require a greater percentage or different voting rules for approval of a matter by the Board.

SECTION 16. CONDUCT OF MEETINGS

Meetings of the Board of Directors shall be presided over by the Chairperson of the Board, or, if no such person has been so designated or, in his or her absence, by any Vice-Chairperson or, in the absence of each these persons, by a Director chosen by a majority of the Directors present at the meeting. The Secretary of the Corporation shall act as secretary of all meetings of the Board, provided that, in his or her absence, the presiding officer shall appoint another person to act as Secretary of the meeting.

Meetings shall be governed by the Brown Act and such rules of procedure as may be determined by the Board from time to time, insofar as such rules are not inconsistent with or in conflict with these Bylaws, with the Articles, or with any provisions of law applicable to the Corporation.

SECTION 17. ADJOURNMENT

A majority of the directors present, whether or not a quorum is present, may adjourn any Board of Directors meeting to another time or place. Notice of such adjournment to another time or place shall be given, prior to the time scheduled for the continuation of the meeting, to the Directors who were not present at the time of the adjournment and to the public in the manner prescribed by the Brown Act.

SECTION 18. VACANCIES

Vacancies on the Board of Directors shall exist (1) on the death, resignation or removal of any director; (2) whenever the number of authorized directors is increased; (3) upon the failure of the Board, at any meeting at which any Director or Directors are to be elected, to elect the full authorized number of Directors; (4) the declaration by resolution of the Board of Directors of a vacancy in the office of a Director who has been declared of unsound mind by a final order of court, or convicted of a felony, or been found by a final order or judgment of any court to have breached any duty under the California Nonprofit Public Benefit Corporation law Sections 5230 *et seq.*

A member of the Board of Directors may be removed with or without cause by a majority of the Directors then in office at a special meeting called for that purpose, or at a regular meeting, provided that notice of that meeting and of the removal questions are given in compliance with the provisions of the Brown Act. Any vacancy caused by the removal of a Director may be filled, as provided below.

Any Director may resign effective upon giving written notice to the Chairperson of the Board, the Secretary, or the Board of Directors, unless the notice specifies a later time for the effectiveness of such

resignation. No Director may resign if the Corporation would then be left without a duly elected Director or Directors in charge of its affairs, except upon notice to the Attorney General of California.

Vacancies on the Board may be filled by approval of the Board of Directors or, if the number of directors then in office is less than a quorum, by (1) the unanimous written consent of the directors then in office, (2) the affirmative vote of a majority of the Directors then in office at a regular or special meeting of the Board, or (3) a sole remaining Director.

A person elected to fill a vacancy as provided by this Section shall hold office until the expiration of the term for which the Director was elected or until his or her death, resignation or removal from office.

SECTION 19. NO VACANCY ON REDUCTION OF NUMBER OF DIRECTORS

Any reduction of the authorized number of directors shall not result in any directors being removed before his or her term of office expires.

SECTION 20. NON-LIABILITY OF DIRECTORS

No Director shall be personally liable for the debts, liabilities, or other obligations of the Corporation.

SECTION 21. INDEMNIFICATION BY CORPORATION OF DIRECTORS, OFFICERS, EMPLOYEES AND OTHER AGENTS

To the fullest extent permitted by law, the Corporation shall indemnify its directors, officers, employees, and other persons described in Corporations Code Section 5238(a), including persons formerly occupying any such positions, against all expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred by them in connection with any "proceeding," as that term is used in that section, and including an action by or in the right of the Corporation by reason of the fact that the person is or was a person described in that section. "Expenses," as used in this bylaw, shall have the same meaning as in that section of the Corporations Code.

On written request to the Board of Directors by any person seeking indemnification under Corporations Code Section 5238(b) or Section 5238(c), the Board of Directors shall promptly decide under Corporations Code Section 5238(e) whether the applicable standard of conduct set forth in Corporations Code Section 5238(b) or Section 5238(c) has been met and, if so, the Board of Directors shall authorize indemnification.

SECTION 22. INSURANCE FOR CORPORATE AGENTS

The Board of Directors 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 asserted against or incurred by any agent, except for liability associated with the violation of provisions of law relating to self-dealing as described in Corporations Code Section 5233, 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 the California Nonprofit Public Benefit Corporation Law.

SECTION 23. COMPLIANCE WITH LAWS GOVERNING STUDENT RECORDS

The Charter School and the Board of Directors shall comply with all applicable provisions of the Family Education Rights Privacy Act ("FERPA") as set forth in Title 20 of the United States Code Section 1232g and attendant regulations as they may be amended from time to time.

SECTION 24. LOANS TO DIRECTORS AND OFFICERS

The Corporation shall not lend any money or property to, or guarantee the obligation of, any Director or officer without the approval of the California Attorney General; provided, however, that the Corporation may advance money to a Director or officer of the Corporation for expenses reasonably anticipated to be incurred in the performance of his or her duties if that Director or officer would be entitled to reimbursement for such expenses of the Corporation.

ARTICLE 4 OFFICERS

SECTION 1. NUMBER OF OFFICERS

The Officers of the Corporation shall be a Chairperson of the Board, a Secretary, and a Treasurer, all of whom shall concurrently serve as members of the Board of Directors. The Board shall have the power to designate additional officers, including without limitation an Executive Director (also known as Chief Executive Officer), one or more Vice-Chairpersons, one or more Assistant Secretaries, one or more Assistant Treasurers, and such other officers as specified by the Board, with such duties, powers, titles and privileges provided herein and as the Board may otherwise fix. Any number of offices may be held by the same person, except that (i) neither the Secretary, the Treasurer, nor any Vice-Chairperson may serve concurrently as the Chairperson of the Board, unless there is only one Board member of the current Board of Directors, and (ii) the Executive Director may not concurrently serve as a member of the Board of Directors.

SECTION 2. QUALIFICATION, ELECTION, AND TERM OF OFFICE

Any Director may serve as officer of the Corporation. Officers shall be elected annually by the Board of Directors at a noticed meeting and each officer shall hold office until he or she resigns or is removed or is otherwise disqualified to serve, or until his or her term of office shall end, whichever occurs first.

SECTION 3. SUBORDINATE OFFICERS

The Board of Directors may appoint such other officers or agents as it may deem desirable, and such officers shall serve such terms, have such authority, and perform such duties as may be prescribed from time to time by the Board of Directors.

SECTION 4. REMOVAL AND RESIGNATION

The Board of Directors may remove any officer, either with or without cause. Any officer may resign at any time by giving written notice to the Board of Directors or to the Chairperson or Secretary of the Board. Any such resignation shall take effect at the date of receipt of such notice or at any later date specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. Any resignation shall be without prejudice to any rights of the corporation under any contract to which the officer is a party. The above provisions of the Section shall

be superseded by any conflicting terms of a contract which has been approved or ratifies by the Board of Directors relating to the employment of any officer of the Corporation.

SECTION 5. VACANCIES

Any vacancy caused by the death, resignation, removal, disqualification, or otherwise, of the Chairperson, Secretary, or Treasurer, shall be filled by the Board of Directors. In the event of a vacancy in any office other than that of Chairperson, such vacancy may be filled temporarily by appointment by the Chairperson until such time as the Board shall fill the vacancy. Vacancies occurring in offices other than that of Chairperson, Secretary, or Treasurer may or may not be filled, as the Board shall determine.

SECTION 6. DUTIES OF CHAIRPERSON

The Chairperson of the Board of Directors shall preside at the Board of Directors' meetings and shall exercise and perform such other powers and duties as the Board of Directors may assign from time to time.

SECTION 7. DUTIES OF VICE-CHAIRPERSONS

Vice-Chairpersons of the Board, in order of their rank as fixed by the Board or, if not ranked, by designation of the Board, shall, in the absence of the Chairperson, or in the event of his or her inability or refusal to act, perform all the duties of the Chairperson and when so acting a Vice-Chairperson shall have all the powers of, and be subject to all the restrictions on, the Chairperson. Vice-Chairpersons shall exercise and perform such other powers and duties as may be prescribed by law, by the Articles of Incorporation, or by these Bylaws, or as may be prescribed by the Board of Directors from time to time.

SECTION 8. DUTIES OF SECRETARY

The Secretary shall perform, or shall delegate, the duty to:

Certify and keep, or cause to be certified and kept, at the principal office of the Corporation the original, or a copy of these Bylaws as amended or otherwise altered to date.

Keep, or cause to be kept, at the principal office of the Corporation or at such other place as the Board may determine, a book of minutes of all meetings of the Directors, and, if applicable, meetings of committees, recording therein the time and place of holding, whether regular or special, how called, how notice thereof was given, the names of those present or represented at the meeting, and the proceedings thereof; and the vote or abstention of each board member present for each action taken.

Give, or cause to be given notice of all meetings of the Board and of committees of the Board of Directors in accordance with the provisions of these Bylaws or as required by law.

Serve as custodian of the records of the Corporation.

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.

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 the Corporation, or by these Bylaws, or which may be assigned to him or her from time to time by the Board of Directors.

While the Secretary has all of the above responsibilities, some or all of them may be delegated to another Director or to an employee or agent of the Corporation.

SECTION 9. DUTIES OF TREASURER

Subject to the provisions of these Bylaws relating to the "Execution of Instruments, Deposits and Funds," the Treasurer shall perform, or shall delegate, the duty to:

Have charge and custody of, and be responsible for, all funds and securities of the Corporation, and deposit or cause to be deposited, all such funds in the name of the Corporation in such banks, trust companies, or other depositories as shall be selected by the Board of Directors.

Receive, and give receipt for, monies due and payable to the Corporation from any source whatsoever.

Disburse, or cause to be disbursed, the funds of the Corporation as may be directed by the Board of Directors, taking proper vouchers for such disbursements.

Keep and maintain or cause to be kept and maintained, adequate and correct accounts of the Corporation's properties and business transactions, including accounts of its assets, liabilities, receipts, disbursements, gains and losses.

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 therefor.

Render to the Chairperson and Directors, whenever requested, an account of any or all his or her transactions as Treasurer and of the financial condition of the Corporation.

Prepare and certify, or cause to be prepared and certified, such financial statements and reports as are required to be given by law, by these Bylaws or the Board.

In general, perform all duties incident to the office of Treasurer and such other duties as may be required by law, by the Articles of Incorporation of the Corporation, or by these Bylaws, or which may be assigned to him or her from time to time by the Board of Directors.

While the Treasurer has all the above responsibilities, some or all of them may be delegated to another Director or to an employee or agent of the Corporation.

SECTION 10. DUTIES OF EXECUTIVE DIRECTOR (CHIEF EXECUTIVE OFFICER)

The Executive Director (Chief Executive Office) of the Corporation shall be subject to the control of the Board of Directors, and shall supervise and control the affairs of the Corporation and the activities of its employees. He or she shall perform all duties incident to his or her office and such other duties as may be required by law, by the Articles of Incorporation of the Corporation, or by these Bylaws, or which may be prescribed from time to time by the Board of Directors. Except as otherwise expressly provided

by law, by the Articles of Incorporation, or by these Bylaws, he or she shall, in the name of the Corporation, execute such deeds, mortgages, bonds, contracts, checks, or other instruments which may from time to time be authorized by the Board of Directors.

ARTICLE 5 COMMITTEES

SECTION 1. EXECUTIVE COMMITTEE

The Board of Directors may, by a majority vote of the directors then in office, designate two (2) or more of its Directors (who may also be serving as Officers of the Corporation), and no one who is not a Director, to constitute an Executive Committee and delegate to such Committee any of the powers and authority of the Board in the management of the business and affairs of the Corporation, except with respect to:

- (a) The approval of any action, which, under law or provisions of these Bylaws, requires the approval of the members, or of a majority of all voting of the members, of the Board of Directors;
- (b) The filling of vacancies on the Board or on any committee, which has the authority of the Board of Directors;
- (c) The fixing of compensation of employees;
- (d) The amendment or repeal of Bylaws or the adoption of new Bylaws;
- (e) The amendment or repeal or any resolution of the Board;
- (f) The appointment of committees of the Board of Directors or the members thereof;
- (g) The expenditure of corporate funds not previously authorized by the Board;
- (h) The approval of any transaction to which the Corporation is a party, except as expressly provided in the California Nonprofit Public Benefit Corporation Law.

By a majority vote of its Directors then in office, the Board may at any time revoke or modify any or all of the authority so delegated to the Executive Committee, increase or decrease but not below two (2) the number of its members, and fill vacancies therein from the members of the Board. The Executive Committee 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 2. OTHER COMMITTEES

The Corporation shall have such other committees as may from time to time be designated by approval of the Board of Directors. 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.

SECTION 3. MEETINGS AND ACTION OF COMMITTEES

Meetings and action of committees shall be governed by, noticed, held and taken in accordance with the provisions of these Bylaws concerning meetings of the Board of Directors, with such changes in the context of such Bylaw provisions as are necessary to substitute the committee and its members for the Board of Directors and its members, except that the time for regular meetings of committees may be fixed by the Board of Directors or by the committees. The time for special meetings of committees may also be fixed by the Board of Directors. The Board of Directors may also adopt rules and regulations pertaining to the conduct of meetings of committees to the extent that such rules and regulations are not inconsistent with the provisions of these Bylaws. The committees shall follow the provisions of the Brown Act and such other rules as the Board may from time to time adopt.

ARTICLE 6 EXECUTION OF INSTRUMENTS, DEPOSITS AND FUNDS

SECTION 1. EXECUTION OF INSTRUMENTS

The Board of Directors, except as otherwise provided in these Bylaws, may authorize any officer or agent of the Corporation to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances. Unless so authorized, no officer, agent, or employee shall have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or to render it liable monetarily for any purpose or in any amount.

SECTION 2. CHECKS AND NOTES

Except as otherwise specifically determined by the Board of Directors, or as otherwise required by law, checks, drafts, promissory notes, orders for the payment of money, and other evidence of indebtedness of the Corporation shall be signed by the Treasurer or the Chairperson of the Corporation. The Board may delegate these duties to another Director or to an employee or agent of the Corporation.

SECTION 3. DEPOSITS

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

SECTION 4. GIFTS

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

SECTION 5. CONTRACTS WITH DIRECTORS

The Corporation shall not enter into a contract or transaction in which a director directly or indirectly has a material financial interest (nor any other corporation, firm, association, or other entity in which one or more of the Corporation's directors are directors have a material financial interest) unless all of the following apply:

- a) The Director with a material financial interest in the proposed contract or transaction fully discloses his/her financial interest in such contract or transaction in good faith and said disclosure is noted in the Board of Directors meeting minutes.
- b) The Director with a material financial interest in the proposed contract or transaction recuses himself/herself from any participation whatsoever in the proposed contract or transaction (i.e., the interested Director who recuses himself/herself shall refrain from voting on the matter and shall leave the room during Board discussion and when the final vote is taken).
- c) Such contract or transaction is authorized in good faith by a majority of the Board of Directors by a vote sufficient for that purpose.
- d) Before authorizing or approving the transaction, the Board of Directors considers and in good faith decides after reasonable investigation that the Corporation could not obtain a more advantageous arrangement with reasonable effort under the circumstances.
- e) The Corporation for its own benefit enters into the transaction, which is fair and reasonable to the Corporation at the time the transaction was entered into.

This Section does not apply to a transaction that is part of an educational or charitable program of the Corporation if it (a) is approved or authorized by the Corporation in good faith and without unjustified favoritism and (b) results in a benefit to one or more directors or their families because they are in the class of persons intended to be benefited by the educational or charitable program of the Corporation.

SECTION 6. CONTRACTS WITH NON-DIRECTOR DESIGNATED EMPLOYEES

The Corporation shall not enter into a contract or transaction in which a non-director designated employee (e.g., officers and other key decision-making employees) directly or indirectly has a material financial interest unless all of the requirements in the Live Oak Charter School Conflict of Interest Policy have been fulfilled.

ARTICLE 7 CORPORATE RECORDS AND REPORTS

SECTION 1. MAINTENANCE OF CORPORATE RECORDS

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

- (a) Minutes of all meetings of Board 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 Board or committee members present and the proceedings thereof;
- (b) Adequate and correct books and records of account, 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, shall be open to inspection at all reasonable times during office hours;

(d) Such other reports and records as required by law.

SECTION 2. INSPECTION RIGHTS AND RIGHT TO COPY AND MAKE EXTRACTS

The Corporate Records shall be kept up to date in accordance with these Bylaws and the public shall have the right to inspect the Corporate Records in the Corporation's office during normal business hours. Should a member of the public require a copy of some portion of the record, the Board of Directors can charge or cause to be charged no more than the maximum amount permitted by law to cover the material and administrative costs associated with reproduction.

Every member of the Board of Directors 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.

The right of the public or the Board to inspect may be circumscribed in instances where the right to inspect conflicts with California or federal law (e.g., restrictions on the release of educational records under FERPA) pertaining to access to books, records, and documents.

SECTION 3. ANNUAL AUDIT

The Board shall cause an annual audit to be conducted by an independent auditor following the guidelines of the State Comptroller's Office. The resulting report shall be furnished not later than December 1 of the subsequent fiscal year to all Directors of the Corporation. The report 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 Corporation's revenue or receipts, both unrestricted and restricted to particular purposes;
- (d) The Corporation's expenses or disbursement for both general and restricted purposes;
- (e) Any information required under these Bylaws; and
- (f) An independent accountant's report or, if none, the certificate of an authorized officer of the Corporation that such statements were prepared without audit from the Corporation's books and records.

SECTION 4. ANNUAL STATEMENT OF CERTAIN TRANSACTIONS AND INDEMNIFICATIONS

As part of the annual report to all directors the Corporation shall, by December 1 of the subsequent fiscal year, annually prepare and mail or deliver to each director and furnish to each director a statement of any transaction or indemnification of the following kind:

(a) Any transaction (1) in which the Corporation, or its parent or subsidiary, was a party, (2) in which an “interested person” had a direct or indirect material financial interest, and (3) which involved more than \$10,000 or was one of several transactions with the same interested person involving, in the aggregate, more than \$10,000. For this purpose, an “interested person” is either:

(i) Any director or officer of the Corporation, its parent, or subsidiary; or

(ii) Any holder of more than 10 percent of the voting power of the Corporation, its parent, or its subsidiary.

(b) The statement shall include a brief description of the transaction, the names of interested persons involved, their relationship to the Corporation, the nature of their interest, provided that if the transaction was with a partnership in which the interested person is a partner, only the interest of the partnership need be stated.

(c) The amount and circumstances of any indemnifications aggregating more than \$10,000 paid during the fiscal year to any director or officer of the Corporation pursuant to Article 3, Section 20 of these Bylaws.

ARTICLE 8 OTHER PROVISIONS

SECTION 1. FISCAL YEAR OF THE CORPORATION

The fiscal year of the Corporation shall begin on the 1st of July and end on the 30th of June in each year, unless altered by the Board of Directors by resolution.

SECTION 2. AMENDMENT OF BYLAWS

Subject to any provision of law applicable to the amendment of bylaws of public benefit nonprofit corporations, these Bylaws, or any of them, may be altered, amended, or repealed and new bylaws adopted by approval of the Board of Directors, except that no amendment shall change any provisions of the Charter that created the Live Oak Charter School or make any provisions of these Bylaws inconsistent with that Charter, the Corporation’s Articles of Incorporation, or any laws.

In any instance in which the provisions of these Bylaws are in conflict with the provisions of the Charter, the provisions of the Charter shall control.

SECTION 3. 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 Chairperson or any Vice-Chairperson and 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 and 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 4. PROHIBITION AGAINST SHARING CORPORATE PROFITS AND ASSETS

No member, director, officer, employee, or other person connected with the 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 of Directors; 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. All directors, officers, employees and other persons connected with the Corporation shall be deemed to have expressly consented and agreed that on such dissolution or winding up of the affairs of the Corporation, whether voluntarily or involuntarily, the assets of the Corporation, after all debts have been satisfied, shall be distributed as required by the Articles of Incorporation of the Corporation, and in accordance with California and federal law, or, if not otherwise dictated, distributed to a nonprofit fund, foundation, or corporation that is organized and operated exclusively for charitable purposes and that has established its exempt status under Internal Revenue Code section 501(c)(3).

SECTION 5. CORPORATIONS WITHOUT MEMBERS

The Corporation shall have no voting members within the meaning of the Nonprofit Corporation Law. The Corporation's Board of Directors may, in its discretion, admit individuals to one or more classes of nonvoting members; the class or classes shall have such rights and obligations as the Board of Directors finds appropriate.

ARTICLE 9 CONSTRUCTION AND DEFINITIONS

Section 1. CONSTRUCTION AND DEFINITIONS.

Unless the context otherwise requires, the general provisions, rule of construction, and definitions in the California Nonprofit Corporation Law shall govern the construction of these bylaws. Without limiting the generality of the preceding sentence, the masculine gender includes the feminine and neuter, the singular includes the plural, and the plural includes the singular, and the term "person" includes both a legal entity and a natural person. The term "Board of Directors" or "Board" refers to the elected officials operating under the terms of these bylaws. The terms "Chairperson of the Board" or "Chairperson," "Vice-Chairperson of the Board" or "Vice-Chairperson," "Secretary of the Board" or "Secretary," and "Treasurer of the Board" or "Treasurer" refer to the officers of the Board appointed to special duties under the terms of these bylaws. The term "Director" refers to an individual member of the Board of Directors. The terms "regular meeting," "special meeting," or "emergency meeting" are used as consistent with the Brown Act.

CERTIFICATE OF SECRETARY

I certify that I am the duly elected and acting Secretary of the Live Oak Charter School, a California nonprofit public benefit corporation; that these bylaws, consisting of 17 pages, including this one are the bylaws of the Corporation as adopted by the Board of Directors on _____; and that these bylaws have not been amended or modified since that date.

Executed on _____ at Petaluma, California.

Signature: _____

Name: _____
Secretary