

BYLAWS

OF

SAN CARLOS CHARTER LEARNING CENTER (A California, Nonprofit Public Benefit Corporation)

ARTICLE I ORGANIZATION

1.1 *Name.* The name of the corporation is “San Carlos Charter Learning Center” (hereinafter “SCCLC”). The Board of Directors is hereby granted full power and authority to change the name of the corporation. Any such change shall be noted by the Secretary in the appropriate Board Minutes, but shall not be considered an amendment of these Bylaws.

1.2 *Organization.* The corporation was formed under the laws of the State of California, California Corporations Code §§ 5110 - 6815 and is governed by its articles of incorporation, these Bylaws and the SCCLC Charter.

1.3 *Seal.* SCCLC’s corporate seal may contain SCCLC’s full name and this (or similar) statement “Incorporated September 10, 2010, California”.

1.4 *Fiscal Year.* SCCLC’s fiscal year shall be July 1 through June 30.

1.5 *Offices.* The principal office of the corporation for the transaction of its business is located at the Tierra Linda/SCCLC campus, 750 Dartmouth Avenue, San Carlos, 94070, San Mateo County, California. The Board of Directors is hereby granted full power and authority to change the principal office of the corporation from one location to another in the State of California. Any such change shall be noted by the Secretary in the appropriate Board Minutes, but shall not be considered an amendment of these Bylaws. The Board of Directors may at any time establish branch or subordinate offices at any place or places where this corporation is qualified to conduct its activities.

ARTICLE II PURPOSE

2.1 *General and Specific Purpose.*

The purpose of this corporation is to manage, operate, guide, direct and promote the San Carlos Charter Learning Center (“Charter School”), a California public charter school. 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 distributing of statements) any political campaign on behalf of or in opposition to any candidate for public office.

2.2 *Dedication of Assets.* This corporation's assets are irrevocably dedicated to public benefit purposes as set forth above in Section 2.1 and the SCCLC Charter. No part of the net earnings, properties, or assets of the corporation, on dissolution, or otherwise, shall inure to the benefit of any private person or individual, or to any director or officer of the corporation. On liquidation or dissolution, all properties and assets remaining after payment, or provision for payment, of all debts and liabilities of the corporation shall be distributed to a nonprofit fund, foundation, or association that is organized and operated exclusively for educational, public or charitable purposes and that has established its exempt status under Internal Revenue Code 501(c)(3) or the corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose.

ARTICLE III CORPORATION WITHOUT MEMBERS

This 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 IV BOARD OF DIRECTORS

4.1 *Composition*

4.1.1 *Number of Directors.* The SCCLC Board of Directors reflects a collaborative effort between the SCCLC Community Members, the SCCLC Staff Members, and the San Carlos community at large. The Board of Directors will comprise a group of these representatives and there will be no fewer than five (5) and no more than fifteen (15) Directors. The term "Board," "Board of Directors," "Board of Trustees," or "Governance Council" will refer to the Directors as a group. The Board composition shall include the following:

- Parents or guardians of SCCLC learners (parent community directors);
- Up to one (1) SCCLC staff member director;
- Members from the outside community, not a SCCLC parent/guardian; and
- Up to one (1) representative appointed by the Authorizing Agency, currently the San Carlos School District Board of Education

4.1.2 *Authorizing Agency.* As long as the San Carlos School District is the authorizing agency for SCCLC, they may appoint one (1) representative to the SCCLC Board of Directors.

4.1.3 *Additional Directors.* The Board may expand up to the maximum number of Directors stated above in Section 4.1.1. The Board may also reduce the number of Directors down to the minimum stated above in Section 4.1.1, as long as such reduction does not result in any Director being removed from office prior to the expiration of his or her term. No more than 49 percent of the 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, excluding any reasonable compensation paid to a director as director; and (b) any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, or father-in-law of 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.

4.2 *Powers*

4.2.1 *General Powers.* Except as otherwise stated in these Bylaws, the Board of Directors will have the power to exercise or control all of SCCLC's corporate powers; will exercise necessary and proper oversight of SCCLC related property; and shall conduct SCCLC's business. The Board may delegate the management of the corporation's activities to any person(s), management company or committees, however composed, provided that the activities and affairs of the corporation shall be managed and all corporate powers shall be exercised under the ultimate direction of the Board.

4.2.2 *Specific Powers.* The Board of Directors is specifically responsible for certain operations as listed in the SCCLC Charter: for example, Charter implementation; staffing; budget development and approval; school calendar; school policies and procedures; and resolving parent concerns and complaints.

4.2.3 *Incurring Indebtedness.* The Board of Directors, acting on SCCLC's behalf, may incur indebtedness on SCCLC's behalf.

4.2.4 *Annual Report.* The Board of Directors will oversee the administration's creation of an annual report highlighting the school's operational and financial performance for presentation or distribution to SCCLC Community Members.

4.2.5 *Reimbursement for Out of Pocket Costs.* Directors may receive reimbursement of expenses, as the Board of Directors may establish by resolution to be just and reasonable as to the corporation at the time that the resolution is adopted.

4.2.6 *Property.* No Director has any rights or interests in SCCLC property by virtue of their position as a Director.

4.3 *Meetings of Directors*

4.3.1 *Annual Meeting.* At a Board Meeting held within 120 days after the end of its fiscal year, the Directors will hold an annual meeting. At the annual meeting, the School Director will

provide a general review of school operations and the Board will report on its activities.

4.3.1.1 Such report shall contain the following information, in appropriate detail:

- a. The assets and liabilities, including any trust funds, of the corporation as of the end of the preceding fiscal year (or the time of the report);
- b. The principal changes in assets and liabilities, including trust funds;
- 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.

4.3.1.2 *Annual Statement of Certain Transactions and Indemnifications.* As part of the annual report to all Directors, or as a separate document if no annual report is issued, the corporation shall, within 120 days after the end of the corporation's 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 (i) in which the corporation, or its parent or subsidiary, was a party, (ii) in which an "interested person" had a direct or indirect material financial interest, and (iii) which involved more than \$50,000 or was one of several transactions with the same interested person involving, in the aggregate, more than \$50,000. For this purpose, an "interested person" is either: (1) Any director or officer of the corporation, its parent, or subsidiary (but mere common directorship shall not be considered such an interest); or (2) Any holder of more than 10 percent of the voting power of the corporation, its parent, or its subsidiary. 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.
- (b) 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 VI of these Bylaws.

4.3.2 *Regular, Special, or Emergency meetings.* Regular meetings are scheduled monthly. The Board follows the requirements of the Ralph M. Brown Act (Gov. Code, Title 5, Div. 2, Chapter 9, Section 54950) (the "Brown Act") If a Board member cannot attend a meeting, they should notify the Chair as soon as possible.

4.3.3 *Attendance at Regular Meetings.* All Regular Board Meetings are open to the general public and must adhere to the Brown Act.

4.3.4 *Board Decision-Making.* The Board makes most decisions by majority vote, although it is encouraged to make decisions by consensus as often as possible. Consensus does not mean a unanimous vote, but instead, it means constructing a decision that gathers as many supporting votes as is possible in a reasonable time period. The Board does not follow Roberts Rules of Order. A majority of the directors then in office shall constitute a quorum. All acts or decisions of the Board of Directors will be by majority vote of the directors in attendance, based upon the presence of a quorum. Should there be less than a majority of the directors present at the inception of any meeting, the meeting shall be adjourned. Directors may not vote by proxy. The vote or abstention of each Board member present for each action taken shall be publicly reported.

4.3.5 *Meeting Notices, Place.* Regular meetings of the Board of Directors, including annual meetings, shall be held at such times and places as may from time to time be fixed by the Board of Directors, and at least 72 hours before such 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. The Board of Directors may designate that a meeting be held at any place within California that has been designated in the notice of the meeting. Board members are responsible for finalizing the agenda with items that 1) are action items from prior meetings; 2) are regularly scheduled Board topics; or 3) are timely and relevant issues that need to be addressed. SCCLC Community Members may request that an item be placed upon an upcoming agenda, but such request does not obligate the Board to place the issue on an agenda. SCCLC Community Members are encouraged to request consideration of specific, well-thought-out proposals. Board members should use their judgment and discretion when putting together the agenda for meetings, given the time constraints for addressing all open issues.

Special meetings of the Board of Directors for any purpose may be called at any time by the Chairman of the Board of Directors, if there is such an officer, or a majority of the Board of Directors. If a Chairman of the Board has not been elected then the President is authorized to call a special meeting in place of the Chairman of the Board. The party calling a special meeting shall determine the place, date, and time thereof.

In accordance with the Brown Act, special meetings of the Board of Directors may be held only after twenty-four (24) hours notice is given to each director and to the public through the posting of an agenda. The Board of Directors shall also receive 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. Any other written notice shall be deemed received at the time it is personally delivered to the recipient or is delivered to a common carrier for transmission, or is actually transmitted by the

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

- c. 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.

4.3.6 *Participation via Teleconference.* Directors may participate in any meeting via teleconference as long as the Brown Act is followed:

- a. At a minimum, a quorum of the members of the Board of Directors shall participate in the teleconference meeting from locations within the boundaries of the territory over which the Board of Directors exercises jurisdiction within the meaning of the Brown Act;
- b. All votes taken during a teleconference meeting shall be by roll call;
- c. If the Board of Directors elects to use teleconferencing, it shall post agendas at all teleconference locations with each teleconference location being identified in the notice and agenda of the meeting;
- d. All locations where a member of the Board of Directors participates in a meeting via teleconference must be fully accessible to members of the public and shall be listed on the agenda;¹
- e. Members of the public must be able to hear what is said during the meeting and shall be provided with an opportunity to address the Board of Directors directly at each teleconference location; and
- f. Members of the public attending a meeting conducted via teleconference need not give their name when entering the conference call.²

4.3.7 *Adjournment; Notice of Adjournment.* A majority of Directors present, whether or not constituting a quorum, may adjourn any meeting.

¹ This means that members of the Board of Directors who choose to utilize their homes or offices as teleconference locations must open these locations to the public and accommodate any members of the public who wish to attend the meeting at that location.

² The Brown Act prohibits requiring members of the public to provide their names as a condition of attendance at the meeting.

4.4 *Board Committees.*

4.4.1 *Committees.* The Board, by resolution adopted by a majority of the directors then in office, may create one or more committees, each consisting of two or more directors and no one who is not a director, to serve at the pleasure of the Board. Appointments to committees of the Board of Directors shall be by majority vote of the Directors then in office. The Board of Directors may appoint one or more directors as alternate members of any such committee, who may replace any absent member at any meeting. Any such committee shall have all the authority of the Board, to the extent provided in the Board of Directors' resolution, except that no committee may:

- a. Fill vacancies on the Board of Directors or any committee of the Board;
- b. Fix compensation of the directors for serving on the Board of Directors or on any committee;
- c. Amend or repeal bylaws or adopt new bylaws;
- d. Amend or repeal any resolution of the Board of Directors that by its express terms is not so amendable or subject to repeal;
- e. Create any other committees of the Board of Directors or appoint the members of committees of the Board;
- f. Expend corporate funds to support a nominee for director if more people have been nominated for director than can be elected; or
- g. Approve any contract or transaction to which the corporation is a party and in which one or more of its directors has a material financial interest.

4.4.2. *Meetings and Action of Committees.* Meetings and actions of committees of the Board of Directors shall be governed by, held, and taken under the provisions of these bylaws concerning meetings, other Board of Directors' actions, and the Brown Act, if applicable, except that the time for general meetings of such committees and the calling of special meetings of such committees may be set either by Board of Directors' resolution or, if none, by resolution of the committee. Minutes of each meeting shall be kept and shall be filed with the corporate records. The Board of Directors may adopt rules for the governance of any committee as long as the rules are consistent with these bylaws. If the Board of Directors has not adopted rules, the committee may do so.

4.5 *Term and Vacancies.*

4.5.1. *Defined Terms.*

A "SCCLC Community Member" is any SCCLC Parent Community Member or SCCLC Staff Member, collectively these groups shall be referred to as the "SCCLC Community."

A “SCCLC Staff Member” is any paid employee of the SCCLC corporation.

A “SCCLC Parent Community Member” is an individual who is a parent or legal guardian of a currently enrolled SCCLC learner.

A “SCCLC Family Community Member” is the entire immediate family of a currently enrolled SCCLC learner.

SCCLC Staff Members nominate the Staff Member Director; and SCCLC Family Community Members nominate the Parent Community Directors. These nominations shall be submitted to the Board for appointment.

4.5.2 *Term of Office.* SCCLC Parent Community Directors will serve staggered two-year terms, with such terms starting at the beginning of the fiscal year, unless such service is completing a previously vacated term, in which case it will begin upon immediately following such appointment or election and end with the term of the vacancy being filled. A SCCLC Parent Community Director may be elected to consecutive terms, for as long as they meet the qualifications for the seat which they are holding.

4.5.3 *SCCLC Parent Community Directors.* Every year, during the month of May, at least two (2) SCCLC Parent Community Director will be up for election. New Directors shall be nominated to the Board based on a vote of the SCCLC Parent Community as defined in Section 4.5.1 above and further detailed in Section 4.6 below. Each SCCLC Family Community Member is accorded one vote for purposes of this nomination.

4.5.4 *SCCLC Staff Member Director.* In May, SCCLC Staff Members nominate the staff member Director, who serves starting at the beginning of the next fiscal year for a period of two (2) years and can serve consecutive terms.

4.5.5 *Outside Community Directors.* The Board of Directors, with SCCLC Community Member’s input, shall invite any potential business or community representatives to a Board meeting and if the invitees are still interested after an interview, then after that time, the Board can vote to approve their selection. Outside Community Directors shall serve a two-year term and may serve unlimited consecutive terms. 4.5.6 *Authorizing Agency Representative.* As long as the San Carlos School District is the SCCLC authorizing agency, they are entitled to appoint a representative for the SCCLC Board of Directors at their discretion. The Authorizing Agency Representative shall serve a two-year term and may serve unlimited consecutive terms.

4.5.7 *Representation.* Although their respective groups choose parent and staff representatives and bring a unique and necessary perspective to the Board, these representatives must act in the best interests of the Corporation at all times.

4.5.8 *Resignation or Removal.* No Director may resign if the corporation would be left without any duly elected director. Otherwise, a Director may resign by giving written notice to the Board Chair, President, or Secretary. Such resignation shall be effective as of the notice or later if specified in such notice. Any Director, except the Authorizing Agency Representative, may be removed, with or without cause, by the vote of the majority of the members of the entire Board of Directors 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 Brown Act. The Authorizing Agency Representative may be removed by the Board of Directors with the written consent of the Authorizing Agency. Any vacancy caused by the removal of a Director shall be filled as provided below in Section 4.6.

4.6 *Elections, Filling Vacancies.*

4.6.1 *Nomination of SCCLC Parent Community Directors.* Parent Community Directors are nominated to serve on the Board using the following process, which begins in May and may take place at other times if vacancies exist:

- a. The Board appoints one Director (not up for re-election) to oversee the election process. The representative sets the specific dates and publicizes the procedure. The publicity should begin at least ten days before the candidate-statement submission deadline.
- b. SCCLC Parent Community Members who wish to serve on the Board should submit a written candidate statement of no more than one page describing their background, views, strengths and reasons for running for the position. These statements should be submitted by the specified deadline and the designated Director running the election will distribute the statements to the community for their consideration.
- c. A “Town Hall Meeting” will take place after the Board candidate statements have been distributed to the community. During this meeting, candidates will be given a brief period to introduce themselves, explain why they would like to be a part of the Board, and what strengths they would bring to the Board. Families, staff, students, the candidates themselves, and other SCCLC community members may then ask the candidates questions. The designated Director will moderate this process.
- d. If there are more candidates than available positions, the candidates will have up to 75 minutes to attempt to “self-select” who will be nominated to serve on the Board. That is, guided by their statements and answers to the community’s questions, each candidate will decide if they wish to continue running for the Board. Any candidate deciding to no longer run for the Board will join the rest of the community at the Town Hall Meeting.
- e. At the end of this Town Hall Meeting, should there remain more candidates than available positions, ballots will be distributed to the SCCLC community. Each SCCLC Family Community Member (including staff or administrators who have children at the school) will receive one ballot. Ballots must be returned by the stated time to be considered a valid vote.
- f. Votes will be counted by at least a three (3) person team, selected by the Director running the election, and shall include one Board representative, one staff person, and one member of the community. The number of votes and nomination results will be announced publicly.

- g. Considering the nomination results, the Board of Directors shall seat the directors.
- h. The outgoing member(s)' terms will end on June 30 and the new member(s)' terms will begin July 1.

4.6.2 *Vacancies.* Vacancies occurring before the expiration of a Board member's term may be filled using this procedure:

- a. SCCLC Staff Member Director vacancies shall be nominated by the SCCLC Staff Members.
- b. Authorizing Agency, and Outside Community Directors may be nominated and appointed by the regular procedure used for these openings as set forth above in Sections 4.5.5, and 4.5.6.
- c. Vacancies for Parent Community Directors that occur prior to the December Board meeting should be filled using the process defined in Section 4.6.1. The end of their term of office is identical to the end of the term of office of the original member. If a vacancy occurs after the December Board meeting, the Board may interview interested candidates and appoint a replacement member to serve until the next regular appointment of the Board may choose to leave the seat vacant until the next regular election. For example, if a person who has another year left to serve leaves the Board after the December Board meeting and the Board appoints a replacement, the replacement shall only serve in office until the next regular appointment of Board members and until a successor director has been designated and qualified pursuant to Section 4.6.1. The Board member appointed to fill the vacancy would serve for the remaining year of the Board term. This process preserves the staggered appointment of at least two (2) SCCLC Parent Community Directors every appointment. Directors appointed under this vacancy process would begin their term immediately following the Board vote to appoint.

4.7 *Conflict of Interest Code.* The Board shall separately adopt a Conflict of Interest Code, which shall comply with the Political Reform Act (Govt. Code § 87100 *et seq*) .

4.8 *Compensation and Reimbursement.* Directors, except for the SCCLC Staff Member Director, may not receive compensation for their services as directors or officers, only such reimbursement of expenses as the Board of Directors may establish by resolution to be just and reasonable as to the Corporation at the time that the resolution is adopted. The SCCLC Staff Member Director may receive a stipend for his or her Board service as determined by the Board of Directors.

ARTICLE V OFFICERS

5.1 *Authorized Officers.* The officers of the corporation shall be a President, Secretary, and Treasurer (also known as the "Chief Financial Officer" or "CFO"). The corporation may also

have, at the Board's discretion, one or more vice presidents, one or more assistant secretaries, one or more assistant treasurers, and such other officers as may be appointed by resolution of the Board. The Board may authorize the chair to appoint officers. Any number of offices may be held by the same person, except that neither the Secretary nor Treasurer may serve concurrently as the President.

5.2 *Election of Officers.* The officers of the corporation shall be chosen at the first regular or special meeting by the Board in each fiscal year and shall serve at the pleasure of the Board. Without prejudice to any rights of an officer under any contract of employment, any officer may be removed with or without cause by the Board and also, if the officer was not chosen by the Board, by any officer on whom the Board may confer that power of removal.

5.3 *Resignation, Vacancies.* Any officer may resign at any time by giving written notice to the corporation. The resignation shall take effect as of the date the notice is received or at any later time specified in the notice and, unless otherwise specified in the notice, the resignation need not be accepted to be effective. Any resignation shall be without prejudice to the rights, if any, of the corporation under any contract to which the officer is a party. If an Officer position becomes vacant for any reason the Board of Directors shall, by majority vote, elect a replacement officer to serve out the term of the officer whose position the replacement is filling.

5.4 *President.* Subject to such supervisory powers as the Board of Directors may give to the Chairman of the Board, if any, and subject to the control of the Board, and subject to President's contract of employment, if any, the President shall be the general manager of the corporation and shall supervise, direct, and control the corporation's activities, affairs, and officers as fully described in any applicable employment contract, agreement, or job specification. The President shall have such other powers and duties as the Board of Directors or the Bylaws may require.

5.5 *Vice Presidents.* If the President is absent or disabled, the Vice Presidents, if any, in order of their rank as fixed by the Board, or, if not ranked, a Vice President designated by the Board, shall perform all duties of the President. When so acting, a Vice President shall have all powers of and be subject to all restrictions on the President. The Vice President(s) shall have such other powers and perform such other duties as the Board of Directors or the Bylaws may require.

5.6 *Secretary.* The secretary shall keep the minutes and records of the organization in the appropriate books; shall file any certificate required by any state or federal statute; and shall be the official custodian of the records of the organization; shall submit to the Board of Directors all communications which shall be addressed to her/him as secretary of the organization; shall be responsible for tracking Director contact information, term duration, and other information relevant to the Board-related activities of the Directors and make this information available to any Director, provided that the Director gives the Secretary reasonable notice of the request for production; shall attend to all correspondence of the organization; and shall exercise all duties incident to the office of secretary.

5.7 *Treasurer.* The treasurer shall ensure that (a) an annual operating budget is approved by the Board of Directors prior to the start of each fiscal year, (b) procedures are in place to receive, monitor, invest and disburse all SCCLC funds, (c) investments are monitored (d) debt and debt covenants are monitored, and (e) an annual financial audit by an independent audit firm is performed and shared with the Board.

5.8 *Chairman of the Board.* The Directors shall elect from their number by a majority vote a Board Chair. The Board Chair (or Chairman) shall hold his or her office for one (1) year, concurrent with the fiscal year. A Board Chair may be elected to subsequent terms. The Board Chair shall preside at all Board of Directors meetings as the Presiding Officer and shall exercise and perform such other powers and duties as the Board of Directors may assign from time to time.

5.9 *Vice Chair.* The Board of Directors may elect a Vice Chair of the board. A Vice Chair shall hold his or her office for one (1) year, concurrent with the fiscal year. A Vice Chair may be elected to subsequent terms. The Vice Chair, if any, shall, in the event of the absence or inability of the Board Chair to exercise the office, become acting Chair of the organization.

ARTICLE VI INSURANCE AND INDEMNITY

6.1 *Immunity.* The Directors shall not be personally liable for any of SCCLC's debts, liabilities or obligations.

6.2 *Indemnification in Actions Other than by or in the Right of SCCLC.* To the fullest extent permitted by law, this 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.

6.3 *Insurance.* The corporation shall have the right to purchase and maintain insurance to the full extent permitted by law on behalf of its officers, trustees, employees and other agents, against any liability asserted against or incurred by an officer, trustee, employee or agent in such capacity or arising out of the officer's, trustee's, employee's, or agent's status as such.

ARTICLE VII
CONTRACTS WITH DIRECTORS

7.1 *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 this 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.

7.2 *Educational or Charitable Program.* This Section does not apply to a transaction that is part of an educational or charitable program of this 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 this corporation.

ARTICLE VIII
CONTRACTS WITH NON-DIRECTOR DESIGNATED EMPLOYEES

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 SCCLC Conflict of Interest Code have been fulfilled.

**ARTICLE IX
LOANS TO DIRECTORS AND OFFICERS**

Loans to Directors and Officers. This 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 X
AMENDMENTS**

Amending the By-Laws. These By-Laws may be amended by a majority vote of the Board of Directors.

CERTIFICATE OF SECRETARY

I certify that I am the duly elected and acting Secretary of the San Carlos Charter Learning Center, a California nonprofit public benefit corporation, that these Bylaws, consisting of 14 pages are the Bylaws of this corporation as adopted by the Board of Directors on _____; and that these Bylaws have not been amended or modified since that date.

Executed on April 19, 2017 at San Carlos, California.

(Signature)

_____, Secretary

(Print Name)