

**BYLAWS  
OF  
BLUE OAK CHARTER SCHOOL INC.**  
(A California Nonprofit Public Benefit Corporation)

**ARTICLE I  
NAME**

Section 1. NAME. The name of this corporation is Blue Oak Charter School Inc.

**ARTICLE II  
PRINCIPAL OFFICE OF THE CORPORATION**

Section I. PRINCIPAL OFFICE OF THE CORPORATION. The principal office for the transaction of the activities and affairs of this corporation is 450 W. East Ave., Chico, State of California. The Charter Council may change the location of the principal office. Any such change of location must be noted by the Secretary on these bylaws opposite this Section; alternatively, this Section may be amended to state the new location.

Section 2. OTHER OFFICES OF THE CORPORATION. The Charter Council may at any time establish branch or subordinate offices at any place or places where this corporation is qualified to conduct its activities.

**ARTICLE III  
GENERAL AND SPECIFIC PURPOSES; LIMITATIONS**

Section I. GENERAL AND SPECIFIC PURPOSES. The purpose of this corporation is to manage, operate, guide, direct and promote the Blue Oak Charter School ("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.

**ARTICLE IV  
CONSTRUCTION AND DEFINITIONS**

Section I. CONSTRUCTION AND DEFINITIONS. Unless the context indicates otherwise, the general provisions, rules 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.

**ARTICLE V  
DEDICATION OF ASSETS**

Section 1. DEDICATION OF ASSETS. This corporation's assets are irrevocably dedicated to public benefit purposes as set forth in the Charter School's Charter. No part of the net earnings, properties, or assets of the corporation, on dissolution or otherwise, shall insure to the benefit of any private person or individual, or to any Council member 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 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).

**ARTICLE VI  
CORPORATIONS WITHOUT MEMBERS**

Section 1. CORPORATIONS WITHOUT MEMBERS. This corporation shall have no voting members within the meaning of the Nonprofit Corporation Law. The corporation's Charter Council may, in its discretion, admit individuals to one or more classes of non voting members; the class or classes shall have such rights and obligations as the Charter Council finds appropriate.

**ARTICLE VII  
CHARTER COUNCIL**

Section 1. GENERAL POWERS. Subject to the provisions and limitations of the California Nonprofit Public Benefit Corporation Law and any other applicable laws, and subject to any limitations of the articles of incorporation or bylaws, the corporation's activities and affairs shall be managed, and all corporate powers shall be exercised, by or under the direction of the Charter Council ("Council"). The Council 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 Council.

Section 2. SPECIFIC POWERS. Without prejudice to the general powers set forth in Section 1 of these bylaws, but subject to the same limitations, the Charter Council shall have the power to:

- a. Appoint and remove, at the pleasure of the Charter Council, all corporate officers, agents, and employees; prescribe powers and duties for them as are consistent with the law, the articles of incorporation, and these bylaws; fix their compensation; and require from them security for faithful service.
- b. Change the principal office or the principal business office in California from one location to another; cause the corporation to be qualified to conduct its activities in any other state, territory, dependency, or country; conduct its activities in or outside California; and designate a place in California for holding any meeting of members.

- c. 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.
- d. Adopt and use a corporate seal; prescribe the forms of membership certificates; and alter the forms of the seal and certificates.

Section 3. DESIGNATED COUNCIL MEMBERS AND TERMS. The number of Council members shall be seven (7), unless changed by amendments to these bylaws; provided that three (3) seats shall be reserved for parent representatives and four (4) seats shall be reserved for community representatives. Parent Representatives and Community Members may not be employees of Blue Oak Charter School. Community Representatives may not be the parent, legal guardian or significant other of a parent or legal guardian of a child enrolled at Blue Oak Charter School. Parents, legal guardians or significant others of a parent or legal guardian of a child formerly enrolled at Blue Oak Charter School are eligible to serve as a community representative one (1) year after their child is no longer enrolled at Blue Oak Charter school. Additionally, pursuant to Education Code Section 47604(b), the governing board of the granting authority has the right to appoint one representative to the Charter Council. In the event that a representative of the governing board of the granting authority is appointed to the Charter Council, the number of Council members shall be increased to eight (8).

Except for the initial Charter Council, each Council member shall hold office unless otherwise removed from office in accordance with these bylaws for three (3) year(s) and until a successor Council member has been designated and qualified. Terms for the initial Charter Council shall be staggered as drawn by lot with three (3) seats serving a one (1) year term, two (2) seats serving a two (2) year term, and two (2) seats serving a three (3) year term.

In the event that all members of the Charter Council are concurrently up for re-election in the same year then the newly elected Charter Council members will have their terms staggered as drawn by lot with three (3) seats serving a one (1) year term, two (2) seats serving a two (2) year term and two (2) seats serving a three (3) year term..

Section 4. RESTRICTION ON INTERESTED PERSONS AS COUNCIL MEMBERS. No persons serving on the Charter Council 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 Council member as Council member; 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. Employees of the corporation may not serve on the Charter Council. The Council may adopt other policies circumscribing potential conflicts of interest.

Section 5. COUNCIL MEMBERS' TERM. Each Council member shall hold office for three (3) years and until a successor Council member has been elected and seated.

Section 6. EVENTS CAUSING VACANCIES ON COUNCIL. A vacancy or vacancies on the Charter Council shall occur in the event of

- a. the death, resignation, or removal of any Council member ;

- b. the declaration by resolution of the Charter Council of a vacancy in the office of a Council member who has been convicted of a felony, declared of unsound mind by a court order, or found by final order or judgment of any court to have breached a duty under California Nonprofit Public Benefit Corporation Law, Chapter 2, Article 3;
- c. the increase of the authorized number of Council members; and
- d. the failure of a Council member to attend three (3) meetings in a calendar year, unless the Charter Council, by majority vote, takes action to retain them.

Section 7. RESIGNATION OF COUNCIL MEMBERS. Except as provided below, any Council member may resign by giving written notice to the Council Chair, if any, or to the President, or the Secretary, or to the Council. The resignation shall be effective when the notice is given unless the notice specifies a later time for the resignation to become effective. If a Council member's resignation is effective at a later time, the Charter Council may appoint a successor to take office as of the date when the resignation becomes effective according to Article VII, Section 10.

Section 8. COUNCIL MEMBER MAY NOT RESIGN IF NO COUNCIL MEMBER REMAINS. Except on notice to the California Attorney General, no Council member may resign if the corporation would be left without a duly elected Council member or Council members.

Section 9. REMOVAL OF COUNCIL MEMBERS. Any Council member may be removed, with or without cause, by the Blue Oak Charter School community members. A recall election shall be held within ninety (90) days after the presentation of a removal petition to the Council Chair signed by sixty (60) percent of the Blue Oak Charter School community members. Any vacancy caused by the removal of a Council member shall be filled as provided in Article VII, Section 10.

Section 10. VACANCIES FILLED BY COUNCIL. Vacancies on the Charter Council may be filled by approval of the Charter Council or, if the number of Council members then in office is less than a quorum, by

- a. the unanimous consent of the Council members then in office,
- b. the affirmative vote of a majority of the Council members then in office at a meeting held according to notice or waivers of notice complying with Corporations Code Section 5211, or
- c. a sole remaining Council member. Vacancies shall be filled by appointment of an interim Council member who shall serve until the next regular May election where the vacant seat shall be filled as provided in Article VIII.

Prior to assuming duties, all newly elected and appointed Charter Council members will read the Board's Code of Ethics.

Section 11. NO VACANCY ON REDUCTION OF NUMBER OF COUNCIL MEMBERS. Any reduction of the authorized number of Council members shall not result in any Council members being removed before his or her term of office expires.

Section 12. PLACE OF CHARTER COUNCIL MEETINGS. Meetings shall be held at the principal office of the Corporation. The Charter Council may designate that a meeting be held at any place within California that has been designated by resolution of the Charter Council or in the notice of the meeting. All meetings of the Charter Council shall be called, held and conducted in accordance with the terms and provisions of the Ralph M. Brown Act, California Government Code Sections 54950, as said chapter may be modified by subsequent legislation.

Section 13. MEETINGS; ANNUAL MEETINGS. All meetings of the Charter Council and its committees shall be called, noticed, and held in compliance with the provisions of the Ralph M. Brown Act ("Brown Act"). (Chapter 9 (commencing with Section 54950) of Division 2 of Title 5 of the Government Code).

The Charter Council shall meet annually in August for the purpose of organization, appointment of officers, and the transaction of such other business as may properly be brought before the meeting. This meeting will be held in accordance with the provisions of Board Policy "Annual Organizational Meeting". This meeting shall be held at a time, date, and place as may be specified and noticed by resolution of the Charter Council.

Section 14. REGULAR MEETINGS. Regular meetings of the Charter Council, including annual meetings, shall be held at such times and places as may from time to time be fixed by the Charter Council. At least 72 hours before a regular meeting, the Charter Council, 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 in a location accessible and open to the public. The agenda shall also be provided to the Charter Authorizer Representative, Faculty Representative, Administrative Representative, Parent Council Chair, Parent Council Co-Chair and will be posted to the school website prior to the meeting.

Section 15. SPECIAL MEETINGS. Special meetings of the Charter Council for any purpose may be called at any time by the Chairman of the Charter Council, if there is such an officer, or a majority of the Charter Council. 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.

Section 16. NOTICE OF SPECIAL MEETINGS. In accordance with the Brown Act, special meetings of the Charter Council may be held only after twenty-four (24) hours notice is given to each Council member, the Charter Authorizer Representative, Faculty Representative, Administrative Representative, Parent Council Chair, Parent Council Co-Chair and to the public through the posting of an agenda. Pursuant to the Brown Act, the Charter Council shall adhere to the following notice requirements for special meetings:

- a. Any such notice shall be addressed or delivered to each Council member at the Council member's address as it is shown on the records of the Corporation, or as may have been given to the Corporation by the Council member 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 Charter Council are regularly held.
- b. Notice by mail shall be deemed received at the time that 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.

Section 17. QUORUM. A majority of the Council members then in office shall constitute a quorum. All acts or decisions of the Charter Council will be by majority vote based upon the presence of a quorum. Should there be fewer than a majority of the Council members present at any meeting, the meeting shall be adjourned. Council members may not vote by proxy. A Parent Representative majority of Council members shall not constitute a quorum.

Section 18. TELECONFERENCE MEETINGS. Members of the Charter Council may participate in teleconference meetings so long as all of the following requirements in the Brown Act are complied with:

- a. At a minimum, a quorum of the members of the Charter Council shall participate in the teleconference meeting from locations within the boundaries of the school district in which the Charter School operates;
- b. All votes taken during a teleconference meeting shall be by roll call;
- c. If the Charter Council 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 Charter Council 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 Charter Council directly at each teleconference location; and
- f. The agenda shall indicate that members of the public attending a meeting conducted via teleconference need not give their name when entering the conference call.

Section 19. ADJOURNMENT. A majority of the Council members present, whether or not a quorum is present, may adjourn any Charter Council meeting to another time or place. If a meeting is adjourned for more than twenty-four (24) hours, notice of such adjournment to another time or place shall be given, prior to the time schedule for the continuation of the meeting, to the Council members who were not present at the time of the adjournment, and to the public in the manner prescribed by any applicable public open meeting law.

Section 20. COMPENSATION AND REIMBURSEMENT. Council members will not receive compensation for their services as Council members or officers, but may receive such reimbursement of expenses as the Charter Council may establish by resolution to be just and reasonable as to the corporation at the time that the resolution is adopted.

Section 21. CREATION AND POWERS OF COMMITTEES. The Council, by resolution adopted by a majority of the Council members then in office, may create one or more committees, each consisting of two or more Council members and no one who is not a Council member, to serve at the pleasure of the Council. Appointments to all committees of the Charter Council shall be by majority vote of the authorized number of Council members. The Charter Council may appoint one or more Council members 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 Council, to the extent provided in the Charter Council' resolution, except that no committee may:

- a. Take any final action on any matter that, under the California Nonprofit Public Benefit Corporation Law, also requires approval of the members or approval of a majority of all members;
- b. Fill vacancies on the Charter Council or any committee of the Council;
- c. Fix compensation of the Council members for serving on the Charter Council or on any committee;
- d. Amend or repeal bylaws or adopt new bylaws;
- e. Amend or repeal any resolution of the Charter Council that by its express terms is not so amendable or subject to repeal;
- f. Create any other committees of the Charter Council or appoint the members of committees of the Council;
- g. Expend corporate funds to support a nominee for Council member if more people have been nominated for Council member than can be elected; or
- h. Approve any contract or transaction to which the corporation is a party and in which one or more of its Council members has a material financial interest.

Section 22. ADVISORY COMMITTEES. Advisory committees may be created by as deemed necessary and appropriate by the Charter Council. These committees shall serve in an advisory capacity only. A Charter Council member shall serve as the chair of each such Charter Council advisory committee. A list of all committees shall be kept by the Council Chair and will be available by request and posted on the school website. All Charter Council Committees shall have a description of their objectives and goals. The Charter Council advisory committees shall report directly to the Charter Council, however, the Director shall be informed of meeting schedules and agendas, and shall receive meeting minutes and reports that may be developed by the committees.

Section 23. MEETINGS AND ACTION OF COMMITTEES. Meetings and actions of committees of the Charter Council shall be governed by, held, and taken under the provisions of these bylaws concerning meetings, other Charter Council' 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 Charter Council 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 Charter Council may adopt rules

for the governance of any committee as long as the rules are consistent with these bylaws. If the Charter Council has not adopted rules, the committee may do so.

Section 24. NON-LIABILITY OF COUNCIL MEMBERS. No Council member shall be personally liable for the debts, liabilities, or other obligations of this corporation.

Section 25. COMPLIANCE WITH LAWS GOVERNING STUDENT RECORDS. The Charter School and the Charter Council 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 26. ROBERT'S RULES OF ORDER. Meetings shall be governed by Robert's Rules of Order, as such rules may be revised from time to time, insofar as such rules are not inconsistent with or in conflict with these Bylaws or with any applicable provision of law, including the Brown Act. The Council Chair may choose to suspend Robert's Rules of Order to allow a greater range of discussion among those present at a meeting, however, such suspension will not apply to motions or other actions necessary to conduct business.

## **ARTICLE VIII ELECTION PROCESS**

Section 1. ELIGIBILITY TO SERVE ON CHARTER COUNCIL. All parents and community members are eligible to be elected to the Charter Council so long as they are not employees of Blue Oak Charter School.

Section 2. ELECTION COMMITTEE AND APPLICATIONS. A board committee, as defined in Article 7, Section 21, will be formed to ensure an annual election will be held in a fair, open and organized manner. No council member seeking reelection can sit on this Election Committee. The Election Committee will meet at least twice annually with the Executive Director and/or their designee, who shall be responsible for coordinating all election preparations.

Each election shall at a minimum:

- (a) Be preceded by public announcements over a two week period prior to the election;
- (b) Have complete nominating documents submitted from each applicant; Application packets may be obtained from and submitted to the front office of the school.
- (c) Have the complete nominating documents maintained in a public place for viewing;
- (d) Include a public forum for the community to meet candidates after the nominating period is closed and prior to the election and;
- (e) Utilize a ranked voting system to break ties. Ranked voting allows voters to rank candidates on the ballot and prevents ties by using 2nd choice votes to break ties for 1st place votes,

Section 3. ELECTIONS. Elections shall be held in May, except in cases where the incumbents or candidates have no one challenging their position. Should there be no other interested parties, the incumbents or candidates may be automatically elected upon Charter Council ratification. Voting will be conducted for one (1) week, with ballots available at the front office voting station. Trained Election Officials shall be present at all times during polling hours. The polling hours shall be determined by the Administration with the goal of accommodating the availability of the Blue Oak Charter School families.



The ballots shall list all candidates. Ballots may not be removed from the voting area. All candidate's applications, resumes, and letters of intent shall be posted at the polling station for public viewing.

Section 4. VOTING. Each Blue Oak Charter School community member is entitled to submit one ballot. Community members include each parent and/or legal guardian of children currently enrolled in Blue Oak Charter School (not to exceed a total of two ballots per family), each Blue Oak Charter School employee and each Charter Council member. Independent contractors are not community members. A list of eligible voters will be used by election officials to check off names of voters. If a voter's name cannot be found on the official list, a clearly marked provisional ballot will be issued but not cast until the election official determines the eligibility of the voter. Provisional voters will be notified within 24 hours of their eligibility.

On Friday of the week of the Charter Council elections, the ballot box shall be removed at 3:15 pm. Ballots shall be counted by two or more Election Officials and the Executive Director or designate. All completed ballots will be bound and kept with school records. Election results are posted the following school day to school bulletin boards and the Blue Oak Charter School website, however results are not considered final until they are approved by the Charter Council.

At the regular Charter Council June meeting the results of the Charter Council election will be presented. The results must be approved by a majority vote of the Charter Council. The Charter Council does reserve the right to take action when or if any irregularities, anomalies, or violations of these Bylaws occur. Such irregularities, anomalies, or violations may be waived by a unanimous vote of Charter Council. Newly elected members will assume office and duties at the first regular meeting in August of the Charter Council. Prior to assuming duties, all newly elected and appointed Charter Council members will read the Board's Code of Ethics.

## **ARTICLE VIX OFFICERS OF THE CORPORATION**

Section 1. OFFICES HELD. The officers of this corporation shall be a Chairman of the Board, (who shall be known as the "Council Chair"), a Vice-Chairman of the Board (who shall be known as the "Vice-Council Chair"), a President, a Secretary, and a Chief Financial Officer. The corporation, at the Council's direction, may also have one or more Vice-Presidents, one or more assistant secretaries, one or more assistant treasurers, and such other officers as may be appointed under Article VIX, Section 4, of these bylaws. The officers in addition to the corporate duties set forth in this Article VIX may also have administrative duties as set forth in any applicable contract for employment or job specification. Employees may be appointed officers of the corporation, but may not be members of the Charter Council.

Section 2. DUPLICATION OF OFFICE HOLDERS. Any number of offices may be held by the same person, except that neither the Secretary nor the Chief Financial Officer may serve concurrently as either the Council Chair.

Section 3. ELECTION OF OFFICERS. The officers of this corporation shall be chosen by the Charter Council at the Annual Organizational Meeting held as described in Article VII, Section 13 of these bylaws and shall serve at the pleasure of the Council, subject to the rights of any officer under any employment contract.

Section 4. APPOINTMENT OF OTHER OFFICERS. The Charter Council may appoint and authorize the Council Chair, or another officer to appoint any other officers that the corporation may require. Each appointed officer shall have the title and authority, hold office for the period, and perform the duties specified in the bylaws or established by the Council. One board member will be elected by majority of the BOCC as Parent Council Liaison and will report at both Parent Council and BOCC meetings. One board member will be elected by majority of the BOCC as the Charter Authorizer Liaison.

Section 5. REMOVAL OF OFFICERS. Without prejudice to the rights of any officer under an employment contract, the Charter Council may remove any officer with or without cause. An officer who was not chosen by the Charter Council may be removed by any other officer on whom the Charter Council confers the power of removal.

Section 6. RESIGNATION OF OFFICERS. Any officer may resign at any time by giving written notice to the Council. The resignation shall take effect on the date the notice is received or at any later time specified in the notice. Unless otherwise specified in the notice, the resignation need not be accepted to be effective. Any resignation shall be without prejudice to any rights of the corporation under any contract to which the officer is a party.

Section 7. VACANCIES IN OFFICE. A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled in the manner prescribed in these bylaws for normal appointment to that office, provided, however, that vacancies need not be filled on an annual basis.

Section 8. COUNCIL CHAIR. The Council Chair shall preside at the Charter Council' meetings and shall exercise and perform such other powers and duties as the Charter Council may assign from time to time. If there is no President, the Council Chair shall also be the chief executive officer and shall have the powers and duties of the President of the corporation set forth in these bylaws. If a Chairman of the Charter Council is elected, there shall also be a Vice-Council Chair. In the absence of the Council Chair, the Vice-Council Chair shall preside at Charter Council meetings and shall exercise and perform such other powers and duties as the Charter Council may assign from time to time.

Section 9. VICE-COUNCIL CHAIR. The Vice-Council Chair shall preside at Charter Council meetings in the absence of the Council Chair and shall exercise and perform such other powers and duties as the Charter Council may assign from time to time.

Section 10. PRESIDENT. Subject to such supervisory powers as the Charter Council may give to the Chairman of the Board, if any, and subject to the control of the Council, and subject to President's contract of employment, 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 Charter Council or the bylaws may require.

Section 11. VICE-PRESIDENTS. If the President is absent or disabled, the Vice-Presidents, if any, in order of their rank as fixed by the Council, or, if not ranked, a Vice-President designated by the Council, 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-Presidents shall have such other powers and perform such other duties as the Charter Council or the bylaws may require.

Section 12. SECRETARY. The Secretary shall keep or cause to be kept, at the corporation's principal office or such other place as the Charter Council may direct, a book of minutes of all meetings, proceedings, and actions of the Council and of committees of the Council. The minutes of meetings shall include the time and place that the meeting was held; whether the meeting was annual, regular, special, or emergency and, if special or emergency, how authorized; the notice given; and the names of the Council members present at Charter Council and committee meetings.

The Secretary shall keep or cause to be kept, at the principal California office, a copy of the articles of incorporation and bylaws, as amended to date.

The Secretary shall give, or cause to be given, notice of all meetings of the Council and of committees of the Charter Council that these bylaws require to be given. The Secretary shall keep the corporate seal, if any, in safe custody and shall have such other powers and perform such other duties as the Charter Council or the bylaws may require.

Section 13. CHIEF FINANCIAL OFFICER. The Chief Financial Officer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and accounts of the corporation's properties and transactions. The books of account shall be open to inspection by any Council member at all reasonable times. The Chief Financial Officer shall send or cause to be given to Council members such financial statements and reports as are required to be given by law, by these bylaws, or by the Council. These statements and reports shall include;

- a. A monthly Balance Sheet Report
- b. Year-to-date Budget vs. Actual Statement
- c. A monthly Check Register Detail
- d. A monthly statement of all purchases made via credit card or other revolving credit vehicle
- e. A monthly cash flow projection for the remainder of the fiscal year

The Chief Financial Officer shall also;

- a. Deposit, or cause to be deposited, all money and other valuables in the name and to the credit of the corporation with such depositories as the Charter Council may designate;
- b. Disburse the corporation's funds as the Charter Council may order;
- c. Render to the President, Chairman of the Board, if any, and the Council, when requested, an account of all transactions as Chief Financial Officer and of the financial condition of the corporation; and
- d. Have such other powers and perform such other duties as the Council, contract, job specification, or the bylaws may require.

If required by the Council, the Chief Financial Officer shall give the corporation a bond in the amount and with the surety or sureties specified by the Charter Council for faithful performance of the duties of the office and for restoration to the corporation of all of its books, papers, vouchers, money, and other property of every kind in the possession or under the control of the Chief Financial Officer on his or her death, resignation, retirement, or removal from office.

**ARTICLE X  
CONTRACTS WITH COUNCIL MEMBERS**

Section I.       **CONTRACTS WITH COUNCIL MEMBERS.** The Corporation shall not enter into a contract or transaction in which a Council member 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 Council members are Council members have a material financial interest) unless all of the following apply:

- a.       The Council member 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 Charter Council meeting minutes.
- b.       The Council member 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 Council member who recuses himself/herself shall refrain from voting on the matter and shall leave the room during Council discussion and when the final vote is taken).
- c.       Such contract or transaction is authorized in good faith by a majority of the Charter Council by a vote sufficient for that purpose.
- d.       Before authorizing or approving the transaction, the Charter Council 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 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 Council members 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 XI  
CONTRACTS WITH NON-COUNCIL MEMBER DESIGNATED EMPLOYEES**

Section 1.       **CONTRACTS WITH NON-COUNCIL MEMBER DESIGNATED EMPLOYEES.** The Corporation shall not enter into a contract or transaction in which a non-Council member 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 Blue Oak Charter School Conflict of Interest Policy have been fulfilled.

**ARTICLE XII  
LOANS TO COUNCIL MEMBERS AND OFFICERS**

Section 1.       **LOANS TO COUNCIL MEMBERS AND OFFICERS.** This corporation shall not lend any money or property to or guarantee the obligation of any Council member or officer without the approval

of the California Attorney General; provided, however, that the corporation may advance money to a Council member or officer of the corporation for expenses reasonably anticipated to be incurred in the performance of his or her duties if that Council member or officer would be entitled to reimbursement for such expenses of the corporation.

### **ARTICLE XIII INDEMNIFICATION**

Section I. INDEMNIFICATION. To the fullest extent permitted by law, this corporation shall indemnify its Council members, 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 Charter Council by any person seeking indemnification under Corporations Code Section 5238 (b) or Section 5238 (c) the Charter Council 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 Charter Council shall authorize indemnification.

### **ARTICLE XIV INSURANCE**

Section I. INSURANCE. This corporation shall purchase and maintain insurance to the full extent permitted by law on behalf of its Council members, officers, employees, and other agents, to cover any liability asserted against or incurred by any Council member, officer, employee, or agent in such capacity or arising from the Council member's, officer's, employee's, or agent's status as such.

### **ARTICLE XV MAINTENANCE OF CORPORATE RECORDS**

Section I. MAINTENANCE OF CORPORATE RECORDS. This corporation shall keep:

- a. Adequate and correct books and records of account;
- b. Written minutes of the proceedings of the Council and committees of the Council; and
- c. Such reports and records as required by law.

### **ARTICLE XVI INSPECTION RIGHTS**

Section I. COUNCIL MEMBERS' RIGHT TO INSPECT. Every Council member shall have the right at any reasonable time to inspect the corporation's books, records, documents of every kind, physical properties, and the records of each subsidiary as permitted by California and federal law. The inspection

may be made in person or by the Council member's agent or attorney. The right of inspection includes the right to copy and make extracts of documents as permitted by California and federal law. This right 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 2. ACCOUNTING RECORDS AND MINUTES. On written demand on the corporation, any Council member may inspect, copy, and make extracts of the accounting books and records and the minutes of the proceedings of the Charter Council and committees of the Charter Council at any reasonable time for a purpose reasonably related to the Council member's interest as a Council member. Any such inspection and copying may be made in person or by the Council member's agent or attorney. This right of inspection extends to the records of any subsidiary of the corporation.

Section 3. MAINTENANCE AND INSPECTION OF ARTICLES AND BYLAWS. This corporation shall keep at its principal California office the original or a copy of the articles of incorporation and bylaws, as amended to the current date, which shall be open to inspection by the Council members at all reasonable times during office hours. If the corporation has no business office in California, the Secretary shall, on the written request of any Council member, furnish to that Council member a copy of the articles of incorporation and bylaws, as amended to the current date.

## **ARTICLE XVII REQUIRED REPORTS**

Section 1. ANNUAL REPORTS. The Charter Council shall cause an annual report to be sent to itself (the members of the Charter Council) within 120 days after the end of the corporation's fiscal year. That report shall contain the following information, in appropriate detail:

- a. The assets and liabilities, including the trust funds, or the corporation as of the end of the fiscal year;
- 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.

Section 2. ANNUAL STATEMENT OF CERTAIN TRANSACTIONS AND INDEMNIFICATIONS. As part of the annual report to all Council members, 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 Council member and furnish to each Council member 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 Council member or officer of the corporation, its parent, or subsidiary (but mere common Council membership 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.

**ARTICLE XVIII  
BYLAW AMENDMENTS**

Section 1. BYLAW AMENDMENTS. The Charter Council may adopt, amend or repeal any of these Bylaws by a majority of the CoW1cil members present at a meeting duly held at which a quorum is present, except that no amendment shall change any provisions of the Charter that created the Blue Oak Charter School or make any provisions of these Bylaws inconsistent with that Charter, the corporation's Articles of Incorporation, or any laws. The Charter that created Blue Oak Charter School may only be amended by a two-thirds majority vote of the Charter Council.

**ARTICLE XIX  
FISCAL YEAR**

Section I. FISCAL YEAR OF THE CORPORATION. The fiscal year of the Corporation shall begin on July 1st and end on June 30th of each year.