

Bylaws of the

Northcoast Preparatory and Performing Arts
Academy

A California Nonprofit Benefit Corporation

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ARTICLE 1 NAME

Section 1.1 Corporate Name

The name of this corporation is **Northcoast Preparatory and Performing Arts Academy** (the "Corporation").

ARTICLE 2 OFFICES

Section 2.1 Principal Office

The principal office for the transaction of the activities and affairs of the Corporation is located in the City of Arcata, County of Humboldt, State of California. The Board of Directors may at any time, or from time to time, change the location of the principal office from one location to another within said county, taking into consideration provisions of the California Education Code related to the location of charter schools as well as requirements from its chartering authority. The Board of Directors may at any time establish branch offices at any place where the Corporation is qualified to do business. 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 2.2 Other Offices

The Board may at any time establish branch or subordinate offices at any place or places where the Corporation is qualified to transact business.

ARTICLE 3 PURPOSES

Section 3.1 General Purpose

The Corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Corporation Law of California ("California Nonprofit Corporation Law") for charitable purposes.

Section 3.2 Specific Purpose

The specific purpose of the Corporation is to provide a charter school education for grades K-12 and to carry out associated business and services.

ARTICLE 4 LIMITATIONS

Section 4.1 Political Activities

The Corporation has been formed under California Nonprofit Corporation Law for the charitable purposes described in Article 3, and it shall be nonprofit and nonpartisan. No substantial part of the activities of the Corporation shall consist of carrying out propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in or intervene in any political campaign (including the publishing or distribution of statements) on behalf of, or in opposition to, any candidate for public office.

Section 4.2 Prohibited Activities

The Corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the purposes described in Article 3. Furthermore, nothing in Article 3 shall be construed as allowing the Corporation to engage in any activity not permitted to be carried on (i) by a corporation exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code") or (ii) by a corporation, contributions to which are deductible under section 170(c)(2) of the Code.

ARTICLE 5 DEDICATION OF ASSETS

Section 5.1 Property Dedicated to Nonprofit Purposes

The property of the Corporation is irrevocably dedicated to educational purposes. No part of the net income or assets of the Corporation shall ever inure to the benefit of any of its directors or officers, or to the benefit of any private person, except that the Corporation is authorized and empowered to pay reasonable compensation for services rendered in furtherance of the purposes set forth in Article 3 hereof.

Section 5.2 Distribution of Assets Upon Dissolution

Upon the dissolution or winding up of the Corporation, its 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 which is organized and operated exclusively for educational purposes, and which has established its tax-exempt status under Section 501(c)(3) of the Code.

ARTICLE 6 MEMBERSHIPS

Section 6.1 Members

The Corporation shall have no members within the meaning of section 5056 of the California Nonprofit Corporation Law.

ARTICLE 7 DIRECTORS

Section 7.1 Number and Qualifications

7.1.1 Number

The authorized number of directors of the Corporation ("directors") shall be not less than 5 or more than 7, unless changed by amendments to these Bylaws; the exact authorized number to be fixed, within these limits, by resolution of the Board. All directors have full voting rights, including any representative designated by the chartering authority as consistent with Education Code Section 47604(c). If the chartering authority designates a representative to serve on the Board of Directors, the Board of Directors may appoint an additional director to ensure an odd number of Board members. All directors, except for the representative designated by the chartering authority, shall be appointed by the existing Board of Directors.

In addition to the number of directors otherwise prescribed by these Bylaws, the Board may also

include a pupil member pursuant to Education Code section 47604.2, with limited voting rights set by statute.

7.1.2 Qualifications

A director shall not:

- a) Engage in any activity that is directly contrary to the interests of the Corporation;
- b) Engage in the misrepresentation of the Corporation and its policies to outside third parties, either willfully, or on a repeated basis;
- c) Be disruptive or unprofessional during a Board meeting or exhibit behavior that is deemed to be detrimental to the function of the Board meeting;
- d) Violate any other qualification or requirement for Board service that has been adopted by resolution of the Board of Directors prior to the commencement of that director's term of office, if that director was notified of such qualification or requirement at the commencement of his or her term of office.

7.1.3 Restriction on Interested Directors

No more than 49 % of the persons serving on the Board of Directors may be interested persons. An interested person is (i) any person currently being compensated by the Corporation for services rendered to it within the previous 12 months, whether as a full or part-time officer or other employee, independent contractor, or otherwise, or (ii) 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 any such person.

7.1.4 Charter Authorizer Appointment

Pursuant to California Education Code Section 47604(c), as long as the Corporation has a valid charter petition to operate a charter school, the governing board of the chartering authority shall have the right, at any time and from time to time, to appoint one director (the "Chartering Authority Director") to the Board of Directors, in accordance with the Corporation's appointment process.

Section 7.2 Powers

7.2.1 Corporate Powers Exercised by Board

Subject to the provisions of the Articles of Incorporation of the Corporation (the "Articles of Incorporation"), California Nonprofit Corporation Law and any other applicable laws, the business and affairs of the Corporation shall be managed, and all corporate powers shall be exercised, by or under the direction of the Board of Directors (the "Board").

7.2.2 Additional Powers

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

- a) To select and remove all of the officers, agents and employees of the Corporation; to prescribe powers and duties for them which are not inconsistent with law, the Corporation's Articles of Incorporation or these Bylaws; to fix their compensation; and to require security from them for faithful service.
- b) To conduct, manage and control the affairs and activities of the Corporation and to make such rules and regulations therefore which are not inconsistent with law, the Corporation's Articles of Incorporation or these Bylaws;
- c) To adopt, make and use a corporate seal and to alter the form of the seal from time to time;
- d) To borrow money and incur indebtedness for the purposes of the Corporation, and to cause to be executed and delivered therefore, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations and other evidences of debt and securities therefore; and
- e) To carry out such other duties as are described in any approved charter petition and the Charter Schools Act of 1992 (Education Code Section 47600 *et seq.*).

Section 7.3 Terms; Election of Successors

Terms: Directors shall be appointed at the annual meeting of the Board of Directors. Each director shall hold office unless otherwise removed from office in accordance with these Bylaws for three (3) years and until a successor has been designated and qualified. Directors may serve any number of consecutive terms.

Section 7.4 Vacancies

7.4.1 Events Causing Vacancy

A vacancy or vacancies on the Board shall be deemed to exist on the occurrence of the following: (i) the death, resignation, or removal of any director; (ii) whenever the number of authorized directors is increased; (iii) the failure of the Board, at any meeting at which any director or directors are to be appointed, to appoint the full authorized number of directors; or (iv) the declaration by resolution of the Board of Directors of a vacancy in the office of a director 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 Corporation Law, Part 2, Chapter 2, Article 3.

7.4.2 Removal

Directors, other than Chartering Authority Director, may be removed without cause by the vote of the majority of directors then in office at a special meeting called for that purpose, or at a regular meeting, provided that notice of that meeting and such removal are given in compliance with the provisions of the Ralph M. Brown Act (Chapter 9 (commencing with Section 54950) of Division 2 of Title 5 of the Government Code) as said chapter may be modified by subsequent legislation ("Brown Act"). If a Chartering Authority Director is appointed pursuant to Section 7.1.4, then the governing board of the chartering authority may remove that director at any time, with or without cause.

7.4.3 No Removal on Reduction of Number of Directors

No reduction of the authorized number of directors shall have the effect of removing any director before that director's term of office expires unless the reduction also provides for the removal of that specified director in accordance with these Bylaws and California Nonprofit Corporation Law.

7.4.4 Resignations

Except as provided in this Section 7.4.4, any director may resign by giving written notice to the Chairperson, the President, the Secretary, or the Board. The resignation shall be effective when the notice is given unless the notice specifies a later time for the resignation to become effective. No director may resign if the Corporation would then be left without a duly appointed director or directors in charge of its affairs, except upon notice to the California Attorney General (the "Attorney General").

7.4.5 Election to Fill Vacancies

If there is a vacancy on the Board, including a vacancy created by the removal of a Director, the Board may fill such a vacancy by appointing an additional director as soon as practicable after the vacancy occurs. Furthermore, a vacancy in the seat of the Chartering Authority Director shall be filled by the chartering authority.

Each director appointed to fill a vacancy shall hold office until the expiration of the term of the replaced director, and until a successor has been designated and qualified, or until that director's earlier resignation or removal in accordance with these Bylaws and California Nonprofit Corporation Law.

Section 7.5 Brown Act

Notwithstanding anything in these Bylaws to the contrary, all meetings of the Board shall be called, noticed and held in accordance with the Brown Act.

Section 7.6 Meetings; Annual Meetings of the Board

The Board shall meet annually for the purposes of appointment of directors, election of officers, review and approval of the corporate budget, adoption of the regular Board meeting schedule and transaction of other business. This meeting is sometimes referred to in these Bylaws as the "annual meeting." This meeting shall be held at a time, date, and place as noticed by the Board of Directors in accordance with the Brown Act.

Section 7.7 Special Meetings

A Special meeting of the Board for any lawful purpose or purposes may be called at any time by the Chairperson, or a majority of the Board of Directors. If a Chairperson has not been elected, then the Vice-Chairperson is authorized to call a special meeting in place of the Chairperson. The party calling a special meeting shall determine the place, date, and time thereof.

Section 7.8 Notice of Meetings

7.8.1 Notice of Annual and Regular Meetings

The Board shall adopt a regular Board meeting schedule at the annual Board meeting. The regular Board meeting schedule may be revised as necessary by the Board of Directors. At least seventy-two (72) hours before a regular meeting, the Board, 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, including items to be discussed in closed session. A brief general description of an item generally need not exceed twenty (20) words. The agenda shall specify the time and location of the meeting and shall be posted in a location that is freely accessible to members of the public, as well as on either the charter school's website, if any. The posting of the agenda and the contents of the agenda shall be in accordance with Section 54954.2 of the Brown Act. No action or discussion shall be undertaken at any meeting on any item not appearing on the posted agenda, except as set forth in Section 54954.2 of the Brown Act.

7.8.2 Notice of Special Meetings

7.8.2.1 Manner of Giving Notice

Notice of the time and place of all regular and special meetings shall be given to each director by one of the following methods:

- (a) Personal delivery of written notice;
- (b) First-class mail, postage paid;
- (c) Telephone, including a voice messaging system or other system or technology designed to record and communicate messages; or
- (d) Facsimile, electronic mail ("e-mail") or other means of electronic transmission if the recipient has consented to accept notices in this manner.

All such notices shall be given or sent to the director's address, phone number, facsimile number or e-mail address as shown on the records of the Corporation. Notice of the time and place of all regular and special meetings shall be given to members of the public in the following ways:

- (a) Posting on the charter school's website, if any;
- (b) Posting in a location freely accessible to members of the public.

Written notice of special meetings will also be provided to each local newspaper of general circulation and radio or television station requesting notice in writing.

7.8.2.2 Time Requirements

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 the public through the posting of an agenda.

7.8.2.3 Notice Contents

The call and notice of a special meeting of the Board shall state the time and place of the special meeting and the business to be transacted or discussed. No other business shall be considered at the special meeting. The notice of a special meeting shall comply with the requirements for special meetings set forth in the Brown Act.

7.8.3 Emergency Meetings

If there is an "emergency situation," as defined in Section 54956.5 of the Brown Act, involving matters upon which prompt action is necessary due to the disruption or threatened disruption of public facilities, the Board may hold an emergency meeting without complying with either the 24-hour posting requirement of Section 54956 of the Brown Act or both of the notice and posting requirements. The emergency meeting must be noticed and held in compliance with Section 54956.5 of the Brown Act.

Section 7.9 Place of Board Meetings

Meetings shall be held at the principal office of the Corporation unless the Board of Directors designates another location in accordance with these Bylaws. The Board of Directors may also designate that a meeting be held at any place within the physical boundaries of the county in which that charter school or schools are located. A two-way teleconference location shall be established at each school site and each resource center. All meetings of the Board of Directors shall be called, held and conducted in accordance with the terms and provisions of the Brown Act and Education Code section 47604.1.

7.9.1 Teleconference Meetings¹

Members of the Board of Directors 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 Board shall participate in the teleconference meeting from locations within the physical boundaries of the county in which that charter school or schools are located;
- (b) All votes taken during a teleconference meeting shall be by roll call;
- (c) The Board shall post agendas at all teleconference locations with each such location being identified in the notice and agenda of the meeting;
- (d) All locations where a Director participates in a teleconference meeting must be fully accessible to members of the public and shall be listed on the agenda, and members of the public shall be provided with an opportunity to address the Board directly at each teleconference location²;
- (e) Members of the public must be able to hear what is said during the meeting; and
- (f) Members of the public attending a meeting conducted via teleconference need not give their name as a condition to attendance at the meeting³.

Section 7.10 Quorum and Action of the Board

7.10.1 Quorum

A majority of the directors then in office shall constitute a quorum.

7.10.2 Minimum Vote Requirements for Valid Board Action

Every act taken or decision made by a vote of the majority of the directors in attendance at a meeting duly held at which a quorum is present is the act of the Board, unless a greater number is expressly required by California Nonprofit Corporation Law, the Articles of Incorporation or

¹ Pursuant to Government Code Section 54953, the Corporation may use teleconferencing without complying with the requirements of paragraphs (a), (c), and (d) if the Corporation complies with the requirements of Section 54953(e) or 54953(f).

² 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.

³ The Brown Act prohibits requiring members of the public to provide their names as a condition of attendance at the meeting.

these Bylaws. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for that meeting, or a greater number required by the California Nonprofit Corporations Law, the Articles of Incorporation or these Bylaws. Directors may not vote by proxy.

7.10.3 When a Greater Vote Is Required for Valid Board Action

The following actions shall require a vote by a majority of all Directors then in office in order to be effective:

- (a) Creation of, and appointment to, Committees (but not advisory committees) as described in Section 8.1;
- (b) Removal of a Director without cause as described in Section 7.4.2; and
- (c) Indemnification of Directors as described in Article 11.

Section 7.11 Adjournment

A majority of the Directors present, whether or not constituting a quorum, may adjourn any meeting to another time and place.

Section 7.12 Notice of Adjournment

Notice of the time and place of holding an adjourned meeting shall be given before the time scheduled for the continuation of the meeting to the directors who were not present at the time of the adjournment. Notice of any adjournment shall also be given in accordance with Section 54955 of the Brown Act.

Section 7.13 Conduct of Meetings

Meetings of the Board shall be presided over by the Chairperson, or, if there is no Chairperson or the Chairperson is absent, the Vice-Chairperson and in the absence the Chairperson and Vice-Chairperson by a chairperson of the meeting, chosen by a majority of the directors present at the meeting. The Secretary shall act as secretary of all meetings of the Board, provided that, if the Secretary is absent, the presiding officer shall appoint another person to act as secretary of the meeting. Meetings shall be governed by 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. Per the Brown Act, the Board must publicly report any action taken and the vote or abstention on that action of each member present for the action and this information should also be noted in the minutes of each meeting.

Section 7.14 Compensation of Directors and Committee Members

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

Section 7.15 Non-Liability of Directors

The Directors shall not be personally liable for the debts, liabilities, or other obligations of the

Corporation.

ARTICLE 8 COMMITTEES

Section 8.1 Committees of Directors

The Board may, by resolution adopted by a majority of the Directors then in office, create one or more Board Committees ("Committees"), including an executive committee, each consisting of two or more Directors, to serve at the discretion of the Board. Only committees comprised solely of directors may exercise delegated authority of the Board. Any Committee, to the extent provided in the resolution of the Board and allowed by law, may be given the authority of the Board except that no Committee may:

- (a) fill vacancies on the Board or in any Committee which has the authority of the Board;
- (b) amend or repeal any resolution of the Board which by its express terms is not so amendable or repealable; and
- (c) appoint any other Committees or the members of these Committees;

The Board may also create one or more advisory committees composed of directors and non-directors. It is the intent of the Board to encourage the participation and involvement of faculty, staff, parents, students and administrators through attending and participating in open committee meetings. The Board may establish, by resolution adopted by a majority of the directors then in office, advisory committees to serve at the pleasure of the Board.

Section 8.2 Meetings and Action of Board Committees

Meetings and action of committees shall be governed by, and held and taken in accordance with, the provisions of Article 7 concerning meetings of directors, and the Brown Act, if applicable, with such changes in the context of Article 7 as are necessary to substitute the committee and its members for the Board and its members, except that the time for regular meetings of committees may be determined by resolution of the Board, and special meetings of committees may also be called by resolution of the Board. Minutes shall be kept of each meeting of any committee and shall be filed with the corporate records. The committee shall report to the Board from time to time as the Board may require. The Board may adopt rules for the governance of any committee not inconsistent with the provisions of these Bylaws. In the absence of rules adopted by the Board, the committee may adopt such rules.

Section 8.3 Quorum Rules for Committees

A majority of the committee members shall constitute a quorum for the transaction of committee business, except to adjourn. A majority of the committee members present, whether or not constituting a quorum, may adjourn any meeting to another time and place. Every act taken or decision made by a majority of the committee members present at a meeting duly held at which a quorum is present shall be regarded as an act of the committee, subject to the provisions of the California Nonprofit Corporation Law relating to actions that require a majority vote of the entire Board.

Section 8.4 Revocation of Delegated Authority

The Board may, at any time, revoke or modify any or all of the authority that the Board has delegated to a Committee, increase or decrease (but not below two) the number of members of a Committee, and fill vacancies in a Committee from the members of the Board.

Section 8.5

ARTICLE 9 OFFICERS

Section 9.1 Officers

The officers of the Corporation shall be a President, a Chairperson, a Secretary, and a Treasurer. Other than the Chairperson, these persons may, but need not be, selected from among the Directors. The Board shall have the power to designate additional officers, including a Vice Chairperson, who also need not be directors, with such duties, powers, titles and privileges as the Board may fix, including such officers as may be appointed in accordance with Section 9.6.6.

Section 9.2 Election of Officers

The officers, except those appointed in accordance with Section 9.6.6, shall be elected by the Board at the annual meeting of the Corporation for a term of one year, and each shall serve at the discretion of the Board until his or her successor shall be elected, or his or her earlier resignation or removal. Officers may be elected for consecutive terms.

Section 9.3 Removal of Officers

Subject to the rights, if any, of an officer under any contract of employment, any officer may be removed, with or without cause, (i) by the Board, at any regular or special meeting of the Board, or at the annual meeting of the Corporation, or (ii) by an officer on whom such power of removal may be conferred by the Board.

Section 9.4 Resignation of Officers

Any officer may resign at any time by giving written notice to the Corporation. Any resignation shall take effect on the date of the receipt of that notice or at any later time specified in that notice; and, unless otherwise specified in that notice, the acceptance of the resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any, of the Corporation under any contract to which the officer is a party.

Section 9.5 Vacancies in Offices

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 regular election to that office, provided that such vacancies shall be filled as they occur and not on an annual basis. In the event of a vacancy in any office other than the Chairperson or one appointed in accordance with Section 9.6.6, such vacancy shall be filled temporarily by appointment by the Chairperson, or if none, by the Vice-Chairperson, and the appointee shall remain in office for 60 days, or until the next regular meeting of the Board, whichever comes first. Thereafter, the position can be filled only by action of the Board.

Section 9.6 Responsibilities of Officers

9.6.1 Chairperson of the Board

The chairperson of the Board (the "Chairperson"), if any, shall be a Director and shall preside at meetings of the Board and exercise and perform such other powers and duties as may from time to time be assigned to him by the Board or prescribed by these Bylaws. If a Chairperson of the Board of Directors is elected, there shall also be a Vice-Chairperson. In the absence of the Chairperson, the Vice-Chairperson shall preside at 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.

9.6.2 President

The president of the Corporation (the "President"), also known as the School Director 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.

9.6.3 Vice-Chairperson

The Vice-Chairperson of the Corporation (the "Vice-Chairperson") shall, in the absence or disability of the Chairperson, perform all the duties of the Chairperson and, when so acting, have all the powers of and be subject to all the restrictions upon the Chairperson. The Vice-Chairperson shall have such other powers and perform such other duties as may be prescribed by the Board.

9.6.4 Secretary

The secretary of the Corporation (the "Secretary") shall attend to the following:

9.6.4.1 Bylaws

The Secretary shall certify and keep or cause to be kept at the principal office of the Corporation the original or a copy of these Bylaws as amended to date.

9.6.4.2 Minute Book

The Secretary shall keep or cause to be kept a minute book as described in Section 12.1.

9.6.4.3 Notices

The Secretary shall give, or cause to be given, notice of all meetings of the Board in accordance with these Bylaws.

9.6.4.4 Corporate Records

Upon request, the Secretary shall exhibit or cause to be exhibited at all reasonable times to any Director, or to his or her agent or attorney, these Bylaws and the minute book.

9.6.4.5 Corporate Seal and Other Duties

The Secretary shall keep or cause to be kept the seal of the Corporation, if any, in safe custody, and shall have such other powers and perform such other duties incident to the

office of Secretary as may be prescribed by the Board or these Bylaws.

9.6.5 Treasurer

The treasurer of the Corporation (the "Treasurer") shall attend to the following:

9.6.5.1 Books of Account

The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and records of accounts of the properties and transactions of the Corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, retained earnings, and other matters customarily included in financial statements. The books of account shall be open to inspection by any director at all reasonable times.

9.6.5.2 Financial Reports

The Treasurer shall prepare, or cause to be prepared, and certify, or cause to be certified, the financial statements to be included in any required reports

9.6.5.3 Deposit and Disbursement of Money and Valuables

The Treasurer shall 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 may be designated by the Board; shall disburse, or cause to be disbursed, the funds of the Corporation as may be ordered by the Board; shall render, or cause to be rendered to the Chairperson and directors, whenever they request it, an account of all of his or her transactions as Treasurer and of the financial condition of the Corporation; and shall have other powers and perform such other duties incident to the office of Treasurer as may be prescribed by the Board or these Bylaws.

9.6.5.4 Bond

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

9.6.6 Additional Officers

The Board may empower the Chairperson to appoint or remove such other officers as the business of the Corporation may require, each of whom shall hold office for such period, have such authority, and perform such duties as are provided in these Bylaws or as the Board from time to time may determine.

Section 9.7 Compensation of Officers

9.7.1 Fees and Compensation

Officers may not receive compensation for their services as officers. Officers may receive reimbursement of expenses incurred in the performance of their duties, 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.

9.7.2 Fairness of Compensation

The Board shall periodically review the fairness of compensation, including benefits, paid to every employee, regardless of title, with powers, duties, or responsibilities comparable to the president, chief executive officer, treasurer, or chief financial officer (i) once such person is hired, (ii) upon any extension or renewal of such person's term of employment, and (iii) when such person's compensation is modified (unless all employees are subject to the same general modification of compensation).

ARTICLE 10 TRANSACTIONS BETWEEN CORPORATION AND DIRECTORS OR OFFICERS

Section 10.1 Transactions with Directors and Officers

10.1.1 Interested Party Transactions

The Corporation shall comply with Government Code Sections 1090 and 81000 *et seq.* ("Political Reform Act"), federal and state laws, applicable nonprofit integrity standards and any applicable chartering authority policies and regulations regarding ethics and conflict of interest.

Section 10.2 Loans to Directors and Officers

The Corporation shall not make any loan of money or property to or guarantee the obligation of any director or officer; except that, however, the Corporation may advance money to a director or officer for expenses reasonably anticipated to be incurred in the performance of duties of such director or officer, if in the absence of such advance, such director or officer would be entitled to be reimbursed for such expenses by the Corporation.

Section 10.3 Duty of Loyalty

Notwithstanding the foregoing Sections, nothing in this Article shall be construed to derogate in any way from the absolute duty of loyalty that every director and officer owes to the Corporation.

ARTICLE 11 INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS

Section 11.1 Indemnification

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 11.2 Contractual Rights of Non-Directors and Non-Officers

Nothing contained in this Article 11 shall affect any right to indemnification to which persons other than directors and officers of the Corporation, or any of its subsidiaries, may be entitled by contract or otherwise.

Section 11.3 Insurance

The Board may adopt a resolution authorizing the purchase and maintenance of insurance on behalf of any Agent, as defined in this Article 11, against any liability asserted against or incurred by any Agent in such capacity or arising out of the Agent's status as such, whether or not the Corporation would have the power to indemnify the Agent against the liability under the provisions of this Article 11.

Section 11.4 Non-applicability of Fiduciaries of Employee Benefit Plans

This Article does not apply to any proceeding against any trustee, investment manager or other fiduciary of an employee benefit plan in such person's capacity as such, even though such person may also be an agent of the corporation as defined in Section 11.1 of this Article. The Corporation shall have power to indemnify such trustee, investment manager or other fiduciary to the extent permitted by subdivision (j) of Section 5238 of the California Nonprofit Corporation Law.

ARTICLE 12 CORPORATE RECORDS, REPORTS AND SEAL

Section 12.1 Minute Book

The Corporation shall keep a minute book in written form which shall contain a record of all actions by the Board or any committee including (i) the time, date and place of each meeting; (ii) whether a meeting is regular, special, or emergency and, if special or emergency, how authorized; (iii) the manner of giving notice of each meeting and a copy thereof; (iv) the names of the directors present at each meeting of the Board or any Committee thereof; (v) the minutes of all meetings; and (vi) the vote or abstention of each Board member present for each action taken..

Section 12.2 Books and Records of Account

The Corporation shall keep adequate and correct books and records of account. "Correct books and records" includes, but is not necessarily limited to: accounts of properties and transactions, its assets, liabilities, receipts, disbursements, gains, and losses.

Section 12.3 Articles of Incorporation and Bylaws

The Corporation shall keep at its principal office the original or a copy of the Articles of Incorporation and Bylaws as amended to date.

Section 12.4 Maintenance and Inspection of Federal Tax Exemption Application and Annual Information Returns

The Corporation shall at all times keep at its principal office a copy of its federal tax exemption application and, for three years from their date of filing, its annual information returns. These documents shall be open to public inspection and copying to the extent required by the Code.

Section 12.5 Annual Report; Statement of Certain Transactions

The Board shall cause an annual report to be sent to each Director within 120 days after the close of the Corporation's fiscal year containing the following information:

- (a) The assets and liabilities of the Corporation as of the end of the fiscal year;
- (b) The principal changes in assets and liabilities, including trust funds, during the fiscal year;
- (c) The revenue or receipts of the Corporation, both unrestricted and restricted to particular purposes, for this fiscal year;
- (d) The expenses or disbursements of the Corporation for both general and restricted purposes during the fiscal year;

- (e) Any information required by Corporations Code section 6322.

Section 12.6 Rights of Inspection

Every director shall have the absolute right at any reasonable time to inspect the books, records, documents of every kind, and physical properties of the Corporation and each of its subsidiaries. The inspection may be made in person or by the director's agent or attorney. The right of inspection includes the right to copy and make extracts of documents. 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. In compliance with the "Public Records Act", the public shall have the rights to inspection of public records as set forth therein.

Section 12.7 Corporate Seal

The corporate seal, if any, shall be in such form as may be approved from time to time by the Board. Failure to affix the seal to corporate instruments, however, shall not affect the validity of any such instrument.

ARTICLE 13 EXECUTION OF INSTRUMENTS, DEPOSITS AND FUNDS

Section 13.1 Execution of Instruments

The Board, except as otherwise provided in these Bylaws, may by resolution 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 13.2 Checks, Notes, and Cash
Except as otherwise specifically determined by resolution of the Board, 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 and countersigned by the President or Chairperson. Cash receipts shall be recorded and documented by the Treasurer and verified by the President. Cash shall be stored in a secure locked location until deposit.
- Section 13.3 Deposits
All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks, trust companies, or other depositories as the Board may select.
- Section 13.4 Gifts
The Board may accept on behalf of the Corporation any contribution, gift, bequest, or devise for the charitable or public purposes of the Corporation.
- Section 13.5 Fiscal Year
The fiscal year of the Corporation shall begin July 1 and end June 30 of each year.

ARTICLE 14 CONSTRUCTION AND DEFINITIONS

Unless the context requires otherwise, the general provisions, rules of construction, and definitions of California Nonprofit Corporation Law shall govern the construction of these Bylaws. Without limiting the generality of the above, the masculine gender includes the feminine and neuter, the singular number includes the plural, the plural number includes the singular, and the term "person" includes both the Corporation and a natural person. All references to statutes, regulations and laws shall include any future statutes, regulations and laws that replace those referenced.

ARTICLE 15 EFFECTIVE DATE AND AMENDMENTS

- Section 15.1 Effective Date
These Bylaws and any subsequent amendments to them shall become effective immediately upon their adoption, unless the Board in adopting them provides that they are to become effective at a later date.
- Section 15.2 Amendment by Directors
The Board may adopt, amend or repeal Bylaws. Such power is subject to the following limitations:
- (a) Where any provision of these Bylaws requires the vote of a larger proportion of the directors than otherwise is required by law, such provision may not be altered, amended or repealed except by the vote of such greater number.
 - (b) No amendment may extend the term of a director beyond that for which such director was appointed.

- (c) If Bylaws are adopted, amended or repealed at a meeting of the Board, such action is authorized only at a duly called and held meeting for which written notice of such meeting, setting forth the proposed Bylaw revisions with explanations therefore, is given in accordance with these Bylaws, unless such notice is waived in accordance with these Bylaws.

CERTIFICATE OF SECRETARY

I certify that I am the duly elected and acting Secretary of Northcoast Preparatory and Performing Arts Academy, a California nonprofit public benefit corporation; that these Bylaws, consisting of _____ pages, are the Bylaws of this Corporation as adopted by the Board of Directors on _____ 5; and that these Bylaws have not been amended or modified since that date.

Executed on _____ at Arcata, California

Secretary