

BYLAWS
OF
LIFELINE EDUCATION CHARTER SCHOOL, INC.
A California Nonprofit Public benefit Corporation

Article I

NAME; OFFICE

Section 1. Name. The name of this corporation is LIFELINE EDUCATION CHARTER SCHOOL, INC.

Section 2. Principal Office: The principal office for the transactions of the activities and affairs of the corporation is located at 357 E. Palmer, Compton, California 90221. The corporation may have other such offices, or change their principal office within the state of California as the Board of Directors may determine or as the affairs of the corporation may require from time to time. 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. The Board of Directors (“Board”) may at any time establish branch or subordinate offices at any place or places where the corporation is qualified to conduct its activities.

Article II

PURPOSES

This corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the California Nonprofit Public Benefit Corporation Law for public purposes.

The specific and primary purpose and activity for which the corporation is organized is to manage, operate, guide, direct and promote Lifeline Education Charter School, a California Charter School.

Article III

DEDICATION OF ASSETS

This corporation's assets are irrevocably dedicated to public benefit purposes. No part of the net earnings, 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. Upon the dissolution or winding up of the corporation, its assets, remaining after payment of all debts and liabilities of the corporation, shall be contributed to a Charter School licensed by the California State Department of Education or a 501 (c) (3) not for profit Corporation that promotes the purposes and goals of this organization as determined by the Board of Directors or a court of competent jurisdiction if the Board of Directors is unable to make a decision.

No part of the corporation shall consist of lobbying or propaganda, or otherwise attempting to influence legislation. This corporation shall not participate or intervene in any political campaign on behalf of any candidate for public office , including the publication or distribution of statements.

All property of the corporation is irrevocably dedicated to the purposes set forth in Article II. No part of the net earnings of this corporation shall inure to the benefit of any of its directors, trustees, officers, private shareholders or members, or to individuals.

Article IV

ADDRESS

The initial street address in the state of California of the initial registered office of the corporation is 357 E. Palmer, Compton, California 90221. The name and address in this state of the corporation's initial agent for service of process in accordance with subdivision (b) of Section 6210 is Sharon L. Cusic, 4340 Campus Drive, Suite 100, Newport Beach, California 92660.

Article V.

INITIAL INCORPORATOR

The name and address of the initial incorporator is:

Waldo Burford
1235 Indiana Ct., #105
Redlands, CA 92374

Article VI

BOARD OF DIRECTORS

Section 1. GENERAL CORPORATE POWERS. Subject to the provisions and limitations of the California Nonprofit Public benefit corporation law and any other applicable laws, the corporation's activities and affairs shall be managed, and all corporate power shall be exercised, by or under the direction of the Board.

Section 2. SPECIFIC POWERS. Without prejudice to the general powers set forth in these Bylaws, but subject to the same limitations, the board members shall have the power to:

- A. Exercise all powers vested in the Board under the laws of the state of California.
- B. Appoint and remove all officers of the Corporation, the management company, if any, and corporation employees, if any; prescribe any powers and duties for such persons that are consistent with law, the Articles of Incorporation and these Bylaws; and fix their compensation.
- C. Appoint such agents and employ such other employees, including attorneys and accountants, as it sees fit to assist in the operation of the corporation, and to fix their compensation.
- D. Adopt and establish rules and regulations governing the affairs and activities of the corporation and take such steps as it deems necessary for the enforcement of such rules and regulations.
- E. Enforce all applicable provisions of the Bylaws.
- F. Contract for and pay premiums for insurance and bonds (including indemnity bonds) which may be required from time to time by the corporation.
- G. Pay all taxes and charges which are or would become a lien on any portion of the corporation's properties.
- H. Delegate its duties and powers hereunder to the officers of the corporation, the management company (if any) or to committees established by the Board.
- I. Prepare budgets and maintain a full set of books and records showing the financial condition of the affairs of the corporation in a manner consistent with generally accepted accounting principles, and, at no greater than annual intervals, prepare an approved financial report, a copy of which shall be delivered to each board member and the chartering authority.
- J. Open bank accounts and borrow money on behalf of the corporation and designate the signatories to such bank accounts.
- K. Bring and defend actions on behalf of the corporation so long as the action is pertinent to the operations of the corporation.

Section 3. NUMBER. Unless changed by an amendment to these Bylaws, the authorized number of board members shall not be less than three (3) but no more than nine (9). The exact number of board members shall be fixed, within these limits, by a resolution adopted by the board of directors.

Section 4. MAKE-UP OF BOARD AND BOARD QUALIFICATIONS. The board members must be qualified to carry out the purpose and activities of the corporation. To this end, the board membership shall include at all times a parent, a representative of the community and a member from the chartering authority. The remaining board member nominated to serve will be nominated based on their commitment to the mission and vision of the school, their willingness to participate in ongoing orientation and training in areas including, but not limited to, leadership effectiveness, cultural competency, fund-raising, conflict resolution, community outreach, the Ralph M. Brown Act, and board governance. The board members will be comprised of individuals with backgrounds in the areas of education, business, charter school operation and community activism. The board members shall be recruited from the civic community, and the business and educational communities surrounding the school. Initial members of the board shall be elected by the Parent Teacher Association.

Section 5. VACANCIES GENERALLY. A vacancy or vacancies on the Board shall exist on the occurrence of any of the following: (a) the death or resignation of the board member; (b) the declaration by resolution of the Board of a vacancy in the office of a board member who has been declared of unsound mind by an order of the court, convicted of a felony, or found by final order or judgment of any court to have breached a duty under Article 3 of chapter 2 (relating to the standards of conduct of directors) of the California Nonprofit Public benefit Corporation law;(c) by removal of a board member who fails or ceases to meet all of the required qualifications to be a board member that was in effect at the beginning of that member's term of office, by a majority vote of the board members who meet all of the required qualifications to be a board member; by the organization or entity designating the board member; or (d) an increase of the authorized number of board members.

Section 6. FILLING OF VACANCIES. Any vacancies on the board may be filled by approval of the Board, or, if the number of board members then in office is less than a quorum, by (a) the unanimous votes of the board members in office; or (b) the affirmative vote of a majority of the board members then in office at a meeting held according to notice or waivers of notice complying with Corporations Code section 5211, or (3) a sole remaining board member.

Section 7. TERM. Each board member shall serve for a period of three years. Board members shall not serve more than three consecutive terms.

Section 8. SELF DEALING TRANSACTIONS. Notwithstanding the powers conferred on the Board herein, this corporation shall not engage in any transaction which meets the definition of a 'self-dealing transaction' as defined in section 5233 of the Nonprofit Public Benefit Corporation law unless the transaction has been approved by one of the means

specified in subparagraph (d) of said section 5233.

Section 9. TRANSACTIONS BETWEEN CORPORATIONS HAVING COMMON DIRECTORSHIPS. Unless it is established that the contract of transaction is just and reasonable as to the corporation at the time it is authorized, approved or ratified, this corporation shall not enter into a contract or transaction with any other corporation, association or entity in which one or more of the corporation's directors/board members are directors/board members unless the material facts as to the transaction and the director's/board member's common directorship are fully known or disclosed to the Board. The Board must approve, authorize or ratify any such contract or transaction in good faith and by a vote sufficient without counting the vote of the common directors/board members.

Section 10. LOANS TO DIRECTOR OR OFFICERS. This corporation shall not make any loan of money or property to, or guarantee the obligation of any board member or officer, unless the transaction is first approved by the California Attorney General. This provision shall not apply to any reasonable advance on account of expenses anticipated to be incurred in the performance of the board member or officer's duties.

Section 11. STANDARDS FOR INVESTMENTS. Except as provided in sections 5240(c) and 5241 of the Nonprofit Public benefit Corporation law, in the investment, reinvestment, purchase, acquisition, exchange, sale and management of the corporation's investments, the Board shall:

- a. Avoid speculation, looking instead to the permanent disposition of the funds, considering the probable income, as well as, the probable safety of the corporation's capital; and
- b. Comply with additional standards, if any, imposed by the Articles of Incorporation, these Bylaws, or the express terms of an instrument or agreement pursuant to which the invested assets were contributed to the corporation.

Article VII

OFFICERS

Section 1. OFFICERS. The officers of the corporation shall be a president, a secretary and a chief financial officer who shall be known as the treasurer. The corporation may also have, at the Board's discretion, one or more assistant secretaries, or one or more assistant treasurers, and such other officers as the Board may appoint, who need not be members of the Board. Any number of offices may be held by the same person, except that neither the secretary nor the treasurer may serve concurrently as the president.

Section 2. ELECTION OF OFFICERS. The officers of the corporation, except any appointed under Section 3 of these Bylaws, shall be chosen annually by the Board and shall

serve at the pleasure of the Board, subject to the rights of any officer under any employment contract.

Section 3. APPOINTMENT OF OTHER OFFICERS. The Board may appoint and authorize the President, 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 by the Bylaws or established by the Board.

Section 4. REMOVAL OF OFFICERS. Without prejudice to the rights of any officer under an employment contract, the Board may remove any officer with or without cause. An officer who was not chosen by the Board may be removed by any other officer on whom the Board confers the power of removal.

Section 5. RESIGNATION OF OFFICERS. Any officer may resign at any time by giving written notice to the board. 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 6. TERM OF SERVICE. The officers of the corporation shall hold office for a term of one year and thereafter until their successors are chosen and qualify in their stead. Any officer may be removed at any time, with or without cause, by the affirmative vote of a majority of the Board.

Section 7. VACANCIES IN OFFICE. A vacancy in any office shall be filled in the manner prescribed in these Bylaws for regular appointments to that office, provided, however, that vacancies need not be filled on an annual basis.

Section 8. PRESIDENT. The president is Lifeline's chief executive officer. He or she will supervise and control all of Lifeline's business and affairs and will preside at all meetings of the Board. The president may execute any deeds, mortgages, bonds, contracts, or other instruments that the Board authorizes to be executed. However, the president may not execute instruments on Lifeline's behalf if this power is expressly delegated to another officer or agent of DCL by the Board, these Bylaws, or statute. The president will perform other duties prescribed by the Board and all duties incident to the office of president.

Section 9. SECRETARY. The secretary shall keep or cause to be kept, at the corporation's principal office or such other place as the board may direct, a book of minutes of all meeting, proceedings, and actions of the Board, or committees of the Board. The secretary shall keep or cause to be kept, at the principal office in California, a copy of the Articles of Incorporation and Bylaws as amended to date. These records will be made available to the public upon request.

Section 10. **TREASURER.** The treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and accounts of the corporation's properties and transactions. The treasurer shall send or cause to be given to the board members such financial statements and reports as are required to be given by law, by these Bylaws, or by the board. These books of account shall be open to inspection by any director/board member at all reasonable times.

The treasurer shall deposit, or cause to be deposited, any money and other valuables in the name and to the credit of the corporation with such depositories as the Board may designate, and shall disburse the corporation's funds as the board may order.

The treasurer shall cause an independent audit of the school to occur annually. This audit report, to be conducted by certified auditors, shall be transmitted each year to the California Department of Education, the Los Angeles County Office of Education, and to any other entity which would be considered the chartering authority.

Article VIII

MEETING OF THE BOARD OF DIRECTORS

Section 1. **MONTHLY MEETINGS.** The monthly meeting of the Board shall be held third Thursday of each month, at the time designated in the notice of the meeting, at the principle business office of the corporation, unless otherwise determined by the Board. All notices shall comply with the provisions of the Ralph M. Brown Act. Notice of the meeting shall be posted in a prominent place at the school where interested parties are most likely to see it. Board meetings will also be announced at the Parent Teacher Association meetings, as well as the Site Advisory Council meetings.

Section 2. **SPECIAL MEETINGS.** Special meetings of the Board for any purpose may be called by the President, Secretary, Treasurer or any two board members so long as notice for said meeting is properly given in accordance with the Ralph M. Brown Act. The Board may have closed meetings to discuss personnel issues, pending litigation, labor negotiations, property negotiations and other issues (such as license applications for people with criminal records) as allowed by the Brown Act.

Section 3. **NOTICE OF SPECIAL MEETINGS.** Notice of the time and place of meetings shall be given to each board member by one of the following methods: (a) by personal delivery of written notice; (b) by first-class mail, postage prepaid; (c) by telephone, either directly to the board member or to a person at the board member's office who would reasonably be expected to communicate that notice promptly to the board member; (d) by telegram, charges prepaid; or (e) by electronic mail. All such notices shall be given or sent to the board member's address or telephone number as shown on the records of the corporation,

unless otherwise determined by the Board.

Notices sent by first-class mail shall be deposited in the United States mail at least four days before the time set for the meeting. Notices given by personal delivery, telephone or telegraph, shall be delivered, telephoned, or given to the telegraph company at least 48 hours before the time set for the meeting.

The notice shall state the time of the meeting, and the place if the place is other than the principal office of the corporation. It need not specify the purpose of the meeting.

Section 5. REQUIREMENTS APPLICABLE TO MEETINGS. Notwithstanding any other requirements contained in these Bylaws, all meetings of the corporation shall be held in compliance with all applicable requirements of the Ralph M. Brown Act (Chapter 9 of part 1 of Division 2 of the California government Code.), wit, the public must be allowed to attend said meetings and address the Board at the appropriate time and not secret ballots may be taken.

Section 6. QUORUM. A majority of the authorized number of board members shall constitute a quorum for the transaction of business, except to adjourn. Every action taken or decision made by a majority of the board members present at a duly held meeting at which a quorum is present shall be the act of the Board, subject to the more stringent provisions of the California Nonprofit Public benefit Corporation law, including, without limitation, those provisions relating to (a) approval of contracts or transactions in which a board member has a direct or indirect financial interest, (b) approval of contracts or transactions between corporations having common board members, (c) creation of any appointments to committees of the Board, and (d) indemnification of board members. A meeting at which a quorum is initially present may continue to transact business, despite the withdrawal of board members, if any action taken or decisions made is approved by at least a majority of the required quorum for that meeting.

Section 7. WAIVER OF NOTICE. Notice of a meeting need not be given to any board member who, either before the meeting need not be given to any board member, who, either before or after the meeting, signs a waiver of notice, a written consent to the holding of the meeting, or an approval of minutes of the meeting. All such waivers, consents and approvals shall be filed with the corporate records or made part of the minutes of the meetings. Notice of a meeting need not be given to any board member who attends the meeting and does not protest, before or at the commencement of the meeting, the lack of notice to that board member. Notwithstanding this provision, all public notices required by the Brown Act must be complied with.

Section 8. COMPENSATION. Board members shall not receive any stated salaries for their services, but by resolution of the Board, a fixed sum and expenses of attendance, if any, may be allowed for attendance at each regular meeting or special meeting of the Board.

Board members may receive such reimbursement of expenses as the Board may determine by resolution to be just and reasonable as to the corporation at the time that the resolution is adopted.

Section 9. **COMMITTEES.** The Board, by resolution adopted by a majority of the board members then in office, provided a quorum is present, may create one or more committees, each consisting of two or more board members and no persons who are not board members, to serve at the pleasure of the Board. Appointments to committees of the Board shall be made by a majority of the board members then in office. The Board may appoint one or more board members as alternate members of any such committee, who may replace any absent member at any meeting. Any such committee, to the extent provided in the Board resolution, shall report its findings and recommendations to the Board for its action.

Article IX

ORDER OF GOVERNANCE/SITE ADVISORY COUNCIL

Section 1. **BOARD OR DIRECTORS.** The Board of Directors serves as the primary governance agency of the corporation.

Section 2. **DIRECTOR.** The Board of Directors shall hire a full time Director of the corporation who will be responsible for operation of the corporation and the charter school. The Board of Directors empowers the Director to have specifically delegated authority in the daily operations of the school. The Director focuses on planning, developing innovative programs, examining issues of educational leadership and of progress toward meeting the Charter's stated standards and goals, including oversight of the budget.

Section 3. **SITE ADVISORY COUNCIL.** The Site Advisory Council is designed to represent primary stakeholders, especially parents, in the charter school. It is the primary advisory group to the Board and the Director and is tasked to make recommendations. As required, this group considers and discusses the potential detriment or benefit of their recommendations for the whole charter school as well as for each of their constituents. The Board of Directors and/or the Director will provide specific direction to this group as required. This Council will consist of not less than ten (10) members and no more than fifteen (15) members.

A. The Chair of the Site Advisory Council shall be the Director who shall be a permanent member of the Council. The Council will report to the Director who will report directly to the President of the Board of Directors.

B. The Site Advisory Council will be elected by the Parent Teacher Association at the beginning of each academic year from a pool of volunteers by a simple majority vote.

C. Members of the Site Advisory Council will serve for a term of one year. After

one year of service, a representative may be reelected to serve additional years without limit.

D. The Site Advisory Council is responsible for making collaborative recommendations to the Board of Directors in relation to the school's total governance, including, but not necessarily limited to:

Personnel selection

Fiscal management and accountability

Educational program / instructional strategies

Policies and procedures for operations

E. Final authority for all matters dealing with the administration or operation of the Lifeline Education Charter School shall reside with the Lifeline Education Charter School Board of Directors.

F. The Director will provide periodic reports to the Site Advisory Council.

G. The Site Advisory Council meets on a regularly scheduled basis. The Director will schedule and conduct these meetings. The Director is responsible for insuring the recording of minutes and making such minutes a part of the public record.

H. The Site Advisory Council may make recommendations for amendments to the existing charter by majority vote. Material revisions of the charter must be submitted for approval to the Board of the Charter School Corporation and the chartering authority.

Article X

INDEMNIFICATION OF BOARD MEMBERS OFFICERS, EMPLOYEES AND OTHER AGENTS

Section 1. **RIGHT OF INDEMNITY.** To the fullest extent permitted by law, this corporation may indemnify its board members, officers and employees, and other persons described in Section 5238(a) of the California Corporations Code, and including persons formerly occupying any such position, 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 Section 5238(a) of the California Corporations Code.

Section 2. The corporation shall indemnify the chartering authority to the fullest extent permitted under the law and as specified by the chartering authority.

ARTICLE XI

INSURANCE

Section 1. This corporation shall have the right, and shall use its best efforts, to purchase and maintain insurance to the full extent permitted by law on behalf of its officers, directors, board members, employees, and other agents, to cover any liability asserted against or incurred by any officer, director, employee, or agent in such capacity or arising from the officer's, director's, board members, employee's or agent's status as such.

Section 2. The corporation shall obtain and keep in effect all insurance policies required by the chartering authority.

Article XII

RECORDS AND REPORTS

Section 1. MAINTENANCE OF CORPORATE RECORDS. The corporation shall keep: (1) adequate and correct books and records of accounts; and (2) written minutes of the proceedings of the Board and committees of the Board.

Section 2. INSPECTION BY BOARD MEMBERS. Every board member shall have the absolute right at any reasonable time to inspect the corporation's books, records, documents of every kind, physical properties, and the records of each of its subsidiaries. The inspection may be made in person or by the board member's agent or attorney. The right of inspection includes the right to copy and make extracts of documents.

Section 3. ANNUAL STATEMENT OF CERTAIN TRANSACTIONS AND INDEMNIFICATIONS. The corporation shall annually prepare and furnish to each board member a statement of any transaction or indemnification of the following kind within 120 days after the end of the corporation's fiscal year:

Any transaction (i) in which the corporation, its parent, or its 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 a number of transactions with the same interested person involving, in the aggregate, more than \$50,000. For this purpose, an "interested person" is any director, board member or officer of the corporation, its parent, or subsidiary (but mere common directorship or board membership shall not be considered such an interest).

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 in the transaction and, if practicable, the amount of that 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.

Any indemnification or advances aggregating more than \$10,000 paid during a fiscal year to any officer or board member of the corporation.

Section 4. YEAR END REPORT. Within 120 days after the close of the fiscal year, a year-end report consisting of at least the following shall be distributed to directors/board members:

A balance sheet as of the end of the fiscal year;
An operating (income) statement for the fiscal year;
A statement of changes in financial position for the fiscal year;
Any information required to be reported under section 6322 of the Corporations Code requiring the disclosure of certain transaction in excess of \$50,000 per year between the corporation and any director or officer of the corporation and indemnification and advances to officers or directors in excess of \$10,000 per year.

The annual report shall be prepared by an independent accountant.

Article XIII

OTHER PROVISIONS

Section 1. AMENDMENT OF BYLAWS. The board may adopt, amend, or repeal these Bylaws, by majority vote with a quorum present, provided that any such amendment does not conflict with the Articles of Incorporation or with any laws.

Section 2. FISCAL YEAR. The fiscal year of the corporation shall be from July 1st through June 30th of each year.

Section 3. CONSTRUCTION AND DEFINITIONS. Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the California Nonprofit Corporation Law shall govern the construction of these Bylaws.

Section 4. ANNUAL STATEMENT OF GENERAL INFORMATION. As and when required by section 6210 of the California Nonprofit Corporation Law, the corporation shall file with the Secretary of State of California, on the prescribed form, a statement setting forth the authorized number of directors or board members, the names and complete business or residence addresses of all incumbent directors or board members, the names and complete business or residence addresses of the chief executive officer, secretary and chief financial officer, the street address of its principal office in this state, together with a designation of the agent of the corporation for the purpose of service process.

CERTIFICATE OF SECRETARY

I certify that I am the duly elected and acting Secretary of Lifeline Education Charter School, Inc., a California nonprofit public benefit corporation; that these bylaws, consisting of 13 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 _____ at _____ California.

Signature