

**BYLAWS
OF
BAYPOINT PREPARATORY ACADEMY
A California Nonprofit Public Benefit Corporation**

**ARTICLE I
NAME**

Section 1.01 Corporate Name. The name of this corporation is Baypoint Preparatory Academy.

**ARTICLE II
OFFICES**

Section 2.01 Principal Office of the Corporation. The principal office for this corporation shall be located at 1175 Linda Vista Drive, San Marcos, CA 92078. The Board of Directors ("Board") is granted full power and authority to change such principal office from one location to another within California.

Section 2.02 Other Offices of the Corporation. The Board 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
PURPOSES**

Section 3.01 Description in Articles. The corporation's general and specific purposes are described in its articles of incorporation.

**ARTICLE IV
DEDICATION OF ASSETS**

Section 4.01 Corporate Assets. This corporation's assets are irrevocably dedicated to public benefit purposes. No part of the net earnings, properties, or assets of the corporation, on dissolution or otherwise, shall inure to the benefit of any private person or individual, or to any Director or officer of the corporation. On liquidation or dissolution, all properties and assets remaining after payment, or provision for payment, of all debts and liabilities of the corporation shall be distributed to a California nonprofit fund, foundation or corporation that is organized and operated exclusively for charitable purposes and qualifies for tax exempt status under Internal Revenue Code section 501(c)(3).

ARTICLE V MEMBERSHIP

Section 5.01 Members. The Bay Group, a California nonprofit public benefit corporation, shall be the sole statutory member of this corporation (“Sole Statutory Member”) as the term “member” is defined in Section 5056 of the Nonprofit Corporation Law of California. The membership of the Sole Statutory Member in this corporation is not transferable.

Section 5.02 Associates. Nothing in this Article 5 shall be construed as limiting the right of the corporation to refer to persons associated with it as “members” even though such persons are not members of the corporation, and no such reference shall make anyone a member within the meaning of Section 5056 of the California Nonprofit Corporation Law, including honorary or donor members. Such individuals may originate and take part in the discussion of any subject that may properly come before any meeting of the Board, but may not vote. The corporation may confer by amendment of its articles of incorporation or these bylaws some or all of the rights of a member, as set forth in the Nonprofit Corporation Law of California, upon any person who does not have the right to vote for the election of directors, on a disposition of substantially all of the corporation’s assets, on the merger or dissolution of it, or on changes to its articles of incorporation or bylaws, but no such person shall be a member within the meaning of Section 5056. The Board may also, in its discretion, without establishing memberships, establish an advisory council or honorary board or such other auxiliary groups as it deems appropriate to advise and support the corporation.

Section 5.03 Authority Vested in Board of Directors. Any action that would otherwise require approval by a majority of all members or approval by the members shall require only approval by the Board. All rights that would otherwise vest in the members shall vest in the Board.

ARTICLE VI BOARD OF DIRECTORS

Section 6.01 General Powers. Subject to the provisions and limitations of the California Nonprofit Public Benefit Corporation Law and any other applicable laws, subject to the powers of the Sole Statutory Member, 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 Board. The Board may delegate the management of the corporation’s activities to any person(s), management company or committees, however composed, provided that the activities and affairs of the corporation shall be managed and all corporate powers shall be exercised under the ultimate direction of the Board, subject to the powers of the Sole Statutory Member.

Section 6.02 Specific Powers. Without prejudice to the general powers set forth in Section 6.01 of these bylaws, but subject to the same limitations, it is hereby expressly declared that the Board shall have the following powers in addition to the other powers enumerated in these bylaws and permitted by law:

(a) To appoint and remove, at the pleasure of the Board, all corporate officers of the corporation, and to prescribe powers and duties for them as are consistent with the law, the articles of incorporation, or these bylaws; to fix their compensation;

(b) To conduct, manage and control the affairs and activities of the corporation and to make such rules and regulations therefor which are not inconsistent with law, the corporation's articles of incorporation or these bylaws;

(c) To 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, or country; conduct its activities in or outside California; and designate a place for holding any meeting;

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

(e) To adopt, make and use a corporate seal, and to alter the form of the seal;

(f) To carry on a business and apply any profit from such business activity to any activity that it may lawfully engage in;

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

(h) To act as trustee under any trust incidental to the principal object of the corporation, and to receive, hold, administer, exchange, and expend funds and property subject to such trust.

(i) To enter into any contracts or instruments, and do any and all other things incidental to or expedient for attainment of the corporation's purposes.

Section 6.03 Number of Directors and Qualifications.

(a) The number of Directors shall be no less than three (3) and no more than nine (9), with the exact number to be determined from time to time by a resolution of the Board, unless and until changed by amendment of these bylaws.

(b) The initial Board shall be five (5) voting members, and shall be comprised of parties as appointed by the Incorporator.

(c) The qualifications for Directors are generally the ability to attend board meetings, a willingness to actively support and promote the corporation and a dedication to its charitable

and educational endeavors.

Section 6.04 Election and Terms of Office.

(a) The initial Directors shall be appointed by the Incorporator. Subsequent Directors shall be elected at a meeting of the Board by a majority vote of the Directors holding office as of the date of such meeting and approved by the Sole Statutory Member.

(b) Each Director shall hold office for a term of two (2) years and until a successor has been duly qualified and elected, and approved by the Sole Statutory Member. Notwithstanding the foregoing, the members of the initial Board shall stagger their terms by dividing the number of members of the Board into two groups and then labeling the groups 1 and 2. Thereafter, by lot, the name of a Director shall be assigned to one of the two groups. The terms for each of the Directors in Group 1 shall expire after one year; the terms for each of the Directors in Group 2 shall expire after the second year. There shall be no limitation upon the number of consecutive terms to which any Director may be reelected.

Section 6.05 Restriction on Interested Directors. No more than forty-nine percent (49%) of the Directors serving at any one time may be "interested persons." For purposes of this section, an "interested person" is: (a) any person currently being compensated by the corporation for services rendered to it within the previous twelve (12) months, whether as a full-time or part-time employee, independent contractor, or otherwise, excluding any reasonable compensation, if any, paid to a Director as a Director; and (b) any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, or father-in-law of any such person. However, any violation of the provisions of this section shall not affect the validity or enforceability of any transaction entered into by the corporation. The Board shall comply with all applicable conflict of interest laws.

Section 6.06 Resignation. Subject to the provisions of Section 5226 of the California Nonprofit Public Benefit Corporation Law, any Director may resign effective upon giving written notice to the President/Chief Executive Officer, the Secretary, or the Board, unless the notice specifies a later time for the effectiveness of such resignation. If the resignation is effective at a future time, a successor may be appointed before such time, to take office when the resignation becomes effective.

Section 6.07 Removal. Any Director may be removed at any time, with or without cause, by the Sole Statutory Member, or by a majority vote of the entire Board.

Section 6.08 Vacancies. A vacancy on the Board shall be deemed to exist if a Director dies, resigns, is removed, or if the authorized number of Directors is increased. The Board may declare vacant the office of a Director who has been declared of unsound mind by a final order of court, convicted of a felony, or found by a final order or judgment of any court to have breached any duty arising under Article 3 of Chapter 2 of the California Nonprofit Public Benefit Corporation Law. Vacancies on the Board shall be filled by the vote of a majority of Directors then in office and approval of the Sole Statutory Member. Each Director so elected shall hold

office until the expiration of the term of the replaced Director and until a successor has been duly qualified and elected and approved by the Sole Statutory Member.

Section 6.09 Place of Meetings. Meetings of the Board may be held at the corporation's principal office, or at any other place within or outside of the State of California that has been designated in the notice of the meeting, or if there is no notice, at such place as has been designated from time to time by resolution of the Board. For so long as the corporation holds a charter for California public charter school(s), and to the extent a meeting is related to a charter held by the corporation, all meetings of the Board shall be called, held and conducted in accordance with the terms and provisions of the Ralph M. Brown Act ("Brown Act"), California Government Code Sections 54950, et seq., as said chapter may be modified by subsequent legislation.

Section 6.10 Annual Meetings. The Board shall meet annually for the purpose of organization, appointment of officers and the transaction of such other business as may properly be brought before the meeting.

Section 6.11 Regular Meetings. Regular meetings of the Board, including annual meetings, shall be held at such times and places as may from time to time be fixed by the Board. Regular meetings of the Board related to a charter held by the corporation will be called, held and conducted in accordance with the Brown Act, and agendas for such meetings will be publicly posted and made available on the charter's Internet web site, if it has one, at least seventy-two (72) hours prior to the meeting. Such notices will indicate the location, date and time of the meeting.

Section 6.12 Special Meetings. Special meetings of the Board for any purpose may be called at any time by the Chairperson of the Board, if any, or by the President/Chief Executive Officer, or a majority of Directors. The party or parties calling such special meeting shall determine the place, date and time thereof. Special meetings may be held after each Director has received twenty-four (24) hours' notice, but such notice will be deemed waived by any Board member who is actually present at the meeting or at or prior to the meeting files a written waiver of notice with the Secretary of the Board. All waivers, consents, and approvals must be filed with the corporate records or made a part of the minutes of the meetings. Special meetings of the Board related to a charter held by the corporation will be called, held and conducted in accordance with the Brown Act, and agendas for such special meetings will be posted twenty-four (24) hours prior to the meeting in a location accessible to the public. Emergency meetings of the Board related to a charter held by the corporation will be called, held and conducted in accordance with Government Code section 54956.5.

Section 6.13 Quorum. A majority of the Directors then in office shall constitute a quorum, and every act or decision done or made by a majority of the Directors present at a meeting duly held at which a quorum is present is an 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 Director has a direct or indirect material financial interest, (b) approval of certain transactions

between corporations having common Directors, (c) creation of and appointments to committees of the Board, and (d) indemnification of Directors. 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 such meeting, or such greater number as is required by the law or these bylaws.

Section 6.14 Participation In Meetings by Conference Telephone. Subject to the requirements of the California Nonprofit Public Benefit Corporation Law, members of the Board may participate in a meeting through the use of conference telephone or similar communications equipment, so long as all Directors participating in such meeting can hear one another. For so long as the corporation holds a charter for California public charter schools, and to the extent a meeting is related to a charter held by the corporation, such teleconferenced meetings of the Board shall comply with the requirements set forth in Government Code Section 54953. To count toward a quorum, such teleconferenced Directors must timely post the meeting agenda in plain sight to the public at their teleconference location, make the location open to members of the public, and the location must be within the jurisdiction of the charter school. Nothing precludes a Director at such meeting from otherwise attending by telephone, provided that a quorum of members is participating in the meeting either in person or at a teleconference location that may be counted toward a quorum.

Section 6.15 Conduct of Meetings. Meetings of the Board shall be presided over by the Chairperson, if appointed, or if not, by the President/Chief Executive Officer, or, in the absence of each of these persons, by a Director 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, in his or her absence, the presiding Director shall appoint another person to act as Secretary of the meeting.

Section 6.16 Adjournment. A majority of the Directors present, whether or not a quorum is present, may adjourn any Board meeting to another time and place. If the meeting is adjourned for more than twenty-four (24) hours, notice of any adjournment to another time or place shall be given prior to the time of the adjourned meeting to the Directors who were not present at the time of the adjournment. The time and place of the adjourned meeting must also be provided to the public in accordance with the Brown Act.

Section 6.17 Rights of Inspection. Every Director, and the Sole Statutory Member, shall have the absolute right at any reasonable time to inspect the corporation's books, records, and documents of every kind.

Section 6.18 Fees, Volunteer Directors. Directors serve without compensation for their service. The Board may approve the reimbursement of a Director's actual and necessary expenses incurred when conducting the corporation's business.

Section 6.19 Standard of Care. Pursuant to Section 5231 of the California Nonprofit Public Benefit Corporation Law:

(a) A Director shall perform the duties of a Director, including duties as a member of any committee of the Board on which the Director may serve, in good faith, in a manner such Director believes to be in the corporation's best interests and with such care, including reasonable inquiry, as an ordinarily prudent person in a like situation would use under similar circumstances.

(b) In performing the duties of a Director, a Director shall be entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, in each case prepared or presented by: (i) one or more of the corporation's officers or employees whom the Director believes to be reliable and competent in the matters presented; (ii) legal counsel, independent accountants, or other persons as to matters that the Director believes to be within such person's professional or expert competence; or (iii) a committee of the Board upon which the Director does not serve, as to matters within its designated authority, which committee the Director believes to merit confidence, so long as, in any such case, the Director acts in good faith, after reasonable inquiry when the need therefor is indicated by the circumstances and without knowledge that would cause such reliance to be unwarranted.

Section 6.22 Non-Liability of Directors. No Director shall be personally liable for the corporation's debts, liabilities, or obligations.

ARTICLE VII COMMITTEES

Section 7.01 Creation of Powers of Committees. The Board, by resolution adopted by a majority of the Directors then in office, may create one or more committees, each consisting of two (2) or more Directors, to serve at the pleasure of the Board. Committees may be structured so that they report to the Chairperson, or, if none is appointed, to the President/Chief Executive Officer. Appointments to committees of the Board shall be by majority vote of the authorized number of Directors. The Board may appoint one or more Directors as alternate members of any such committee, who may replace any absent member at any meeting. Any such committee shall have all the authority of the Board, to the extent provided in the Board 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 a majority of all members of the Board or of the Sole Statutory Member;

(b) Fill vacancies on the Board or any committee of the Board;

(c) Amend or repeal the corporation's bylaws or adopt new bylaws;

(d) Amend or repeal any resolution of the Board which by its express terms is not so amendable or subject to repeal;

(e) Create any other committees of the Board or appoint the members of committees of

the Board.

Section 7.02 Meetings and Action of Board Committees. Meetings and actions of Board committees shall be governed generally by, and held and taken in accordance with, the provisions of these bylaws concerning meetings of the Board, and the Brown Act, if applicable, except that special meetings of committees may also be called by resolution of the Board. Notice of special meetings of Board committees shall also be given to any and all alternate members who shall have the right to attend all meetings of the committee. The Board may prescribe the manner in which proceedings of any such committee shall be conducted, so long as such rules are consistent with these bylaws and the Brown Act, to the extent it applies. In the absence of any such rules by the Board, each committee shall have the power to prescribe the manner in which its proceedings shall be conducted to the extent consistent with these bylaws and the Brown Act. Minutes shall be kept of each meeting of each committee and shall be filed with the corporate records.

Section 7.03 Revocation of Delegated Authority to Board Committee. The Board may, at any time, revoke or modify any or all of the authority so delegated to a committee, increase or decrease but not below two (2) the number of its members, and fill vacancies therein from the members of the Board.

Section 7.04 Other Committees.

(a) The President/Chief Executive Officer, subject to any limitations imposed by the Board, or the Board, may create other committees to serve the Board which do not have the powers of the Board, and shall appoint members to serve on such committees, and shall designate the committee chair. If a Director is on such committee, he or she shall be the chair.

(b) Meetings of a committee may be called by the President/Chief Executive Officer, the chair of the committee or a majority of the committee's voting members. Each committee shall meet as often as is necessary to perform its duties. Notice of a meeting of a committee may be given at any time and in any manner reasonably designed to inform the committee members of the time and place of the meeting. A majority of the voting members of a committee shall constitute a quorum for the transaction of business at any meeting of the committee, and a committee may take action by majority vote. Each committee may keep minutes of its proceedings and shall report periodically to the Board.

(c) Members of a committee shall serve until resignation or removal. Any member of a committee may resign at any time by giving written notice to the President/Chief Executive Officer. Such resignation, which may or may not be made contingent upon formal acceptance, shall take effect upon the date of receipt or at any later time specified in the notice. The President/Chief Executive Officer, with prior approval of the Board if the Board so requires, or the Board, may remove any member of a committee, and shall appoint a member to fill a vacancy in any committee or any position created by an increase in the membership.

ARTICLE VIII OFFICERS OF THE CORPORATION

Section 8.01 Required Officers. The officers of this corporation shall be a President/Chief Executive Officer, a Secretary, and a Treasurer/Chief Financial Officer, each of whom shall be appointed by the Board.

Section 8.02 Permitted Officers. At the Board's discretion, the corporation may also have a Chairperson of the Board, one or more vice-presidents, and 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 the Board at its pleasure may from time to time determine.

Section 8.03 Duplication of Office Holders. Any number of offices may be held by the same person, except that neither the Secretary nor the Treasurer/Chief Financial Officer may serve concurrently as either the President/Chief Executive Officer or the Chairperson of the Board.

Section 8.04 Election of Officers. The corporation's officers shall be elected by a majority vote of the Board at a regular or special meeting. The corporation's officers shall serve at the pleasure of the Board, and shall hold their respective offices until their resignation, removal, or other disqualification from service, or until their respective successors are elected and qualified, subject to the rights of an officer, if any, under any employment contract. Vacancies of officers may be filled by the Board at a regular or special meeting.

Section 8.05 Appointment of Subordinate Officers. The Board may appoint and may empower the Chairperson of the Board, the President/Chief Executive Officer, or another officer to appoint such other officers as the corporation may require, each of whom shall hold office for such period, have such authority, and perform such duties as are provided in the bylaws or as the Board may from time to time determine, except that the President/Chief Executive Officer, Secretary, and Treasurer/Chief Financial Officer, and Chairperson of the Board must be elected as set forth in Section 8.04 above.

Section 8.06 Removal of Officers. Any officer may be removed, either with or without cause, by the Board at any time or, in the case of an officer appointed by another officer, the person with authority to appoint shall also have the power of removal. Any removal shall be without prejudice to the rights, if any, of an officer under any contract of employment.

Section 8.07 Resignation of Officers. Any officer may resign at any time by giving written notice to the Board, but without prejudice to the rights, if any, of the corporation under any contract to which the officer is a party. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 8.08 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 8.09 Responsibilities of Officers.

(a) *President/Chief Executive Officer.* Subject to the control of the Board, and subject to the President/Chief Executive Officer's contract of employment, if any, the President/Chief Executive Officer is the general manager and chief executive officer of the corporation and shall supervise, direct and control the business and officers of the corporation. The President/Chief Executive Officer has the general powers and duties of management usually vested in the office of President/Chief Executive Officer and such other powers and duties as may be prescribed from time to time by the Board. In the absence of the Chairperson of the Board, or if none, the President/Chief Executive Officer shall preside at all Board meetings. The President/Chief Executive Officer shall have such other powers and duties as the Board may require.

(b) *Chairperson of the Board.* The Board may elect one Director to serve as Chairperson of the Board. He or she shall preside at the Board of Directors' meetings and shall exercise and perform such other powers and duties as the Board may assign from time to time.

(c) *Secretary.* The Secretary shall keep or cause to be kept, at the principal office or such other place as the Board may order, a book of minutes of all meetings of the Board and its committees, with the time and place of holding, whether regular or special, and if special, how authorized, the notice thereof given, the names of those present and absent, and the proceedings thereof. The Secretary shall keep, or cause to be kept, at the principal office in the State of California, the original or a copy of the corporation's articles of incorporation and bylaws, as amended to date, and a register showing the names of all Directors and their respective addresses. The Secretary shall keep the seal of the corporation and shall affix the same on such papers and instruments as may be required in the regular course of business, but failure to affix it shall not affect the validity of any instrument. The Secretary shall give, or cause to be given, notice of all meetings of the Board and any committees thereof required by these Bylaws or by law to be given, and shall distribute the minutes of meetings of the Board to all Directors promptly after the meetings. The Secretary shall see that all reports, statements and other documents required by law are properly kept or filed, except to the extent the same are to be kept or filed by the Treasurer. In general, the Secretary shall have such other powers and perform such other duties as may be prescribed from time to time by the Board.

(d) *Treasurer/Chief Financial Officer.* The Treasurer/Chief Financial Officer of the corporation shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the corporation's properties and business transactions, including accounts of its assets, liabilities, receipts, and disbursements. The books of account shall at all times be open to inspection by any Director. The Treasurer/Chief Financial Officer shall deposit, or cause to be deposited, all moneys and other valuables in the name and to the credit of the corporation with such depositaries as may be designated from time to time by the Board; disburse the funds of the corporation as may be ordered by the Board; and shall render to the President/Chief Executive Officer and Directors, upon request, an account of all transactions as treasurer and of the corporation's financial condition. The Treasurer/Chief Financial Officer shall present to the Board at all regular meetings an operating statement and report since the last preceding regular meeting of the Board. The Treasurer/Chief

Financial Officer shall have such other powers and perform such other duties as may be prescribed from time to time by the Board.

ARTICLE IX SELF DEALING TRANSACTIONS

Section 9.01 Definition. Self-dealing transaction means a transaction to which the corporation is a party and in which one or more of the Directors has a material financial interest ("interested Directors"), except that the following will not be deemed a self-dealing transaction, but are instead subject to the general standard of care by the Board:

(a) An action by the Board fixing the compensation of a Director as a Director or officer of the corporation;

(b) A transaction which is part of a public or charitable program of the corporation if the transaction is (1) approved or authorized by the corporation in good faith and without unjustified favoritism, and (2) results in a benefit to one or more directors or their families because they are in a class of persons intended to be benefited by the public or charitable program;

(c) A transaction of which the interested Directors have no actual knowledge, and which does not exceed the lesser of, (i) one percent (1%) of the corporation's gross receipts for the fiscal year immediately preceding the year in which such transaction occurs, or (ii) One Hundred Thousand Dollars (\$100,000);

(d) A transaction the Attorney General has approved either before or after it was consummated;

(e) A transaction with respect to which the following facts are established:

- (i) The corporation entered into the transaction for its own benefit;
- (ii) The transaction was fair and reasonable as to the corporation at the time the corporation entered into the transaction;
- (iii) Prior to consummating the transaction or any part thereof, the Board authorized or approved the transaction in good faith by vote of a majority of the Directors then in office excluding the vote of the interested Director(s) and with knowledge of the material facts concerning the transaction and the interested Director's interest in it. Except as provided in paragraph (v) of this subsection, action by a committee of the Board will not satisfy this requirement; and
- (iv) Prior to authorizing or approving the transaction, the Board considered and in good faith determined after reasonable investigation under the

circumstances that the corporation could not have obtained a more advantageous arrangement with reasonable effort under the circumstances, or the corporation in fact could not have obtained a more advantageous arrangement with reasonable effort under the circumstances; *or*

- (v) A committee or person authorized by the Board approved the transaction in a manner consistent with the standards prescribed for approval by the Board under this subsection; it was not reasonably practical to obtain approval of the Board prior to entering into the transaction; and the Board, after determining in good faith that the conditions set forth in this paragraph (v) were satisfied, ratified the transaction at its next meeting by a vote of a majority of the Directors then in office, excluding the vote of the interested Director(s).

Section 9.02 Interested Director's Vote. In determining whether the Board validly met to authorize or approve a self-dealing transaction, interested Directors may be counted in determining the presence of a quorum, but an interested Director's vote cannot count toward the required majority for such authorization, approval, or ratification.

Section 9.03 Persons Liable and Extent of Liability. If a self-dealing transaction has not been approved as provided above, the interested Director may be required to do such things and pay such damages as in the discretion of a court will provide an equitable and fair remedy to the corporation, taking into account any benefit received by it and whether the interested Director acted in good faith and with the intent to further the corporation's best interests.

Section 9.04 Corporate Loans and Advances. The corporation shall not make any loan of money or property to or guarantee the obligation of any Director or officer, except as is expressly allowed under Section 5236 of the California Nonprofit Public Benefit corporation law; provided, however, that the corporation may advance money to a Director or officer of the corporation or any subsidiary for expenses reasonably anticipated to be incurred in the performance of the duties of such officer or Director, provided that in the absence of such advance, such Director or officer would be entitled to be reimbursed for such expenses by the corporation.

Section 9.05 Annual Statement of Certain Transactions. Pursuant to Section 6322 of the California Nonprofit Public Benefit Corporation Law, the corporation shall furnish an annual statement of certain transactions and indemnifications described in Corporations Code Section 6322 to each of the directors not later than 120 days after the close of the fiscal year. The requirement for an annual statement under this Section 8.08 may be satisfied by including the information set forth in Corporations Code Section 6322 in the annual report provided to Directors pursuant to section 10.02 herein.

Section 9.06 General Public Agency Prohibitions Governing Certain Transactions. Notwithstanding the foregoing Sections, nothing in this Article 9 shall be construed to authorize

any transaction otherwise prohibited by California Government Code Section 81000 et seq., or other applicable laws.

ARTICLE X OTHER PROVISIONS

Section 10.01 Validity of Instruments. Subject to the provisions of applicable law, any note, mortgage, evidence of indebtedness, contract, conveyance, or other instrument in writing and any assignment or endorsement thereof executed or entered into between the corporation and any other person, when signed by the President/Chief Executive Officer, Vice President, Secretary or Treasurer/Chief Financial Officer of the corporation, shall be valid and binding on the corporation in the absence of actual knowledge on the part of the other person that the signing officers had no authority to execute the same. Any such instruments may be signed by any other person(s) and in such manner as from time to time shall be determined by the Board and, unless so authorized by the Board, no officer, agent, or employee shall have any power or authority to bind the corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or amount.

Section 10.02 Annual Report. Pursuant to Section 6321 of the California Nonprofit Public Benefit Corporation Law, within 120 days after the close of its fiscal year the corporation shall send, by U.S. mail or by electronic transmission, to each Director, the Sole Statutory Member, and any other persons as may be designated by the Board, a report containing the following information in reasonable detail:

- (a) The assets and liabilities, including the trust funds, of the corporation as of the end of the fiscal year.
- (b) The principal changes in the 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 the fiscal year.
- (d) The expenses or disbursements of the corporation, for both general and restricted purposes, during the fiscal year.

Section 10.03 Construction and Definitions. Unless the context otherwise requires, the general provisions, rules of construction, and definitions contained in the California Nonprofit Public Benefit Corporation Law shall govern the construction of these bylaws.

Section 10.04 Fiscal Year. The fiscal year of the corporation shall end on the last day of June of each year.

**ARTICLE XI
INSURANCE**

Section 11.01 Insurance. The corporation shall have the power to purchase and maintain insurance on behalf of its officers, Directors, 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, employee's, or agent's status as such.

**ARTICLE XII
AMENDMENTS**

Section 12.01 Bylaws. These bylaws may be amended or repealed and new bylaws adopted only by the Board. Any amendment to these bylaws which would affect the Sole Statutory Member's rights as provided under the California Nonprofit Corporation Law or these bylaws requires the approval of the Sole Statutory Member.

Section 12.02 Effective Date. These bylaws and any amendments to these bylaws shall become effective immediately upon their adoption.

CERTIFICATE OF ADOPTION OF BYLAWS

I certify that I am the duly elected and acting Secretary of Baypoint Preparatory Academy, a California nonprofit public benefit corporation, and that the foregoing bylaws constitute the bylaws of this corporation as duly adopted by the Board of Directors at a meeting of the corporation's Board of Directors held on 9/9, 2014.

IN WITNESS WHEREOF, I have signed my name and affixed the seal of the corporation to this certificate on 9/9, 2014.



Printed Name: THOMAS R. ESTILL

Title: Secretary, Baypoint Preparatory Academy

