

Bylaws of San Dieguito Academy Foundation

A California Nonprofit Public Benefit Corporation

ARTICLE 1 NAME

Section 1.1 Corporate Name

The name of this California nonprofit public benefit corporation is San Dieguito Academy Foundation.

Section 1.2 Abbreviated Name

The name *San Dieguito Academy Foundation* may be abbreviated to SDA Foundation or SDAF.

ARTICLE 2 OFFICES

Section 2.1 Principal Office

The principal office for the transaction of the business of SDA Foundation is located in San Diego County, California, at 800 Santa Fe Drive, Encinitas, California 92024.

Section 2.2 Other Offices

The board of directors of SDA Foundation may establish branch or subordinate offices at any place where SDA Foundation is qualified to transact business.

ARTICLE 3 PURPOSES

Section 3.1 General Purpose

SDA Foundation is a nonprofit public benefit corporation organized under California nonprofit corporation law for charitable and public purposes and is not organized for the private gain of any person.

Section 3.2 Specific Purpose

The specific purpose of SDA Foundation is the raising and expenditure of funds to provide financial assistance for the educational programming at San Dieguito High School Academy.

ARTICLE 4 LIMITATIONS

Section 4.1 Political Activities

SDA Foundation has been formed under California nonprofit corporation law for charitable and public educational purposes, and it shall be nonprofit and nonpartisan. No substantial part of SDA Foundation's activities shall consist of carrying on propaganda, or otherwise attempting to influence legislation, and SDA Foundation shall not participate or intervene in any political campaign (including publishing or distributing statements) on behalf of, or in opposition to, any candidate for public office.

Section 4.2 Prohibited Activities

SDA Foundation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of its purposes. SDA Foundation shall not carry on any activity not permitted to be carried on:

- (a) by a corporation exempt from federal income tax under Internal Revenue Code section 501(c)(3); or
- (b) by a corporation, contributions to which are deductible under Internal Revenue Code section 170(c)(2).

ARTICLE 5 DEDICATION OF ASSETS

Section 5.1 Property Dedicated to Nonprofit Purposes

The property of SDA Foundation is irrevocably dedicated to charitable purposes. No part of its net income or assets shall inure to the benefit of any director, officer or private person.

Section 5.2 Distribution of Assets upon Dissolution

Upon the dissolution of SDA Foundation, its assets remaining after payment, or provision for payment, of all its debts and liabilities shall be distributed to a nonprofit fund, foundation or corporation which is organized and operated exclusively for public educational purposes and which has established its tax-exempt status under section 501(c) (3) of the Internal Revenue Code of 1986 and section 23701d of the California Revenue and Taxation Code.

ARTICLE 6 MEMBERSHIPS

Section 6.1 Nonmembership Structure

SDA Foundation shall be governed by a board of directors and shall not have *members*, as that term is defined in section 5056 of the California Corporations Code.

ARTICLE 7 BOARD OF DIRECTORS

Section 7.1 Powers, Authority and Obligations of Directors

The board of directors of SDA Foundation has the authority and legal obligation to govern SDA Foundation, oversee its operations and safeguard its assets, in accordance with these bylaws, the articles of incorporation of SDA Foundation, California nonprofit corporation law and any other applicable laws. SDA Foundation's activities and affairs shall be managed, and all corporate powers shall be exercised, under the direction of its board of directors. Directors may delegate the day-to-day operations of SDA Foundation to staff or volunteers, but they are ultimately responsible for the actions they delegate to others.

Section 7.2 Number of Directors

The board of directors shall consist of at least nine (9) but no more than nineteen (19) directors, until changed by amendment to these bylaws. The exact authorized number of directors shall be fixed, within these limits, by resolution of the board of directors.

Section 7.3 Qualifications of Directors

At least two-thirds of the board of directors must be parents or legal guardians of students currently attending San Dieguito High School Academy. The remaining third may be local

community members who have demonstrated their commitment to the purposes of SDA Foundation.

Section 7.4 Election and Term of Office of Directors

Directors shall be elected at an annual meeting of the board for one-year terms. Each director, including a director elected to fill a vacancy, shall hold office until the next annual meeting. Directors who are parents or legal guardians of students at San Dieguito High School Academy may continue to be re-elected for multiple terms. Directors who are *not* parents or legal guardians of students currently attending San Dieguito High School Academy are limited to two terms in office.

Section 7.5 Compensation and Reimbursement of Directors

Directors shall not receive compensation for services rendered to SDA Foundation as directors or officers, except for reimbursement for expenses incurred in the performance of their duties to SDA Foundation, in reasonable amounts as approved by the board of directors.

Section 7.6 Compensation of Directors and “Interested Persons” Rule

Directors may not be compensated for rendering services to SDA Foundation in a capacity other than as directors, unless such compensation is reasonable and further provided that not more than 49% of the board of directors are “interested persons” which, for purposes of this section, means:

- (a) any person currently being compensated by SDA Foundation for services rendered to it within the previous twelve (12) months, whether as a full time or part time employee, independent contractor or otherwise; or
- (b) any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law or father-in-law of such person.

Section 7.7 Vacancies on Board of Directors

A vacancy on the board of directors occurs when a director dies, resigns or is removed from office; the number of authorized directors is increased; or the board fails to elect the full authorized number of directors. The board may fill a vacancy by electing an additional director by majority vote of the board at a meeting where a quorum is present. A director elected to fill a vacancy shall hold office until the next annual meeting.

Section 7.8 Resignation of Director

A director may resign by giving written notice to the president or secretary of the board, as long as the director’s resignation does not leave SDA Foundation without any duly elected directors. The written resignation will be effective on the date it is delivered or the resignation date specified in the written notice, whichever is later. If the resignation is effective at a future time, a successor may be selected for such time, to take office when the resignation becomes effective.

Section 7.9 Removal of Director

A director may be removed with or without cause by majority vote of directors then-in-office.

ARTICLE 8

OFFICERS

Section 8.1 Officers

The required officers of SDA Foundation shall be a president, a secretary, and a chief financial officer. The board shall have the power to designate additional officers, including vice-presidents, assistant secretaries, and assistant financial officers, with such duties, powers and titles as the board may fix. More than one office may be held by the same person, except that neither the secretary nor the chief financial officer may serve concurrently as president. Officers must be parents or legal guardians of students currently attending San Dieguito High School Academy.

Section 8.2 Election and Term of Office of Officers

Officers shall be elected at an annual meeting of the board for one-year terms. Each officer, including an officer elected to fill a vacancy or to fill an office created mid-year, shall hold office until the next annual meeting. Officers may continue to be re-elected for multiple terms.

Section 8.3 Resignation of Officer

An officer may resign by giving written notice to the president or secretary of the board. The written resignation will be effective on the date it is delivered or the resignation date specified in the written notice, whichever is later. Unless otherwise specified in the written notice, the acceptance of the resignation is not necessary to make it effective. Any resignation is without prejudice to the rights of SDA Foundation under any contract to which the officer is a party.

Section 8.4 Removal of Officer

An officer may be removed with or without cause by majority vote of directors then-in-office.

Section 8.5 Vacancies in Office

The board may fill a vacancy by electing an officer by majority vote of the board at a meeting where a quorum is present. An officer elected to fill a vacancy shall hold office until the next annual meeting.

Section 8.6 President's Responsibilities

The president shall be the chief executive officer and general manager of SDA Foundation and shall supervise, direct and control its day-to-day activities, business and affairs. The president shall preside at all board meetings and have such other powers and duties as may from time to time be assigned to the president by the board or prescribed by these bylaws.

Section 8.7 Secretary's Responsibilities

The secretary shall attend to the following:

8.7.1 Articles of Incorporation

The secretary shall keep, or cause to be kept, at SDA Foundation's principal office, a copy of the articles of incorporation.

8.7.2 Bylaws

The secretary shall certify and keep, or cause to be kept, at SDA Foundation's principal office, the original or a copy of these bylaws as amended to date.

8.7.3 Minute Book

The secretary shall keep, or cause to be kept, a minute book in written form which shall contain a record of all actions taken by the board or by board committees including: the time, date and place of each meeting; whether a meeting was annual, regular or special and, if special, how authorized; the notice given of each meeting; the names of those present at each meeting; the minutes of all meetings; all written consents for action without a meeting; and formal dissents from board actions.

8.7.4 Notices

The secretary shall give, or cause to be given, notice of all meetings of the board in accordance with these bylaws.

8.7.5 Corporate Records

Upon request, the secretary shall exhibit, or cause to be exhibited, at all reasonable times to any director these bylaws and the minute book.

8.7.6 Corporate Seal

If SDA Foundation adopts a corporate seal, the secretary shall keep, or cause to be kept, the corporate seal in safe custody.

Section 8.8 Chief Financial Officer's Responsibilities

The chief financial officer shall attend to the following:

8.8.1 Books of Account

The chief financial officer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and accounts of SDA Foundation's properties and transactions, 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.

8.8.2 Financial Reports

The chief financial officer shall prepare and certify the financial statements to be included in any required reports.

8.8.3 Deposit and Disbursement of Money and Valuables

The chief financial officer shall: deposit, or cause to be deposited, all money and other valuables in the name and to the credit of SDA Foundation with such depositories as the board may designate; disburse SDA Foundation's funds as the board may order; and render to the president and the board, when requested, an account of all transactions as chief financial officer and of the financial condition of SDA Foundation.

8.8.4 Bond

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

ARTICLE 9 COMMITTEES

Section 9.1 Board Committees

The board of directors may, by resolution adopted by a majority of the directors then-in-office, create one or more board committees, each consisting of two (2) or more directors, to serve at the discretion of the board. Types of board committees include, but are not limited to: an executive committee, finance committee, and nominating committee.

9.1.1 Executive Committee

The executive committee shall consist of the officers of SDA Foundation and the immediate past president, if she/he is still a director. It shall meet as necessary to carry out its duties. The executive committee shall act in place of the board in between regular board meetings, when immediate action is required, and shall report on any action taken at the next board meeting. When a decision can be deferred until the next board meeting, the executive committee will not act on the matter. No executive committee meeting shall be held in lieu of a regular board meeting, unless agreed to by a majority of the directors then-in-office. The executive committee may also initiate new issues for recommendation to the board on its own volition.

9.1.2 Finance Committee

The finance committee shall act as financial advisor to the board in all financial affairs of SDA Foundation, including, but not limited to: overseeing the preparation of the annual operating budget, considering and making recommendations on matters of financial interest with respect to which the board may request its consideration and action, recommending the adoption of policies for financial management practices, and long-range financial planning. The chief financial officer shall be the chairperson of the finance committee.

9.1.3 Nominating Committee

The nominating committee shall have responsibility for locating qualified candidates to serve as directors and for recommending those candidates to the board whenever a vacancy in the position of director occurs.

Section 9.2 Meetings and Actions of Board Committees

Meetings and actions of board committees shall be governed by the provisions of these bylaws concerning meetings and other board actions, except that the time for committee meetings may be determined either by board resolution or, if there is none, by resolution of the board committee. The board may adopt rules for the governance of any committee,

provided they are consistent with these bylaws. In the absence of rules adopted by the board, the committee may adopt such rules.

Section 9.3 Quorum Rules for Board 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 at a meeting duly held at which a quorum is present shall be regarded as an act of the committee.

Section 9.4 Advisory Committees

The board of directors may create advisory committees, which include persons who are not directors, for purposes including information-gathering, researching, planning and making recommendations to the board. Advisory committees may be used to introduce prospective directors to SDA Foundation and to ensure that they share a commitment to its purpose before asking them to join the board. Also, appointments to advisory committees may be used to recognize a person's support of SDA Foundation without having to increase the size of the board or impose on the person the legal obligations of a director. The board shall appoint and discharge advisory committee members. All actions and recommendations of advisory committees shall require ratification by the board of directors to be effective.

Section 9.5 Limits of Committee Authority

Any committee shall have the authority provided in the board resolution, except that no committee, regardless of board resolution, may:

- (a) approve any action for which these bylaws or the California nonprofit corporation law requires approval of a majority of directors;
- (b) fill vacancies on the board or on any committee which has the authority of the board;
- (c) fix compensation of the directors for serving on the board or on any committee;
- (d) amend or repeal bylaws or adopt new bylaws;
- (e) amend or repeal any resolution of the board which by its express terms is not so amendable or repealable;
- (f) create any other board committees or appoint the members of board committees;
- (g) approve any contract or transaction between SDA Foundation and one or more of its directors or between SDA Foundation and any entity in which one or more of its directors have a material financial interest; or
- (h) take any other action which requires a vote of the board of directors.

Section 9.6 Revocation of Delegated Authority

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

ARTICLE 10

MEETINGS

Section 10.1 Types of Meetings

10.1.1 Annual Meeting

Each year, the board of directors shall hold at least one meeting for the purposes of organization, election of directors and officers, review and approval of the corporate budget, and transaction of other business. This meeting is referred to as the “annual meeting.” The date, time and place of the annual meeting shall be set by resolution of the board and notice of the meeting shall be given to all directors.

10.1.2 Regular Meetings

Regular meetings of the board of directors shall be held at a date, time and place set in advance by resolution of the board, or designated in a notice of meeting. If the place of the meeting is not specified, the meeting shall be held at SDA Foundation’s principal office.

10.1.3 Special Meetings

Special meetings of the board for any purpose may be called by the president, the secretary, the chief financial officer, or any two directors.

10.1.4 Meetings by Telephone or Similar Communication Equipment

A meeting may be held by conference telephone or similar communications equipment, as long as all directors participating in the meeting can hear one another at the same time and all other requirements of California nonprofit corporation law are satisfied. All directors participating by telephone shall be deemed to be present in person at such a meeting.

Section 10.2 Notice of Meeting

A notice of meeting shall specify the date, time and place of the meeting and shall be given to each director by one or more of the following methods at least forty-eight (48) hours in advance of the meeting:

- (a) by personal delivery of oral or written notice;
- (b) by telephone, including a voice messaging system or other technology designed to record and communicate messages, to the director’s phone number as shown in SDA Foundation’s records; or
- (c) by electronic mail (“e-mail”) or other means of electronic transmission, to the director’s e-mail address as shown in SDA Foundation’s records.

Section 10.3 Waiver of Notice and Consent to Holding Meeting

If proper notice of meeting is not given, the transactions of a board meeting are valid if a quorum is present and the directors waive the right to receive the required notice by signing a written waiver of notice, a written consent to holding the meeting, or an approval of the minutes of the meeting; or by attending the meeting and not protesting the lack of notice before or at the start of the meeting. All such waivers, consents and approvals shall be filed with the corporate records or made a part of the minutes of the meeting. If all of the

directors attend a meeting without protesting the lack of notice, formal waiver is not necessary, but their presence and failure to protest should be reflected in the minutes.

Section 10.4 Quorum for Meetings

Two-thirds of the directors then-in-office, rounded down to the nearest integer, shall constitute a quorum for the transaction of business at a meeting, except to adjourn. Adjournment requires the approval of a majority of directors present at the meeting.

Section 10.5 Minimum Vote Requirements for Valid Board Action

Every act taken or decision made by a vote of the majority of the directors present at a meeting at which a quorum is present is the act of the board, unless a greater number is expressly required by California nonprofit corporation law, SDA Foundation's articles of incorporation or these bylaws. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of directors from the meeting, if any action taken is approved by at least a majority of the required quorum for that meeting.

Section 10.6 When a Greater Vote is Required for Valid Board Action

Actions requiring a vote by a majority of all directors then-in-office in order to be effective include:

- (a) approval of contracts or transactions in which a director has a direct or indirect material financial interest;
- (b) creation of, and appointment to, board committees;
- (c) removal of a director; and
- (d) indemnification of directors.

Section 10.7 Voting and Prohibition of Proxy Votes

Votes of the board of directors shall be taken by voice vote, unless otherwise specified in these bylaws. There shall be no proxy votes.

Section 10.8 Action by Unanimous Written Consent without Meeting

Any action that the board is permitted or required to take may be taken without a meeting if all members of the board consent in writing to the action. For the purposes of this section only, "all members of the board" shall not include any "interested director" as defined in Section 5233 of the California Corporations Code. Such written consent shall have the same force and effect as a unanimous vote of the board taken at a meeting.

10.8.1 Written Consent

Written consent may be transmitted in person, by first-class mail, messenger, facsimile, e-mail or any other reasonable method approved by resolution of the board. The written consents shall be filed with the minutes of the board proceedings.

ARTICLE 11 INDEMNIFICATION AND INSURANCE

Section 11.1 Right of Indemnity

To the fullest extent permitted by law, SDA Foundation shall indemnify its directors, officers, employees, and other persons described in Section 5238(a) of the California Corporations Code, 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 the term is used in that section, and including an action by or in the right of SDA Foundation, by reason of the fact that the person is or was a person described in that section. “Expenses”, as used in these bylaws, shall have the same meaning as in Section 5238(a) of the California Corporations Code.

Section 11.2 Approval of Indemnity

On written request to the board by any person seeking indemnification under Section 5238(b) or Section 5238(c) of the California Corporations Code, the board shall promptly determine under Section 5238(e) of the California Corporations Code whether the applicable standard of conduct set forth in Section 5238(b) or Section 5238(c) has been met, and if so, the board shall authorize indemnification.

Section 11.3 Advancement of Expenses

To the fullest extent permitted by law and except as otherwise determined by the board in a specific instance, expenses incurred by a person seeking indemnification under Sections 11.1 and 11.2 of these bylaws in defending any proceeding covered by those sections shall be advanced by SDA Foundation for final disposition of the proceeding, on receipt by SDA Foundation of an undertaking by or on behalf of that person that the advance will be repaid unless it is ultimately determined that the person is entitled to be indemnified by SDA Foundation for those expenses.

Section 11.4 Insurance

SDA Foundation may purchase and maintain insurance to the fullest extent permitted by law on behalf of its officers, directors, employees and other agents, against any liability asserted against or incurred by any officer, director, employee or agent in such capacity or arising out of the officer’s, director’s, employee’s or agent’s status as such.

ARTICLE 12 CONTRACTS, CHECKS, DEPOSITS, GIFTS

Section 12.1 Contracts

The board of directors may by resolution authorize any officer or agent of SDA Foundation, in addition to the officers so authorized by these bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of SDA Foundation, and such authority may be general or confined to specific instances.

Section 12.2 Checks

All checks, drafts or orders for the payment of money, notes or other evidences of indebtedness issued in the name of SDA Foundation, shall be signed by such officers or agents of SDA Foundation and in such manner as shall from time to time be determined by resolution of its board of directors. In the absence of such determination by the board, such instruments shall be signed by the treasurer or an assistant treasurer and countersigned by the president or a vice president of SDA Foundation.

Section 12.3 Deposits

All funds of SDA Foundation shall be deposited from time to time to the credit of SDA Foundation in such banks, trust companies or other depositories as the board of directors may select.

Section 12.4 Gifts

The board of directors may accept on behalf of SDA Foundation any contribution, gift, bequest or devise for the general or specific purposes of SDA Foundation.

ARTICLE 13 RECORDS

Section 13.1 Maintenance of Corporate Records

SDA Foundation shall keep:

- (a) adequate and correct books and records of account;
- (b) written minutes of the proceedings of its board and board committees;
- (c) records of each director's name, address, telephone number and e-mail address;
- (d) SDA Foundation's articles of incorporation, bylaws, and any amendments of the articles or bylaws; and
- (e) current copies of all insurance policies.

Section 13.2 Inspection by Directors

Every director shall have the absolute right at any reasonable time to inspect SDA Foundation'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 director's agent or attorney. The right of inspection includes the right to copy and make extracts of documents. Copy costs shall be at the expense of the examining director.

ARTICLE 14 AMENDMENTS

Section 14.1 Amendment of Bylaws

These bylaws may be amended by vote or written consent of the majority of the directors of SDA Foundation, provided, however, that no new bylaws or amended articles shall be adopted which would cause a loss of SDA Foundation's nonprofit status for federal and state income tax purposes, nor any bylaws or amended articles be adopted which would be in substantial conflict with the goals, purposes or objectives of SDA Foundation. Proposed amendments shall be submitted to the board of directors at the meeting prior to that in which a vote on said amendments shall be taken.

ARTICLE 15 CONSTRUCTION AND DEFINITIONS

Section 15.1 California Nonprofit Corporation Law Governs

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. All references to statutes, regulations and laws shall include any future statutes, regulations and laws that replace those referenced.

Section 15.2 Other Rules of Construction

As used in these bylaws:

- (a) The present tense shall include the past and future tense, and the future tense shall include the present.
- (b) The masculine gender shall include the feminine and neuter.
- (c) The singular number shall include the plural number and plural number shall include the singular.
- (d) The words “shall” and “must” are mandatory and the word “may” is permissive.
- (e) The words “directors” or “board” in relation to any power or duty requiring collective action mean “board of directors”.
- (f) The term “person” includes both a legal entity and a natural person.
- (g) “Reasonable time” for inspection of records is defined as normal business hours (*i.e.*, 9:00 am to 5:00 pm, Monday through Friday, excluding holidays.)

CERTIFICATE OF SECRETARY

I certify that I am the duly elected and acting Secretary of San Dieguito Academy Foundation, a California nonprofit public benefit corporation; that these bylaws, consisting of twelve (12) pages, are the bylaws of this corporation, as adopted by its board of directors on _____, 2014; and that these bylaws have not been amended or modified since that date.

EXECUTED on _____, 2014, at Encinitas, California.

Fran Goldstein, Secretary