

BYLAWS
OF THE
CANYON CREST ACADEMY FOUNDATION, INC.
A California Nonprofit Public Benefit Corporation

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BYLAWS
OF THE
CANYON CREST ACADEMY FOUNDATION, INC.
A California Nonprofit Public Benefit Corporation

ARTICLE I.

NAME

The name of this corporation is CANYON CREST ACADEMY FOUNDATION, INC., a California Nonprofit Public Benefit Corporation (the "Foundation").

ARTICLE II.

OFFICES OF THE FOUNDATION

Section II.1 Principal Office. The principal office for the transaction of the activities and affairs of the Foundation is located at 5951 Village Center Loop Road, San Diego, California, 92130. The Board of Directors may vote to change the principal office from one location to another. Any change of location of the principal office shall be noted in these Bylaws opposite this section, or this section may be amended to state the new location.

Section II.2 Other Offices. The Board may at any time establish branch or subordinate offices at any place or places where the Foundation is qualified to conduct its activities.

ARTICLE III.

PURPOSES AND LIMITATIONS

Section III.1 General Purposes. This Foundation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for charitable and educational purposes.

Section III.2 Specific Purposes. Within the context of the general purposes stated above, the Foundation's primary purpose and goal shall be to enhance, through financial assistance and support, the educational activities, educational programming and activities related thereto at the Canyon Crest Academy public high school within the San Dieguito Union High School District located within the City and County of San Diego. In furtherance of such goal, the Foundation may organize, conduct, sponsor and support activities intended to raise funds (including soliciting of voluntary contributions) and to also manage and administer the disbursement of such funds in furtherance of and to support such specific purposes.

Section III.3 Section 501(c) (3) Limitations. The purposes for which this Foundation is organized are exclusively charitable and educational within the meaning and contemplation of Section 501(c) (3) of the Internal Revenue Code of 1986, as amended.

ARTICLE IV.

NONPARTISAN ACTIVITIES

The Foundation has been formed under the California Nonprofit Public Benefit Corporation Law for the public purposes described above, and it shall be nonprofit and nonpartisan. No substantial part of the activities of the Foundation shall consist of carrying on propaganda, or otherwise attempting to influence legislation, and the Foundation shall not participate or intervene in (including publishing or disseminating statements) any political campaign on behalf of any candidate for public office. The Foundation shall not, except in an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the purposes described above.

ARTICLE V.

DEDICATION OF ASSETS

The properties and assets of the Foundation are irrevocably dedicated to charitable and educational purposes. No part of the net earnings, properties, or assets of this Foundation, on dissolution or otherwise, shall inure to the benefit of any private person or individual, or Board Director of this Foundation. On liquidation or dissolution, after paying or adequately providing for the debts and obligations of the Foundation, all remaining properties and assets shall be distributed and paid over to a Qualified Organization (as such term is defined in the Articles of Incorporation of the Foundation).

ARTICLE VI.

MEMBERS

Section VI.1 Members Prohibited. The Foundation shall not have members or a membership body per se; however, the Board of Directors of the Foundation may be referred to as Board Members.

Section VI.2 Effect of Prohibition. Any action which would otherwise require approval by a majority of the entire membership body shall require only approval of the Board of Directors by majority vote or as otherwise provided herein or by applicable law.

Section VI.3 Associates. Nothing in this Article 6 shall be construed as limiting the right of the Foundation to refer to persons associated with it as "members" even though such persons are not members, and no such reference shall constitute anyone a member, within the meaning of Section 5056 of the California Nonprofit Corporation Law. The Foundation may confer by amendment of its Articles or of these Bylaws some or all of the rights of a member, as set forth in the California Nonprofit Corporation Law, upon any person or persons; provided, such rights

shall not include the right to vote for the election of directors or on a disposition of substantially all of the assets of the Foundation or on a merger or on a dissolution or on changes of the Foundation's Articles or Bylaws or for the selection of delegates who possess any of the preceding voting rights. No such person shall be a member within the meaning of Section 5056.

ARTICLE VII.

DIRECTORS (BOARD MEMBERS)

Section VII.1 Powers. The Board of Directors shall be the governing body of the Foundation. The Board Directors are either elected or appointed to so serve.

Subject to the provisions and limitations of the California Nonprofit Public Benefit Corporation Law and any other applicable laws, and subject to any limitations of the Articles of Incorporation or these Bylaws, the Foundation'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 activities of the Foundation to any person or persons, or committees however composed, provided that the activities and affairs of the Foundation shall be managed and all corporate powers shall be exercised under the ultimate direction of the Board.

Without prejudice to such general powers set forth above, 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:

- (a) To select and remove Board Directors, officers, agents, and employees of the Foundation at the Board's sole discretion; prescribe powers and duties that comply with California Law, the Articles, or these Bylaws, and fix their compensation, if any.
- (b) To conduct, manage, and control the affairs and activities of the Foundation and to make such rules and regulations therefore not inconsistent with law, the Articles or these Bylaws, as they may deem in the best interests of the Foundation.
- (c) To adopt, make, and use a corporate seal and to alter the form of such seal from time to time.
- (d) To adopt rules and procedures to regulate the fundraising activities of the Foundation. Anyone desiring to raise funds on behalf of the Foundation shall obtain the approval of the Foundation prior to undertaking any new fundraising activities in the name of the Foundation and shall comply with all rules and procedures established by the Board.

Section VII.2 Number. The Board shall consist of at least nine but no more than 35 members until changed by amendment to these Bylaws. The exact number of members shall be fixed, within those limits, by a resolution adopted by the Board.

Section VII.3 Qualifications. The Board Directors of the Foundation shall meet the following qualifications:

- (a) Each Board Director shall be committed to providing service to the Foundation for the purpose of benefiting the students generally at Canyon Crest Academy. By resolution adopted by the Board, each Board Director may be required to serve as an officer, program liaison, or committee member.
- (b) Each Board Director shall be required to attend Board meetings, committee meetings, and support Foundation activities.
- (c) Each Board Director shall strive to conduct him or herself in a matter consistent with the highest ethical and moral standards of the community, obey all laws, specifically, but not limited to the Education Code of the State of California, and all rules and regulations of the State Department of Education and the San Dieguito Union High School District.
- (d) The Board by resolution may adopt rules regarding removal of Board Directors who do not meet the qualifications set forth herein.

Section VII.4 Composition. The Board shall have as its goal a Board composed of parents of students currently attending Canyon Crest Academy, alumni representatives, up to six non-parent members of the community, up to two liaisons from the Canyon Crest Academy student body, and one or more program liaisons, not to exceed a total Board Directorship of 35 members.

The Principal of Canyon Crest Academy, the Canyon Crest Academy Executive Director, and the student body liaisons are advisors to the Board.

- (a) Subject to Board approval, the school may appoint up to two student representatives to the Board who will serve as the student liaisons.
- (b) A Board Director may complete his/her term in the event that a program is dissolved or his/her student(s) leave the school for any reason.

Section VII.5 Voting.

- (a) Each Board Director shall have one vote.
- (b) Votes of the Board Directors shall be by voice vote, unless the Bylaws specifically require a written ballot, or by a motion approved by the Board to require a written ballot, before voting on a particular action item.
- (c) There shall be no vote by proxy.
- (d) Unless otherwise stated herein (See Section 7.17 hereof), a majority of the Board Directors present at a regularly scheduled and duly noticed meeting at which a quorum is present is required for the resolution of any motion.

- (e) The President of the Foundation shall only be entitled to vote in the case of a tie vote of those Board Directors present at a regularly scheduled and duly noticed Board meeting.

Section VII.6 Restrictions on Interested Persons as Directors. No more than 49% of the persons serving on the Board may be interested persons. An interested person is (a) any person compensated by the Foundation for services rendered to it within the previous 12 months, whether as a full time or part time employee, independent contractor or otherwise, excluding any reasonable compensation paid to a Board Director as a member; and (b) any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, or father-in-law of such person. However, any violation of the provisions of this paragraph shall not affect the validity or enforceability of any transaction entered into by the Foundation.

Section VII.7 Election, Designation, and Term of Office of Directors.

- (a) Elections. Board Directors shall be elected as least annually, and at the annual meeting of the Board of Directors provided for in Section 7.11 of these By-Laws or as otherwise determined by the Board of Directors.
- (b) Nominations Procedure. The Board may form a Nominating Committee for the purpose of presenting nominations to the Board for the slate of prospective Officers and new Board Directors at the Board Meeting which is scheduled to address nominations of new officers and new directors.
- (c) Term of Office.
 - (i) Except as otherwise provided by Board resolution, the term of office of each Board Director shall be two consecutive years from July 1 to June 30 of the following year unless otherwise set by resolution of the Board. The term of office may be extended by resolution of the Board until a replacement Board Director takes office.
 - (ii) Except as otherwise provided by Board resolution, a Board Director may serve up to two consecutive two year terms.
 - (iii) Officers of the Foundation shall be limited to serving two consecutive terms in the same position.

Section VII.8 Vacancies. 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, or 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 selected for such time, to take office when the resignation becomes effective.

Vacancies in the Board shall be filled by a vote of the majority of the remaining Board Directors. Each Board Director so selected shall hold office until the expiration of the replaced Board Director's term unless otherwise provided by Board resolution.

A vacancy or vacancies in the Board shall be deemed to exist in case of the death, resignation or removal of any Board Director, or if the authorized number of Board Directors has been increased.

The Board may declare vacant the office of a Board Director who has been declared of unsound mind by a final order of Court, or convicted of a felony or found by a final order or judgment of any Court to have breached any duty arising under Article III of the California Nonprofit Public Benefit Corporation Law or who has failed to attend three meetings of the Board within any one fiscal year term of office.

No reduction of the authorized number of Board Directors shall have the effect of removing any Board Director prior to the expiration of the Board Director's term of office.

Section VII.9 Place of Meeting. Meetings of the Board shall be held at any place within the San Diego County of the State of California that has been designated from time to time by the Board in the notice of the subject meeting. In the absence of such designation, regular meetings shall be held at the principal office of the Foundation.

Section VII.10 Meetings by Telephone. Any meeting may be held by conference telephone or video conferencing, as long as all Directors participating in the meeting can hear one another. All such directors shall be deemed to be present in person at such a meeting.

Section VII.11 Annual Meeting. The Board shall hold an annual meeting. The date, time, and place of the annual meeting shall be set by Resolution of the Board and shall be duly noticed to all Board Directors.

Section VII.12 Regular Meetings. Regular meetings of the Board for any purpose or purposes may be held upon notice to each Board Director of such date, time and place as the Board may set from time to time.

Section VII.13 Authority to Call Special Meetings. Special meetings of the Board, for any purpose may be called at any time by the President, any Vice President, the Secretary or any two Board Directors, upon notice to each Board Director of such date, time and place as the Board may set for the Special Meeting.

Section VII.14 Manner of Giving Notice of Special Meetings. Notice of the time and place of special meetings shall be given to each Board Director by any one of the following methods: (a) personal delivery of written notice; (b) first-class mail, postage prepaid; (c) by telephone, either directly to the Board Director or to a person at the Board Director's office or residence that would reasonably be expected to communicate that notice promptly to the Board Director; (d) by facsimile, or; (e) by e-mail. All such notices shall be given or sent to the Board Director's address or telephone number as shown on the records of the Foundation. Notices sent by first class mail shall be deposited in the United States mail at least five days prior to the time of the holding of the meeting. Notices given by personal delivery, or by telephone, e-mail, or facsimile, shall be delivered at least 48 hours prior to the time set for the Special Meeting. The notice shall state the date, time, and place of the Special Meeting. The notice need not notify the purpose of the meeting.

Section VII.15 Waiver of Notice. Notice of a meeting need not be given to any Director who signs a waiver of notice, or a written consent to holding the meeting, or an approval of the meeting whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to such Director. All such waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meeting. Neither the business to be transacted, nor the purpose of, any regular or special meeting of the Directors, or of a committee of Directors, need be specified in any such waiver, consent or approval.

Section VII.16 Action Without Meeting. Any action required or permitted to be taken by the Board of Directors may be taken without a meeting, if all members of the Board shall individually or collectively consent in writing to such action; provided, however, that the consent of any Board Director who has a material financial interest in a transaction to which the Foundation is a party and who is an "interested" Board Director as defined in Section 5233 of the California Corporations Code shall not be required for approval of that transaction. Such written consent shall have the same force and effect as a unanimous vote of such Directors.

Section VII.17 Quorum. An absolute majority of the authorized number of Directors in office shall constitute a quorum for the transaction of business. 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 shall be the act of the Board of Directors, unless the Articles, these By-Laws, or the California Nonprofit Public Benefit Corporation Law specifically require a greater number. For example, the California Nonprofit Public Benefit Corporation Law may require greater than a majority for (a) approval of contracts or transactions in which a Board Director has a direct or indirect material financial interest, (b) creation of and appointment to committees of the Board, and (c) indemnification of Board Directors.

In the absence of a quorum at any meeting of the Board of Directors, a majority of the Directors present may adjourn the meeting as provided in Section 7.18 of these By-Laws. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of enough Directors to leave less than a quorum, if any action taken is approved by at least a majority of the required quorum of such meeting. Directors may not vote by proxy.

Section VII.18 Adjournment. Any meeting of the Board of Directors, whether or not a quorum is present, may be adjourned to another time and place by the vote of a majority of the Directors present. Notice of the time and place of the adjourned meeting need not be given to absent Directors if said time and place are fixed at the meeting adjourned; provided, however, that if the meeting is adjourned for more than 48 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.

Section VII.19 Fees and Compensation. Directors shall not receive any stated fees or salary for their services as Directors. Directors may be reimbursed in such amounts as may be determined from time to time by the Board of Directors for expenses paid while acting on behalf of the

Foundation. Nothing herein contained shall be construed to preclude any Director from serving the Foundation in any other capacity as an officer, agent, employee or otherwise, and receiving compensation therefore.

ARTICLE VIII.

COMMITTEES OF THE BOARD

Section VIII.1 Creation of Committees. The Board, by resolution adopted by a majority of Board Directors then in office, provided a quorum is present, may create one or more standing (such as an Executive Committee or a Nominating Committee) or ad hoc or advisory committees, each consisting of at least one Board Director, to serve at the pleasure of the Board.

Appointments to the committees of the Board shall be at the discretion of the Board Director who is the chair of the committee or at the discretion of the Executive Committee (if there be one). Such Board committees, to the extent provided in the Board resolution, shall have all the authority of the Board, except that no committee, regardless of Board resolution, may:

1. Fill vacancies on the Board or any committee that has the authority of the Board;
2. Fix compensation of the Board Directors for serving on the Board or on any committee;
3. Amend, adopt or repeal Bylaws;
4. Amend or repeal any resolution of the Board;
5. Create any other committees of the Board or appoint the Members of the committees of the Board; or
6. Approve any contract or transaction to which the Foundation is a party and in which one or more of its Board Directors has a material financial interest, except as special approval is provided for in Section 5233(d)(3) of the California Corporations Code.

Section VIII.2 Meetings and Actions of Committees. Meetings and actions of committees of the Board shall be governed by, and held and taken in accordance with the provisions of these Bylaws concerning meetings and other Board actions, except that the time for regular meetings of such committees and the calling of special meetings of such committees may be determined either by Board resolution or, if there is none, by resolution of the committee of the Board. Minutes of each meeting of any committee of the Board shall be kept and shall be filed with the corporate records. The Board may adopt rules for the government of any committee, provided they are consistent with these Bylaws or, in the absence of rules adopted by the Board, the committee may adopt such rules.

ARTICLE IX.

OFFICERS OF THE FOUNDATION

Section IX.1 Corporate Officers. The officers of the Corporation shall be a President, a Vice President of Administration, a Vice President of Fundraising, a Secretary, and a Vice President of Finance, who shall be the Chief Financial Officer of the Foundation. One person may hold no more than two offices; however, neither the Secretary nor the Vice President of Finance may serve concurrently as the President.

Section IX.2 Executive Committee. The Board may determine to form an Executive Committee consisting of all or a subset of the officers of the Foundation and the Executive Director (if any) of the Foundation. The Executive Director (if any) shall serve as an advisor of the Executive Committee.

Section IX.3 Other Officers. The Board may appoint and authorize the President or other officer to appoint any other officers that the Foundation may require. Appointment of any other officers shall require a majority vote of the Board. Each officer so appointed shall have the title, hold office for the period, have the authority and perform the duties specified in these Bylaws or determined by the Board.

Section IX.4 Election of Officers. The officers of the Foundation, except those appointed under Section 9.03 of these Bylaws, may be elected annually by the Board from a slate of candidates presented by the Nominating Committee (if any) at the meeting of the Board regularly scheduled for nomination of officers and directors, and shall serve at the pleasure of the Board, subject to the rights, if any, of any officer under any contract of employment. If the election of officers shall not be held at such meeting, such election may be held as soon thereafter as conveniently may be. Each officer shall hold office until his successor has been duly elected or appointed.

Section IX.5 Removal of Officer. Without prejudice to any rights of an officer under any contract of employment, the Board may remove with or without cause any officer.

Section IX.6 Resignation of Officer. Any officer may resign at any time by giving written notice to the Foundation. The resignation shall take effect as of the date the notice is received or at any later time specified in the notice and, unless otherwise specified in the notice, the resignation need not be accepted to be effective. Any resignation shall be without prejudice to the rights, if any, of the Foundation under any contract to which the officer is a party.

Section IX.7 Vacancies in Office. A vacancy in any office because of death, resignation, removal, or any other cause shall be filled in the manner prescribed in these Bylaws for regular appointments to that office. The Executive Committee (if any) of the Foundation shall recommend a person to fill a vacancy so created and a majority vote of the Board shall be required to confirm that person in office.

Section IX.8 Responsibilities of Certain Officers.

- (a) President. The President shall be the principal executive officer of the Foundation and shall direct and coordinate the Foundation's activities, affairs, and officers. The President shall preside at all Board meetings. The President may be a non-voting member of any committee of the Board. The President shall have the power to call emergency meetings of the Executive Committee and of all Board Directors. The President shall have such other powers and duties as the Board or these Bylaws may prescribe. In the event of the permanent inability of the President to fulfill the responsibilities of his office, the Board shall select a person to complete the term of office by majority vote; the Vice President of Administration shall assume the responsibilities of the President until a successor shall be selected and confirmed in office.
- (b) Vice President of Administration. The Vice President of Administration shall provide direction and leadership in all activities internal to the daily and successful operation of the Foundation. The Vice President of Administration shall, in the absence of the President, perform all duties of the President. When so acting, the Vice President of Administration shall have all powers of and be subject to all restrictions on the President. The Vice President of Administration shall have such other powers and perform such other duties as the Board or these Bylaws may prescribe.
- (c) Vice President of Finance. The Vice President of Finance shall act as the treasurer for the Foundation. The Vice President of Finance shall have such other powers and perform such other duties as the Board or these Bylaws may prescribe.
 - (i) Books of Account. The Vice President of Finance shall keep and maintain, or cause to be kept and maintained, adequate and correct books and accounts of the Foundation's properties and transactions. The Vice President of Finance shall send or cause to be given to the Board Directors such financial statements and reports as are required to be given by law, by these Bylaws or by the Board. The books of account shall be open to inspection by any Board Director at all reasonable times. The Vice President of Finance may provide for an annual audit of the Foundation.
 - (ii) Deposits and Disbursements of Money and Valuables. The Vice President of Finance shall deposit, or cause to be deposited, all money and other valuables in the name and to the credit of the Foundation with such depositories as the Board may designate, shall disburse the Foundations funds as the Board may order, shall render to the President and the Board, when requested, an account of all transactions as Vice President of Finance and of the financial condition of the Foundation, and shall have such other powers and perform such other duties as the Board or the Bylaws may prescribe.
 - (iii) Budget. The Vice President of Finance shall coordinate all financial matters and the annual budget process with the CCAF Executive Director and Finance Manager. The budget will be presented to the Board of Directors for approval.

- (iv) Bond. If required by the Board, the Vice President of Finance shall cooperate with the Foundation in obtaining a bond at the Foundation's expense in the amount and with the surety or sureties specified by the Board for faithful performance of the duties of the office and for restoration to the Foundation of all its books, papers, vouchers, money and other property of every kind in the possession or under the control of the Vice President of Finance on his/her death, resignation, retirement or removal from office.
- (d) Vice President of Fundraising. The Vice President of Fundraising shall (i) coordinate the efforts to develop community relationships and ultimately to raise funds or secure the donations of goods and services from the business communities served by Canyon Crest Academy, (ii) create, coordinate, and implement the annual parent fundraising campaign, (iii) maintain all donor databases. and (iv) establish and implement programs to identify and work with donors, including new donors, who may be able to give amounts larger than they are presently giving, including permanent endowment gifts, estate planning programs and tax advantageous methods of giving.
- (e) Secretary.
 - (i) Book of Minutes. The Secretary shall keep, at the Foundation's principal office or such other place as the Board may direct, a book of minutes of all meetings, proceedings and actions of the Board, and of committees of the Board. The minutes of meetings shall include the time and place that the meeting was held; the type of meeting (annual, regular or special); if special, how authorized; the notice given; and the names of those present at Board and committee meetings. The Secretary shall keep, at the principal office in California, a copy of the Articles of Incorporation and Bylaws, as amended to date. Committees of the Board shall submit minutes of each committee meeting to the Recording Secretary in a timely manner.
 - (ii) Records. The Secretary shall keep, or cause to be kept, at the Foundation's principal office or at a place determined by resolution of the Board, a record of the Foundation's Board Directors, showing each Board Director's name, address, and telephone number.
 - (iii) Notices and Other Duties. The Secretary shall give notice of all meetings of the Board required by these Bylaws to be given. The Secretary shall have such other powers and perform such other duties as the Board or these Bylaws may prescribe.
 - (iv) Corporate Seal. The Secretary shall keep, or cause to be kept, the corporate seal (if any) in safe custody.
 - (v) Parliamentarian. If requested to do so by the Board of Directors, the Secretary may act as adviser to the Board on parliamentary procedure according to the current edition of Roberts Rules of Order, Newly Revised, and shall be familiar with said procedures.
 - (vi) Other. The Secretary shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or these By-Laws.

- (f) Executive Director. The Board by resolution may appoint a person as the Executive Director. The Executive Director will act as the general manager of the Foundation. The Executive Director shall oversee the operations of the Foundation and shall strive to create and implement programs to maximize both the amount of money raised by the Foundation and the quality of the programs supported by the Foundation, and shall serve at the pleasure of a majority of the Board Directors, and report monthly on the state of the Foundation. The Executive Director is an advisor to the Board.

ARTICLE X.

INDEMNIFICATION

Section X.1 Right of Indemnity. To the fullest extent permitted by law, this Foundation shall indemnify its Board Directors, officers, employees, and other persons described in Section 5238 (a) of the California Corporations Code, 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 the term is used in that section, and including an action by or in the right of the 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 Corporation Code.

Section X.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 X.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 12.01 and 12.02 of these Bylaws in defending any proceeding covered by those Sections shall be advanced by the Foundation for final disposition of the proceeding, on receipt by the 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 the Foundation for those expenses.

ARTICLE XI.

INSURANCE

The Foundation shall have power to purchase and maintain insurance on behalf of any agent of the corporation against any liability asserted against or incurred by the agent in such capacity or arising out of the agent's status as such whether or not the Foundation would have the power to indemnify the agent against such liability under the provisions of this section; provided, however, that the Foundation shall have no power to purchase and maintain such insurance to

indemnify any agent of the Foundation for a violation of Section 5233 of the Nonprofit Corporation Law (relating to self-dealing transactions).

ARTICLE XII.

CONTRACTS, CHECKS, DEPOSITS, LOANS AND FUNDS

Section XII.1 Contracts. The Board may authorize any Board Director, officer, employee, or agent of the 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 the Foundation, and such authority may be general or confined to specific instances. In the absence of any action by the Board of Directors to the contrary, the President for all contracts, or the Executive Director for contracts under \$1,000.00, shall be authorized to execute such instruments on behalf of the Foundation.

Section XII.2 Checks, Drafts, Etc. All checks, drafts or orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Foundation, shall be co-signed by the President or Vice President of Finance, Vice President of Administration, or the Executive Director; provided, however, two such signatures are required for any item in excess of \$1000.00. In the absence of these signatories, a resolution by the Board shall appoint designated signatories.

Section XII.3 Deposits. All funds of the Foundation shall be deposited from time to time to the credit of the Foundation in such banks, trust companies or other depositories as the Board may select.

Section XII.4 Gifts. The Board may accept or reject any contribution, gift, bequest or devise to the Foundation for the general purpose or for any special purpose of the Foundation.

Section XII.5 Grants. The making of grants and contributions, and otherwise rendering financial assistance for the purposes of the Foundation, may be authorized by the Board of Directors. The Board of Directors may authorize any officer or officers, agent or agents, in the name of and on behalf of the Foundation, to make any such grants, contributions, or assistance.

Section XII.6 Loans. As authorized by the By-Laws and by the Board of Directors, the President or any other officer, employee, or agent may effect loans and advances at any time for the Foundation from any bank, trust company, or other institution or from any firm, corporation, or individual and for such loans and advances may make, execute, and deliver promissory notes, bonds, or other certificates or evidences of indebtedness of the Foundation, and when authorized by the Board of Directors so to do, may pledge and hypothecate or transfer assets of the Foundation as security for any such loans or advances. Such authority conferred by the Board of Directors may be general or confined to specific instances or otherwise limited.

ARTICLE XIII.

MAINTENANCE AND INSPECTION OF RECORDS AND REPORTS

Section XIII.1 Maintenance of Foundation Records. The Foundation shall keep:

1. Adequate and correct books and records of account;
2. Written minutes of the proceedings of its Board, and committees of the Board;
3. A record of each Board Director's name, address and telephone number;
4. A copy of the Articles of Incorporation and Bylaws of the Foundation and any amendments thereto; and
5. Current copies of all insurance policies, contracts, leases and employee records.

Section XIII.2 Inspection by Board Directors. Every Board Director shall have the absolute right at any reasonable time to inspect the Foundation's books, records, and 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 Director's agent or attorney. The right of inspection includes the right to copy and make extracts of documents. Such inspection of records shall be carried out at the expense of the examining Board Director.

Section XIII.3 Inspection by San Dieguito Union High School District. In light of the San Dieguito Union High School District policy regarding educational foundations, and recognizing the importance of community relations between the District and the Foundation, the District shall have the right to inspect the Foundation's books and records. The District shall also have the right to retain an independent third party certified public accountant, at the District's cost, to audit the Foundation's books, records, and documents no more frequently than one time each fiscal year.

Section XIII.4 Inspection by Others. Except as required by law, or as set forth in Section 16.02 and Section 16.03 herein, the Foundation's books, records, and documents may not be disclosed to, inspected by, or audited by any person except pursuant to an affirmative vote of a majority of the Board Directors. The Board Directors may grant such permission if such inspection is in the best interests of the Foundation and at no cost or expense to the Foundation.

ARTICLE XIV.

AMENDMENTS

Section XIV.1 Amendments of Bylaws. These Bylaws may be amended by vote of a 2/3 majority of the Board Directors of the Foundation, then present at a regularly scheduled and duly noticed Board Meeting of the Foundation. Provided, however, that no new Bylaws or amended

Articles shall be adopted which would cause a loss of the 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 this Foundation. Proposed amendments shall be submitted to the Board Directors at the meeting prior to that in which a vote on said amendments shall be taken.

ARTICLE XV.

CONSTRUCTION AND DEFINITION

Section XV.1 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 the plural number shall include the singular.
- (d) The word "shall" is mandatory and the word "may" is permissive.
- (e) The word Directors and Board as used in these Bylaws in relation to any power or duty requiring collective action, shall be synonymous with the term Board of Directors.
- (f) The term "person" includes both a legal entity and a natural person.
- (g) The term "majority" is a majority of those present at a meeting. "Simple majority" equals "majority". The term "absolute majority" is a majority of Board Directors then in office.
- (h) The term "written" includes electronic forms of communication, such as electronic mail.

ARTICLE XVI.

ASSETS AND INVESTMENTS

Section XVI.1 Dedication of Assets. The properties and assets of the Foundation are irrevocably dedicated to the Foundation's being an exempt corporation within the meaning of Section 501(c)(3) of the United States Internal Revenue Code of 1954, as amended (the "Internal Revenue Code"), and Section 23701 of the California Revenue and Taxation Code, as amended (the "Taxation Code"). (All references to the Internal Revenue Code and the Taxation Code contained in these By-Laws are deemed to include corresponding provisions of any future United States or California taxation law, as the case may be.)

Section XVI.2 Standards, Retention of Property.

- (a) In investing, reinvesting, purchasing, acquiring, exchanging, selling, and managing the Foundation's investments, the Board of Directors shall act in accordance with the provisions of Section 5240 of the Nonprofit Corporation Law. The Board of Directors shall avoid speculation, looking instead to the permanent disposition of funds, considering the probable income, as well as the probable safety of the Foundation's capital.
- (b) Unless limited by the Articles, the Foundation may continue to hold property properly acquired or contributed to it if and as long as the Board of Directors, acting in accordance with the provisions of Section 5240 of the Nonprofit Corporation Law, may consider that retention is in the best interests of the Foundation. No retention of donated assets violates this Section 16.02 where such retention was required by the donor in the instrument under which the assets were received by the Corporation, except that no such requirement may be effective more than ten (10) years after the death of the donor.
- (c) Notwithstanding any other provision of these By-Laws, the Foundation may reject any donation, acceptance of which the Board of Directors deems would not further the purposes of the Foundation or the acceptance of which would impose an undue burden on the Foundation.

Section XVI.3 Endowment Fund.

- (a) The Foundation may receive donations earmarked for an endowment fund from any source in cash or in other property acceptable to the Board of Directors, provided the terms and conditions, if any, are consistent with the purposes and powers of the Foundation as set forth in the Articles and/or these By-Laws. All donations so received together with the income there from (referred to in these By-Laws as the "Fund") shall be held, managed, administered, and paid out in accordance with any terms and conditions with respect thereto. Unless otherwise specifically required, the Foundation may mingle such restricted donations with other assets of the Fund. The Foundation may reject any donation carrying restrictions deemed by the Board of Directors to be incompatible with the purposes of the Fund and/or the Foundation.
- (b) The Foundation shall keep a complete record of the source of all gifts made to the Fund and shall take such steps as the Board of Directors deem appropriate to recognize and commemorate each such gift, to the end that the memory of the gift and of the donor shall be appropriately preserved.
- (c) Unless otherwise restricted by the terms of the endowment created or accepted by the Foundation, the Foundation shall disburse the Funds or the income therefrom at such time and in such a manner and in such amounts as the Board of Directors may in its discretion determine for the Foundation or its related activities.

ARTICLE XVII.

SEAL AND FISCAL YEAR

Section XVII.1 Seal. The Board of Directors may adopt a corporate seal which shall be in the form of a circle and shall bear the full name of the Foundation and the year and state of its incorporation.

Section XVII.2 Fiscal Year. The fiscal year of the Foundation shall commence on July 1 and end on June 30 of each year unless and until changed by the Board of Directors.

Revisions and approvals to the Bylaws of Canyon Crest Academy Foundation

1. February 12, 2014 CCAF Bylaws Committee (Marty Foltyn, Chair; Amy Caterina, Amanda Chin, Carolyn Cohen, Joanne Couvrette, Ken Farinsky, Eric Kessler, Sharon Leib, Ruth Schorr, Janette Shelton, Members) revised original bylaws as follows. CCAF Board approved bylaws at the March 11, 2014 meeting.

- Overall Changes: Numeric references to Sections x.1 through 9 changed to Sections x.0x.
 The term "Board Members" changed to "Board Directors"
 The term "Liaison(s)" became "Program Liaison(s)"
- 2.01 Principal Office address changed to school's address
- 7.1 word "agents" added to 7.01A Moved '7.04" to new Section "7.01D"
- 7.2 deleted references to "Until commencement of fourth year..."
- 7.3 Deleted vacancy phrases in Section 7.03 B as they are covered in Section 7.08. Added Section "D"
- 7.4 Deleted references to "Booster Groups" Added "Program Liaisons". Reformatted to make subsections 7.04 A" through "7.04 C". Added terminology regarding non voting, ex officio status of Principal, Executive Director, and Student Liaisons.
- 7.5 Changed reference to tie vote to "President" in "E".
- 7.7 Changed section A title to "Elections". Term of office revised. Removed Section "D".
- 7.8 Added terminology for vote vacancies filled by majority of remaining Board Directors. Deleted phrase until successor been elected or appointed.
- 7.9 Added video conferencing.
- 7.11 Deleted references to Board member elections in this Annual Meeting section, as covered elsewhere.
- 7.12 Changed "fix" to "set".
- 7.13 Changed "fix' to "set"
- 7.14 Changed references to method of giving notice; added paragraph on notice content

- 7.17 Changed "majority" to "absolute majority"
- 9.01 Changed title from "Officers" to "Corporate Officers" Updated officer names from "Vice President Administration and Finance" to "Vice President of Administration" and "Vice President of Finance" , Deleted reference to other officers than President, VP Finance, VP Administration, VP Fundraising, Secretary who are not Corporate Officers and as this is covered in 9.3
- 9.3 Changed the placement of this section from 9.04 to 9.03
- 9.4 Changed the placement of this section from 9.03 to 9.04
- 9.08 Added responsibilities of Vice President of Administration as Section "9.08 B". Vice President of Finance moved to Section "9.08 C". Vice President of Fundraising moved to Section "9.08 D" and "business partnerships" changed to "community relationships". Secretary moved to Section "9.08 E" and minor edits to meeting minutes text. Executive Director moved to Section "9.08 F" with edits to how appointed and advisory and non-voting, ex-officio capacity.
- 12.1 Added Executive Director for contracts under \$1,000.00
- 12.2 Added Vice President of Administration; Changed "any check" to "any item"
- 12.4 Separated section into 12.04 Gifts. Added Section 12.05 Grants
- 12.5 New section on Grants separated from former Section 12.04
- 12.6 this section on loans now 12.06
- 15 new terms added
- 17 Article deleted.
- 18 now 17.

2. CCAF Board approved the following changes to the Bylaws at the June 9, 2014 Board meeting.

Article VII Directors (Board Members)

Section VII.1 Powers

paragraph (d) - change the following sentence

From:

To adopt rules and procedures to regulate the fundraising activities.

To:

To adopt rules and procedures to regulate the fundraising activities of the Foundation.

Section VII.4 Composition

subbullet (a) - change the following sentence

From

- (a) Subject to Board approval, the school may appoint up to two student representatives as non-voting members to the Board who will serve as liaisons.

to

- (a) Subject to Board approval, the school may appoint up to two student representatives as non-voting members to the Board who will serve as the student liaisons.

Section VII.5 Voting

paragraph (d) - change the following sentence

from

- (b) Unless otherwise stated herein (See Section 7.17 hereof), a majority of the Board Directors present at a regularly scheduled and duly noticed meeting is required for the resolution of any motion.

to

- (b) Unless otherwise stated herein (See Section 7.17 hereof), a majority of the Board Directors present at a regularly scheduled and duly noticed meeting **at which a quorum is present** is required for the resolution of any motion.

Section VII.17 Quorum

change the following sentence

from

An absolute majority of the authorized number of Directors shall constitute a quorum for the transaction of business

An absolute majority of the authorized number of Directors **in office** shall constitute a quorum for the transaction of business

Article XII Contracts, Checks, Deposits, Loans and Funds

Section XII.1 Contracts

Change the following sentence

from

In the absence of any action by the Board of Directors to the contrary, the Executive Director or the President, for contracts under \$1,000.00, or the President shall be authorized to execute such instruments on behalf of the Foundation.

to

In the absence of any action by the Board of Directors to the contrary, **[redacted]** to execute such instruments on behalf of the Foundation.

Section XII.6 Loans

Change the following sentence

from

The President or any other officer, employee, or agent authorized by the By-Laws and by the Board of Directors may effect loans and advances at any time for the Foundation from any bank, trust company, or other institution or from any firm, corporation, or individual and for such loans and advances may make, execute, and deliver promissory notes, bonds, or other certificates or evidences or indebtedness of the Foundation, and when authorized by the Board of Directors so to do, may pledge and hypothecate or transfer assets of the Foundation as security for any such loans or advances.

To

As authorized by the By-Laws and by the Board of Directors, the President or any other officer, employee, or agent may effect loans and advances at any time for the Foundation from any bank, trust company, or other institution or from any firm, corporation, or individual and for such loans and advances may make, execute, and deliver promissory notes, bonds, or other certificates or evidences or indebtedness of the Foundation, and when authorized by the Board of Directors so to do, may pledge and hypothecate or transfer assets of the Foundation as security for any such loans or advances.

On 3-11-2015 The CCA Foundation amended the By-Laws as follows:

- 1) Section VII.4 second paragraph- removed "and non-voting ex-officio members of the board" from the sentence which starts with The Principal...
- 2) Section VII.4 Composition, page 4 Removed references in paragraph to students and the Executive Director. Language to be: "The Board shall have as its goal a Board composed of parents of students currently attending Canyon Crest Academy, alumni representatives, up to six non-parent members of the community and one or more program liaisons not to exceed a total Board Directorship of 35 members".
- 4) Section VII.4(a) page 4 Removed references to student representatives as non voting members. Language to be: "Subject to Board approval, the school may appoint up to two student representatives as the student liaisons to the Board.
- 5) Section IX.2, page 9. Executive Committee, second sentence. Removed reference to non-voting ex-officio member. Language to be "The Executive Director (if any) shall serve as advisor to the Executive Committee.
- 6) Section IX.8f, page 12 Executive Director. Removed "and a non-voting ex-officio member of the Board" at the end of the paragraph.

CERTIFICATE OF ADOPTION OF BYLAWS

I certify that I am the duly elected and acting Secretary of CANYON CREST ACADEMY FOUNDATION, INC., a California nonprofit public benefit corporation, and that the above Bylaws, consisting of 17 pages, are the Bylaws of this Foundation as adopted at a meeting of the Board on March 11, 2015,

Anju Sreenivasan, Secretary