

**BYLAWS
OF
RIVER OAK CHARTER SCHOOL**

(A California Nonprofit Public Benefit Corporation)

**ARTICLE I
NAME**

Section 1. **NAME.** The name of this Corporation is River Oak Charter School.

**ARTICLE II
PRINCIPAL OFFICE OF THE CORPORATION**

Section 1. **PRINCIPAL OFFICE OF THE CORPORATION.** The principal office for the transaction of the activities and affairs of this Corporation is 555 Leslie St., Ukiah, State of California. The Board of Directors (hereby known as the Charter Council) may change the location of the principal office. Any such change of location must be noted by the Secretary on these bylaws opposite this Section; alternatively, this Section may be amended to state the new location.

Section 2. **OTHER OFFICES OF THE CORPORATION.** The Charter Council 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
GENERAL AND SPECIFIC PURPOSES; LIMITATIONS**

Section 1. **GENERAL AND SPECIFIC PURPOSES.** The purpose of this Corporation is to manage, operate, guide, direct and promote the River Oak Charter School ("Charter School"), a California public charter school. Also in the context of these purposes, the Corporation shall not, except to an insubstantial degree, engage in any other activities or exercise of power that do not further the purposes of the Corporation.

The Corporation shall not carry on any other activities not permitted to be carried on by: (a) a Corporation exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code; or (b) a Corporation, contributions to which are deductible under section 170(c)(2) of the Internal Revenue Code, or the corresponding section of any future federal tax code. No substantial part of the activities of the Corporation shall consist of the carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in, or intervene in (including the publishing or distributing of statements) any political campaign on behalf of or in opposition to any candidate for public office.

**ARTICLE IV
CONSTRUCTION AND DEFINITIONS**

Section 1. **CONSTRUCTION AND DEFINITIONS.** Unless the context indicates otherwise, the general provisions, rules of construction and definitions in the California Nonprofit Corporation Law shall govern the construction of these bylaws. Without limiting the generality of the preceding sentence, the masculine gender includes the feminine and neuter, the singular includes the plural, and the plural includes the singular, and the term "person" includes both a legal entity and a natural person.

**ARTICLE V
DEDICATION OF ASSETS**

Section 1. **DEDICATION OF ASSETS.** This Corporation's assets are irrevocably dedicated to public benefit purposes as set forth in the Charter School's Charter. 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 nonprofit fund, foundation, or Corporation that is organized and operated exclusively for charitable purposes and that has established its exempt status under Internal Revenue Code section 501(c)(3).

**ARTICLE VI
CORPORATIONS WITHOUT MEMBERS**

Section 1. **CORPORATIONS WITHOUT MEMBERS.** This Corporation shall have no voting Members within the meaning of the Nonprofit Corporation Law. The Corporation's Charter Council may, in its discretion, admit individuals to one or more classes of nonvoting Members; the class or classes shall have such rights and obligations as the Charter Council finds appropriate.

**ARTICLE VII
CHARTER COUNCIL**

Section 1. **GENERAL POWERS.** 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 bylaws, the Corporation's activities and affairs shall be managed, and all corporate powers shall be exercised, by or under the direction of the Charter Council. The Charter Council 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 Charter Council.

Section 2. SPECIFIC POWERS. Without prejudice to the general powers set forth in Section 1 of this Article, but subject to the same limitations, the Charter Council shall have the power to:

- a. **Appoint and remove, at the pleasure of the Charter Council, the Administrator; prescribe powers and duties for him/her as are consistent with the law, the articles of incorporation, and these bylaws; and fix his/her compensation.**
- b. **Approve position descriptions, set salaries and employ, promote or dismiss all employees of the Charter School on recommendations of the Administrator.**
- c. **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, dependency, or country; conduct its activities in or outside California; and designate a place in California for holding any meeting of Members.**
- d. **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.**
- e. **Establish educational policies and procedures within the charter school.**
- f. **Assume any obligations, enter into any contracts or other instruments.**
- g. **Perform any and all other business incidental or expedient to the charter school's purpose.**
- h. **Assure that all reports prescribed by law are made in due form.**
- i. **Provide a mechanism for the resolution of disagreements and provide for a forum for appeals on complaints of employees, students, parents, and community members except in those cases where other procedure is provided by law.**
- j. **Approve the courses of study for all grades, upon recommendation of the faculty and administration.**
- k. **Adopt an annual budget after due consideration of such administrative and financial reports as may be required by the May meeting each year.**
- l. **River Oak Charter School has three governing councils: Charter Council**

(the corporate Board of Members), Faculty Council, and Parent Council. In the event there is a disagreement on policy or procedure between the parent, Faculty and/or Charter Councils, the Charter Council shall prevail.

Section 3. DESIGNATED DIRECTORS AND TERMS. The number of Directors (hereby known as Charter Council Members) shall be five (5), unless changed by amendments to these bylaws.¹ The Charter Council shall consist of:

- Three Parent/Guardian Members (nominated by Parent Council) for three year staggered terms; and
- Two Community Members (elected by application to the Charter Council) who serve a three year term.

In selecting Community Member representatives, the Charter Council shall look for expertise in school administration or operations, teaching, business, accounting, legal, political, nonprofit, and fund raising if available.

Employees may be designated by the Charter Council to serve in an advisory capacity to the Board. Ukiah Unified School District (herein after "UUSD") retains the option to appoint a Member to the ROCS Board pursuant to Education Code Section 47604(b), as long as UUSD remains the oversight agency for the Charter School.

Section 4. RESTRICTION ON INTERESTED PERSONS AS MEMBERS. No interested persons may sit on the Charter Council. An interested person is (a) any person compensated by the Corporation 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 Member as Member of the Council; 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 this paragraph shall not affect the validity or enforceability of transactions entered into by the Corporation. This paragraph shall not prohibit the involvement of employees as advisors to the Charter Council. The Charter Council may adopt other policies circumscribing potential conflicts of interest.

Section 5. MEMBERS' TERMS. Each Member shall hold office, unless otherwise removed from office in accordance with these bylaws, for three years.

Section 6. ELECTION OF MEMBERS. Qualified candidates are those who indicate a willingness to fulfil the duties of a Member of the Charter Council and exercise the specific powers as delineated in Section 2 of this Article.

¹ ROCS has agreed to the District's request to remove employees from voting positions on the Charter Council in compliance with Government Code 1090, although ROCS does not agree that Government Code 1090 properly applies to California charter schools. Should a court of competent jurisdiction or the Legislature determine that Government Code 1090 does not apply to charter schools, ROCS reserves the right to place two (2) employee representatives back on the ROCS Council with full voting rights with 60 days written notice to the District Board. This would bring the total number of Council members to seven (7) instead of five (5).

- a. **COMMUNITY MEMBER.** When a vacancy occurs, the Corporation Secretary will post a Notice of Vacancy at no less than three public places. Interested candidates will notify the Secretary in writing of their interest in sitting on the Council by the deadline specified by the Charter Council. The Charter Council will elect persons to serve as Community Members on the Council from those who submitted notices.
- b. **PARENT/GUARDIAN MEMBER.** When a vacancy occurs, the Parent Council shall nominate a Member pursuant to the procedures set forth in the Parent Council bylaws. The nominee shall be presented to the Charter Council for approval.

Section 7. EVENTS CAUSING VACANCIES ON COUNCIL. A vacancy or vacancies on the Charter Council shall occur in the event of (a) the death, resignation, or removal of any Member; (b) the declaration by resolution of the Charter Council of a vacancy in the office of a Member who has been convicted of a felony, declared of unsound mind by a court order, or found by final order or judgment of any court to have breached a duty under California Nonprofit Public Benefit Corporation Law, Chapter 2, Article 3; (c) the withdrawal or graduation of a Parent/Guardian's last child from ROCS, allowing a grace period of three months after the Member no longer has a child attending ROCS; (d) a Member's third consecutive absence from the Charter Council's regular monthly meeting; (e) the increase of the authorized number of Members; (f) the failure of the Members, at any meeting of Members at which any Member or Members are to be elected, to elect the number of Members required to be elected at such meeting; and (g) in the case of an advisory Member, termination of employment with the Charter School.

Section 8. RESIGNATION OF MEMBERS. Except as provided below, any Member may resign by giving written notice to the President of the Council, or to the Secretary, or to the Council. The resignation shall be effective when the notice is given unless the notice specifies a later time for the resignation to become effective. If a Member's resignation is effective at a later time, the Charter Council may elect a successor to take office as of the date when the resignation becomes effective.

Section 9. MEMBERS MAY NOT RESIGN IF NO MEMBERS REMAIN. Except on notice to the California Attorney General, no Member may resign if the Corporation would be left without a duly elected Member or Members.

Section 10. REMOVAL OF MEMBERS. Any Member may be removed, with or without cause, by the vote of two-thirds of the Members of the entire Charter Council at a special meeting called for that purpose, or at a regular meeting, provided that notice of that meeting and of the removal questions are given in compliance with the provisions of the Ralph M. Brown Act. (Chapter 9 (commencing with Section 54950) of Division 2 of Title 5 of the Government Code). Any vacancy caused by the removal of a Member shall be filled as provided in Section 11.

Section 11. **VACANCIES FILLED BY COUNCIL.** Vacancies on the Charter Council may be filled by approval of the Charter Council according to the process outlined in Section 6 above, or, if the number of Members then in office is less than a quorum, by (a) the unanimous consent of the Members then in office, (b) the affirmative vote of a majority of the Members then in office at a meeting held according to notice or waivers of notice complying with Corporations Code Section 5211, or (c) a sole remaining Member.

Section 12. **NO VACANCY ON REDUCTION OF NUMBER OF MEMBERS.** Any reduction of the authorized number of Members shall not result in any Member being removed before his or her term of office expires.

Section 13. **PLACE OF CHARTER COUNCIL MEETINGS.** Meetings shall be held at the principal office of the Corporation. The Charter Council may designate that a meeting be held at any place within California that has been designated by resolution of the Charter Council or in the notice of the meeting. All meetings of the Charter Council shall be noticed, held and conducted in accordance with the terms and provisions of the Ralph M. Brown Act, California Government Code Sections 54950, et seq., and Government Code 1090, as said statute may be modified by subsequent legislation.

Section 14. **MEETINGS; ANNUAL MEETINGS.** The Annual Meeting of the Charter Council and its committees shall be noticed, held and conducted in compliance with the provisions of the Ralph M. Brown Act ("Brown Act"). (Chapter 9 (commencing with Section 54950) of Division 2 of Title 5 of the Government Code).

The Charter Council shall meet annually, in December, absent a Resolution by the Council to fix the meeting at a later time, for the purpose of organization, appointment of officers, and the transaction of such other business as may properly be brought before the meeting. This meeting shall be held at a time, date, and place as may be specified and noticed by resolution of the council.

Section 15. **REGULAR MEETINGS.** Regular meetings of the Charter Council, including Annual meetings, shall be held at such times and places as may from time to time be fixed by the Charter Council. At least 72 hours before a regular meeting, the Charter Council or its designee shall post an agenda containing a brief general description of each item of business to be transacted or discussed at the meeting.

Section 16. **SPECIAL MEETINGS.** Special meetings of the Charter Council for any purpose may be called at any time by the President of the Charter Council, or the Administrator, or the Secretary, or any two Members. The party calling a special meeting shall determine the place, date, and time thereof.

Section 17. **NOTICE OF SPECIAL MEETINGS.** In accordance with the Brown Act, special meetings of the Charter Council may be held only after twenty-four (24) hours notice is given to each Member and to the public through the posting of an agenda. Pursuant to the Brown Act, the Charter Council shall adhere to the following notice requirements for special meetings:

- a. Any such notice shall be addressed or delivered to each Member at the Member's address as it is shown on the records of the Corporation, or as may have been given to the Corporation by the Member for purposes of notice, or, if an address is not shown on the Corporation's records or is not readily ascertainable, at the place at which the meetings of the Charter Council are regularly held.
- b. Notice by mail shall be deemed received at the time a properly addressed written notice is deposited in the United States mail, postage prepaid. Any other written notice shall be deemed received at the time it is personally delivered to the recipient or is delivered to a common carrier for transmission, or is actually transmitted by the person giving the notice by electronic means to the recipient. Oral notice shall be deemed received at the time it is communicated, in person or by telephone or wireless, to the recipient or to a person at the office of the recipient whom the person giving the notice has reason to believe will promptly communicate it to the receiver.
- c. The notice of special meeting shall state the time of the meeting, and the place if the place is other than the principal office of the Corporation, and the general nature of the business proposed to be transacted at the meeting. No business, other than the business the general nature of which was set forth in the notice of the meeting, may be transacted at a special meeting.

Section 18. QUORUM. A majority of the voting Members then in office shall constitute a quorum. All acts or decisions of the Charter Council will be by majority vote based upon the presence of a quorum. Should there be less than a majority of the Members present at any meeting, the meeting shall be adjourned. Voting Members may not vote by proxy.

Section 19. TELECONFERENCE MEETINGS. Members of the Charter Council may participate in teleconference meetings so long as all of the following requirements in the Brown Act are complied with:

- a. At a minimum, a quorum of the Members of the Charter Council shall participate in the teleconference meeting from locations within the boundaries of the school district in which the Charter School operates;
- b. All votes taken during a teleconference meeting shall be by roll call;
- c. If the Charter Council elects to use teleconferencing, it shall post agendas at all teleconference locations with each teleconference location being noticed;
- d. All locations where a Member of the Charter Council participates in a

meeting via teleconference must be fully accessible to Members of the public and shall be listed on the agenda (this means that Members of the Charter Council who choose to utilize their homes or offices as teleconference locations must open these locations to the public and accommodate any Members of the public who wish to attend the meeting at that location);

- e. Members of the public must be able to hear what is said during the meeting and shall be provided with an opportunity to address the Charter Council directly at each teleconference location; and
- f. The agenda shall indicate that Members of the public attending a meeting conducted via teleconference need not give their name when entering the conference call. The Brown Act prohibits requiring Members of the public to provide their names as a condition of attendance at the meeting.

Section 20. ADJOURNMENT. A majority of the Members present, whether or not a quorum is present, may adjourn any Charter Council meeting to another time or place. If a meeting is adjourned for more than twenty-four (24) hours, notice of such adjournment to another time or place shall be given, prior to the time scheduled for the continuation of the meeting, to the Members who were not present at the time of the adjournment, and to the public in the manner prescribed by and in accordance with the Brown Act.

Section 21. COMPENSATION AND REIMBURSEMENT. Members may not receive compensation for their services as Members or Officers, but may receive such reimbursement of expenses, as the Charter Council may establish by resolution to be just and reasonable to the Corporation at the time that the resolution is adopted.

Section 22. CREATION AND POWERS OF COMMITTEES. The Council, by resolution adopted by a majority of the Members then in office, may create one or more committees to serve at the pleasure of the Council. Each committee shall have at least one voting Member. Appointments to committees of the Charter Council shall be by majority vote of the authorized number of Members. The Charter Council may appoint one or more Members as alternates of any such committee, who may replace any absent Member at any meeting. Any such committee shall have all the authority of the Council, to the extent provided in the Charter Council's 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 the Members or approval of a majority of all Members;
- b. Fill vacancies on the Charter Council or any committee of the Council;
- c. Amend or repeal bylaws or adopt new bylaws;
- d. Amend or repeal any resolution of the Charter Council that by its express

terms is not so amendable or subject to repeal;

- e. Create any other committees of the Charter Council or appoint the Members of committees of the Council; or
- f. Approve any contract or transaction to which the Corporation is a party and in which one or more of its Members has a material financial interest.

Section 23. MEETINGS AND ACTIONS OF COMMITTEES. Meetings and actions of committees of the Charter Council shall be governed by, held, and taken under the provisions of these bylaws concerning meetings, other Charter Council actions, and the Brown Act, if applicable, except that the time for general meetings of such committees and the calling of special meetings of such committees may be set either by Charter Council resolution or, if none, by resolution of the committee. Minutes of each meeting shall be kept and shall be filed with the corporate records. The Charter Council may adopt rules for the governance of any committee as long as the rules are consistent with these bylaws. If the Charter Council has not adopted rules, the committee may do so.

Section 24. NON-LIABILITY OF MEMBERS. No Member shall be personally liable for the debts, liabilities, or other obligations of this Corporation.

Section 25. COMPLIANCE WITH LAWS GOVERNING STUDENT RECORDS. The Charter School and the Charter Council shall comply with all applicable provisions of the Family Education Rights Privacy Act ("FERPA") as set forth in Title 20 of the United States Code Section 1232g and attendant regulations as they may be amended from time to time.

ARTICLE VIII OFFICERS OF THE CHARTER COUNCIL

Section 1. OFFICES HELD. The Officers of the Charter Council shall be a President, a Vice-president, a Secretary and a Chief Financial Officer who shall be designated as the Treasurer.

Section 2. DUPLICATION OF OFFICE HOLDERS. Any number of offices may be held by the same Member, except that neither the Secretary nor the Treasurer may serve concurrently as the President of the Council.

Section 3. ELECTION OF OFFICERS. Any Member of the Council may serve as an Officer of the Charter Council. Officers shall be elected for a term of one year by the Charter Council at the Annual Meeting, or if a vacancy arises, an interim Officer may be elected by the Council at any time to serve until the regular election can be had. Each Officer shall hold office until he or she resigns or is removed or is otherwise disqualified to serve, or until his or her successor shall be elected and qualified, which ever occurs first.

Section 4. APPOINTMENT OF OTHER OFFICERS. The Charter Council may

appoint and authorize the President of the Council or another Officer to appoint any other Officers that the Council may require. Each appointed Officer shall have the title and authority, hold office for the period, and perform the duties specified in the bylaws or established by the Council.

Section 5. RESIGNATION OF OFFICERS. Any Officer may resign at any time by giving written notice to the Council. The resignation shall take effect on the date the notice is received or at any later time specified in the notice. Unless otherwise specified in the notice, the resignation need not be accepted to be effective. Any resignation shall be without prejudice to any rights of the Corporation under any contract to which the Officer is a party.

Section 6. 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.

Section 7. PRESIDENT OF THE COUNCIL. The President of the Council shall preside at the Charter Council meetings and shall exercise and perform such other powers and duties as the Charter Council may assign from time to time. If there is no Administrator, the President of the Charter Council shall also be the chief executive officer and shall have the powers and duties of the Administrator of the Corporation set forth in these bylaws. If a President of the Charter Council is elected, there shall also be a Vice-President of the Charter Council.

Section 8. VICE-PRESIDENT. If the President is absent or disabled, the Vice-President shall perform all duties of the President. When so acting, he or she shall have all powers of and be subject to all restrictions on the President. The Vice-President shall have such other powers and perform such other duties as the Charter Council or the bylaws may require.

Section 9. SECRETARY. The Secretary shall keep or cause to be kept, at the Corporation's principal office or such other place as the Charter Council may direct, a book of minutes of all meetings, proceedings, and actions of the Council and of committees of the Council. The minutes of meetings shall include the time and place that the meeting was held; whether the meeting was annual, regular, special, or emergency and, if special or emergency, how authorized; the notice given; and the names of the Members present at Charter Council and committee meetings.

The Secretary shall keep or cause to be kept, at the principal California office, a copy of the articles of incorporation and bylaws, as amended to date. The Secretary shall give, or cause to be given, notice of all meetings of the Council and of committees of the Charter Council that these bylaws require to be given. The Secretary shall keep the corporate seal, if any, in safe custody and shall have such other powers and perform such other duties as the Charter Council or the bylaws may require.

Section 10. TREASURER. The Treasurer shall act as the Chief Financial Officer of the Corporation and shall keep and maintain, or cause to be kept and maintained, adequate and correct books and accounts of the Corporation's properties and transactions. The Treasurer shall

send or cause to be given to Members such financial statements and reports as are required to be given by law, by these bylaws, or by the Charter Council. The books of account shall be open to inspection by any Member at all reasonable times.

The Treasurer shall (a) deposit, or cause to be deposited, all money and other valuables in the name and to the credit of the Corporation with such depositories as the Charter Council may designate; (b) disburse the Corporation's funds as the Charter Council may order; (c) render to the Administrator, President of the Council, if any, and the Council, when requested, an account of all transactions as Treasurer and of the financial condition of the Corporation; and (d) have such other powers and perform such other duties as the Council, contract, job specification, or the bylaws may require.

Section 11 ADMINISTRATOR. Subject to such supervisory powers as the Charter Council may give to the President of the Council, if any, and subject to the control of the Council, and subject to Administrator's contract of employment, the Administrator shall be the General Manager of the Corporation and shall supervise, direct, and control the Corporation's activities, affairs, and officers as fully described in any applicable employment contract, agreement, or job specification. The Administrator shall have such other powers and duties as the Charter Council or the bylaws may require.

ARTICLE IX CONTRACTS WITH MEMBERS

Section 1. CONTRACTS WITH MEMBERS. The Corporation shall comply with Government Code Section 1090.

ARTICLE X CONTRACTS WITH NON-MEMBER DESIGNATED EMPLOYEES

Section 1. CONTRACTS WITH NON-MEMBER DESIGNATED EMPLOYEES. The Corporation shall not enter into a contract or transaction in which a non-Member designated employee (e.g., officers and other key decision-making employees) directly or indirectly has a material financial interest unless all of the requirements in the River Oak Charter School Conflict of Interest Policy have been fulfilled.

**ARTICLE XI
LOANS TO MEMBERS AND OFFICERS**

Section 1. LOANS TO MEMBERS AND OFFICERS. This Corporation shall not lend any money or property to or guarantee the obligation of any Member or Officer without the approval of the California Attorney General; provided, however, that the Corporation may advance money to a Member or Officer of the Corporation for expenses reasonably anticipated to be incurred in the performance of his or her duties if that Member or Officer would be entitled to reimbursement for such expenses of the Corporation.

**ARTICLE XII
INDEMNIFICATION**

Section 1. INDEMNIFICATION. To the fullest extent permitted by law, this Corporation shall indemnify its Members, officers, employees, and other persons described in Corporations Code Section 5238(a), including persons formerly occupying any such positions, against all expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred by them in connection with any "proceeding," as that term is used in that section, and including an action by or in the right of the Corporation by reason of the fact that the person is or was a person described in that section. "Expenses," as used in this bylaw, shall have the same meaning as in that section of the Corporations Code.

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

**ARTICLE XIII
INSURANCE**

Section 1. INSURANCE. This Corporation shall have the right to purchase and maintain insurance to the full extent permitted by law on behalf of its Members, officers, employees, and other agents, to cover any liability asserted against or incurred by any Member, officer, employee, or agent in such capacity or arising from the Member's, officer's, employee's, or agent's status as such.

**ARTICLE XIV
MAINTENANCE OF CORPORATE RECORDS**

Section 1. MAINTENANCE OF CORPORATE RECORDS. This Corporation shall keep

- a. Adequate and correct books and records of account;
- b. Written minutes of the proceedings of the Council and committees of the Council; and
- c. Such reports and records as required by law.

ARTICLE XV INSPECTION RIGHTS

Section 1. MEMBERS' RIGHT TO INSPECT. Every Member shall have the right at any reasonable time to inspect the Corporation's books, records, documents of every kind, physical properties, and the records of each subsidiary as permitted by California and federal law. The inspection may be made in person or by the Member's agent or attorney. The right of inspection includes the right to copy and make extracts of documents as permitted by California and federal law. This right to inspect may be circumscribed in instances where the right to inspect conflicts with California or federal law (e.g., restrictions on the release of educational records under FERPA) pertaining to access to books, records, and documents.

Section 2. ACCOUNTING RECORDS AND MINUTES. On written demand on the Corporation, any Member may inspect, copy, and make extracts of the accounting books and records and the minutes of the proceedings of the Charter Council and committees of the Charter Council at any reasonable time for a purpose reasonably related to the Member's interest as a Member. Any such inspection and copying may be made in person or by the Member's agent or attorney. This right of inspection extends to the records of any subsidiary of the Corporation.

Section 3. MAINTENANCE AND INSPECTION OF ARTICLES AND BYLAWS. This Corporation shall keep at its principal California office the original or a copy of the articles of incorporation and bylaws, as amended to the current date, which shall be open to inspection by the Members at all reasonable times during office hours. If the Corporation has no business office in California, the Secretary shall, on the written request of any Member, furnish to that Member a copy of the articles of incorporation and bylaws, as amended to the current date.

ARTICLE XVI REQUIRED REPORTS

Section 1. ANNUAL REPORTS. The Charter Council shall cause an annual report to be sent to itself (the Members of the Charter Council) within 120 days after the end of the Corporation's fiscal year. That report shall contain the following information, in appropriate 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 assets and liabilities, including trust funds;

- c. The Corporation's revenue or receipts, both unrestricted and restricted to particular purposes;
- d. The Corporation's expenses or disbursement for both general and restricted purposes;
- e. Any information required under these bylaws; and
- f. An independent accountant's report or, if none, the certificate of an authorized officer of the Corporation that such statements were prepared without audit from the Corporation's books and records.

Section 2. ANNUAL STATEMENT OF CERTAIN TRANSACTIONS AND INDEMNIFICATIONS. As part of the annual report to all Members, or as a separate document if no annual report is issued, the Corporation shall, within 120 days after the end of the Corporation's fiscal year, annually prepare and mail or deliver to each Member and furnish to each Member a statement of any transaction or indemnification of the following kind:

Any transaction (i) in which the Corporation, or its parent or subsidiary, was a party; (ii) in which an "interested person" had a direct or indirect material financial interest; and (iii) which involved more than \$50,000 or was one of several transactions with the same interested person involving, in the aggregate, more than \$50,000. For this purpose, an "interested person" is either:

- 1) Any Member or officer of the Corporation, its parent, or subsidiary (but mere common Membership shall not be considered such an interest); or
- 2) Any holder of more than 10 percent of the voting power of the Corporation, its parent, or its subsidiary. The statement shall include a brief description of the transaction, the names of interested persons involved, their relationship to the Corporation, the nature of their interest, provided that if the transaction was with a partnership in which the interested person is a partner, only the interest of the partnership need be stated.

ARTICLE XVII BYLAW AMENDMENTS

Section 1. BYLAW AMENDMENTS. The Charter Council may adopt, amend or repeal any of these Bylaws by a majority of the Members present at a meeting duly held at which a quorum is present, except that no amendment shall change any provisions of the Charter that created the River Oak Charter School or make any provisions of these Bylaws inconsistent with that Charter, the Corporation's Articles of Incorporation, or any laws.

**ARTICLE XVIII
FISCAL YEAR**

Section 1. FISCAL YEAR OF THE CORPORATION. The fiscal year of the Corporation shall begin on July 1st and end on June 30th of each year.

CERTIFICATE OF SECRETARY

I certify that I am the duly elected and acting Secretary of the River Oak Charter School, Inc, a California nonprofit public benefit Corporation; that these bylaws, consisting of 15 pages, are the bylaws of this Corporation as amended by the Charter Council on May 12, 2011.

Executed on May 12, 2011 at Ukiah, California.

Deborah White, Secretary