

**BYLAWS OF  
NEWPORT HEIGHTS ELEMENTARY FOUNDATION**

**ARTICLE I. OFFICES**

**Section 1.1**

**Principal Office.** The principal office of the Corporation for its transaction of business is located in the City of Newport Beach and County of Orange, California.

**Section 1.2**

**Change of Address.** The Board of Directors is hereby granted full power and authority to change the principal office of the Corporation from one location to another in the County of Orange, California. Any such change shall be noted by the Secretary in these Bylaws, but shall not be considered an amendment of these Bylaws.

**ARTICLE II. MEMBERS**

**Section 2.1**

**Members Prohibited.** The Corporation shall not have any members.

**Section 2.2**

**Effect of Prohibition.** Any action which would otherwise require approval by a majority of all members of approval by the members shall require any approval of the Board of Directors. All rights which would otherwise vest under the Non-Profit Public Benefit Corporation Law in the members shall vest in the Directors.

**ARTICLE III. DIRECTORS**

**Section 3.1**

**Number.** The Corporation shall have not less than five (5) voting nor more than eleven (11) voting Directors. The spouse of each Director shall be a non-voting Director. In the absence of any voting Director, the non-voting spouse may cast the vote. The exact number of Directors shall be twelve (12) and this number shall be fixed from time to time, within the limits specified in this Bylaws, by an amendment to this Bylaw duly adopted by approval of the Board of Directors, as that term is defined in Section 5032 of the Corporations Code. The current and future principals of Newport Heights Elementary Foundation shall be provided with the opportunity to be a Director. Notwithstanding the foregoing, a spouse of a Newport Heights Elementary Foundation Principal shall not be a non-voting Director.

The initial directors shall be the following persons who are appointed for the terms set forth below:

<u>Initial Directors</u>	<u>Term</u>
Skip Beck	2 years
Brook Boothe	3 years
Doug Fabian	3 years
Laird Hayes	2 years
Tim Newman	2 years
Maria Olson	3 years
Michael Ridley	2 years
Ron Searcy	3 years
Kim Thompson	2 years

### **Section 3.2**

**Qualifications.** Except for the principal of Newport Heights Elementary Foundation, the Directors of the Corporation shall be residents of Newport Beach, California.

### **Section 3.3**

**Term of Office.** During its initial year, one-half of the appointed directors shall be appointed to a two (2) year term and one-half shall be appointed to a three (3) year term. A director shall hold office until expiration of the term for which appointed and until a successor has been duly appointed and qualified. At each subsequent annual meeting of the Board, successors to the directors whose terms expire in that year shall be appointed for a two (2) year term.

### **Section 3.4**

**Nomination.** Any person qualified to be a Director under Section 3.1 of these Bylaws may be nominated by the method of nomination authorized by the Board or by any other method authorized by law.

### **Section 3.5**

**Election.** The Directors shall be elected at each regular meeting of the Board of Directors as prescribed by Section 3.6 of these Bylaws. The candidates receiving the highest number of votes up to the number of Directors to be elected are elected. Directors shall be eligible for reelection without limitation on the number of terms they may serve, provided they continue to meet the qualifications required by Section 3.2 by these Bylaws, but Directors may not be reelected to more than three (3) consecutive terms. There shall be no election for non-voting Directors. The spouse of a voting Director shall automatically become a non-voting Director.

### **Section 3.6**

**Compensation.** The Directors shall serve without compensation (except that they shall be allowed and paid their actual and necessary expenses incurred in attending the meetings of the Board or pursuant to other provisions allowing for partial compensation).

### **Section 3.7**

#### **Meetings.**

(a) **Call of Meetings.** Meetings of the Board may be called by the Chairman of the Board or the President or any Vice-President or the Secretary or any two (2) Directors.

(b) **Place of Meetings.** All meetings of the Board shall be held at any member's home as specified in Section 1.1 of these Bylaws or as changed from time to time as provided in Section 1.2 of these Bylaws.

(c) **Date and Time of Meetings.** Regular meetings of the Board of Directors shall be held, without notice on the second Thursday of each month at 7:30 p.m. If any day fixed for the regular meetings of the Board of Directors falls on a legal holiday, the meeting scheduled for that day shall be held at the same hour on the next Monday which is not a legal holiday.

(d) **Special Meetings.** Special meetings of the Board may be called by the Chairman of the Board or the President or any Vice-President or the Secretary or any two (2) Directors. Special meetings shall be held on four (4) days notice by first-class mail, postage prepaid, or on forty-eight (48) hours notice delivered personally or by telephone, facsimile, or e-mail. Notice of the special 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 minutes thereof, whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of such 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 meetings.

(e) **Quorum.** A majority of the authorized number of Directors constitutes a quorum of the Board of Directors for the transaction of business, except as hereinafter provided.

(f) **Transactions of Board.** Except as otherwise provided in the Articles, in these Bylaws, or by law, 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, provided, however, that any meeting at which a quorum was initially present may continue to transact business notwithstanding the withdrawal of Directors, if any action taken shall be approved by at least a majority of the required quorum for such meeting, or such greater number as is required by law, the Articles, or these Bylaws.

(g) **Conduct of Meetings.** The Chairman of the Board or, in his or her absence, any Director selected by the Directors present shall preside at meetings of the Board of Directors. The Secretary of the Corporation or, in the Secretary's absence, any person appointed by the presiding officer shall act as Secretary of the Board. Members of the Board of Directors may participate in a meeting through use of conference telephone or similar communications equipment, so long as all members participating in such meeting can hear one another. Such participation shall constitute personal presence at the meeting.

(h) **Adjournment.** A majority of the Directors present, whether or not a quorum is present, may adjourn any meeting to another time and place. If the meeting is adjourned for more than twenty-four (24) hours, notice of the 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.

(i) **Waiver of Notice.** The transactions of any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice, if a quorum is present, and either before or after the meeting, each of the directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. All waivers, consents and approvals shall be filed with the corporate records or made a part of the minutes of the meeting. Notice of a meeting shall also be deemed given to any director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

### **Section 3.8**

**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 of Directors individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board of Directors. Such action by written consent shall have the same force and effect as the unanimous vote of such Directors.

### **Section 3.9**

#### **Removal of Directors.**

(a) **Removal for Cause.** The Board of Directors may declare vacant the office of a Director on the occurrence of any of the following events.

- (1) The Director has been declared of unsound mind by a final order of court; or
- (2) The Director has been convicted of a felony.

(b) **Removal Without Cause.** Except as provided in the Articles, any Director may be removed without cause if such removal is approved by the Board of Directors

within the meaning of Section 5032 of the Corporations Code.

### **Section 3.10**

**Resignation of Director.** Any Director may resign effective on giving written notice to the Chairman of the Board of Directors, the President, the Secretary, or the Board of Directors of the Corporation, 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 elected to take office when the resignation becomes effective. A Director shall not resign where the Corporation would then be left without a duly elected Director or Directors in charge of its affairs.

### **Section 3.11**

#### **Vacancies in the Board.**

(a) **Causes.** Vacancies on the Board of Directors shall exist on the death, resignation, or removal of any Director; whenever the number of Directors authorized is increased; and on the failure of the members in any election to elect the full number of Directors authorized.

(b) **Filling Vacancies.** Except as otherwise provided in the Articles or these Bylaws and except for a vacancy created by the removal of a Director pursuant to Section 3.9 of these Bylaws, vacancies on the Board of Directors may be filled by approval of the Board of Directors, or, if, the number of Directors then in office is less than a quorum, by (1) the unanimous written consent of the Directors then in office; (2) the affirmative vote of a majority of the Directors then in office at a meeting held pursuant to notice or waivers of notice as provided in Section 4.7(d) of these Bylaws; or (3) the sole remaining Director.

## **ARTICLE IV COMMITTEES OF DIRECTORS**

### **Section 4.1**

**Formation of Committees.** The Board of Directors may, by resolution adopted by a majority of the directors then in office, designate one or more committees, each consisting of two or more directors, to serve at the pleasure of the Board. Any committee, to the extent provided in the resolution of the Board, shall have all the authority of the Board, except that no committee, regardless of Board resolution, may:

(a) Take any final action on matters which, under the Nonprofit Corporation Law of California, also requires approval of a majority of all the directors;

(b) Fill vacancies on the Board of Directors or in 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 of Directors which by its express terms is not so amendable or repealable;

(f) Appoint any other committees of the Board of Directors or the members of these committees;

(g) Expend corporate funds to support a nominee for director after there are more people nominated for director than can be appointed; or

(h) Approve any transaction (i) to which the corporation is a party and one or more directors have a material financial interest; or (ii) between the corporation and one or more of its directors or between the corporation or any person in which one or more of its directors have a material financial interest.

#### **Section 4.2**

**Meetings and Action of Committees of Directors.** Meetings and action of committees shall be governed by, and held and taken in accordance with, the provisions of Section 3.6 of these bylaws, concerning meetings of directors, with such changes in the context of those bylaws as are necessary to substitute the committee and its members for the Board of Directors and its members, except that the time for regular meetings of committees may be determined either by resolution of the Board of Directors or by resolution of the committee. Special meetings of committees may also be called by resolution of the Board of Directors. Notice of special meetings of committees shall also be given to any and all alternate members, who shall have the right to attend all meetings of the committee. Minutes shall be kept of each meeting of any committee and shall be filed with the corporate records. The Board of Directors may adopt rules for the government of any committee not inconsistent with the provisions of these bylaws.

### **ARTICLE V. OFFICERS**

#### **Section 5.1**

**Number and Titles.** The officers of the Corporation shall be a President, Vice President, Secretary, Chief financial officer, and such other officers with such titles and duties as shall be stated in these Bylaws or determined by the Board and as may be necessary to enable it to sign instruments. All officers must be members of the Board of Directors. Any number of offices may be held by the same person, except that neither the secretary nor the chief financial officer may serve concurrently as either the president or the chairman of the Board.

## Section 5.2

### Responsibilities of Officers.

(a) **Chairman of the Board.** and exercise and perform such other powers and duties as may be from time to time assigned to the chairman by the Board of Directors or prescribed by the bylaws. If there is no president, the chairman of the Board shall, in addition, be the chief executive officer of the corporation and shall have the powers and duties prescribed in subsection (b), below. In addition, the chairman shall be an ex-officio member of all committees of the corporation.

(b) **President.** The President shall preside at meetings of the Board of Directors and shall, subject to the control of the Board of Directors, generally supervise, direct, and control the business and the officers of the corporation. The president shall have such other powers and duties as may be prescribed by the Board of Directors or the bylaws.

The president shall appoint all committee chairmen except as hereinafter provided with the advice and consent of the Board of Directors, and shall be an ex-officio member of all committees of the corporation. The president may delegate such duties and assignments as desired to the vice-presidents or other members of the Board of Directors.

(c) **Vice-Presidents.** In the absence, or disability of the president, the vice-presidents, if any, in order of their rank as fixed by the Board of Directors or, if not ranked, a vice-president designated by the Board of Directors, shall perform all the duties of the president, and when so acting shall have all the powers of, and be subject to all the restrictions upon, the president. The vice-presidents shall have such other powers and perform such other duties as from time to time may be prescribed for them respectively by the Board of Directors or the chairman of the Board.

(d) **Secretary.** The secretary shall attend to the following:

(i) **Book of Minutes.** The secretary shall keep or cause to be kept, at the principal executive office or such other place as the Board of Directors may direct, a book of minutes of all meetings and actions of directors and committees of directors with the time and place of holding, whether regular or special, and, if special, how authorized, the notice given, the names of those present at such meetings, the number of directors present or represented at directors meetings, and the proceedings of such meetings.

(ii) **Director's Records.** The secretary shall keep, or cause to be kept, at his or her home or at the principal residence of the President, as determined by resolution of the Board of Directors, a record of the corporation's directors and members of all committees showing their names and addresses.

(iii) **Notices, Seal and Other Duties.** The secretary shall give, or cause to be given, notice of all meetings of the Board of Directors required by the bylaws to be given. He shall keep the seal of the corporation in safe custody. He

shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or the bylaws.

(e) Chief financial officer. The chief financial officer shall attend to the following:

(i) Books of Account. The chief financial officer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and records of accounts of the properties and business transactions of the corporation, 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.

(ii) 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 the corporation with such depositories as may be designated by the Board of Directors; shall disburse the funds of the corporation as may be ordered by the Board of Directors; shall render to the president and directors, whenever they request it, an account of all of his transactions as chief financial officer and of the financial condition of the corporation.

(iii) Financial Statements. The chief financial officer shall prepare or cause to be prepared the financial statements of the corporation.

(iv) Other Duties. The chief financial officer shall in general perform all duties incident to the office of chief financial officer and such other duties as may be required by law, by the articles of incorporation of this corporation, or by these bylaws, or which may be assigned from time to time by the Board of Directors.

### Section 5.3

**Resignation and Removal of Officers.** Any officer may resign at any time on written notice to the Corporation without prejudice to the rights, if any, of the Corporation under any contract to which the officer is a party. Officers may be removed with or without cause at any meeting of the Board of Directors by the affirmative vote of a majority of all of the Directors.

### Section 5.4

**Indemnification of Officers and Directors.** The corporation is authorized to indemnify the directors and officers of the corporation to the fullest extent permissible under California law.



**ARTICLE VI. CORPORATE RECORDS,  
REPORTS, AND SEAL**

**Section 6.1**

**Keeping Records.** The Corporation shall keep adequate and correct records of account and minutes of the proceedings of its members, Board, and committees of the Board. The Corporation shall also keep a record of its members giving their names and addresses and the class of membership held by each. The minutes shall be kept in written form. Other books and records shall be kept in either written form or in any other form capable of being converted into written form.

**Section 6.2**

**Annual Report.** The Board of Directors shall cause an annual report to be sent to the officers not later than one hundred twenty (120) days after the close of the Corporation's fiscal year. The report shall contain all the information required by Section 6321(a) of the Corporations Code and shall be accompanied by any report thereon of independent accountants, or if there is no such report, the certificate of an authorized officer of the Corporation that such statements were prepared without audit from the books and records of the Corporation. The annual report shall, be furnished to all Directors.

**Section 6.3**

**Corporate Seal.** The Board of Directors shall adopt a corporate seal. The Secretary of the Corporation shall have the custody of the seal and affix it in all appropriate cases to all corporate documents. Failure to affix the seal shall not, however, affect the validity of any instrument.

**CERTIFICATE OF SECRETARY  
OF  
NEWPORT HEIGHTS ELEMENTARY FOUNDATION  
a California Nonprofit Corporation**

I hereby certify that I am the duly elected and acting Secretary of said Corporation and that the foregoing Bylaws, comprising 6 pages, constitute the Bylaws of said Corporation as duly adopted at a meeting of the Board of Directors thereof held on June 24, 1999.

Dated: June 24, 1999.

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Michael Ridley, Secretary