

OCEAN CHARTER SCHOOL BYLAWS

BYLAWS

for the regulation, except as otherwise provided
by the statute of its Articles of Incorporation,

of

OCEAN CHARTER SCHOOL

a California nonprofit public benefit corporation

I. MEMBERSHIP

The corporation has no members. The rights which would otherwise vest in the members vest in the directors of the corporation (hereinafter "Trustees") of OCEAN CHARTER SCHOOL (hereinafter "OCS"). Actions which would otherwise require approval by a majority of all members or approval by the members require approval of a two-thirds majority of all Trustees or approval by the Board of Trustees (hereinafter "Board").

II. BOARD OF TRUSTEES

A. Powers

The Board shall conduct or direct the affairs of OCS and exercise its powers, subject to the limitations of the California Nonprofit Public Benefit Corporation Law, the Articles of Incorporation and these Bylaws. The Board may delegate the management of the activities of OCS to others, so long as the affairs of OCS are managed, and its powers are exercised, under the Board's ultimate jurisdiction.

Without limiting the generality of the powers here granted to the Board, but subject to the same limitations, the Board shall have all the powers enumerated in these Bylaws, and the following specific powers:

1. To elect and remove Trustees.
2. To select and remove officers, agents and employees of OCS; to prescribe powers and duties for them; and to fix their compensation.

Exhibit A – January 3, 2007 Meeting Minutes

January 3, 2007 Bylaws Proposal – Version 2 -- ADOPTED

3. To conduct, manage and control the affairs and activities of OCS, and to make rules and regulations.
4. To enter into contracts, leases and other agreements which are, in the Board's judgment, necessary or desirable in obtaining the purposes or promoting the interests of OCS.
5. To carry on a business at a profit and apply any profit that results from the business activity to any activity in which OCS may engage.
6. To act as trustee under any trust incidental to OCS's purposes, and to receive, hold, administer, exchange and expend funds and property subject to such a trust.
7. To acquire real or personal property, by purchase, exchange, lease, gift, devise, bequest, or otherwise, and to hold, improve, lease, sublease, mortgage, transfer in trust, encumber, convey or otherwise dispose of such property.
8. To borrow money, incur debt, and to execute and deliver promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations and other evidences of debt and securities.
9. To lend money and accept conditional or unconditional promissory notes therefore, whether interest or non-interest bearing, or secured or unsecured.
10. To indemnify and maintain insurance on behalf of any of its Trustees, officers, employees or agents for liability asserted against or incurred by such person in such capacity or arising out of such person's status as such, subject to the provisions of the California Nonprofit Public Benefit Law and the limitations noted in these Bylaws.
11. To develop, approve, modify or otherwise determine the curriculum, vision, extra-curricular activities, policies and procedures of the school.

B. Number of Trustees

The number of Trustees of OCS shall be not less than 7 or more than 20. The Board shall fix the exact number of Trustees, within these limits, by Board resolution or amendment of the Bylaws. The Board may authorize the existence of one or more Trustees without the right to vote on Board matters. Notwithstanding any other provision of these Bylaws, such nonvoting Trustees shall not be included in the total number of Trustees for purposes of this section, in establishing a quorum, or in any other respect relating to the ability or circumstances under which the Board may act.

Exhibit A – January 3, 2007 Meeting Minutes
January 3, 2007 Bylaws Proposal – Version 2 -- ADOPTED

C. Election of Trustees

1. Election. By resolution, the Board may establish multiple methods by which Trustees are selected, and it may restrict eligibility for certain Trustee positions to individuals with defined characteristics.
2. Term. The term of all newly appointed or elected Trustees shall be determined by the Board by resolution and may vary from Trustee to Trustee. The Secretary shall be responsible for maintaining a current roster of Trustees and their individual terms of service.
3. Chairman. The Board shall appoint a Chairman to oversee Board meetings.
4. Changes. The Board shall determine and approve any changes to the size, structure, election rights, rules, eligibility, or other powers and responsibilities of the Board.

D. Removal of Trustees

The Board may remove a Trustee without cause as provided by the California Nonprofit Public Benefit Corporation law. The Board may remove any Trustee who:

1. Has been declared of unsound mind by a final order of court;
2. Has been convicted of a felony;
3. Has been found by a final order or judgment of any court to have breached any duty imposed by the California Nonprofit Public Benefit Corporation Law; or
4. For such other good causes as the Board may determine.

E. Resignation by Trustee

A non-officer Trustee may resign by giving written notice to the Board Chairman or Secretary. The resignation is effective on the giving of notice, or at any later date specified in the notice. A Trustee may not resign if the Trustee's resignation would leave OCS without a duly elected Trustee in charge of its affairs, without first giving notice to the California Attorney General.

F. Vacancies

A vacancy is deemed to occur on the effective date of the resignation of a Trustee, upon the removal of a Trustee, upon declaration of vacancy pursuant to these Bylaws, or upon a Trustee's death. A vacancy is also deemed to exist upon the increase by the Board of the authorized number of Trustees.

Exhibit A – January 3, 2007 Meeting Minutes
January 3, 2007 Bylaws Proposal – Version 2 -- ADOPTED

G. Compensation of Trustees

Trustees shall serve without compensation. However, the Board may approve reimbursement of a Trustee's actual and necessary expenses while conducting OCS business.

III. PRINCIPAL OFFICE

OCS's principal office shall be at 12606 Culver Boulevard, Los Angeles, California or at such other place as the Board may select by resolution or amendment of the Bylaws. The Secretary shall note any change in principal office on the copy of the Bylaws maintained by the Secretary.

IV. MEETINGS OF THE BOARD

A. Place of Meetings

Board Meetings shall be held at OCS's principal office or at any other reasonably convenient place as the Board may designate.

B. Regular Meetings

Regular Meetings shall be held at various times within the year as the Board determines.

D. Special Meetings

A Special Meeting shall be held at any time called by the Chairman or by any three Trustees.

E. Adjournment

A majority of the Trustees present at a meeting, whether or not a quorum, may adjourn the meeting to another time and place. Notice of the time and place of holding an adjourned meeting need not be given to absent Trustees if the time and place be fixed at the meeting adjourned, except if the meeting is adjourned for longer than 24 hours, notice of the adjournment shall be given as specified in these Bylaws.

F. Notices

Notices of Board Meetings shall be given as follows:

1. Annual Meetings and Regular Meetings may be held without notice if the Bylaws or the Board fix the time and place of such meetings.
2. Special Meetings shall be held upon four days notice by first-class mail or 48 hours notice delivered personally or by telephone, facsimile or e-mail. Notices will be deemed given when deposited in the United State mail, addressed to the

Exhibit A – January 3, 2007 Meeting Minutes

January 3, 2007 Bylaws Proposal – Version 2 -- ADOPTED

recipient at the address shown for the recipient in OCS's records, first-class postage prepaid; when personally delivered in writing to the recipient; or when faxed, e-mailed, or communicated orally, in person or by telephone, to the Trustee or to a person whom it is reasonably believed will communicate it promptly to the Trustee.

3. Emergency Meetings may be held with less notice than would otherwise be required by these Bylaws only in circumstances where such a meeting would comply with the Ralph M. Brown Act provisions for emergency meetings (Cal. Government Code §54956.5).

G. Waiver of Notice

Notice of a meeting need not be given to a Trustee who signs a waiver of notice or written consent to holding the meeting or an approval of the minutes of the meeting, whether before or after the meeting, or attends the meeting without protest, prior to the meeting or at its commencement, of the lack of notice. The Secretary shall incorporate all such waivers, consents and approvals into the minutes of the meeting.

V. ACTION BY THE BOARD

A. Quorum

A majority of the authorized number of directors shall constitute a quorum for the transaction of any business except adjournment.

B. Action by the Board

1. Actions Taken at Board Meetings. The actions done and decisions made by a two-thirds majority of the Trustees present at a meeting duly held at which a quorum is present are the actions and decisions of the Board, except for purposes of electing Trustees, appointing committees and delegating authority thereto, or amending OCS's Bylaws, where the action of a two-thirds majority of Trustees then in office is required by the California Nonprofit Public Benefit Corporation Law or as set out in these Bylaws.

The Board may continue to transact business at a meeting at which a quorum was originally present, even though Trustees withdraw, provided that any action taken is approved by at least a two-thirds majority of the quorum required.

2. Actions Without a Meeting. The Board may take any required or permitted action without a meeting if all the Trustees individually or collectively consent in writing to the taking of that action. Such consent shall have the same effect as an unanimous vote of the Board, and shall be filed with the minutes of the Board proceedings.
3. Board Meeting by Conference Telephone. Trustees may participate in a Board meeting through use of conference telephone or similar communication

Exhibit A – January 3, 2007 Meeting Minutes

January 3, 2007 Bylaws Proposal – Version 2 -- ADOPTED

equipment, so long as all Trustees participating in such meeting can hear one another. Participation in a meeting pursuant to this section constitutes presence in person at such meeting.

C. Committees

1. Appointment of Committees. The Board may appoint one or more Board Committees by vote of a two-thirds majority of Trustees. A Board Standing Committee will consist of not less than two Trustees, who shall serve at the pleasure of the Board. A Board Standing Committee may include non-Trustees in its membership. The Board may, at its discretion, appoint one or more individuals as alternate members of such committee.
2. Authority of Board Committees. The Board may delegate to a Board committee any of the authority of the Board, except with respect to:
 - a. The election of Trustees.
 - b. Filling vacancies on the Board or any committee which has the authority of the Board.
 - c. The fixing of Trustee compensation for serving on the Board or on any committee.
 - d. The amendment or repeal of any Board resolution.
 - e. The amendment or repeal of Bylaws or the adoption of new Bylaws.
 - f. The appointment of other committees of the Board, or the members of the committees.
 - g. The expenditure of corporate funds to support a nominee for Trustee.
 - h. The approval of any self-dealing transaction, as defined by the California Nonprofit Public Benefit Corporation Law.
3. Procedures of Committees. The Board may prescribe the manner in which the proceedings of any Board Committee are to be conducted. In the absence of such prescription, a Board Committee may prescribe the manner of conducting its proceedings, except that the regular and special meetings of the Committee are governed by the provisions of these Bylaws with respect to the calling of meetings and that a Board Standing Committee may not convene a meeting unless at least two Trustee members of the Committee are present.

D. Standard of Care

1. Performance of Duties. Each Trustee shall perform all duties of a Trustee, including duties on any Board Committee, in good faith, in a manner the Trustee believes to be in OCS's best interest and with such care, including reasonable inquiry, as an ordinary prudent person in a like position would use under similar circumstances.
2. Reliance on Others. In performing the duties of a Trustee, a Trustee shall be entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, presented or prepared by:

Exhibit A – January 3, 2007 Meeting Minutes

January 3, 2007 Bylaws Proposal – Version 2 -- ADOPTED

- a. One or more officers or employees of OCS (including the Director of OCS) whom the Trustee believes to be reliable and competent in the matters presented;
 - b. Legal counsel, independent accountants or other persons as to matters that the Trustee believes are within that person's professional or expert competence; or
 - c. A Board Committee, on which the Trustee does not serve, as to matters within its designated authority, provided the Trustee believes the Committee merits confidence and the Trustee acts in good faith, after reasonable inquiry when the need is indicated by the circumstances, and without knowledge that would cause such reliance to be unwarranted.
3. Investments. In investing and dealing with all assets held by OCS for investment, the Board shall exercise the standard of care described above and avoid speculation, looking instead to the permanent disposition of the funds, considering the probable income, as well as the probable safety of OCS's capital. The Board may delegate its investment powers to others, provided that those powers are exercised within the ultimate direction of the Board. No investment violates this section where it conforms to provisions authorizing such investment contained in an instrument or agreement pursuant to which the assets were contributed to OCS.

E. Rights of Inspection

Every Trustee has the right to inspect and copy all books, records and documents of every kind and to inspect the physical properties of OCS, provided that such inspection is conducted at a reasonable time after reasonable notice, and provided that such right of inspection and copying is subject to the obligation to maintain the confidentiality of the reviewed information, in addition to any obligations imposed by any applicable federal, state or local law or any contract to which OCS is a party.

F. Participation in Discussions and Voting

Every Trustee has the right to participate in the discussion and vote on all issues before the Board or any Board Committee, except as otherwise set forth in these Bylaws and as noted below:

1. Any Trustee shall be excused from the discussion and vote on any matter involving: (a) a self-dealing transaction; (b) a conflict of interest; (c) indemnification of that Trustee; or (d) any other matter at the discretion of a majority of the Trustees then present.

G. Duty to Maintain Board Confidences

Every Trustee has a duty to maintain the confidentiality of all Board actions, including discussions and votes, that are not taken in a meeting that is open to the public in compliance with the Ralph M. Brown Act, Cal. Government Code §54950 *et seq.*. Any Trustee violating this confidence may be removed from the Board.

Exhibit A – January 3, 2007 Meeting Minutes
January 3, 2007 Bylaws Proposal – Version 2 -- ADOPTED

VI. OFFICERS

A. Board Officers

The officers of the Board shall consist of a Chairman, Vice Chairman, Secretary, and Treasurer. The Board also may have such other officers as it deems advisable.

1. Chairman. The Chairman shall call meetings of the Board and shall prepare and distribute the meeting agendas in advance. If present, the Chairman shall preside at Board meetings.
2. Vice Chairman. If the Chairman is absent or disabled, the Vice Chairman shall perform all the Chairman's duties and, when so acting, shall have all the Chairman's powers and be subject to the same restrictions. The Vice Chairman shall have other such powers and perform such other duties as the Chairman or Board may prescribe.
3. Secretary. The Secretary shall: (a) keep or cause to be kept, at OCS's principal office, or such other place as the Board may direct a book of minutes of all meetings of the Board and Board Committees, noting the time and place of the meeting, whether it was regular or special (and if special, how authorized), the names of those present, and the proceedings; (b) keep or cause to be kept a copy of OCS's Articles of Incorporation and Bylaws, with amendments; and (c) have such other powers and perform such other duties as the Chairman or Board may prescribe.
4. Treasurer. The Treasurer shall: (a) regularly render to the Chair and the Board, as requested but no less frequently than once a month, an account of OCS's financial transactions and financial condition; (b) serve as Chairman of the Finance Committee of the Board of Trustees; (c) assist the Director and his designee(s) in preparing the annual budget and in presenting it to the Board for approval; (d) review the annual audit of OCS's finances; and (e) have such other powers and perform such other duties as the Chairman or Board may prescribe.

B. Election, Eligibility and Term of Board Officers

1. Election. The Board shall elect the officers annually at a Regular Meeting designated for that purpose or at a Special Meeting called for that purpose, except that officers elected to fill vacancies shall be elected as vacancies occur.
2. Eligibility. A Trustee may hold any number of offices, except that neither the Secretary nor the Treasurer may serve concurrently as the Chairman.
3. Term of Office. Each officer serves at the pleasure of the Board, holding office until resignation, removal or disqualification from service, or until his or her successor is elected.

C. OCS Director

The Board of Trustees shall designate a Director who, subject to Board control, shall have general supervision, direction and control of the affairs of OCS, and such other powers and duties as the Board may prescribe. The Board may designate more than one person to serve as Director at the same time, with such individuals being jointly responsible for fulfilling all duties and responsibilities

Exhibit A – January 3, 2007 Meeting Minutes
January 3, 2007 Bylaws Proposal – Version 2 -- ADOPTED

assigned to the Director.

D. Removal and Resignation of Board Officers and OCS Director

The Board may remove any Board officer or OCS Director, either with or without cause, at any time. Such removal shall not prejudice that individual's rights, if any, under an employment contract. An OCS Director or any Board officer other than the Chairman may resign at any time by giving written notice to the Chairman, the resignation taking effect on receipt of the notice or at a later date specified in the notice. The Chairman may resign at any time by giving written notice to the full Board, the resignation taking effect on receipt of the notice or at a later date specified in the notice.

VII. NON-LIABILITY OF TRUSTEES

The Trustees shall not be personally liable for OCS's debts, liabilities or other obligations.

VIII. INDEMNIFICATION OF CORPORATE AGENTS

OCS shall indemnify any Trustee, Director, employee, or other agent of OCS, who has been successful (1) on the merits in defense of any civil, criminal, administrative or investigative proceeding brought to procure a judgment against such person by reason of the fact that he/she is, or was, OCS's agent, or (2) in defense of any claim, issue or matter therein. In such case, OCS will provide indemnity against expenses actually and reasonably incurred by the person in connection with such proceeding.

If the corporate agent either settles any such claim or sustains a judgment against him/her, then indemnification against expenses, judgments, fines, settlements and other amounts reasonably incurred in connection with such proceedings shall be provided by OCS but only to the extent allowed by, and in accordance with the requirements of, the California Nonprofit Public Benefit Corporation Law.

IX. INSURANCE FOR CORPORATE AGENTS

The Board may adopt a resolution authorizing the purchase and maintenance of insurance on behalf of any Trustee, Director, employee or other agent of OCS, against any liability other than for violating provisions of law relating to self-dealing asserted against or incurred by the agent in such capacity or arising out of the agent's status as such, whether or not OCS would have the power to indemnify the agent against such liability under the provisions of the California Nonprofit Public Benefit Corporation Law.

X. SELF-DEALING TRANSACTIONS

OCS shall not engage in any self-dealing transactions, except as approved by the Board. "Self-dealing transaction" means a transaction to which OCS is a party in which one or more of the Trustees has a material financial interest ("interested Trustee(s)"). Notwithstanding this definition, the following transactions are not self-dealing transactions, and are subject to the Board's general standard of care:

1. The Board's action of fixing a Trustee's compensation as OCS Director, a Trustee, or OCS employee; or
2. A transaction which is part of a public or charitable program of OCS, if the transaction (a) is approved or authorized by the Board in good faith and without unjustified favoritism, and (b) results in a benefit to one or more Trustees or their families because they are in a class of persons intended to be benefited by the program.

Exhibit A – January 3, 2007 Meeting Minutes
January 3, 2007 Bylaws Proposal – Version 2 -- ADOPTED

XI. OTHER PROVISIONS

A. Fiscal Year

OCS's fiscal year shall begin on July 1 of each year and ends on June 30 of the next year.

B. Execution of Instruments

Except as otherwise provided in these Bylaws, the Board may adopt a resolution authorizing any Board officer, Director, or agent of OCS to enter into any contract or execute and deliver any instrument in the name of or on behalf of OCS. Such authority may be general or confined to specific instances. Unless so authorized, no Board officer, agent or employee other than the Director or his or her designee shall have any power to bind OCS by any contract or engagement, to pledge OCS's credit, or to render it liable monetarily for any purpose or any amount. The Director and his or her designee shall have the power to bind OCS by contract or engagement subject to limits imposed by the Board.

C. Checks and Notes

Except as otherwise specifically provided by Board resolution, checks, drafts, promissory notes, orders for the payment of money, and other evidence of indebtedness of OCS may be signed by the Chairman, Treasurer, or OCS Director.

D. Construction and Definitions

Unless the context otherwise requires, the general provisions, rules of construction, and definitions contained in the California Nonprofit Corporation Law and the California Nonprofit Public Benefit Corporation Law shall govern the construction of these Bylaws. Without limiting the generality of the foregoing, words in these Bylaws shall be read as the masculine or feminine gender, and as the singular or plural, as the context requires, and the word "person" includes both a corporation and a natural person. The captions and headings in these Bylaws are for convenience of reference only and are not intended to limit or define the scope or effect of any provisions.

E. Conflict of Interest

Any Trustee, Director, key employee, or committee member having an interest in a contract, other transaction or program presented to or discussed by the Board or Board Committee for authorization, approval, or ratification shall make a prompt, full and frank disclosure of his or her interest to the Board or committee prior to its acting on such contract or transaction. Such disclosure shall include all relevant and material facts known to such person about the contract or transaction which might reasonably be construed to be adverse to OCS's interest. The body to which such disclosure is made shall thereupon determine, by majority vote, whether the disclosure shows that a conflict of interest exists or can reasonably be construed to exist. If a conflict is deemed to exist, such person shall not vote on, nor use his or her personal influence on, nor be present during the discussion or deliberations with respect to, such contract or transaction (other than to present factual information or to respond to questions prior to the discussion). The minutes of the meeting shall reflect the disclosure made, the vote thereon and, where applicable, the abstention from voting and participation. The Board may adopt conflict of interest policies requiring:

Exhibit A – January 3, 2007 Meeting Minutes

January 3, 2007 Bylaws Proposal – Version 2 -- ADOPTED

1. Regular annual statements from Trustees, Directors, and other key employees to disclose existing and potential conflict in interest; and,
2. Corrective and disciplinary actions with respect to transgressions of such policies.

For the purpose of this section, a person shall be deemed to have an "interest" in a contract or other transaction if he or she is the party (or one of the parties) contracting or dealing with OCS, or is a director, trustee or officer of, or has a significant financial or influential interest in the entity contracting or dealing with OCS.

F. Interpretation of Charter

Whenever any provision of these Bylaws is in conflict with the provisions of the Charter, the provisions of these Bylaws control.

XII. AMENDMENT

A two-thirds majority of the Trustees may adopt, amend or repeal these Bylaws.

CERTIFICATE OF SECRETARY

The undersigned does hereby certify that the undersigned is the Secretary of the OCEAN CHARTER SCHOOL, a nonprofit public benefit corporation duly organized and existing under the laws of the State of California, that the foregoing Bylaws of said corporation were duly and regularly adopted as such by the Board of Trustees of said corporation, which Trustees are the only members of said corporation; and that the above and foregoing Bylaws are now in full force and effect.

/s/ Jason Haas
Secretary