

Innovations Academy Board Meeting: November 19, 2013 @ 6:30 PM

Meeting location(s)

Innovations Academy 10380 Spring Canyon Road San Diego, 92131)	840 Williams Way #1 Mountain View, CA, 94040	Public call in number 559-726-1300* Access code 151642
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*Members of the public need not state their names when entering the conference call

Board Attendance

Patric Rawlins	Danielle Strachman	Nathan Cooper	Stephen Rosen	Tony Spitzberg	Cheryl Peach	
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Others in Attendance

Christine Kuglen	Delano Jones			
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Agenda

Topic	Minutes
➤ Call to order / roll call	
➤ Approval of current agenda	
➤ Approval of prior month meeting minutes	
➤ Public comments (3 mins per person)	
➤ Reports	
○ Financial update (Delano)	
○ Director update (Christine) <ul style="list-style-type: none"> ✓ Full time capacity/enrollment ✓ Part time capacity/enrollment ✓ Combined ADA (% and #) ✓ Student demographics ✓ Ocean Life school ✓ Director contract milestones ✓ Facilities / lease extension ✓ Summary of other charter schools in SDUSD ✓ Scripps Ranch community outreach efforts ✓ Solution Center ✓ Sustainability Program ✓ Parent Association 	
○ Ad Hoc Committee update <ul style="list-style-type: none"> ✓ Revised Director self-evaluation (Danielle / Christine) ✓ Revised board goals (short and long term) (Danielle / Patric) ✓ Proposed changes to by-laws (Patric) <ul style="list-style-type: none"> ▪ Action: vote on revised by-laws 	
➤ Discussion items	
○ Examples of how other charter schools expand and how they hire new principals / directors (Christine)	
○ Local Control Funding Formula (Delano)	
➤ Next board meeting	
○ Confirm date of next meeting	
○ Identify agenda items for next meeting	

Innovations Academy Special Meeting

October 30, 2013 @ 6:30PM

Meeting location(s): Innovations Academy (10380 Spring Canyon Rd. San Diego, 92131); 840 Williams Way, #1, Mountain View, CA 94040

Public call in number 559-726-1300 Access code 151642*

*Members of the public need not state their names when entering into the conference call.

Board Attendance and location if members are calling in: Stephen Rosen, Lisa Moncrief, Pattric Rawlins, Nathan Cooper, Danielle Strachman (Mountain View)

Others in Attendance: Tony Spitzberg, Christine Kuglen, Kelly Lang (parent)

Agenda	Minutes
<ul style="list-style-type: none"> ● Call to Order/Roll Call 	<ul style="list-style-type: none"> ● Call to order at 6:36 p.m.
<ul style="list-style-type: none"> ● Approval of Agenda 	<ul style="list-style-type: none"> ● Vote: Lisa motions, Steve seconds, unanimous approval.
<ul style="list-style-type: none"> ● Approval of Minutes 	<ul style="list-style-type: none"> ● Vote: Steve motions, Danielle seconds, unanimous approval.
<ul style="list-style-type: none"> ● Public Comments (3 mins per person) 	<ul style="list-style-type: none"> ● No public comments.
<ul style="list-style-type: none"> ● Reports 	
<ul style="list-style-type: none"> ● Budget Update 	<ul style="list-style-type: none"> ● Discussion: Delano provides summary of September 2013 financial statement. Pattric and Steve request comparison of budget revenue and expenses with previous years. Discussion regarding YTD revenue compared to previous years. Delano explains that change is caused by transition to new funding model. ● Action: Pattric and Steve to identify financial metrics they would like Delano to compare to previous years for future Board meetings. Delano to provide Board members with access to Charter Vision financial system. ● Discussion: Payback plan for final loan will be addressed in 2014 after Special Education issues have been addressed. ● Discussion: Delano reports that changes in enrollment have not materially affected budget.
<ul style="list-style-type: none"> ■ Prop 39 Discussion 	<ul style="list-style-type: none"> ● Discussion: Christine provides general overview of District being required to

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	<p>share unused property with charter schools under Prop 39. We are not planning to apply for Prop 39 property because the District has indicated that it will extend our current school site lease for another year.</p>
<ul style="list-style-type: none"> ● Director's Update 	<ul style="list-style-type: none"> ● Discussion: ST math program has started. STAR testing recently suspended by state, which causes API scores and Program Improvement to be frozen for the next year.
<ul style="list-style-type: none"> ■ Discussion on Student Enrollment ■ Discussion on Facilities Update ■ Discussion on how other charter schools hire individual principals when there are multiple schools. 	<ul style="list-style-type: none"> ● Discussion: small reduction in student population caused by families moving out of state. ● Discussion: District has offered to extend lease for current school site for 1 year. ● Action: Christine to respond to District, indicating desire to extend current school site lease and meet with them to discuss this issue. ● Discussion: Christine described two main models used to hire new principal for a charter school. First method is for current principal to identify a current teacher for the position and mentor that person. Second method is to identify potential candidates at other charter schools and recruit them. ● Action: Christine to identify other charter schools that have expanded and determine how they hired a new principal. Christine will also try to invite someone from another charter school that has expanded to explain their experience with this process.
<ul style="list-style-type: none"> ● Board Responsibilities 	
<ul style="list-style-type: none"> ■ Discussion on Director Evaluation. 	<ul style="list-style-type: none"> ● Discussion: Danielle presents Director self-evaluation form. Evaluation criteria taken from job responsibilities in Director contract. ● Action: Danielle and Christine to work on second draft of Director self-evaluation form and provide update at next Board meeting.

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<ul style="list-style-type: none">• Check on action items from the last meeting• New action items	new principals. <ul style="list-style-type: none">• Review revised Director self-evaluation.• Consider proposed changes to Bylaws.• Review revised Board goals.• Discuss Local Control Funding Formula per Steve's request.
<ul style="list-style-type: none">• Adjourn Meeting	<ul style="list-style-type: none">• Adjourned at 8:06 p.m.

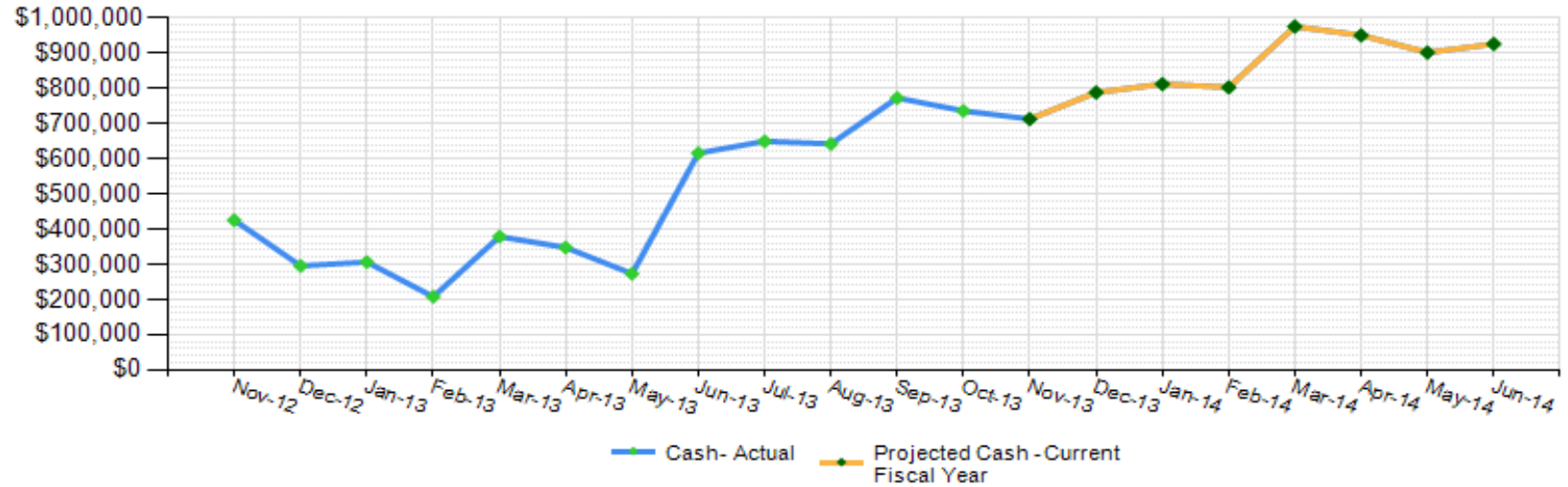


Innovations Academy Monthly Financial Summary

- (1) any cash flow red flags as far as meeting payroll, etc.
—None to report
- (2) any delayed income or other events or anticipated events that might cause significant deviation from the budget that we need to address-
As of 10/31/2013 none to report
- (3) our progress toward the goal of having 6 months operational cash in the bank-
As of 10/31/2013 Innovations Academy has 4.07 months of operating cash in bank
(Cash + Securities + AR) / (Average Expenses past 12 months)
- (4) our progress toward the goal of having a “self-insured” fund set aside for potential SELPA mitigation—
No progress at this time, I would recommend tabling this until 2014-15 in order to have a year of actual SPED revenues and expenditures to use as base line.



Monthly Book Balance Over Time



	Jul 12	Aug 12	Sep 12	Oct 12	Nov 12	Dec 12	Jan 13	Feb 13	Mar 13	Apr 13	May 13
Actual Ending Monthly Book Balance	\$0	\$499,304	\$504,897	\$467,259	\$424,991	\$295,246	\$305,949	\$207,318	\$378,397	\$347,401	\$272,793
Projected Ending Monthly Book Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

	Jul 13	Aug 13	Sep 13	Oct 13	Nov 13	Dec 13	Jan 14	Feb 14	Mar 14	Apr 14	May 14
Actual Ending Monthly Book Balance	\$649,508	\$642,236	\$772,764	\$736,021	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Projected Ending Monthly Book Balance	\$0	\$0	\$0	\$0	\$713,004	\$788,514	\$812,193	\$803,100	\$976,022	\$951,037	\$902,032



Jun 13
\$615,828
\$0

Jun 14
\$0
\$926,349



Year to Date Actual to Budget Summary

Segment Name	Filter Applied
Object	All
Restriction	All

Account Description	Actual YTD	Budget YTD	Variance \$	Variance %	Total Budget	Budget Remaining
Total Revenue Limit	\$525,408	\$2,115,072	(\$1,589,664)	-75.2%	\$2,115,072	\$1,589,664
Total Federal Revenues	\$170	\$58,780	(\$58,610)	-99.7%	\$58,780	\$58,610
Total Other State Revenue	\$35,621	\$53,309	(\$17,688)	-33.2%	\$53,309	\$17,688
Total Local Revenue	\$8,685	\$171,804	(\$163,119)	-94.9%	\$171,804	\$163,119
Total Revenues	\$569,883	\$2,398,965	(\$1,829,081)	-76.2%	\$2,398,965	\$1,829,081
Total Certificated Salaries	\$307,926	\$1,000,481	\$692,555	69.2%	\$1,000,481	\$692,555
Total Classified Salaries	\$85,924	\$212,932	\$127,008	59.6%	\$212,932	\$127,008
Total Employee Benefits	\$114,230	\$289,314	\$175,084	60.5%	\$289,314	\$175,084
Total Personnel Expenses	\$508,080	\$1,502,727	\$994,647	66.2%	\$1,502,727	\$994,647
Total Books and Supplies	\$18,097	\$57,700	\$39,603	68.6%	\$57,700	\$39,603
Total Services and Other Operating Expenses	\$116,147	\$280,568	\$164,421	58.6%	\$280,568	\$164,421
Total Capital Outlay	-	-	-	0.0%	-	-
Total Other Outgo	\$400	\$25,651	\$25,251	98.4%	\$25,651	\$25,251
Total Operational Expenses	\$134,644	\$363,919	\$229,275	63.0%	\$363,919	\$229,275
Total Expenses	\$642,724	\$1,866,646	\$1,223,922	65.6%	\$1,866,646	\$1,223,922
Net Income	(\$72,841)	\$532,319	(\$605,160)	-113.7%	\$532,319	\$605,160

IA Board Goals and Timeline for Completion for the 2013/14 School Year

Long Term Goals

1. Decide on which goals to work towards and assign tasks (October 2014)
2. Ensure all required policies are enacted and documented properly
 - a. Identify required policies and confirm that we have them in place (Due by June 2014)
 - b. Created index of implemented policies to be included with the Board Resolutions document (Due by June 2014)
 - c. Develop a plan to create and approve missing policies (Due by September 2014)
 - d. Ensure all issue and revision dates are noted on each policy (Due by September 2014)
3. Payoff loans by the end of the school year (Due by June 2014)
4. Community Outreach
 - a. Identify our goal for outreach (Due by June 2014)
 - b. Identify venue(s) (Due by June 2014)
 - c. Develop a strategy (Due by June 2014)
5. Develop Fundraising strategy for implementing our fundraising goals
 - a. Develop fundraising strategy for the Innovations Academy board (Due by June 2014)
 - b. Develop a needs assessment with the Director to help understand what the school's needs are currently for fundraising (Due by June 2014)
6. Develop a process to quantify School's success (Due by September of 2015)
 - a. Create a metric
 - b. Create a way to document the success of our 8th grade students and how to follow them into high school and beyond.
7. Prepare the board for going through the process of hiring a new director.
8. Create a board governance packet (include nomination strategy)

Short Term Goals

1. Create a potential new board member packet. (Not currently assigned/Not in progress)
2. Create a standard board member binder for each board member to use. (In progress by Pattric Rawlins)
3. Revise/clean up the bylaws (In progress by Rawlins/Cooper)
4. Work with CSMC to create simplified monthly Budget Summary. (In progress by Rawlins/Rosen)
5. Make corrections from the previous SDUSD audit. (Due by February 2014)
 - a. Review last year's audit and find areas we can improve before upcoming audit in the spring.
 - b. Develop a plan for implementing those changes.
6. Understand and mitigate our self ensured position within the new SELPA. (Due by January 2014 - Delano will report on this each month)
7. Create a Director Evaluation supported by Innovation's Academy's philosophy. (In progress by Strachman/Kuglen)
8. Create a list of resolutions and key actions taken by the board. (In progress by Kuglen)

**BYLAWS
OF
INNOVATIONS ACADEMY**

(A California Nonprofit Public Benefit Corporation)

**ARTICLE I
NAME**

Section 1. NAME. The name of this corporation is Innovations Academy (referred to herein as “Charter School”).

**ARTICLE II
PRINCIPAL OFFICE OF ~~THE CORPORATION~~THE CHARTER SCHOOL**

Section 1. PRINCIPAL OFFICE OF ~~THE CORPORATION~~THE CHARTER SCHOOL. The principal office for the transaction of the activities and affairs of ~~this corporation~~the Charter School is located in San Diego County, California. The Board of Directors of Innovations Academy (referred to herein as “Board”) 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 SCHOOL. The ~~Board of Directors~~Board may at any time establish branch or subordinate offices at any place or places where ~~this corporation~~the Charter School is qualified to conduct its activities.

**ARTICLE III
GENERAL AND SPECIFIC PURPOSES; LIMITATIONS**

Section 1. GENERAL AND SPECIFIC PURPOSES. The purpose of ~~this corporation~~the Charter School is to manage, operate, guide, direct and promote the Innovations Academy (“Charter School”), a California public charter school in the San Diego Unified School District. Also in the context of these purposes, ~~the Corporation~~the Charter School 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 Charter School.

~~The Corporation~~The Charter School 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~~the Charter School shall consist of the carrying on of propaganda, or otherwise attempting to influence legislation, and ~~the Corporation~~the Charter School 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~~The Charter School'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~~the Charter School, on dissolution or otherwise, shall inure to the benefit of any private person or individual, or to any ~~director~~Board Member or officer of ~~the corporation~~the Charter School. On liquidation or dissolution, all properties and assets remaining after payment, or provision for payment, of all debts and liabilities of ~~the corporation~~the Charter School 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~~The Charter School shall have no voting members within the meaning of the Nonprofit Corporation Law. ~~The corporation~~The Charter School's ~~Board of Directors~~Board 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 ~~Board of Directors~~Board finds appropriate.

ARTICLE VII BOARD OF DIRECTORS

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~~the Charter School's activities and affairs shall be managed, and all corporate powers shall be exercised, by or under the direction of the ~~Board of Directors~~Board (“Board”). The Board may delegate the management of ~~the corporation~~the Charter School's activities to any person(s), management company or ~~committee~~Board Committees, however composed, provided that the activities and

affairs of ~~the corporation~~ the Charter School shall be managed and all corporate powers shall be exercised under the ultimate direction of the Board.

Section 2. SPECIFIC POWERS Without prejudice to the general powers set forth in Section 1 of these bylaws, but subject to the same limitations, the Board ~~of Directors~~ shall have the power to:

- a. Appoint and remove, at the pleasure of the ~~Board of Directors~~ Board, all corporate officers, agents, and employees; prescribe powers and duties for them as are consistent with the law, the articles of incorporation, and these bylaws; fix their compensation; and require from them security for faithful service; subject to the terms of any employment contracts and authority previously delegated to the ~~Chief Educational Officer~~ Director of the Charter School (referred to herein as "Director").
- b. Change the principal office or the principal business office in California from one location to another; cause ~~the corporation~~ the Charter School 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.
- c. Borrow money and incur indebtedness on ~~the corporation~~ the Charter School's behalf and cause to be executed and delivered for ~~the corporation~~ the Charter School's purposes, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations, and other evidences of debt and securities.
- d. Adopt and use a corporate seal; prescribe the forms of membership certificates; and alter the forms of the seal and certificates.

Section 3. DESIGNATED ~~DIRECTORS~~ BOARD MEMBERS AND TERMS The number of ~~directors~~ Board Members shall be no less than three (3) and no more than seventeen (17), unless changed by amendments to these bylaws. The number of ~~directors~~ Board Members shall be established by resolution. All ~~directors~~ Board Members shall be designated by the existing ~~Board of Directors~~ Board. All ~~directors~~ Board Members whose terms are expiring are to be designated at ~~the corporation~~ the Charter School's annual meeting of the ~~Board of Directors~~ Board. The ~~Board of Directors~~ Board shall consist of at least three (3) ~~directors~~ Board Members unless changed by amendment to these bylaws. Terms of the ~~directors~~ Board Members shall be staggered so that one-third (or as near to one-third as practicable) shall be elected at each annual meeting. ~~Following approval of these bylaws, the initial term of each director Board Member shall be determined to be one (1), two (2) or three (3) years, to implement the purposes of this Section 3, with successive terms of all directors Board Members to be three (3) years, with each director Board Member to hold office unless otherwise removed from office in accordance with these bylaws and until a successor director Board Member has been designated and qualified. The initial terms of the directors Board Members shall be determined by lot, or by such other method as the Board shall establish.~~

Section 4. **RESTRICTION ON INTERESTED PERSONS AS ~~DIRECTORS~~BOARD MEMBERS**; **QUALIFICATIONS** No more than 49 percent of the persons serving on the ~~Board of Directors~~Board may be interested persons. An interested person is (a) any person compensated by ~~the corporation~~the Charter School 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 ~~director~~Board Member as ~~director~~Board 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 this paragraph shall not affect the validity or enforceability of transactions entered into by ~~the corporation~~the Charter School. The Board may adopt other policies circumscribing potential conflicts of interest.

One ~~director~~Board Member shall be a parent of a student who is currently enrolled in Innovations Academy designated by the Board from among those nominated by a parent organization or by the nominating committee appointed pursuant to Section 6.

One ~~director~~Board Member shall be a teacher currently employed at Innovations Academy and designated by the Board from among those nominated by the teachers or by the nominating committee appointed pursuant to Section 6.

The remaining ~~directors~~Board Members shall be persons who support the mission of Innovations Academy and who have expertise in business, education, finance, law, public relations or marketing, government, or represent the community; provided that such persons shall not also be parents of children enrolled at Innovations Academy at the time of their initial election to the Board~~—~~. These ~~directors~~Board Members shall be elected from among those nominated by the nominating committee appointed pursuant to Section 6, and those nominated by the Chief ~~E~~ducational Officer. Notwithstanding the foregoing, if no more than one candidate is nominated for any position on the Board, the Board may also consider nominations from any other source.

Section 5. **~~DIRECTORS~~BOARD MEMBERS**' TERM Each ~~director~~Board Member shall hold office for three (3) years and until a successor ~~director~~Board Member has been designated and qualified.

Section 6. **NOMINATIONS BY COMMITTEE** The Chairman of the ~~Board of Directors~~Board or, if none, the Vice-Chairman will appoint a committee to designate qualified candidates for election to the ~~Board of Directors~~Board at least thirty (30) days before the date of the annual meeting at which the election of ~~directors~~Board Members is to occur. The nominating committee shall make its report at least seven (7) days before the date of the election or at such other time as the ~~Board of Directors~~Board may set and the Secretary shall forward to each Board ~~member~~Member, with the notice of meeting required by these bylaws, a list of all candidates nominated for each ~~directorship~~Board Member position.

Section 7. **USE OF CORPORATE FUNDS TO SUPPORT NOMINEE** If more people have been nominated for ~~director~~Board Member than can be elected, no corporation funds may be expended to support a nominee without the Board's authorization.

Section 8. **EVENTS CAUSING VACANCIES ON BOARD** A vacancy or vacancies on the ~~Board of Directors~~Board shall occur in the event of (a) the death, resignation, or removal of any ~~director;~~Board Member; (b) the declaration by resolution of the ~~Board of Directors~~Board of a vacancy in the office of a ~~director~~Board 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 increase of the authorized number of ~~directors~~Board Members; or (d) the failure of the members, at any meeting of members at which any ~~director~~Board Member or ~~directors~~Board Members are to be elected, to elect the number of ~~directors~~Board Members required to be elected at such meeting; (e) for the parent-director, whenever the ~~director~~Board Member no longer has a child enrolled at Innovations Academy; and (f) for the teacher-director, upon termination of employment with the ~~Charter School~~Innovations Academy; (g) for any other director, upon taking an office or employment which is inconsistent with, or incompatible with continued service to Innovations Academy, as determined by the Board.

Section 9. **RESIGNATION OF ~~DIRECTORS~~BOARD MEMBERS** Except as provided below, any ~~director~~Board Member may resign by giving written notice to the Chairman of the Board, if any, or to the ~~Chief Educational Officer~~Director, or the Secretary, or to the Board. 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 ~~director~~Board Member's resignation is effective at a later time, the ~~Board of Directors~~Board may elect a successor to take office as of the date when the resignation becomes effective.

Section 10. **~~DIRECTOR~~BOARD MEMBER MAY NOT RESIGN IF NO ~~DIRECTOR~~BOARD MEMBER REMAINS.** Except on notice to the California Attorney General, no ~~director~~Board Member may resign if ~~the corporation~~the Charter School would be left without a duly elected ~~director~~Board Member or ~~directors~~Board Members.

Section 11. **REMOVAL OF ~~DIRECTORS~~BOARD MEMBERS** Any ~~director~~Board Member may be removed, with or without cause, by the vote of the majority of the members of the entire ~~Board of Directors~~Board 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 ~~director~~Board Member shall be filled as provided in Section 12.

Section 12. **VACANCIES FILLED BY BOARD.** Vacancies on the ~~Board of Directors~~Board may be filled by approval of the ~~Board of Directors~~Board or, if the number of ~~directors~~Board Members then in office is less than a quorum, by (a) the unanimous consent of the ~~directors~~Board Members then in office, (b) the affirmative vote of a majority of the ~~directors~~Board 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 ~~director~~Board Member. In the event of a vacancy, the Chairman of the Board shall notify the persons or organizations entitled to make nominations pursuant to Section 4 of their right to propose nominees for that vacancy and the date on which the Board will consider filling the vacancy. Notwithstanding Section 6, the Board may consider filling a vacancy at any meeting of the Board

which is called in accordance with the Brown Act which occurs at least 7 days after notice is given by the Chairman to the persons or organizations entitled to make nominations.

Section 13. NO VACANCY ON REDUCTION OF NUMBER OF ~~DIRECTORSBOARD MEMBERS~~. Any reduction of the authorized number of ~~directorsBoard Members~~ shall not result in any ~~directorsBoard Members~~ being removed before his or her term of office expires.

Section 14. PLACE OF ~~BOARD OF DIRECTORSBOARD~~ MEETINGS. Meetings shall be held at the principal office of ~~the Corporation~~ the Charter School. The ~~Board of DirectorsBoard~~ may designate that a meeting be held at any place within ~~California the San Diego Unified School District~~ that has been designated by resolution of the ~~Board of DirectorsBoard~~ or in the notice of the meeting. All meetings of the ~~Board of DirectorsBoard~~ shall be called, held and conducted in accordance with the terms and provisions of the Ralph M. Brown Act, California Government Code Sections 54950, et seq., as said chapter may be modified by subsequent legislation.

Section 15. MEETINGS; ANNUAL MEETINGS All meetings of the ~~Board of DirectorsBoard~~ and its ~~Board Committees~~ created pursuant to Section 23 shall be called, noticed, and held 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 ~~Board of DirectorsBoard~~ shall meet annually on the first Monday in October, or as soon thereafter as practicable, for the purpose of electing ~~directorsBoard Members~~, 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 ~~Board of DirectorsBoard~~.

Section 16. REGULAR MEETINGS Regular meetings of the ~~Board of DirectorsBoard~~, including annual meetings, shall be held at such times and places as may from time to time be fixed by the ~~Board of DirectorsBoard~~. At least 72 hours before a regular meeting, the ~~Board of DirectorsBoard~~, 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 17. SPECIAL MEETINGS Special meetings of the ~~Board of DirectorsBoard~~ for any purpose may be called at any time by the Chairman of the ~~Board of DirectorsBoard~~, if there is such an officer, or a majority of the ~~Board of DirectorsBoard~~. The party calling a special meeting shall determine the place, date, and time thereof.

Section 18. NOTICE OF SPECIAL MEETINGS In accordance with the Brown Act, special meetings of the ~~Board of DirectorsBoard~~ may be held only after twenty-four (24) hours notice is given to each ~~director Board Member~~ and to the public through the posting of an agenda. Pursuant to the Brown Act, the ~~Board of DirectorsBoard~~ shall adhere to the following notice requirements for special meetings:

- a. Any such notice shall be addressed or delivered to each ~~director Board Member~~ at the ~~director Board Member's~~ address as it is shown on the records of the ~~Corporation Charter School~~, or as may have been given to

the ~~Charter School~~ Corporation by the ~~director~~ Board Member for purposes of notice, or, if an address is not shown on the ~~Charter School~~ Corporation's records or is not readily ascertainable, at the place at which the meetings of the ~~Board of Directors~~ Board 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~~ Charter School, 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 19. QUORUM A majority of the number of ~~directors~~ Board Members currently in office shall constitute a quorum. If a quorum is present, the affirmative vote of the majority of the voting power represented at the meeting, entitled to vote, and voting on any matter shall be a decision of the ~~Board of Directors~~ Board. Should there be fewer than a majority of the ~~directors~~ Board Members present at any meeting, the meeting shall be adjourned. Voting ~~directors~~ Board Members may not vote by proxy.

Section 20. TELECONFERENCE MEETINGS. ~~Members of the Board of~~ Directors Board Members 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 Board of Directors~~ Board Members shall participate in the teleconference meeting from locations within the boundaries of the State of California;
- b. All votes taken during a teleconference meeting shall be by roll call;
- c. If the ~~Board of Directors~~ Board elects to use teleconferencing, it shall post agendas at all teleconference locations with each teleconference location being identified in the notice and agenda of the meeting;
- d. All locations where a ~~member of the Board of Directors~~ Board Member constituting the quorum participates in a meeting via teleconference must

be fully accessible to members of the public and shall be listed on the agenda;¹

- 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 ~~Board of Directors~~Board 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.²

Section 21. ADJOURNMENT A majority of the ~~directors~~Board Members present, whether or not a quorum is present, may adjourn any ~~Board of Directors~~Board meeting to another time or place and shall cause a notice of adjournment to be posted within 24 hours. If a meeting is adjourned for more than five days, notice of such adjournment to another time or place shall be given, prior to the time schedule for the continuation of the meeting, to the ~~directors~~Board Members who were not present at the time of the adjournment, and to the public in the manner prescribed by any applicable public open meeting law.

Section 22. COMPENSATION AND REIMBURSEMENT ~~Directors~~Board Members may receive such compensation, if any, for their services as ~~directors~~Board Members or officers, and such reimbursement of expenses, as the ~~Board of Directors~~Board may establish by resolution to be just and reasonable as to ~~the corporation~~the Charter School at the time that the resolution is adopted.

Section 23. CREATION AND POWERS OF BOARD COMMITTEES The Board, by resolution adopted by a majority of the ~~directors~~Board Members then in office, may create one or more ~~committee~~Board Committees, each consisting of two or more voting ~~directors~~Board Members and no one who is not a director, to serve at the pleasure of the Board. Appointments to ~~committee~~Board Committees of the ~~Board of Directors~~Board shall be recommended by the ~~Chairperson~~Chairman and approved by majority vote of the ~~directors~~Board Members then in office. The ~~Board of Directors~~Board may appoint one or more ~~directors~~Board Members as alternate members of any such ~~committee~~Board Committee, who may replace any absent member at any meeting. Any such ~~committee~~Board Committee may have all the authority of the Board, if so provided in the ~~Board of Directors~~Board' resolution, except that no ~~committee~~Board Committee may:

- a. Fill vacancies on the ~~Board of Directors~~Board or any ~~committee~~Board Committee of the Board;
- b. Fix compensation of the ~~directors~~Board Members for serving on the ~~Board of Directors~~Board or on any ~~committee~~Board Committee;

¹ This means that ~~members of the~~ Board ~~of Directors~~Members 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.

² The Brown Act prohibits requiring members of the public, to provide their names as a condition of attendance at the meeting; however, those wishing to speak may be required to identify themselves.

- c. Amend or repeal bylaws or adopt new bylaws;
- d. Amend or repeal any resolution of the ~~Board of Directors~~Board that by its express terms is not so amendable or subject to repeal;
- e. Create any other ~~committee~~Board Committees of the ~~Board of Directors~~Board or appoint the members of ~~committee~~Board Committees of the Board;
- f. Expend corporate funds to support a nominee for ~~director~~Board Member if more people have been nominated for ~~director~~Board Member than can be elected; or
- g. Approve any contract or transaction to which ~~the corporation~~the Charter School is a party and in which one or more of its ~~directors~~Board Members has a material financial interest.

Other committees, not having the authority of the Board and not limited in composition to Board ~~members~~Members, but serving in an advisory capacity either to the Board or to the ~~Chief Educational Officer~~Director, may be established from time to time by the Board or the ~~Chief Educational Officer~~Director. Such committees, if created by formal action of the Board, will comply with the Brown Act.

Section 24. MEETINGS AND ACTION OF BOARD COMMITTEES Meetings and actions of ~~committee~~Board Committees of the ~~Board of Directors~~Board shall be governed by, held, and taken under the provisions of these bylaws concerning meetings, other ~~Board of Directors~~Board' actions, and the Brown Act, if applicable, except that the time for general meetings of such ~~committee~~Board Committees and the calling of special meetings of such ~~committee~~Board Committees may be set either by ~~Board of Directors~~Board' resolution or, if none, by resolution of the ~~committee~~Board Committee. Minutes of each meeting shall be kept and shall be filed with the corporate records. The ~~Board of Directors~~Board may adopt rules for the governance of any ~~board-committee~~Board Committee as long as the rules are consistent with these bylaws. If the ~~Board of Directors~~Board has not adopted rules, the ~~board-committee~~Board Committee may do so.

Section 25. NON-LIABILITY OF ~~DIRECTORS~~BOARD MEMBERS No ~~director~~Board Member shall be personally liable for the debts, liabilities, or other obligations of ~~this corporation~~the Charter School.

Section 26. COMPLIANCE WITH LAWS GOVERNING STUDENT RECORDS The Charter School and the ~~Board of Directors~~Board shall comply with an 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 CORPORATION~~THE CHARTER SCHOOL

Section 1. OFFICES HELD. The officers of ~~this corporation~~the Charter School shall be a Chairman of the Board, a ~~Chief Educational Officer~~Director, a Secretary, and a Chief Financial Officer who shall be referred to as "Treasurer." The Board shall elect a Chairman of the Board, and may appoint a Vice Chairman, one or more assistant secretaries, one or more assistant treasurers, and such other officers as may be appointed under Article VIII, Section 4, of these bylaws. The officers shall have the corporate duties set forth in this Article VIII, and, if employees of ~~the corporation~~the Charter School, shall also have administrative duties as set forth in any applicable contract for employment or job specification.

Section 2. DUPLICATION OF OFFICE HOLDERS Any number of offices may be held by the same person, except that neither the Secretary nor the Treasurer may serve concurrently as either the ~~Chief Educational Officer~~Director or -Chairman or Vice-Chairman of the Board.

Section 3. ELECTION OF OFFICERS The officers of ~~this corporation~~the Charter School shall be chosen annually by the ~~Board of Directors~~Board and shall serve at the pleasure of the Board, subject to the rights of any officer under any employment contract.

Section 4. APPOINTMENT OF OTHER OFFICERS The ~~Board of Directors~~Board may appoint, or authorize the Chairman of the Board to appoint any other officers that ~~the corporation~~the Charter School 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 Board.

Section 5. REMOVAL OF OFFICERS Without prejudice to the rights of any officer under an employment contract, the ~~Board of Directors~~Board may remove any officer with or without cause. An officer who was not chosen by the ~~Board of Directors~~Board may be removed by any other officer on whom the ~~Board of Directors~~Board confers the power of removal.

Section 6. RESIGNATION OF OFFICERS Any officer may resign at any time by giving written notice to the Board. 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~~the Charter School under any contract to which the officer is a party.

Section 7. 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, provided, however, that vacancies need not be filled on an annual basis.

Section 8. CHAIRMAN OF THE BOARD The Chairman of the ~~Board of Directors~~Board shall preside at the ~~Board of Directors~~Board' meetings and shall exercise and perform such other powers and duties as the ~~Board of Directors~~Board may assign from time to time. If there is no ~~Chief Educational Officer~~Director, and no interim ~~Chief Educational Officer~~Director has been appointed, -the Chairman of the ~~Board of Directors~~Board shall also be

the ~~Chief Educational Officer~~Director and shall have the powers and duties of ~~the corporation~~the Charter School set forth in these bylaws. There may also be a Vice-Chairman of the ~~Board of Directors~~Board. In the absence of the Chairman, the Vice-Chairman shall preside at ~~Board of Directors~~Board meetings and shall exercise and perform such other powers and duties as the ~~Board of Directors~~Board may assign from time to time.

Section 9. ~~CHIEF EDUCATIONAL OFFICER~~DIRECTOR OF THE CHARTER SCHOOL Subject to such supervisory powers as the ~~Board of Directors~~Board may give to the Chairman of the Board, if any, and subject to the control of the Board, and subject to the ~~Chief Educational Officer~~Director's) contract of employment, the ~~Chief Educational Officer~~Director shall be the general manager of ~~the corporation~~the Charter School and shall supervise, direct, and control ~~the corporation~~the Charter School's activities, affairs, and officers as fully described in any applicable employment contract, agreement, or job specification. - The ~~Chief Educational Officer~~Director shall have such other powers and duties as the ~~Board of Directors~~Board or the bylaws may require.

Section 10. SECRETARY The Secretary shall keep or cause to be kept, at ~~the corporation~~the Charter School's principal office or such other place as the ~~Board of Directors~~Board may direct, a book of minutes of all meetings, proceedings, and actions of the Board and of ~~committee~~Board Committees of the Board. The Secretary may be, but is not required to be a Board ~~member~~Member. 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 ~~directors~~Board Members present at ~~Board of Directors~~Board and ~~committee~~Board 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 Board and ~~of committee~~Board Committees of the Board of DirectorsBoard 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 ~~Board of Directors~~Board or the bylaws may require. The Board may appoint one or more deputy secretaries to assist the Secretary.

Section 11. TREASURER The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and accounts of ~~the corporation~~the Charter School's properties and transactions. The Treasurer may be, but is not required to be a Board member. The Treasurer shall send or cause to be given to ~~directors~~Board Members 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 ~~director~~Board 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~~the Charter School with such depositories as the ~~Board of Directors~~Board may designate; (b) disburse ~~the corporation~~the Charter School's funds as the ~~Board of Directors~~Board may order, (c) render to the ~~Chief Educational Officer~~Director,

Chairman of the Board, if any, and the Board, when requested, an account of all transactions as Treasurer and of the financial condition of ~~the corporation~~the Charter School; and (d) have such other powers and perform such other duties as the Board, contract, job specification, or the bylaws may require.

If required by the Board, the Treasurer shall give ~~the corporation~~the Charter School a bond in the amount and with the surety or sureties specified by the ~~Board of Directors~~Board for faithful performance of the duties of the office and for restoration to ~~the corporation~~the Charter School of all of its books, papers, vouchers, money, and other property of every kind in the possession or under the control of the Treasurer on his or her death, resignation, retirement, or removal from office. The Board may appoint one or more deputy treasurers to assist the Treasurer.

ARTICLE IX CONTRACTS WITH ~~DIRECTORS~~BOARD MEMBERS

Section 1. CONTRACTS WITH ~~DIRECTORS~~BOARD MEMBERS ~~The Corporation~~The Charter School shall not enter into a contract or transaction in which a ~~director~~Board Member directly or indirectly has a material financial interest (nor any other corporation, firm, association, or other entity in which one or more of ~~this Corporation~~the Charter School's ~~directors~~Board Members are ~~directors~~Board Members have a material financial interest) unless all of the following apply:

- a. The ~~director~~Board Member with a material financial interest in the proposed contract or transaction fully discloses his/her financial interest in such contract or transaction in good faith and said disclosure is noted in the ~~Board of Directors~~Board meeting minutes.
- b. The ~~director~~Board Member with a material financial interest in the proposed contract or transaction recuses himself/herself from any participation whatsoever in the proposed contract or transaction (i.e., the interested ~~director~~Board Member who recuses himself/herself shall refrain from voting on the matter and shall leave the room during Board discussion and when the final vote is taken).
- c. Such contract or transaction is authorized in good faith by a majority of the ~~Board of Directors~~Board by a vote sufficient for that purpose.
- d. Before authorizing or approving the transaction, the ~~Board of Directors~~Board considers and in good faith decides after reasonable investigation that ~~the corporation~~the Charter School could not obtain a more advantageous arrangement with reasonable effort under the circumstances.
- e. ~~The corporation~~The Charter School for its own benefit enters into the transaction, which is fair and reasonable to ~~the corporation~~the Charter School at the time the transaction was entered into.

This Section does not apply to a transaction that is part of an educational or charitable program of ~~this corporation~~the Charter School if it (a) is approved or authorized by ~~the corporation~~the Charter School in good faith and without unjustified favoritism and (b) results in a benefit to one or more ~~directors~~Board Members or their families because they are in the class of persons intended to be benefited by the educational or charitable program of ~~this corporation~~the Charter School.

ARTICLE X CONTRACTS WITH NON-~~DIRECTOR~~BOARD MEMBER DESIGNATED EMPLOYEES

Section 1. CONTRACTS WITH NON-~~DIRECTOR~~BOARD MEMBER DESIGNATED EMPLOYEES. ~~The Corporation~~The Charter School shall not enter into a contract or transaction in which a non-~~director~~Board 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 Innovations Academy Conflict of Interest Code adopted in accordance with the Political Reform Act have been fulfilled.

ARTICLE XI LOANS TO ~~DIRECTORS~~BOARD MEMBERS AND OFFICERS

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

ARTICLE XII INDEMNIFICATION

Section 1. INDEMNIFICATION To the fullest extent permitted by law, ~~this corporation~~the Charter School shall indemnify its ~~directors~~Board 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~~the Charter School 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 ~~Board of Directors~~Board by any person seeking indemnification under Corporations Code Section 5238(b) or Section 5238(c) the ~~Board of Directors~~Board 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 ~~Board of Directors~~Board shall authorize indemnification.

Section 2. STANDARD OF CARE

A ~~director~~Board Member shall perform the duties of a director, including duties as a member of any ~~committee~~Board Committee of the Board upon which the ~~director~~Board Member may serve, in good faith, in a manner such ~~director~~Board Member believes to be in the best interests of ~~the corporation~~the Charter School and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances. In performing the duties of a director, a ~~director~~Board Member shall be entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by:

One or more officers or employees of ~~the corporation~~the Charter School whom the ~~director~~Board Member believes to be reliable and competent in the matters presented;

Counsel, independent accountants or other persons as to matters which the ~~director~~Board Member believes to be within such person's professional or expert competence; or

A ~~committee~~Board Committee of the Board upon which the ~~director~~Board Member does not serve as to matters within its designated authority, provided the ~~director~~Board Member believes the ~~committee~~Board Committee merits confidence and the ~~director~~Board Member acts in good faith, after reasonable inquiry when the need therefor is indicated by the circumstances and without knowledge that would cause such reliance to be unwarranted.

Section 3. SELF-DEALING TRANSACTIONS.

Self-dealing transactions means transactions to which ~~the corporation~~the Charter School is a party and in which one or more of the ~~directors~~Board Members (“interested ~~director~~Board Member(s)”) has a material financial interest. Notwithstanding this definition of self-dealing transaction, the following transactions do not constitute self-dealing transactions:

- A. An action by the Board fixing the compensation of a ~~director~~Board Member as a ~~director~~Board Member or officer of ~~the corporation~~the Charter School;
- B. A transaction which is part of a public or charitable program of ~~the corporation~~the Charter School if the transaction is (1) approved or authorized by ~~the corporation~~the Charter School in good faith and without unjustified favoritism, and (2) results in a benefit to one or more ~~directors~~Board Members or their families because they are in a class of persons intended to be benefited by the public or charitable program;
- C. A transaction of which the interested ~~directors~~Board Members have no actual knowledge, and which does not exceed the lesser of one percent (1%) of ~~the corporation~~the Charter School's gross receipts for the fiscal year immediately preceding the year in which such transaction occurs or One Hundred Thousand Dollars (\$100,000).

D. A transaction the Attorney General has approved either before or after it was consummated.

E. A transaction with respect to which the following facts are established:

~~The corporation~~The Charter School entered into the transaction for its own benefit;

The transaction was fair and reasonable as to ~~the corporation~~the Charter School at the time ~~the corporation~~the Charter School entered into the transaction;

Prior to consummating the transaction or any part thereof, the Board authorized or approved the transaction in good faith by vote of a majority of the ~~directors~~Board Members then in office excluding the vote of the interested director(s) and with knowledge of the material facts concerning the transaction and the interested ~~director's~~Board Member's interest in it. Except as provided in this sub-paragraph of this subsection, action by a ~~committee~~Board Committee of the Board will not satisfy this requirement; and

Prior to authorizing or approving the transaction, the Board considered and in good faith determined after reasonable investigation under the circumstances that ~~the corporation~~the Charter School could not have obtained a more advantageous arrangement with reasonable effort under the circumstances, or ~~the corporation~~the Charter School in fact could not have obtained a more advantageous arrangement with reasonable effort under the circumstances;
or

A ~~committee~~Board Committee or person authorized by the Board approved the transaction in a manner consistent with the standards prescribed for approval by the Board under this subsection; it was not reasonably practical to obtain approval of the Board prior to entering into the transaction; and the Board, after determining in good faith that the conditions set forth in paragraphs (A) and (B) were satisfied, ratified the transaction at its next meeting by a vote of a majority of the ~~directors~~Board Members then in office, excluding the vote of the interested director(s).

Section 4. INTERESTED ~~DIRECTOR'S~~BOARD MEMBER'S VOTE

In determining whether the Board validly met to authorize or approve a self-dealing transaction, interested ~~directors~~Board Members may be counted to determine the presence of a quorum, but an interested shall not vote pursuant to Article 9 Section 1(b).

Section 5. PERSONS LIABLE AND EXTENT OF LIABILITY

If a self-dealing transaction has not been approved as provided in this Article, the interested director(s) may be required to do such things and pay such damages as a court may provide as an equitable and fair remedy to ~~the corporation~~the Charter School, considering any benefit received by it and whether or not the interested director(s) acted in good faith and with the intent to further the best interests of ~~the corporation~~the Charter School.

Section 6. CONTRACTS OR TRANSACTIONS WITH MUTUAL ~~DIRECTORS~~BOARD
MEMBERS

No contract or other transaction between ~~the corporation~~the Charter School and any domestic or foreign corporation, firm or association of which one or more of ~~the corporation~~the Charter School's ~~directors~~Board Members are ~~directors~~Board Members is either void or voidable because such director(s) are present at the meeting of the Board or ~~committee~~Board Committee ~~thereof~~—which authorizes, approves or ratifies the contract or transaction if:

The material facts as to the transaction and as to such ~~director~~'Board Member's other ~~directors~~Board Membership are fully disclosed or known to the Board or ~~committee~~Board Committee, and the Board or ~~committee~~Board Committee authorizes, approves or ratifies the contract or transaction in good faith by a vote sufficient without counting the vote of the common director(s); or

As to contracts or transactions not approved as provided in subsection (i) of this Section, the contract or transaction is just and reasonable as to ~~the corporation~~the Charter School at the time it is authorized, approved or ratified.

Notwithstanding the foregoing, this Section shall not apply to self-dealing transactions described in this Article.

Section 7. GENERAL PUBLIC AGENCY PROHIBITIONS GOVERNING CERTAIN
TRANSACTIONS

Nothing in these ~~Bylaws~~bylaws shall be construed to authorize any transaction otherwise prohibited under the Political Reform Act (California Government Code Section 81000 et seq.), or other applicable laws.

**ARTICLE XIII
INSURANCE**

Section 1. INSURANCE ~~This corporation~~The Charter School shall have the right to purchase and maintain insurance to the full extent permitted by law on behalf of its ~~directors~~Board Members, officers, employees, and other agents, to cover any liability asserted against or incurred by any director, officer, employee, or agent in such capacity or arising from the ~~director~~'Board 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~~The Charter School shall keep:

- a. Adequate and correct books and records of account;

- b. Written minutes of the proceedings of the Board and ~~committee~~Board Committees-of the Board; and
- c. Such reports and records as required by law.

ARTICLE XV INSPECTION RIGHTS

Section 1. ~~DIRECTORS~~BOARD MEMBERS' RIGHT TO INSPECT. Every ~~director~~Board Member shall have the right at any reasonable time to inspect ~~the corporation~~the Charter School'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 ~~director~~Board 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 to ~~the corporation~~the Charter School, any ~~director~~Board Member may inspect, copy, and make extracts of the accounting books and records and the minutes of the proceedings of the ~~Board-of Directors~~Board and ~~committee~~Board Committees of the Board-of DirectorsBoard at any reasonable time for a purpose reasonably related to the ~~director~~Board Member's interest as a ~~director~~Board Member. Any such inspection and copying may be made in person or by the ~~director~~Board Member's agent or attorney. This right of inspection extends to the records of any subsidiary of ~~the corporation~~the Charter School.

Section 3. MAINTENANCE AND INSPECTION OF ARTICLES AND BYLAWS. ~~This corporation~~The Charter School 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 ~~directors~~Board Members at all reasonable times during office hours. If ~~the corporation~~the Charter School has no business office in California, the Secretary shall, on the written request of any director, furnish to that ~~director~~Board 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 ~~Board-of Directors~~Board shall cause an annual report to be sent to itself (the members of the ~~Board-of Directors~~Board) within 120 days after the end of ~~the corporation~~the Charter School's fiscal year. That report shall contain the following information, in appropriate detail:

- a. The assets and liabilities, including the trust funds, or ~~the corporation~~the Charter School as of the end of the fiscal year;
- b. The principal changes in assets and liabilities, including trust funds;

- c. ~~The corporation~~The Charter School's revenue or receipts, both unrestricted and restricted to particular purposes;
- d. ~~The corporation~~The Charter School'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~~the Charter School that such statements were prepared without audit from ~~the corporation~~the Charter School's books and records.

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

- a. Any transaction (i) in which ~~the corporation~~the Charter School, 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 ~~director~~Board Member or officer of ~~the corporation~~the Charter School, its parent, or subsidiary (but mere common ~~directors~~Board Members shall not be considered such an interest); or
 - (2) Any holder of more than 10 percent of the voting power of ~~the corporation~~the Charter School, 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 Charter School, 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 ~~Board of Directors~~Board may adopt, amend or repeal any of these ~~b~~Bylaws by a majority of the ~~directors~~Board Members present at a meeting duly held at which a quorum is present, except that no amendment shall change any

material provisions of the Charter that created the Innovations Academy or make any provisions of these ~~b~~Bylaws inconsistent with that Charter, ~~the corporation~~the Charter School's Articles of Incorporation, or any laws.

**ARTICLE XVIII
FISCAL YEAR**

Section 1. FISCAL YEAR OF ~~THE CORPORATION~~THE CHARTER SCHOOL.
The fiscal year of ~~the Corporation~~the Charter School 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 Innovations Academy, Inc, a California nonprofit public benefit corporation; that these bylaws, consisting of 19 pages, are the bylaws of ~~this corporation~~the Charter School as adopted by the ~~Board of Directors~~Board on February 28, 2011 and that these bylaws have not been amended or modified since that date.

Executed on _____, 20__, at San Diego, California.

Secretary