

BYLAWS
OF
UNIVERSITY PREPARATORY ACADEMY
(A California Non-Profit Public Benefit Corporation)

ARTICLE I
NAME

Section 1. NAME. The name of this corporation is University Preparatory Academy.

ARTICLE II
PRINCIPAL OFFICE OF THE CORPORATION

Section 1. PRINCIPAL OFFICE OF THE CORPORATION. The principal office for the transaction of the activities and affairs of this corporation is located at 2315 Canoas Garden Ave., San Jose, CA 95125 in Santa Clara County, California. The Board of Directors 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 Board of Directors may at any time establish branch or subordinate offices at any place or places where this corporation is qualified to conduct its activities.

ARTICLE III
GENERAL AND SPECIFIC PURPOSES; LIMITATIONS

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

The Corporation shall not carry on any other activities not permitted to be carried on by: (a) a corporation exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code; or (b) by a corporation, contributions to which are deductible under section 170(c)(2) of the Internal Revenue Code, or the corresponding section of any future federal tax code. No substantial part of the activities of the Corporation shall consist of the carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in, or intervene in (including the publishing or distribution 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 otherwise, the general provisions, rule of construction, and definitions in the California Non-Profit Corporation Law shall govern the construction of these bylaws. Without limiting the generality of the preceding sentence, the masculine gender includes the feminine and neuter, the singular includes the plural, and the plural includes the singular, and the term “person” includes both a legal entity and a natural person.

**ARTICLE V
DEDICATION OF ASSETS**

Section 1. DEDICATION OF ASSETS. This corporation’s assets are irrevocably dedicated to public benefit purposes. No part of the net earnings, properties, or assets of the corporation, on dissolution or otherwise, shall inure to the benefit of any private person or individual, or to any director or officer of the corporation. On liquidation or dissolution, all properties and assets remaining after payment, or provision for payment, of all debts and liabilities of the corporation shall be distributed to a non-profit fund, foundation, or corporation that is organized and operated exclusively for charitable purposes and that has established its exempt status under Internal Revenue Code section 501(c)(3).

**ARTICLE VI
CORPORATIONS WITHOUT MEMBERS**

Section 1. CORPORATIONS WITHOUT MEMBERS. This corporation shall have no voting members within the meaning of the Non-Profit Corporation Law. The corporation’s Board of Directors 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 finds appropriate but shall not have rights or powers that would cause the corporation to be deemed a “membership corporation” under Section 5056 of the California Corporations Code.

**ARTICLE VII
BOARD OF DIRECTORS**

Section 1. GENERAL POWERS Subject to the provisions and limitations of the California Non-Profit Public Benefit Corporation Law and any other applicable laws, and subject to any limitations of this corporation’s articles of incorporation or bylaws, the corporation’s activities and affairs shall be managed, and all corporate powers shall be exercised, by or under the direction of the Board of Directors (also known as the “governing board” or “Board”). The Board may delegate the management of the corporation’s activities to any person(s), management company or committees, however composed, provided that the activities and affairs of the corporation shall be managed and all corporate powers shall be exercised under the

ultimate direction of the 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:

1. Appoint and remove, at the pleasure of the Board of Directors, 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 them to provide security for faithful service.
2. Change the principal office or the principal business office in California from one location to another; cause the corporation to be qualified to conduct its activities in any other state, territory, dependency, or country; conduct its activities in or outside California; and designate a place in or outside California for holding any corporate meetings.
3. Borrow money and incur indebtedness on the corporation's behalf and cause to be executed and delivered for the corporation's purposes, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations, and other evidences of debt and securities.
4. Adopt and use a corporate seal and alter the form of the seal.

Section 3. DESIGNATED DIRECTORS AND TERMS. The number of directors shall be no less than five (5) and no more than twelve (12). The corporation's initial directors shall be as follows:

Mr. Joe Coto
Ms. Jackie Guevara
Mr. Dan Ordaz
Ms. Dorothy Westerhoff
Mr. Kurt Foreman
Mr. James Romero
Dr. Loren Lee
Mr. Patrick Dunkley

With the exception of these initial directors, who have been named by the Incorporator, all directors shall be designated by the existing Board of Directors, except that one (1) director may be appointed by the Superintendent or the Board of Education of the Santa Clara County Office of Education (SCCOE) at the District's discretion (the "District Director"). In the event that the SCCOE fails to appoint the District Director, in any year, on or before July 1 of such year, then the Board of Directors shall appoint an additional director to fill that seat for that fiscal year.

Except for the initial Board of Directors and the District Director, each director shall hold office for three (3) years and until a successor director has been designated and qualified. The initial Board members listed above shall have terms of six (6) years, commencing with the 2005-2006 fiscal year. The District Director's term shall always be one (1) year, with the

SCCOE having the right to reappoint the District Director each year. All terms shall commence on July 1 and shall expire on June 30 of the year of the term.

Following expiration of the initial Directors' term, to create a board of directors with staggered terms, each newly elected director shall be appointed to a one, two or three year term, as designated by a majority vote of the initial Board of Directors. Upon expiration of these one, two and three year terms, each director elected thereafter shall be appointed to a three year term. There shall be no limit to the number of consecutive terms that any individual director can serve.

Section 4. RESTRICTION ON INTERESTED PERSONS AS DIRECTORS. No more than 49 percent of the persons serving on the Board of Directors may be "interested persons." An interested person is (a) any person compensated by the corporation for services rendered to it within the previous 12 months, whether as a full-time or part-time employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a director as director; 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.

Section 5. NOMINATIONS FOR DIRECTORSHIP. Nominations of candidates for governing board seats shall occur annually for board members' seats whose terms are expiring. The chairperson of the Board of Directors or, if none, the President shall appoint a committee to oversee the process for nominating qualified candidates for election to the Board of Directors. The committee will solicit nominations from Board members and the University Preparatory Academy charter school community at least ninety (90) days before the date of any election of directors. Candidates will submit a brief narrative statement regarding their qualifications for a position on the governing board. The nominating committee will review candidates' narrative statements and will provide the full Board of Directors with a list of qualified applicants and its recommendations at least three (3) days before the Board is scheduled to vote for new board members. The nominating committee will review governing board applications with an attempt to achieve the desired mix of skills and expertise necessary to effectively govern the charter school. The Secretary shall forward to each director, with the notice of meeting required by these bylaws, a list of all candidates nominated by committee. Then-seated governing board members will deliberate and vote to select new board members. The SCCOE may appoint a non-voting member to the board of directors if it so desires.

Section 6. USE OF CORPORATE FUNDS TO SUPPORT NOMINEE. If more people have been nominated for director than can be elected, no corporation funds may be expended to support a nominee without the board's authorization.

Section 7. EVENTS CAUSING VACANCIES ON BOARD. A vacancy or vacancies on the Board of Directors shall occur in the event of (a) the death or resignation of any director; (b) the declaration by resolution of the Board of Directors of a vacancy in the office of a director who has been removed from their position on the Board of Directors, because the director has been found unfit by the Board of Directors to continue in their capacity as director for the corporation, 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 Non-Profit Public Benefit Corporation Law, Chapter 2, Article 3; (c) the increase of the authorized

number of directors; (d) disenrollment from the charter school of a student or students of a parent serving on the Board of Directors; or (e) termination of employment with the charter school. Such vacancies shall be filled pursuant to Section 10 below.

Section 8. RESIGNATION OF DIRECTORS. Except as provided below, any director may resign by giving written notice to the Chairperson of the Board, if any, or to the President or the Secretary of the corporation. 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's resignation is effective at a later time, the Board of Directors may elect a successor to take office as of the date when the resignation becomes effective. Board seats vacated by a resigning Director shall be filled by the Board of Directors pursuant to Section 10 below.

Section 9. DIRECTOR MAY NOT RESIGN IF NO DIRECTOR REMAINS. Except on notice to the California Attorney General, no director may resign if the corporation would be left without a duly elected director or directors.

Section 10. REMOVAL OF DIRECTORS. Any director may be removed, with or without cause, by a two-thirds majority vote of the directors then in office.

Section 11. VACANCIES FILLED BY BOARD. Vacancies on the Board of Directors may be filled by approval of the Board of Directors or, if the number of directors then in office is less than a quorum, by (1) the unanimous consent of the directors then in office, (2) the affirmative vote of a majority of the directors then in office at a meeting held according to notice or waivers of notice complying with Corporations Code section 5211, or (3) a sole remaining director.

Section 12. NO VACANCY ON REDUCTION OF NUMBER OF DIRECTORS. Any reduction of the authorized number of directors shall not result in any director's being removed before his or her term of office expires.

Section 13. PLACE OF BOARD OF DIRECTORS MEETINGS. Regular meetings shall be held at the principal office of the corporation; provided, however, that the Board of Directors may designate that a meeting be held at any place within California that has been designated by resolution of the Board of Directors or in the notice of the meeting. All meetings of the Board of Directors 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 14. MEETINGS BY TELEPHONE OR OTHER TELECOMMUNICATIONS EQUIPMENT. Any Board of Directors meeting may be held by conference telephone, video screen communication, or other communications equipment. Participation in a meeting under this Section shall constitute presence in person at the meeting if all of the following apply:

- (a) Each member participating in the meeting can communicate concurrently with all other members.
- (b) Each member is provided the means of participating in all matters before the board, including the capacity to propose, or to interpose an objection

- to, a specific action to be taken by the corporation.
- (c) The Board of Directors has adopted and implemented a means of verifying both of the following:
 - (1) A person communicating by telephone, video screen, or other communications equipment is a director entitled to participate in the Board of Directors meeting.
 - (2) All statements, questions, actions or votes were made by that director and not by another person not permitted to participate as a director.
 - (d) The meeting is 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. REGULAR MEETINGS. Regular meetings of the Board of Directors shall generally be held monthly on the fourth Thursday of each calendar month at 6:00 p.m., unless the fourth Thursday of the month should fall on a legal holiday in which event the regular meeting shall be held at the same hour and place on the next business day following the legal holiday, or unless a change in date is approved by the Board. The Board of Directors shall hold regular, special, and emergency meetings for purposes of organization, election of officers, and transaction of other business. Notice of this meeting is not required if conducted pursuant to these bylaws. Agendas must be posted seventy-two (72) hours previous to the meeting. All meetings of the Board of Directors 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 16. AUTHORITY TO CALL SPECIAL MEETINGS. Special and emergency meetings of the Board of Directors for any purpose may be called at any time by the Chairperson of the Board, if any, the President or any Vice-President, the Secretary, or any two Directors but may only be conducted if two-thirds of the board of directors vote that a situation warranting a special or emergency meeting exists.

Section 17. NOTICE OF SPECIAL OR EMERGENCY MEETINGS. Notice of the time and place of special meetings shall be given to each director by (a) personal delivery of written notice; (b) first-class mail, postage prepaid; (c) telephone, including a voice messaging system or other system or technology designed to record and communicate messages, either directly to the director or to a person at the director's office who would reasonably be expected to communicate that notice promptly to the director; (d) telegram; (e) facsimile; (f) electronic mail; or (g) other electronic means. All such notices shall be given or sent to the director's address or telephone number as shown on the corporation's records.

Notice of the time and place of special or emergency meetings shall be given to all media who have provided written notice to University Preparatory Academy.

The notice shall state the time of the meeting and the place, if the place is other than the

corporation's principal office and the business to be transacted at the meeting.

All notice requirements will comply 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 18. QUORUM. A majority of the authorized number of directors shall constitute a quorum for the transaction of any business except adjournment. Every action taken or decision made by a majority of the directors present at a duly held meeting at which a quorum is present shall be an act of the board, subject to the more stringent provisions of the California Non-Profit Public Benefit Corporation Law, including, without limitation, those provisions relating to (a) approval of contracts or transactions in which a director has a direct or indirect material financial interest, (b) approval of certain transactions between corporations having common directorships, (c) creation of and appointments to committees of the board, and (d) indemnification of directors. A meeting at which a quorum is initially present may continue to transact business, despite the withdrawal of some directors, if any action taken or decision made is approved by at least a majority of the required quorum for that meeting.

Section 19. ADJOURNMENT. A majority of the directors present, whether or not a quorum is present, may adjourn any meeting to another time and place.

Section 20. COMPENSATION AND REIMBURSEMENT. Directors may receive compensation for their services as directors or officers and reimbursement of expenses as the Board of Directors may establish by resolution to be just and reasonable as to the corporation at the time that the resolution is adopted.

Section 21. CREATION OF POWERS OF COMMITTEES. The board, by resolution adopted by a majority of the directors then in office, may create one or more committees, each consisting of two or more directors and no one who is not a director, to serve at the pleasure of the board. Appointments to committees of the Board of Directors shall be by majority vote of the authorized directors then in office. The Board of Directors may appoint one or more directors as alternate members of any such committee, who may replace any absent member at any meeting. Any such committee shall have all the authority of the board, to the extent provided in the Board of Directors resolution, except that no committee may:

- (a) Fill vacancies on the Board of Directors or any committee of the board;
- (b) Fix compensation of the directors for serving on the Board of Directors or on any committee;
- (c) Amend or repeal bylaws or adopt new bylaws;
- (d) Amend or repeal any resolution of the Board of Directors that by its express terms is not so amendable or repealable;
- (e) Create any other committees of the Board of Directors or appoint the members of committees of the board;

- (f) Expend corporate funds to support a nominee for director if more people have been nominated for director than can be elected; *[or]*
- (g) Approve any contract or transaction to which the corporation is a party and in which one or more of its directors has a material financial interest, except as special approval is provided for in Corporations Code section 5233(d)(3).

Section 22. EXECUTIVE COMMITTEE. The Board shall form an Executive Committee which shall meet monthly. The Board shall delegate to the Executive Committee certain powers and duties of the Board that may be legally delegated to a committee of the full Board. Such powers and duties may include the authority to oversee the on-going operations of the University Preparatory Academy and the day-to-day affairs of the corporation.

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

Section 23. NON-LIABILITY OF DIRECTORS. No Director shall be personally liable for the debts, liabilities, or other obligations of this corporation.

ARTICLE VIII OFFICERS OF THE CORPORATION

Section 1. OFFICES HELD. The officers of this corporation shall be a President, a Secretary, and a Chief Financial Officer. The corporation, at the board's direction, may also have a chairperson of the board, one or more Vice-Presidents, 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.

Section 2. DUPLICATION OF OFFICE HOLDERS. Any number of offices may be held by the same person, except that neither the Secretary nor the Chief Financial Officer may serve concurrently as either the President or the chairperson of the board.

Section 3. ELECTION OF OFFICERS. The officers of this corporation, except any appointed under Article VIII, Section 4 of these bylaws, shall be chosen annually by the Board of Directors 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 may appoint or authorize the chairperson of the board, the President, or another officer to appoint any

other officers that the corporation may require. Each appointed officer shall have the title and authority to hold office for the specified 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 may remove any officer with or without cause. An officer who was not chosen by the Board of Directors may be removed by any other officer on whom the Board of Directors 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 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. CHAIRPERSON OF THE BOARD. If a chairperson of the Board of Directors is elected, he or she shall preside at Board of Directors meetings and shall exercise and perform such other powers and duties as the Board of Directors may assign from time to time. If there is no President, the chairperson of the Board of Directors shall also be the chief executive officer and shall have the powers and duties of the President of the corporation set forth in these bylaws.

Section 9. PRESIDENT. Subject to such supervisory powers as the Board of Directors may give to the chairperson of the board, if any, and subject to the control of the board, the President shall be the general manager of the corporation and shall supervise, direct, and control the corporation's activities, affairs, and officers as fully described in any applicable employment contract, agreement, or job specification. In the absence of the chairperson of the board, or if none, the President shall preside at all Board of Directors meetings. The President shall have such other powers and duties as the Board of Directors or the bylaws may require.

Section 10. VICE-PRESIDENTS. If the President is absent or disabled, the Vice-Presidents, if any, in order of their rank as fixed by the board, or, if not ranked, a Vice-President designated by the board, shall perform all duties of the President. When so acting, a Vice-President shall have all powers of and be subject to all restrictions on the President. The Vice-Presidents shall have such other powers and perform such other duties as the Board of Directors or the bylaws may require.

Section 11. SECRETARY. The Secretary shall keep or cause to be kept, at the corporation's principal office or such other place as the Board of Directors may direct, a book of minutes of all meetings, proceedings, and actions of the board, and committees of the board. The minutes of meetings shall include the time and place that the meeting was held; whether the meeting was annual, general, or special, and, if special, how authorized; the notice given; and

the names of persons present at Board of Directors and committee meetings.

The Secretary shall keep or cause to be kept, at the principal California office, a copy of the articles of incorporation and bylaws, as amended to date.

The Secretary shall give, or cause to be given, notice of all meetings of the board, and of committees of the Board of Directors 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 or the bylaws may require.

Section 12. CHIEF FINANCIAL OFFICER. The Chief Financial Officer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and accounts of the corporation's properties and transactions. The Chief Financial Officer shall send or cause to be given to the directors such financial statements and reports as are required to be given by law, by these bylaws, or by the board. The books of account shall be open to inspection by any director at all reasonable times.

The Chief Financial Officer shall (i) deposit, or cause to be deposited, all money and other valuables in the name and to the credit of the corporation with such depositories as the Board of Directors may designate; (ii) disburse the corporation's funds as the Board of Directors may order; (iii) render to the President, chairperson of the board, if any, and the board, when requested, an account of all transactions as Chief Financial Officer and of the financial condition of the corporation; and (iv) 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 Chief Financial Officer shall give the corporation a bond in the amount and with the surety or sureties specified by the Board of Directors for faithful performance of the duties of the office and for restoration to the corporation of all of its books, papers, vouchers, money, and other property of every kind in the possession or under the control of the Chief Financial Officer on his or her death, resignation, retirement, or removal from office.

ARTICLE IX CONTRACTS WITH DIRECTORS AND OFFICERS

Section 1. CONTRACTS WITH DIRECTORS AND OFFICERS. No director of this corporation nor any other corporation, firm, association, or other entity in which one or more of this corporation's directors are directors or have a material financial interest, shall be interested, directly or indirectly, in the contract or transaction, unless (a) the material facts regarding that director's financial interest in such contract or transaction or regarding such common directorship, officership, or financial interest are fully disclosed in good faith and noted in the minutes, or are known to all members of the Board of Directors prior to the board's consideration of such contract or transaction; (b) such contract or transaction is authorized in good faith by a majority of the Board of Directors by a vote sufficient for that purpose without counting the votes of the interested directors; (c) before authorizing or approving the transaction, the Board of Directors considers and in good faith decides after reasonable investigation that the corporation could not obtain a more advantageous arrangement with reasonable effort under the

circumstances; and (d) the corporation for its own benefit enters into the transaction, which is fair and reasonable to the corporation 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 if it (a) is approved or authorized by the corporation in good faith and without unjustified favoritism and (b) results in a benefit to one or more directors or their families because they are in the class of persons intended to be benefited by the educational or charitable program of this corporation.

ARTICLE X LOANS TO DIRECTORS AND OFFICERS

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

ARTICLE XI INDEMNIFICATION

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

On written request to the Board of Directors by any person seeking indemnification under Corporations Code section 5238(b) or section 5238(c), the Board of Directors 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 shall authorize indemnification.

ARTICLE XII INSURANCE

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

employee's, or agent's status as such.

ARTICLE XIII MAINTENANCE OF CORPORATE RECORDS

Section 1. MAINTENANCE OF CORPORATE RECORDS. This corporation shall keep:

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

ARTICLE XIV INSPECTION RIGHTS

Section 1. DIRECTORS' RIGHT TO INSPECT. Every director shall have the right at any reasonable time to inspect the corporation's books, records, documents of every kind, physical properties, and the records of each subsidiary as permitted by California and federal law. The inspection may be made in person or by the director'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 pertaining to access to books, records, and documents.

Section 2. MAINTENANCE AND INSPECTION OF ARTICLES AND BYLAWS. This corporation shall keep at its principal California office the original or a copy of the articles of incorporation and bylaws, as amended to the current date, which shall be open to inspection by the Board of Directors at all reasonable times. If the corporation has no business office in California, the Secretary shall, on the written request of any director, furnish to that director a copy of the articles of incorporation and bylaws, as amended to the current date.

ARTICLE XV REQUIRED REPORTS

Section 1. ANNUAL REPORTS. The Board of Directors shall cause an annual report to be sent to the Board of Directors within 120 days after the end of the corporation's fiscal year. That report shall contain the following information, in appropriate detail:

- (a) The assets and liabilities, including the trust funds, or the corporation as of the end of the fiscal year;
- (b) The principal changes in assets and liabilities, including trust funds;

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

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

- (a) Any transaction (i) in which the corporation, or its parent or subsidiary, was a party, (ii) in which an "interested person" had a direct or indirect material financial interest, and (iii) which involved more than \$50,000 or was one of several transactions with the same interested person involving, in the aggregate, more than \$50,000. For this purpose, an "interested person" is either:
 - (1) Any director or officer of the corporation, its parent, or subsidiary (but mere common directorship shall not be considered such an interest); or
 - (2) Any holder of more than 10 percent of the voting power of the corporation, its parent, or its subsidiary. The statement shall include a brief description of the transaction, the names of interested persons involved, their relationship to the corporation, the nature of their interest, provided that if the transaction was with a partnership in which the interested person is a partner, only the interest of the partnership need be stated.

ARTICLE XVI AMENDMENT OF THESE BYLAWS

Section 1. BYLAWS AMENDMENTS. Pursuant to the California Corporations Code, these bylaws may be amended by a two-thirds majority vote of the Board of Directors then in office.

CERTIFICATE OF SECRETARY

I certify that I am the duly elected and acting Secretary of the University Preparatory Academy, a California non-profit public benefit corporation; that these bylaws, consisting of 14 pages, are the bylaws of this corporation as adopted by the Board of Directors on _____; and that these bylaws have not been amended or modified since that date.

Executed on _____ at Santa Clara County, California.

_____, Secretary