

Minutes-Unapproved
Ocean Charter School Special Board Meeting
December 7, 2017

Called to order by Jason Haas and convened at 10:05pm.

Board members present: Jason Haas, Sue Ingles, Edward Eadon, November McIlhargey, and Laura Stoland.

Josh Done and Mark Galanty were absent.

A quorum was present.

Also present were OCS Executive Director, Stephanie Edwards and OCS Director, Kristy Mack-Fett.

Open Forum

There were no speakers for open forum.

Governance

The board and administration discussed the need for amendments to the OCS Bylaws to address issues raised by LAUSD in connection with the pending application of OCS to renew its charter. Some of the needed changes to the Bylaws include provisions regarding quorum, teleconferencing, and committee procedures.

November McIlhargey, arrived at 10:30pm.

MOTION: Jason Haas moved to approve the Bylaws as amended in Exhibit A (to these minutes). November McIlhargey seconded the motion. Jason Haas, Sue Ingles, Edward Eadon, November McIlhargey and Laura Stoland voted in favor. Motion passed.

The meeting was adjourned at 10:50 pm.

OCEAN CHARTER SCHOOL BYLAWS
for the regulation, except as otherwise provided
by the statute of its Articles of Incorporation,
of
OCEAN CHARTER SCHOOL
a California nonprofit public benefit corporation

I. MEMBERSHIP

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

II. BOARD OF TRUSTEES

A. Powers

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

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

1. To elect and remove Trustees.
2. To select and remove officers, agents and employees of OCS; to prescribe powers and duties for them; and to fix their compensation.
3. To conduct, manage and control the affairs and activities of OCS, and to make rules and regulations.
4. To enter into contracts, leases and other agreements which are, in the Board's judgment, necessary or desirable in obtaining the purposes or promoting the interests of OCS.
5. To carry on a business at a profit and apply any profit that results from the business activity to any activity in which OCS may engage.
6. To act as trustee under any trust incidental to OCS's purposes, and to receive, hold, administer, exchange and expend funds and property subject to such a trust.
7. To acquire real or personal property, by purchase, exchange, lease, gift, devise, bequest, or otherwise, and to hold, improve, lease, sublease, mortgage, transfer in trust, encumber, convey or otherwise dispose of such property.

8. To borrow money, incur debt, and to execute and deliver promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations and other evidences of debt and securities.
9. To lend money and accept conditional or unconditional promissory notes therefore, whether interest or non-interest bearing, or secured or unsecured.
10. To indemnify and maintain insurance on behalf of any of its Trustees, officers, employees or agents for liability asserted against or incurred by such person in such capacity or arising out of such person's status as such, subject to the provisions of the California Nonprofit Public Benefit Law and the limitations noted in these Bylaws.
11. To develop, approve, modify or otherwise determine the curriculum, vision, extra-curricular activities, policies and procedures of the school.

B. Number of Trustees

The number of Trustees of OCS in office shall be not less than 7 or more than 15. The Board shall fix the exact number of Trustees, within these limits, by Board resolution or amendment of the Bylaws. If the number of Trustees in office should ever fall below 7, the Board shall promptly appoint additional Trustees so as to bring the number to 7.

C. Selection of Trustees

1. Selection. By resolution, the Board may establish multiple methods by which Trustees are selected, and it may restrict eligibility for certain Trustee positions to individuals with defined characteristics. One elected governor of the OCS All-Community Group shall, by virtue of holding that office, serve as a Trustee.
2. Term. The standard term for newly appointed or elected Trustees other than the OCS All-Community Group Governor shall last until 11:59 PM of June 30th of the second OCS fiscal year after the fiscal year in which the Trustee is appointed or elected. The selection of Trustees shall be staggered over time so that the term of approximately one-third of the Trustees then in office shall expire at the end of each OCS fiscal year. To ensure this is possible, in the event that a Trustee resigns or is removed from office prior to the expiration of that Trustee's term, the Board may select a Trustee to complete the rest of that term rather than for a new standard term. The Secretary shall be responsible for maintaining a current roster of Trustees and their individual terms of service.
3. Chairman. The Board shall appoint a Chairman ("or Chair") to oversee Board meetings.
4. Changes. The Board shall determine and approve any changes to the size, structure, election rights, rules, eligibility, or other powers and responsibilities of the Board.

D. Removal of Trustees

The Board may remove a Trustee without cause as provided by the California Nonprofit Public Benefit Corporation law. The Board may remove any Trustee upon a two-thirds majority vote.

E. Resignation by Trustee

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

F. Vacancies

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

G. Compensation of Trustees

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

III. PRINCIPAL OFFICE

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

IV. MEETINGS OF THE BOARD

A. Place of Meetings

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

B. Regular Meetings

Regular Meetings shall be held on the First Thursday of every month, unless the Board has decided to set an alternate date and has provided notice to all trustees. At least 72 hours before a regular meeting, the Board of Trustees, 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.

C. Special Meetings

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A Special Meeting shall be held at any time called by the Chairman or by any three Trustees. In accordance with the Brown Act, special meetings of the Board of Trustees may be held only after twenty-four (24) hours notice is given to the public through the posting of an agenda. Trustees shall also receive at least twenty-four (24) hours notice of the special meeting, in the following manner:

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- a. Any such notice shall be addressed or delivered to each director at the trustee's address as it is shown on the records of the Corporation, or as may have been given to the Corporation by the trustee for purposes of notice, or, if an address is not shown on the Corporation's records or is not readily ascertainable, at the place at which the meetings of the Board of Trustees 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.

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 OCS, and the general nature of the business proposed to be transacted at the meeting.

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D. Adjournment

A majority of the Trustees present at a meeting, whether or not a quorum, may adjourn the meeting to another time and place. Notice of the time and place of holding an adjourned meeting need not be given to absent Trustees if the time and place be fixed at the meeting adjourned, except if the meeting is adjourned for longer than 24 hours, notice of the adjournment shall be given to all Trustees in accord with the rules for giving notice of Special Meetings set forth in Section IV. E. 2. of these Bylaws.

E. Waiver of Notice

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

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V. ACTION BY THE BOARD

A. Quorum

A majority of the number of Trustees then in office shall constitute a quorum for the transaction of any business except adjournment.

B. Action by the Board

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

2. Actions Without a Meeting. The Board will not take action without a meeting. All actions taken by the Board members and its deliberation will be conducted in compliance with the Brown Act.

Board Meeting by Conference Telephone. Members of the Board of Trustees 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 Trustees shall participate in the teleconference meeting from locations within the boundaries of the granting agency in which the Corporation operates;
- b. All votes taken during a teleconference meeting shall be by roll call;
- c. If the Board of Trustees 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 Trustees participates in a meeting via teleconference must be fully accessible to members of the public and shall be listed on the agenda;
- 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 Trustees directly at each teleconference location; and
- f. Members of the public attending a meeting conducted via teleconference need not give their name when entering the conference call.

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C. Committees

1. Types of Committees. The Board may appoint two types of Board Committees, Standing Committees and Advisory Committees.
2. Appointment of a Board Standing Committee. The Board may appoint one or more Standing Committees by vote of a two-thirds majority of Trustees. A Board Standing Committee will consist of not less than two Trustees, who shall serve at the pleasure of the Board. The Board may, at its discretion, appoint one or more individuals as alternate members of such committee. A Board Standing Committee may not include any non-Trustees in its membership. If a member of a Board Standing Committee resigns or is otherwise removed from his/her position as Trustee, then membership on all Board Standing Committees shall automatically terminate.
3. Authority of a Board Standing Committee. The Board may delegate to a Board Standing Committee any of the authority of the Board, except with respect to:
 - a. The election or removal of Trustees.
 - b. Filling vacancies on the Board or any committee which has the authority of the Board.
 - c. The amendment or repeal of any resolution adopted by the full Board.
 - d. The amendment or repeal of Bylaws or the adoption of new Bylaws.
 - e. The appointment of other committees of the Board, or the members of the committees.
 - f. The expenditure of corporate funds to support a nominee for Trustee.
 - g. The approval of any self-dealing transaction, as defined by the California Nonprofit Public Benefit Corporation Law.

A majority of the appointed members of a Standing Committee shall constitute a quorum for the transaction of any business of that Committee except adjournment. The actions done and decisions made by a majority of the Committee members present at a Standing Committee meeting duly held at which a quorum is present are the actions and decisions of the Board.

4. Appointment of a Board Advisory Committee. The Board may appoint one or more Advisory Committees by vote of a majority of the Trustees present at a meeting duly held at which a quorum is present. A Board Advisory Committee will consist of not less than two Trustees, who shall serve at the pleasure of the Board. The Board may, at its discretion, appoint one or more individuals as alternate members of such committee. A Board Advisory Committee may include non-Trustees in its membership, provided that any non-Trustee member be either a) officers or employees of OCS whom the Board believes to be reliable and competent in the subject matters to be assigned to the Advisory Committee, or b) counsel, independent accountants, or other persons with professional or expert competence in the subject matters to be assigned to the Advisory Committee. If a Trustee member of a Board Advisory Committee resigns from his position as Trustee, he may choose to remain a member of the Board Advisory Committee.

5. Authority of a Board Advisory Committee. The Board may not delegate to a Board Advisory Committee any of the authority of the Board.

6. Procedures of Standing and Advisory Committees. Subject to these Bylaws and the Brown Act, the Board may prescribe the manner in which the proceedings of any Board Standing or Advisory Committee are to be conducted. In the absence of such prescription, a Board Standing or Advisory Committee may prescribe the manner of conducting its proceedings, except that the regular and special meetings of both types of committees shall be governed by the provisions of these Bylaws with respect to the calling of meetings and that a Board Advisory Committee may not convene a meeting unless at least one Trustee member of the Committee is present.

D. Standard of Care

1. Performance of Duties. Each Trustee shall perform all duties of a Trustee, including duties on any Board Committee, in good faith, in a manner the Trustee believes to be in OCS's best interest and with such care, including reasonable inquiry, as an ordinary prudent person in a like position would use under similar circumstances.

2. Reliance on Others. In performing the duties of a Trustee, a Trustee shall be entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, presented or prepared by:

a. One or more officers or employees of OCS (including the Executive Director of OCS) whom the Trustee believes to be reliable and competent in the matters presented;

b. Legal counsel, independent accountants or other persons as to matters that the Trustee believes are within that person's professional or expert competence; or

c. A Board Standing or Advisory Committee, on which the Trustee does not serve, as to matters within its designated authority, provided the Trustee believes the Committee merits confidence and the Trustee acts in good faith, after reasonable inquiry when the need is indicated by the circumstances, and without knowledge that would cause such reliance to be unwarranted.

3. Investments. In investing and dealing with all assets held by OCS for investment, the Board shall exercise the standard of care described above and avoid speculation, looking instead to the permanent disposition of the funds, considering the probable income, as well as the probable safety of OCS's capital. The Board may delegate its investment powers to others, provided that those powers are exercised within the ultimate direction of the Board. No investment violates this section where it conforms to provisions authorizing such investment contained in an instrument or agreement pursuant to which the assets were contributed to OCS.

E. Rights of Inspection

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

F. Participation in Discussions and Voting

Every Trustee has the right to participate in the discussion and vote on all issues before the Board or any Board Committee to which the Trustee has been appointed, except as otherwise set forth in these Bylaws.

No Trustee shall be permitted to vote at a meeting at which he or she is not present physically or via telephonic or other electronic means, nor shall any Trustee be allowed to vote by proxy.

G. Duty to Maintain Board Confidences

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

VI. OFFICERS

A. Board Officers

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

1. Chairman. The Chairman shall call meetings of the Board and shall be responsible for having the meeting agenda prepared and distributed in advance. If present, the Chairman shall preside at Board meetings.
2. Vice Chairman. If the Chairman is absent or disabled, the Vice Chairman shall perform all the Chairman's duties and, when so acting, shall have all the Chairman's powers and be subject to the same restrictions. The Vice Chairman shall serve as chairman of the Governance Committee and shall have other such powers and perform such other duties as the Chairman or Board may prescribe.
3. Secretary. The Secretary shall: (a) keep or cause to be kept, at OCS's principal office, or such other place as the Board may direct a book of minutes of all meetings of the Board and Board Committees, noting the time and place of the meeting, whether it was regular or special (and if special, how authorized), the names of those present, and the

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proceedings; (b) keep or cause to be kept a copy of OCS's Articles of Incorporation and Bylaws, with amendments; and (c) have such other powers and perform such other duties as the Chairman or Board may prescribe.

4. Treasurer. The Treasurer shall: (a) ensure that an account of OCS's financial transactions and financial condition is regularly rendered to the Chair and the Board ; (b) serve as Chairman of the Finance Committee of the Board of Trustees; (c) assist the Executive Director and his designee(s) in preparing the annual budget and in presenting it to the Board for approval; (d) review the annual audit of OCS's finances; and (e) have such other powers and perform such other duties as the Chairman or Board may prescribe.

B. Election, Eligibility and Term of Board Officers

1. Election. The Board shall elect the officers annually at a Regular Meeting designated for that purpose or at a Special Meeting called for that purpose, except that officers elected to fill vacancies shall be elected as vacancies occur.
2. Eligibility. A Trustee may hold any number of offices, except that neither the Secretary nor the Treasurer may serve concurrently as the Chairman.
3. Term of Office. Each officer serves at the pleasure of the Board, holding office until resignation, removal or disqualification from service, or until his or her successor is elected, but in no event for more than three years without being reappointed to his position.

C. OCS Executive Director

The Board of Trustees shall designate an Executive Director who, subject to Board control, shall have general supervision, direction and control of the affairs of OCS, and such other powers and duties as the Board may prescribe. The Board may designate more than one person to serve as Executive Director at the same time, with such individuals being jointly responsible for fulfilling all duties and responsibilities assigned to the Executive Director. The Executive Director shall not be a Trustee, but shall be required to attend all Regular and Special Board meetings unless his or her absence has been excused by the Chairman or Vice Chairman of the Board.

D. Removal and Resignation of Board Officers and OCS Executive Director

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

VII. NON-LIABILITY OF TRUSTEES

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

VIII. INDEMNIFICATION OF CORPORATE AGENTS

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

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

IX. INSURANCE FOR CORPORATE AGENTS

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

X. CONTRACTS WITH DIRECTORS

OCS shall not enter into a contract or transaction in which a director directly or indirectly has a material financial interest (nor shall OCS enter into any contract or transaction with any other corporation, firm, association, or other entity in which one or more of the Corporation's directors are directors and have a material financial interest).

XI. OTHER PROVISIONS

A. Fiscal Year

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

B. Execution of Instruments

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

C. Checks and Notes

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

D. Construction and Definitions

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

E. Conflict of Interest

No designated employee shall make, participate in making, or try to use his/her official position to influence any Charter School decision which he/she knows or has reason to know will have a reasonably foreseeable material financial effect, distinguishable from its effect on the public generally, on the official or a member of his or her immediate family.

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The manner of disqualification shall be as follows:

A. Non-Governing Board Member Designated Employees

When a non-Governing Board member designated employee determines that he/she should not make a decision because of a disqualifying interest, he/she should submit a written disclosure of the disqualifying interest to his/her immediate supervisor. The supervisor shall immediately reassign the matter to another employee and shall forward the disclosure notice to the Executive

Director, who shall record the employee's disqualification. In the case of a designated employee who is head of an agency, this determination and disclosure shall be made in writing to his/her appointing authority.

B. Governing Board Member Designated Employees

The Corporation shall not enter into a contract or transaction in which a director directly or indirectly has a material financial interest (nor shall the Corporation enter into any contract or transaction with any other corporation, firm, association, or other entity in which one or more of the Corporation's directors are directors and have a material financial interest).

F. Closure Procedures and Dedication of Assets

The Corporation's assets are irrevocably dedicated to public benefit purposes as set forth in the charter governing the charter schools operated as or by the Corporation. No part of the net earnings, properties, or assets of the Corporation, on dissolution or otherwise, shall inure to the benefit of any private person or individual, or to any director or officer of the Corporation. On liquidation or dissolution, all properties and assets remaining after payment, or provision for payment, of all debts and liabilities of the Corporation shall be distributed to a nonprofit fund, foundation, corporation or association which is organized and operated exclusively for educational, public or charitable purposes and which has established its tax exempt status under Section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose. OCS Closure Procedures are subject to the stated procedures of Element 15 as stated in the School's Charter.

XII. AMENDMENT

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

CERTIFICATE OF SECRETARY

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

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Deleted: Within six months of a Board decision to close OCS, OCS shall have a neutral and independent licensed CPA complete a closeout audit of its finances in accordance with generally accepted accounting principles. This audit will determine the disposition of all OCS assets and liabilities, and shall be paid for by OCS. The audit must provide for all liabilities or debts incurred by OCS to be paid by OCS out of unrestricted funds prior to the distribution of OCS assets to any third party (except that restricted or categorical funds may be used to pay liabilities or debts incurred in connection with OCS's pursuit of the purpose for such funding). After the payment of all OCS debts and liabilities, any remaining unrestricted monies that were received from public sources during the then-current fiscal year will be returned to the appropriate funding source in accordance with law or, absent such law, on a pro rata basis. Unused OCS funds under AB 602 will be returned to the LAUSD SELPA, and other restricted or categorical public funds must be returned to the source of funds. All remaining monies shall be distributed, at the Board's discretion, to a nonprofit fund, foundation, or association which is organized and operated exclusively for educational, public or charitable purposes and which has established its tax exempt status under Section 501(c)(3) of the Internal Revenue Code, or to the federal, state or local government, for a public purpose. Any assets not so disposed of shall be disposed of by a court of competent jurisdiction... [6]

| /s/ Laura Stoland
Secretary

Notices to Trustees

Notices of Board Meetings to Trustees shall be given as follows:

Annual Meetings and Regular Meetings may be held without notice if the Bylaws or the Board fix the time and place of such meetings.

Special Meetings shall be held upon four days notice by firstclass mail or 48 hours notice delivered personally or by telephone, facsimile or e-mail. Notices will be deemed given when deposited in the United State mail, addressed to the recipient at the address shown for the recipient in OCS's records, first-class postage prepaid; when personally delivered in writing to the recipient; or when faxed, e-mailed, or communicated orally, in person or by telephone, to the Trustee or to a person whom it is reasonably believed will communicate it promptly to the Trustee.

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

Notice to Public

Notice of all board meetings shall be provided in compliance with the notice provisions of the Brown Act in effect at the time of the meeting.

Waiver of Notice

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

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

Any Trustee, Executive Director, key employee, or committee member having an interest in a contract, other transaction or program presented to or discussed by the Board or a Board Standing or Advisory Committee for consideration, authorization, approval, or ratification shall make a prompt, full and frank disclosure of his or her interest to the Board or committee prior to its acting on such contract or transaction. Such disclosure shall include all relevant and material facts known to such person about the contract or

transaction which might reasonably be construed to be adverse to OCS's interest. The body to which such disclosure is made shall thereupon determine, by majority vote, whether the disclosure shows that a conflict of interest exists or can reasonably be construed to exist. If a conflict is deemed to exist, such person shall not vote on, nor use his or her personal influence on, nor be present during the discussion or deliberations with respect to, such contract or transaction (other than to present factual information or to respond to questions prior to the discussion). If a higher standard is applicable by law, then such a standard would be followed. The minutes of the meeting shall reflect the disclosure made, the vote thereon and, where applicable, the abstention from voting and participation. The Board may adopt conflict of interest policies requiring:

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

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

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