

**AMENDED BYLAWS OF  
POWELL BUTTE COMMUNITY CHARTER SCHOOL**

**ARTICLE I. MEMBERS.**

The Corporation shall have no members.

**ARTICLE II. BOARD OF DIRECTORS: NUMBER, POWERS, MEETINGS**

Section 1. GOVERNING BODY; COMPOSITION. The affairs of the Corporation shall be governed by a Board of Directors. The directors shall be the Directors of the Board of Directors for Powell Butte Community Charter School.

Section 2. NUMBER OF DIRECTORS. The number of directors in the Corporation shall be not less than 5 nor more than 9. The directors shall be appointed as provided in Section 3 of this Article.

Section 3. APPOINTMENT OF DIRECTORS. Directors shall be appointed initially by the incorporator. Thereafter, by a committee consisting of a chair, who shall be a member of the Board of Directors. The committee shall be appointed by the Board of Directors not less than thirty (30) days prior to the expiration of the terms of the current directors. The committee shall appoint a sufficient number of directors to fill the vacancies on the Board.

Section 4. APPOINTMENT AND TERM OF OFFICE. Notwithstanding any other provision contained herein:

(a) At the first board meeting and at each annual meeting of the Board thereafter directors shall be appointed. The term of each director of the initial board of directors shall be set at the organizational meeting of directors. The term of each director shall thereafter be two (2) years.

At the expiration of the initial term of office of each respective member of the Board of Directors, a successor shall be appointed to serve for a term of two (2) years. The members of the Boards of Directors shall hold office until their respective successors shall have been appointed by the Corporation.

Section 5. REMOVAL OF DIRECTORS. Any director who has three (3) consecutively unexcused absences from Board meetings may be removed by a majority vote of the directors at a meeting, a quorum being present.

Section 6. VACANCIES. Vacancies in the Board of Directors caused by any reason, shall be filled by a vote of the majority of the remaining Directors, even though less than

a quorum, at any meeting of the Board. Each person so elected shall serve the unexpired portion of the vacated term.

Section 7. ORGANIZATION MEETINGS. The first meeting of the members of the Board of Directors shall be held within the first two-months following the filing of the Articles of Incorporation and at such time and place as shall be fixed by the Board.

Section 8. REGULAR MEETINGS. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the directors. Notice of the time and place of the meeting shall be communicated to directors by regular mail not less than four (4) days prior to the meeting; provided, however, notice of a meeting need not be given to any director who has signed a waiver of notice or a written consent to holding of the meeting.

Section 9. SPECIAL MEETINGS. Special meetings of the Board of Directors shall be held when called by written notice signed by the Chair, Vice Chair, or Secretary of the Corporation, or by any two (2) directors. The notice shall specify the time and place of the meeting and the nature of any special business to be considered. The notice shall be given to each director by one of the following methods: (a) by personal delivery; (b) written notice by first class mail, postage prepaid; (c) by telephone communication, including facsimile transmissions, either directly to the director or to a person at the director's office who would reasonably be expected to communicate such notice promptly to the director; or (d) by telegram, charges prepaid. All such notices shall be given or sent to the director's address or telephone number as shown on the records of the Corporation. Notices sent by first class mail shall be deposited into a United States mailbox at least four (4) days before the time set for the meeting. Notices given by personal delivery, telephone, or telegraph shall be delivered, telephoned, or given to the telegraph company at least seventy-two (72) hours before the time set for the meeting.

Section 10. WAIVER OF NOTICE. The transactions of any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if (a) a quorum is present, and (b) either before or after the meeting each of the directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting shall also be deemed given to any Director who attends the meeting without protesting before or at its commencement after the lack of adequate notice.

Section 11. QUORUM OF BOARD OF DIRECTORS. At all meetings of the Board of Directors, a majority of the directors shall constitute a quorum for the transaction of business, and the votes of a majority of the directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of directors, if any

action taken is approved by at least a majority of the required quorum for that meeting. If less than a quorum is present at any meeting, the Board members present shall adjourn the meeting to such time and place as they may decide within 30 days of the original meeting. At such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

Section 12. COMPENSATION. No director shall receive any compensation from the Corporation for acting as such unless approved by a majority vote of the Board.

Section 13. CONDUCT OF MEETINGS. The Chair shall preside over all meetings of the meetings of the Board of Directors, and the Secretary shall keep a minute book of the Board of Directors, recording therein all resolutions adopted by the Board of Directors and a record of all transactions and proceedings occurring at such meetings.

Section 14. OPEN MEETINGS. All meetings of the Board shall be open to the public, but the public may not participate in discussion or deliberation unless expressly so authorized by majority of a quorum of the Board.

Section 15. EXECUTIVE SESSION. The board may, with approval of a majority of a quorum, adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters, litigation in which the Corporation is or may become involved, and orders of business of a similar nature. The nature of any and all business to be considered in executive session shall first be announced in open session.

Section 16. ACTION WITHOUT A FORMAL MEETING. Any action to be taken at a meeting of the directors or any action that may be taken at a meeting of the directors may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all the directors.

Section 17. POWERS. The Board of Directors shall be responsible for the affairs of the Corporation and shall have all the powers and duties necessary for the administration of the Corporation's affairs. The Board of Directors shall delegate to one of its members the authority to act on behalf of the Board of Directors on all matters which might arise between meetings of the Board of Directors.

In addition to the duties imposed by these Bylaws or by any resolution of the Corporation that may be hereafter adopted, the Board of Directors shall have the power to and be responsible for the following, in way of explanation, but not limitation:

(a) Apply for the establishment and maintenance of the Powell Butte Community Charter School;

(b) Preparation and adoption of an annual budget;

(c) Designating, hiring and dismissing the personnel necessary for the operation of the Corporation and its property and, where appropriate, providing for the compensation for such personnel and for the purchase of equipment, supplies and materials to be used by such personnel in the performance of their duties; collecting fees, depositing the proceed thereof in a bank depository which it shall approve and using the proceeds to administer the Corporation;

(d) Making and amending rules and regulations;

(e) Opening of bank accounts on behalf of the Corporation and designating the signatories required;

(f) Enforcing by legal means the provisions of the Articles, these Bylaws, and the rules and regulations adopted by it and bringing any proceedings which may be instituted on behalf of or against the Corporation;

(g) Obtaining and carrying any necessary insurance and paying the premium costs thereof;

(h) Paying the cost of all services rendered to the Corporation; and

(i) Keeping books with detailed accounts of the receipts and expenditures affecting the Corporation and its administration, specifying the expenses incurred.

Section 18. ACCOUNTS AND REPORTS. The following management standards of performance will be followed unless the Board by resolution specifically determines otherwise:

(a) Accrual accounting, as defined by generally accepted accounting principles, shall be employed;

(b) Accounting and controls should conform with established American Institute of Certified Public Accountants (AICPA) guidelines and principles (a segregation of accounting duties should be maintained, and disbursements by check shall require two (2) signatures). Cash disbursements shall be limited to amount of Twenty-Five Dollars (\$25) and under, or such amount set by the Board at its annual meeting.

(c) Cash accounts of the Corporation shall not be commingled with any other accounts.

Section 19. BORROWING. The Board of Directors shall have the power to borrow money for any legal purpose of the Corporation.

### **ARTICLE III. OFFICERS.**

Section 1. OFFICERS. The officers of the Corporation shall be a Chair, Vice Chair, Secretary and Treasurer, and the Board shall choose only members of the Board for such offices. The Board of Directors may elect such other officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable, such officers to have the authority and perform the duties prescribed from time to time by the Board of Directors. Any two or more offices may be held by the same person, excepting the offices of Chair and Secretary. The officers shall be elected from among the members of the Board of Directors.

Section 2. ELECTION, TERM OF OFFICE AND VACANCIES. The officers of the Corporation shall be elected annually by the Board of Directors at the annual meeting of the Board of Directors. A vacancy in any office arising because of death, resignation, removal, or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

Section 3. SALARIES. Officers shall be uncompensated for acting as such unless approved by a majority vote of the Board.

Section 4. REMOVAL. Any officer may be removed by the Board of Directors whenever in its judgment the best interests of the Corporation will be served thereby.

Section 5. POWERS AND DUTIES. The officers of the Corporation shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as may from time to time be specifically conferred or imposed by the Board of Directors. The Chair shall preside over the Board of the Corporation. The Chair shall appoint such committees as the Chair may desire or are required by the Bylaws. The Vice Chair shall substitute for the Chair when the Chair is unable to perform duties. While assuming the office of Chair, the Vice Chair shall have the same authority as the Chair. The Secretary shall keep an accurate record of the proceedings of all meetings, and perform such other duties as may be required in keeping with the office. The Treasurer shall have primary responsibility for the preparation of the budget as provided for in these Bylaws and may delegate all or part of the preparation and notification duties to a finance committee, management agent, or both.

Section 6. RESIGNATION. Any officer may resign at any time by giving written notice to the Board of Directors, the Chair, or the Secretary. Such resignation shall take effect on the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 7. AGREEMENTS, CONTRACTS, DEEDS, LEASES, CHECKS. All agreements, contracts, deeds, leases, checks, and other instruments of the Corporation shall be executed by at least two (2) officers or by such other person or persons as may be designated by

resolution of the Board of Directors. The directors and officers of the Corporation may be interested directly or indirectly in any contract relating to or incidental to the operations conducted by the Corporation, and may freely make contracts, enter transactions, or otherwise act for and on behalf of the Corporation. No contract, transaction or act shall be taken on behalf of the Corporation if such contract, transaction, or act would result in denial of the tax exemption under Section 503 or Section 507 of the Internal Revenue Code and its regulations as they now exist or as they may hereafter be amended. The Board shall have full authority to invest any property of the Corporation at its discretion. However, no action shall be taken by or on behalf of the Corporation if such action is a prohibited transaction or would result in the denial of tax exemption under IRC Section 503 or Section 504 and its regulations as they now exist or as they may hereafter be amended.

#### **ARTICLE IV. INDEMNIFICATION; INTERESTED PARTIES**

Section 1. Indemnification. The Corporation shall indemnify to the fullest extent permitted by the Oregon Nonprofit Business Corporation Act any person who has been made, or is threatened to be made a party to an action, suit or proceeding, whether civil, criminal, administrative, investigative, or otherwise (including an action, suit or proceeding by or in the right of the Corporation) by reason of the fact that the person is or was a director or officer of the Corporation. The right to and the amount of indemnification shall be determined in accordance with the provisions of the Oregon Nonprofit Business Corporation Act in effect at the time of determination.

#### **ARTICLE V. CONFLICT OF INTEREST**

Section 1. Purpose. The purpose of the conflict of interest policy is to protect this tax-exempt organization's (Organization) interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Organization or might result in a possible excess of benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

Section 2. Definitions.

(a) Interested Person. Any director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

(b) Financial Interest. A person has a financial interest if the person had, directly or indirectly, through business, investment, or family:

- i. An ownership or investment interest in any entity with which the Organization has a transaction or arrangement,
- ii. A compensation arrangement with the Organization or with any entity

or individual with which the Organization has a transaction or arrangement, or

iii. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Organization is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial. A financial interest is not necessarily a conflict of interest. Under Article III, Section 3(b), a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

### Section 3. Procedures.

(a) **Duty to Disclose.** In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

(b) **Determining Whether a Conflict of Interest Exists.** After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

#### (c) Procedures for Addressing the Conflict of Interest.

i. An interested person may make a presentation at the governing board or committee meeting, but after that presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

ii. The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

iii. After exercising due diligence, the governing board or committee shall determine whether the Organization can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

iv. If a more advantageous transaction or arrangement is not reasonably possible under the circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Organization's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or agreement.

#### (d) Violations of the Conflicts of Interest Policy

i. If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

ii. If, after hearing the member's response and after making further investigations warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Section 4. Records of Proceedings. The minutes of the governing board and all committees with board delegated powers shall contain:

(a) The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.

(b) The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transactions or arrangement, and a record of any votes taken in connection with the proceedings.

Section 5. Compensation

(a) A voting member of the governing board who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.

(b) A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.

(c) No voting member of the governing board or any committee, whose jurisdiction includes compensation, directly or indirectly, from the Organization, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

Section 6. Annual Statements. Each director, principal officer and member of a committee with governing board delegated powers shall annually sign a statement with affirms such person:

(a) Has received a copy of the conflicts of interest policy,



(b) Has read and understands the policy,

(c) Has agreed to comply with the policy, and

(d) Understands the Organization is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax exempt purposes.

Section 7. Periodic Reviews. To ensure the Organization operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

(a) Whether compensation arrangements and benefits are reasonable, based on competent survey information and the result of arm's length bargaining.

(b) Whether partnerships, joint ventures, and arrangements with management organizations conform to the Organization's written policies, are properly recorded, reflect reasonable investments or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

Section 8. Use of Outside Experts. When conducting the periodic reviews as provided for in Section 7, the Organization may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

## **ARTICLE VI. COMMITTEES**

Section 1. GENERAL. Committees to perform such tasks and to serve for such periods as may be designated by a resolution adopted by a majority of the directors present at a Board meeting at which a quorum is present are hereby authorized. Such committees shall perform such duties and have such powers as may be provided in the resolution. Each committee shall be composed as required by law and shall operate in accordance with the terms of the resolution of the Board of Directors designating the committee or with rules adopted by the Board of Directors.

Section 2. STANDING COMMITTEES. The Board of Directors may appoint standing committees. The first standing committee to be formed will be the Governance Committee, which will be composed of five individuals: four members from the community served by PBCCS and one member of the Board of Directors. The Committee will be chaired by the Director.

## **ARTICLE VII. AMENDMENTS**

Section 1. GENERAL. These Bylaws may be altered, amended or repealed and new Bylaws may be adopted by the Board of Directors by a majority vote of the full Board at any regular or special meeting. Failure of one or more directors to attend a meeting of the Board where the Bylaws amendment, alteration or repeal is part of the meeting agenda shall count as an unexcused absence for the purposes of Article II, Section 5.

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## **ARTICLE VIII. MISCELLANEOUS**

Section 1. FISCAL YEAR. The initial fiscal year of the Corporation shall be set by resolution of the Board of Directors.

Section 2. PARLIAMENTARY RULES. Except as may be modified by Board resolution establishing modified procedures, Robert's Rules of Order (current edition) shall govern the conduct of Corporation proceedings when not in conflict with Oregon law, the Articles of Incorporation, or these Bylaws.

Section 3. CONFLICTS. If there are conflicts or inconsistencies between the provisions of Oregon law, the Articles of Incorporation, and these Bylaws, the provision of Oregon law, the Articles of Incorporation, and the Bylaws (in that order) shall prevail.

Section 4. NEUTRALITY. The Corporation shall be nonpartisan and nonsectarian.

Section 5. COMPLIANCE WITH I.R.C. SECTION 501(c). Notwithstanding any other provision of these Bylaws, no director, officer, employee or representative of this Corporation shall take any action or carry on any activity by or on behalf of the Corporation not permitted to be taken or carried on by an organization exempt under IRC Section 501 (c) and its regulations as they now exist or as they may hereafter be amended.

Section 6. INSPECTION BY DIRECTORS. Every director shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Corporation and the physical properties owned or controlled by the Corporation. The right of inspection by a Director includes the right to make extracts and copies of documents at the expense of the Corporation.

Section 7. NOTICES. Unless otherwise provided in these Bylaws, all notices, demands, bills, statements or other communications under these Bylaws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by registered or certified mail, return receipt requested, first class postage prepaid:

(a) If to the Corporation or the Board of Directors, at the principal office of the Corporation or Board of Directors, if any, or at such other address as shall be designated by the notice in writing to the members pursuant to this Section.

These Amended Bylaws have been adopted by unanimous vote of the Board of Directors

of Powell Butte Community Charter School on this \_\_16\_\_ day of December 2009.

Karen Barker, Chair