

**BYLAWS
OF THE
SURPRISE VALLEY EDUCATION FOUNDATION**

Amended May 10, 2017

**ARTICLE I
OFFICES, PURPOSE AND LIMITATIONS**

Section 1. **Principal Office:** The principal office of the corporation for the transaction of its business is located at 470 Lincoln Street, Cedarville, CA 96104. The county of the corporation's principal office can be changed only by amendment of these bylaws and not otherwise. The Board of Directors may, however, change the principal office from one location to another within the named county by noting the changed address and effective date below, and such changes shall not be deemed an amendment to the bylaws:

_____ dated _____
_____ dated _____

Section 2. **Purpose of Corporation:** The SURPRISE VALLEY EDUCATION FOUNDATION (hereinafter called "Foundation") is a non-profit public benefit corporation (hereinafter called "corporation") whose purpose is exclusively educational and charitable. It was specifically created to secure and distribute contributions from individuals, corporations, and foundations for the benefit of the students, educators and schools within the Greater Surprise Valley area. More definitively, the primary purpose of the Foundation is to preserve, enrich and enhance the quality and availability of educational opportunities and programs which are, or shall be, offered to the intended beneficiaries; and to do so through the cooperative effort of the private sector and the public school system. The assets of the corporation are irrevocably dedicated to public benefit and charitable purposes.

Section 3. **Further Statement of Purpose:** This corporation is a non-profit public benefit corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for charitable purposes. The corporation is formed exclusively for charitable, scientific, literary and educational purposes, within the meaning of Section 501(c) (3) of the United States Internal Revenue Code of 1954, as amended (the "Code"). All references to the Code contained herein are deemed to include corresponding provisions of any future United States internal revenue law or regulation. In furtherance of the purposes set forth in these Bylaws and/or in the Articles of Incorporation, the corporation may

exercise all the rights and powers conferred on nonprofit public benefit corporations under the laws of the State of California. Notwithstanding any of the above statements of purposes or powers, the corporation shall not engage in any activities or exercise any powers, whether expressed or implied, so as to disqualify the corporation from exemption from federal income tax under Section 501(a) of the Code by reason of being an organization described in the Section 501(c)(3) of the Code, so as to disqualify the corporation as a corporation contributions to which are deductible under Section 170(c)(2) of the Code, and/or to disqualify the corporation from exemption from California income tax under Section 23701 of the California Revenue Taxation code, as amended, by reason of being an organization described in Section 23701d of said Revenue and Taxation Code.

Section 4. Statement of Limitations: As stated in the Articles of Incorporation, the activities of this corporation shall be subject to the following limitations:

- (a) No part of the net earnings of the corporation shall inure to the benefit of, or be distributed to, its members, directors, officers, or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the corporation.
- (b) No part of the net earnings or of the property or assets of the corporation shall be used other than for the purposes of the corporation.
- (c) No substantial part of the activities of the corporation shall consist, except as otherwise provided in Section 501(h) of the Code, of carrying on propaganda, or otherwise attempting to influence legislation, or shall the corporation participate in, or intervene in (including, without limitation, the publishing or distributing of statement or otherwise), any political campaign on behalf of or in opposition to any candidate for public office.
- (d) In the event of liquidation, dissolution, termination, or winding up of the corporation (whether voluntary, involuntary, or by operation of law), and subject to the provisions in Article X, Section 3 of these Bylaws, the Board of Directors shall, after paying or making provisions for the payment of all the liabilities of the corporation, transfer all of the property and assets of the corporation to one or more Qualified Organizations in accordance with the Articles of Incorporation and these Bylaws, as the Board of Directors shall determine. For these purposes, "Qualified Organization" shall mean a corporation or other organization organized and operated exclusively for charitable, educational, or scientific purposes as shall be at the time qualify as exempt from income tax under Section 501(a) of the Code by reason of being an organization described in Section 501(c) (3) of the Code, or corporation or other organization, contributions to which are deductible under Section 170(c) (2) of the Code.

ARTICLE II

MEMBERS

This corporation shall have no members.

ARTICLE III
THE BOARD OF DIRECTORS

Section 1. Powers and Duties: All corporate powers of the Foundation shall be exercised by or under the authority of the Board of Directors.

Section 2. Number of Directors: The number of initial Directors shall be seven (7). The number of directors may be increased to no more than fifteen (15) by the vote of the Board of Directors. The corporation's initial Directors and their terms of office are listed in Exhibit A attached hereto.

Section 3. Manner of Selection and Term: Each elected Director shall serve for a term of two (2) years, or until a successor is elected; except that three (3) Directors on the formation of the Board shall serve for a term of three (3) years. The election of Directors to fill new, vacant, or expiring seats shall be conducted at the Annual Meeting by a majority vote of the Directors then in office. Provided, however, that the Board may elect Directors to fill new or vacant seats at any properly noticed regular or special meeting called subsequent to the creation of the seat or the occurrence of the vacancy, but only if said election is announced in the notice and agenda prepared for such meeting. Outgoing Directors (those whose terms have expired or whose seats are up for election) may vote in such elections. Nomination for Director may be submitted by individual Board members, or by a nominating committee, if a nominating committee is designated by the Board for such purpose pursuant to Article V of these Bylaws. Nominations may be made from the floor prior to an election.

Section 4. Removal of Directors: Any individual Director may be removed, with or without cause, by the vote of a majority of the members of the entire Board of Directors at a special meeting called for that purpose or at a regular meeting, provided that notice of the meeting and of the removal questions are given as provided in Article IX, Section 4 of these Bylaws.

Section 5. Vacancies: Except as otherwise stated in these Bylaws, any vacancy occurring among the elected members of the Board of Directors shall be filled by a majority vote of the Directors then in office. A Director elected to fill a vacancy shall be elected for the unexpired term of the predecessor. The Board of Directors may declare vacant the office of a Director and appoint a new director if the Director fails to attend 3 consecutive Board meetings and a notification has not been made to the President.

Section 6. Quorum: A simple majority of the actual number of members on the Board of Directors shall constitute a quorum for the holding of a meeting and for the transaction of any business at the meeting of the Board.

Section 7. Proxies Prohibited: Directors may not vote by proxy.

Section 8. Compensation: No Director shall receive, directly or indirectly, any compensation for his or her services as Director. The Board may authorize reimbursement for reasonable and necessary expense incurred by Board members, in connection with the performance of their duties as Board members.

Section 9. Restrictions on Directors: Not more than forty-nine percent (49%) of the persons serving on the Board of Directors may be interested persons. An interested person is (1) any person being compensated by the corporation for services rendered to it within the previous twelve (12) months, whether as a full-time or part-time employee, independent contractor, or otherwise; and (2) any brother, sister, ancestor, descendant, brother-in-law, sister-in-law, mother-in-law, father-in-law, daughter-in-law or son-in-law of such person. However, any violation of the provisions of this paragraph shall not affect the validity or enforceability of any transaction entered into the corporation. A Director may not participate in any vote on any proposed transaction with another organization or entity of which such Director is also an employee, principal or director.

Section 10. Non-liability of Directors: The directors shall not be personally liable for the debts, liabilities, or other obligations of the corporation.

Section 11. Indemnification by corporation of directors, officers, employees or other "agents". The corporation shall, to the fullest extent permitted by law, indemnify any person who was or is party or is threatened to made party to any proceeding by reason of the fact that such person is or was an agent of the corporation, against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with such proceeding. In the event entitlement to indemnification is required by law to be based upon a determination by the Board of Directors that the agent has met the standards of conduct prescribed by law, such body shall meet and shall reach a determination on the issue within a reasonable period of time after request for such body to meet is received by the corporation from the agent.

Section 12. Insurance for Corporate Agents: The Board of Directors may adopt a resolution authorizing the purchase and maintenance of insurance on behalf of any agent of the corporation (including a director, officer, employee or other agent of the corporation) 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.

ARTICLE IV **OFFICERS**

Section 1. Number and Title: The Corporation shall have a president, a vice-president, a secretary, and a treasurer. The four officers shall collectively be called the "Executive Committee".

Section 2. Qualification, Election, Term of Office, and Vacancies: Officers of the corporation shall be elected from members of the Board of Directors, by the Board of Directors at the Annual Meeting held each year. They shall hold office for a term of two (2) years or until their successor is elected. The candidate receiving the highest number of votes for each office shall be elected. Vacancies shall be filled by the Board of Directors, to complete the unexpired term of office.

Section 3. Duties of President: The President shall be the chief executive officer of the corporation and shall, subject to the control of the Board of Directors, supervise and control the affairs of the corporation. The President shall perform all duties incident to this office, and such other duties as provided by the Articles of Incorporation, these Bylaws, or which the Board of Directors may prescribe.

Section 4. Duties of the Vice President: In the absence of the President, the Vice President shall perform the duties of the President, and when so acting shall have all the powers of, and be subject to all restrictions of the President. The Vice President shall assist the President in their duties, as requested by the President, and perform such other duties as prescribed by the Articles of Incorporation, these Bylaws and prescribed by the Board of Directors.

Section 5. Duties of Secretary: The secretary shall be the custodian of the corporate records, shall keep minutes of all meetings of the Directors, shall give all notices as are required by law or these Bylaws, shall file all necessary reports and tax returns to federal and state agencies as required by law, and generally shall perform such duties as may be required by law, by these Bylaws, or which may be prescribed from time to time by the Board of Directors.

Section 6. Duties of the Chief Financial Officer (Treasurer): The chief financial officer (treasurer) shall have charge and custody of all funds of the corporation, shall deposit such funds as required by the Board of Directors, shall keep and maintain adequate and correct accounts of the corporation's properties and business transactions, shall render reports and accountings to the Directors as required by the Board of Directors, and shall in general perform all duties required by law, by these Bylaws, or which may be prescribed from time to time by the Board of Directors.

Section 7. Other Officers: The Board may appoint and may authorize the President or other officer to appoint any other officers that the corporation may require, each of whom shall have the title, hold office for the period, have the authority and perform the duties specified by the Bylaws or determined from time to time by the Board.

Section 8. Removal of Officers: Subject to the rights, if any, of an officer under any contract of employment, an officer may be removed, with or without cause, by the Board of Directors, or except in the case of an officer chosen by the Board of Directors, by an officer on whom such power of removal may be conferred by the Board of Directors.

ARTICLE V

COMMITTEES

Section 1. Formation and Function of Committees: The Board of Directors, by resolution, may designate committees for specific purposes. The resolution designating these committees shall provide for the appointment of its members and chairperson, state its purposes and provide for its termination. Every committee shall be chaired by a member of the Executive Committee, or by another member of the Board of Directors who shall report directly to an assigned member of the Executive Committee. Every committee shall point from among its members a secretary, and minutes shall be kept of every committee meeting in the manner specified in Article VI, Section 1 of these Bylaws. Said minutes shall be certified by the committee secretary and kept in the committee minutes notebook and a copy of the minutes shall be delivered to the secretary of the Foundation within a reasonable time after adjournment of the meeting.

Section 2. Quorum: A simple majority of the Board of Directors shall constitute a quorum for the holding of a meeting. Committee members may not vote by proxy.

ARTICLE VI

CORPORATE RECORDS, REPORTS, AND SEALS

Section 1. Minutes of Meetings: The corporation shall keep at its principal office a book of minutes of all meetings of Directors, and of all committees of the Board, with the time and place of holding, where regular or special, and, if special, how authorized, the notice given, the agenda presented and approved, the names of those present, and the proceedings thereof.

Section 2. Book of Accounts: The Corporation shall keep and maintain adequate and correct accounts of its properties and business transactions, including accounts of its assets, liabilities, receipts, disbursements, gains and losses.

Section 3. Inspection of Records by Directors: The books of account shall at all reasonable times be open to inspection by any Director. Such inspection may be made in person, or by agent or attorney, and the right of inspection includes the right to make copies.

Section 4. Annual Report and Financial Statement: The Board of Directors shall cause to be prepared a written annual report including a financial statement. Such report shall summarize the corporation's activities for the preceding year and activities projected for the

forthcoming year. The financial statement shall consist of a balance sheet as of the close of the business of the corporation's fiscal year, containing a summary of receipts and disbursement, be prepared in such a manner and form as sanctioned by sound accounting practices, and be certified by the president, secretary and treasurer.

Section 5. Corporate Seal: The Board of Directors may adopt, use and at will alter, a corporate seal. Such seal shall be affixed to all corporate instruments, but failure to affix it shall not affect the validity of any such instrument.

ARTICLE VII

EXECUTION OF INSTRUMENTS, DEPOSITS, AND FUNDS

Section 1. Execution of Instruments: The Board of Directors, except otherwise provided in these Bylaws, may by resolution authorize any officer, agenda or employee of the corporation to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances. Unless so authorized, no officer, agent or employee shall have any power or authority to bind the corporation by any contract or engagement or to pledge its credit or render it liable pecuniary for any purpose or in any manner.

Section 2. Checks and Notes: Except as otherwise specifically determined by resolution of the Board of Directors, as provided in Section 1 of this Article, or as otherwise required by law, all checks, drafts, promissory notes, orders for payment of money, and any other evidence of indebtedness of the corporation shall be signed by at least two (2) officers of the corporation. The Board of Directors may authorize a petty cash account from which funds could be withdrawn upon the signature of only one officer or employee.

Section 3. Related Signatories Prohibited: No two (2) officers who are related by blood or marriage shall be qualified to sign and countersign any such payment.

Section 4. Deposits: All funds of the corporation shall be deposited to the credit of the corporation in such banks, trust companies or other depositories as the Board of Directors may select.

Section 5. Gifts: The Board of Directors may accept, on behalf of the corporation, any contribution, gift, bequest, or devise for the general purposes or for any special purpose of the corporation.

Section 6. Retention of Funds: It is the policy of the Foundation to promote growth and long term development through the retention of a portion of financial receipts. Retained funds shall be deposited to an "Investment Account" from which no disbursement shall be made, unless expressly permitted by the Board of Directors for purposes which are consistent with the corporation's Articles of Incorporation and these Bylaws. In furtherance of this policy, receipts of the corporation shall be allocated as follows:

6.1. Whenever possible, when the Foundation applies for grants or other funding, applications or proposals shall include a plan for retention of funds in accordance with this Section. However, where the conditions of funding, or regulations of the funding agency or entity so require, the Foundation may accept said funding for specific projects without regard to this Section, provided all administrative costs associated with the project are covered by said funding.

6.2 Unless otherwise specified by a grantor or donor to the Foundation or otherwise required by law and these Bylaws, the Board shall determine an amount of all funds obtained through grants and donations which shall be allocated to the "Investment Account".

6.3. The "Investment Account" shall be managed by the Chief Financial Officer (Treasurer) of the Foundation in a prudent and reasonable manner, and in accordance with the goal of maximizing the growth of the fund. Unless otherwise approved by the Board of Directors, said funds shall be maintained in accounts within qualified financial institutions. The Board shall exercise sound financial judgment in considering proposed investments, and shall not be unduly restrained in the face of reasonably secure opportunities.

6.4. Regular income (for example, interest, dividends, rents) derived from the "Investment Account" need not be retained in that account, and may be expended for permissible purposes of the Foundation in accordance with sound accounting practices.

6.5. The funds and assets allocated to the "Investment Account" need not be segregated from other assets, and may be comingled for purposes of management and investment.

6.6. Funds and assets allocated to the "Investment Account" may not be encumbered, pledged, or hypothecated without the approval of the Board of Directors.

ARTICLE VIII **BYLAWS**

Section 1. Effective Date of Bylaws. These Bylaws shall become effective immediately upon their adoption. Amendments to these Bylaws shall become effective immediately on their adoption unless the Board of Directors, in adopting as hereinafter provided, provides that they are to become effective at a later date.

Section 2. Amendment: Subject to the limitations contained in the Articles and to any provision of law applicable to the amendment of bylaws of a nonprofit corporation, these Bylaws, or any of them, may be altered, amended or repealed and new bylaws adopted by the vote of a majority of Directors present at any special or regular meeting of Directors at which a quorum is present, provided that written notice of such meeting and of the intention to change

the Bylaws thereat is delivered to each Director at least seven (7) days prior to the date of such meeting, in the manner provided in the Article IX, Section 4 of these Bylaws.

Section 3. Certificate and Inspection: The original, or a copy of the Bylaws as amended or otherwise altered to date, certified by the secretary of the corporation, shall be recorded and kept in books which shall be in the principal office of the corporation, and such books shall be open to inspection by the Directors at all reasonable times during office hours.

ARTICLE IX MEETINGS

Section 1. Annual Meetings: The Annual Meeting of the Board of Directors shall be held at such date, time, and place as the Board of Directors shall determine.

Section 2. Regular Meetings: In addition to the Annual Meeting, regular meetings of the Board of Directors shall be held at least quarterly, at such date, time, and place as the Board of Directors shall determine.

Section 3. Committee Meetings:

3.1. Regular meetings of the Executive Committee shall be held monthly during the first year of operation and as needed thereafter.

3.2. Other committees shall meet as often as is needed to accomplish their respective purposes.

3.3. Special meetings of the Executive and other committees may be called by the committee chair, or by any two other members of the committee.

Section 4. Notice of Meetings:

4.1. All meeting notices given to directors shall be accompanied by an agenda, previous minutes, and such other documentation as will assist the participants in preparing for the business to be transacted at the meeting.

4.2. Notice of the Annual Meeting shall be given to the Directors not more than thirty (30) days or less than ten (10) days before the meeting.

4.3. Notice of regular meetings shall be given to all the Directors a minimum of ten (10) days prior to the meeting.

4.4. Notice of special meetings shall be given at least four (4) days prior to the meeting if delivered by first class mail or a minimum of forty-eight (48) hours prior to the meeting if notices are delivered by telephone or electronic media. Those calling such meetings

should make every effort to place the agenda and other documents in the hands of the members at the earliest possible time.

4.5. The notice requirements contained in these Bylaws may be waived in writing by any Director, or committee member, as the case may be. All waivers shall be made part of the minutes of the meeting.

4.6. Any Board action required or permitted to be taken by the Board may be taken without a meeting, if all members of the Board shall consent to such action in writing. Such written consent shall be made part of the minutes of the proceedings. Such action by written consent shall have the same force and effect as the unanimous vote of the Board of Directors at a meeting.

Section 5. Meeting Attendance Method: (Adopted 3/17/16) Any meeting, regular or special, may be held by conference telephone, electronic video screen communication, or other communication equipment. Participation in a meeting through use of conference telephone constitutes presence in person at that meeting so long as all directors participating in the meeting are able to hear one another. Participation in a meeting through use of electronic video screen communication or other communication equipment constitutes presence in person at that meeting if all the following apply:

- a. Each director participating in the meeting can communicate with all the other directors concurrently;*
- b. Each director is provided the means of participating in all matters before the board, including without limitation, the capacity to propose, or to interpose an objection to, a specific action to be taken by the corporation; and*
- c. The corporation adopts and implements some means of verifying (1) that all persons participating in the meeting are directors of the corporation or are otherwise entitled to participate in the meeting, and (2) that all actions of, or votes by, the board are taken and cast only by directors and not by persons who are not directors.*

ARTICLE X MISCELLANEOUS

Section 1. Fiscal Year: (Adopted 3/17/16) The fiscal year of the Foundation shall begin January 1 and shall end December 31.

Section 2. Report to Directors: The president shall furnish a written report annually to all Directors of the Foundation.

Section 3. Dissolution: Upon dissolution of the Foundation, all assets remaining after payment of debts shall inure to the benefit of a Qualified Organization per Article 1 Section 4d benefiting Surprise Valley Students. If no Qualified Organization exclusively benefiting Surprise Valley Students exists, the directors shall find a Qualified Organization with the ability to secure the funds to be used for the benefit of Surprise Valley Students.

Section 4. IRS Restrictions: In any period in which the corporation is a private foundation, as defined in Internal Revenue Code §509, the corporation shall make distributions at such time and in such manner as not to subject the corporation to tax under Internal Revenue Code §4942, and the corporation shall not (i) engage in any act of self-dealing, as defined in Internal Revenue Code §4941(d), (ii) retain any excess business holdings, as defined in Internal Revenue Code §4943(c), (iii) make any investments in such manner as to subject the Corporation to tax under Internal Revenue Code §4944, or (iv) make any taxable expenditures, as defined in Internal Revenue Code §4945(d).

**CERTIFICATION OF SECRETARY
AUTHENTICATING ADOPTION OF BYLAWS**

I, Abbey Smith, certify:

That I am the duly elected and acting secretary of the SURPRISE VALLEY EDUCATION FOUNDATION, a California corporation; and that the foregoing Bylaws, consisting of twelve (12) pages, constitute the Amended Bylaws of said corporation, as duly adopted on the 10th day of May, 2017, by the Board of Directors, at a meeting duly held in Cedarville, County of Modoc, State of California.

DATED: _____, _____

Abbey Smith - Secretary

EXHIBIT A

INITIAL MEMBERS OF THE BOARD OF DIRECTORS AND INITIAL TERM OF OFFICE

Edie Asrow Director (3 year term)

Kay Antunez de Mayolo (3 year term)

Amie Martinez (2 year term)

Lani Estill (3 year term)

Traci Green (2 year term)

Sophie Sheppard (2 year term)

Patti Smith (2 year term)

CURRENT MEMBERS OF THE BOARD OF DIRECTORS as of 5/10/17 AND TERM OF OFFICE

Heather Tufts (2 year term)

Amie Martinez (2 year term)

Lani Estill (3 year term)

Abbey Smith (2 year term)

Sarah Denison (2 year term)

Juana Juarez (2 year term)

Rena Sweet (2 year term)

Leah Carpenter(2 year term)