



BYLAWS

of FOREST GROVE COMMUNITY SCHOOL (hereinafter, the "Corporation")

ARTICLE I PURPOSES

1.1 FGCS fosters scholarship, stewardship and citizenship through engaging, relevant and active learning to help our students become educated and caring community members. Through classroom and real-world experiences we honor individual student needs and abilities, strive to educate the whole child, and emphasize student growth.

1.2 Statement of Non-Discrimination: No student or applicant for enrollment as a student at Forest Grove Community School shall be discriminated against in any educational program or activity on the basis of race, religion, sex, sexual orientation, ethnicity, national origin, disability, income level, proficiency in the English language or athletic ability.

1.3 Purposes: The Corporation is a public benefit corporation organized exclusively for educational purposes within the meaning of section 501(c) (3) of the Internal Revenue Code of 1986,¹ as amended from time to time (the "Code"). More specifically, the Corporation is organized to operate a public charter school.

1.3.1 No part of the net earnings of this Corporation shall inure to the benefit of, or be distributed to its Directors, officers, or other private persons, except that this corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in the Articles and Bylaws.

1.3.2 No substantial part of the activities of this Corporation shall be the carrying on of propaganda or otherwise attempting to influence legislation, and this Corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office.

1.3.3 Notwithstanding any other provisions of these bylaws, this Corporation shall not carry on any other activities not permitted to be carried on (a) by a Corporation exempt from Federal Income Tax under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or 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 of 1986, as amended, or corresponding section of any future federal tax code.

ARTICLE II NON MEMBERSHIP

This corporation shall have no members.

ARTICLE III BOARD OF DIRECTORS

3.1 Duties, Powers: Subject to the provisions of the Oregon Nonprofit Corporation

Act and any limitations in these Bylaws, the business and affairs of the Corporation shall be managed and all corporate powers shall be exercised by or under the direction of the Board of Directors. The Board also functions in an advisory capacity to support and sustain the Forest Grove Community School (FGCS) mission and academic program. Roles and responsibilities of the Board include, but are not limited to:

1. Establishing and effecting the mission of the Corporation
2. Oversight of school administration
3. Approving the budget and exercising fiduciary oversight
4. Collaborating with the Forest Grove School District
5. Developing, implementing, and enforcing school policy in conjunction with staff
6. Overseeing fundraising goals and activities
7. Supporting the Principal in carrying out his or her duties
8. Working to establish partnerships with community and governmental organizations to carry out the school's mission and educational program
9. Approve school policies and procedures.

3.2 Number, Term and Qualifications. The number of Directors of the Corporation

shall be no more than 9. All Board members will serve for two-year terms with no limit to the number of terms that may be served.

3.3 Election of Board Members: The Board will solicit nominations for board positions and ascertain potential nominees' willingness to service. A list of potential candidates shall be presented and voted upon at the April Board meeting beginning in April 2007. In reviewing possible candidates, the Board shall consider the following criteria:

- The geographic area represented by the potential member
- The presence of another family member, as defined in Section 3.2, on the board (only one member per family may serve on the Board at any one time)
- The prospective Board members' skills and experience in relation to the Board's need for expertise in areas including fundraising, educational oversight, facilities management, finances, accounting, community relations, outreach and marketing. Should an insufficient list of candidates be presented to the Board, the Board may solicit additional candidates at its discretion.

3.4 Regular Meetings. A regular meeting of the Board of Directors will be held on a regular weekday each month that will be stated in notices of meetings and agendas. Adequate public notice will be given of any changes in regular meeting days or times. All regularly scheduled meetings will include on the

agenda a principal's report summarizing significant events and developments in school operations since the most recent board meeting and providing notice of significant upcoming events and developments.

The Board of Directors may provide by resolution the time and place for additional meetings by providing notice through Board minutes and through other means, such as school website, newsletter, information boards or local newspapers.

3.5 Special Meetings: Special meetings of the Board of Directors may be called at the request of any board member or the principal. Special meetings may be held at any time and place designated by the Board chair with public notice through the school website, newsletter, information board or local newspapers.

3.6 Notice of Special Meetings: Notice of the date, time and place of any special meeting of the Board of Directors, describing the date, time, place and purpose of the meeting, shall be delivered to each Director personally or by telephone or by mail not less than 24 hours prior to the special meeting.

3.7 Quorum. A majority of the number of Directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors. If a quorum is present, action may be taken by a majority vote of the directors present, except as otherwise provided by these bylaws. Where the law requires a majority vote of the directors in office to establish committees to exercise Board functions, to amend the Articles of Incorporation, to sell assets not in the regular course of business, to merge, or to dissolve, or for other matters, such action is taken by that majority as required by law.

3.8 Meeting by Telecommunications. Any regular or special meeting of the Board of Directors may be held by telephone conference call or through use of any means of communication in which all Directors participating may hear and communicate with each other. Participation in a meeting by this means shall constitute presence in person at the meeting.

3.9 Action without Meeting. Any action required or permitted to be taken by the Board of Directors may be taken without a meeting and without prior notice if a written consent, setting forth the action so taken, is signed by each of the Directors. Such action by written consent shall have the same force and effect as a unanimous vote of the Board of Directors. The action shall be described in the minutes of the next regularly scheduled Board meeting.

3.10 Vacancies. Any vacancy on the Board of Directors or newly created Board positions shall be filled by a majority vote of the remaining Directors. A vacancy that will occur at a specified later date, by reason of resignation or otherwise, may be filled before the vacancy occurs, but the new Director may not take office until the vacancy occurs. Directors elected to fill vacant board positions shall serve the remainder of the departing director's term, and then may seek re-election to a full two-year term.

3.11 Compensation. Directors shall not receive salaries for their Board service but may be reimbursed for reasonable and necessary expenses directly related to conducting Board business. Reimbursement of director expenses must be approved by a majority vote of the Board. No compensation or reimbursement of expenses may be made that would violate any law, including the provisions of Section 501(c)(3) of the Internal Revenue Code or its implementing regulations.

3.12 Removal. Any Director may be removed, with or without cause, by a two-thirds vote of the directors then in office.

3.13 Resignation. Any Director may resign at any time by delivering written notice to the Secretary of the Board of Directors, or if the Director resigning is the Secretary, by giving written notice to the Chair. Such resignation shall take effect at the time specified and the acceptance of such resignation shall not be necessary to make it effective. Once delivered, a resignation notice is irrevocable unless the Board of Directors permits revocation.

3.14 Waiver of Notice. A Director may waive any notice required by law or these Bylaws to be provided to a Director. Except as set forth below, the waiver must be in writing, signed by the Director entitled to the notice, specify the meeting for which notice is waived and be filed with the minutes or corporate records. A Director's attendance at or participation in a meeting waives any required notice to the Director of the meeting unless the Director at the beginning of the meeting, or promptly upon the Director's arrival, objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to action taken at the meeting.

3.15 Manner of Acting. The act of the majority of Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless a different number is provided by law or these Bylaws.

3.16 Procedures. All meetings shall follow the Oregon Open Meetings law. All activities of the Board and the Corporation shall comply with state and federal non-discrimination laws.

3.17 Reporting. The Board of Directors shall compile and present an annual report to the Forest Grove School District Board of Directors and the Oregon Department of Education that identifies student progress and financial information. Reports necessary to the school's tax exempt status will also be provided by the Board as required.

ARTICLE IV OFFICERS

4.1 Election and Term of Office. The Board of Directors shall elect a Chairperson and Vice-Chairperson from among its members to serve for a two-year term or until their resignation or removal. The Board of Directors shall elect a treasurer and secretary to serve for a two-year term or until their resignation or removal. An officer may be re-elected to an unlimited number of two-year terms.

4.2 Other Officers: The Board of Directors may elect or appoint other officers, agents and employees. They shall hold their offices for such terms, have such authority and perform such duties as shall be determined by the Board of Directors.

4.3 Vacancies: A vacancy in the office of President or Secretary shall be filled no later than the first regular meeting of the Board of Directors following the vacancy.

4.4 Chairperson. The Chairperson shall facilitate all meetings of the Board of Directors and, subject to the

control of the Board of Directors, shall perform such other duties as may be prescribed by the Board of Directors.

4.5 Vice-Chairperson. The Vice-Chairperson shall act on behalf of the Chairperson when necessary. When so acting, the vice-chairperson shall have all the powers of and be subject to all the restrictions upon the Chairperson. The Vice-Chairperson shall perform such other duties as may be assigned by the Chairperson or by the Board of Directors.

4.6 Secretary. The Secretary shall perform, or cause to be performed, the following duties: (a) officially record the minutes of all proceedings of Board meetings and actions; (b) provide notice of all meetings of the Board of Directors in accordance with the law and these bylaws; (c) authenticate the records of the corporation; (d) conduct correspondence on behalf of the Board as directed by the Board. The Secretary shall ensure that all notices required of the Board of Directors are given in accordance with the law and these bylaws. The Secretary shall perform such other duties as may be assigned to the secretary by the Board of Directors.

4.7 Treasurer. The Treasurer shall have oversight of all funds and securities belonging to the Corporation. The treasurer shall perform, or cause to have performed, the following duties: (a) keeping of full and accurate accounts of all financial records of the corporation; (b) deposit of all monies and other valuable effects in the name and to the credit of the corporation in such depositories as may be designated by the Board of Directors; (c) disbursement of funds as approved by the Board of Directors.

4.7.1 In addition, the Treasurer shall coordinate with the Forest Grove School District regarding any funds administered by the District on behalf of the school, any funds paid by the District to the school or any funds paid by the school to the District, in accordance with the Charter and state law. The treasurer shall provide a monthly financial report to the Board of Directors.

4.7.2 The Treasurer shall provide a true statement, in reasonable detail, of the Corporation's assets and liabilities as of the close of each fiscal year to be presented to the Board of Directors, and, upon the Board's approval, to the District.

4.7.3 The Treasurer shall provide such coordination and assistance in development activities as may be directed by the Board. The Treasurer shall perform such other duties as may be assigned by the Chairperson or Board of Directors.

ARTICLE V CONFLICT OF INTEREST POLICY

5.1 No Board member will use his/her official position or office to obtain personal financial benefit or detriment or financial gain or detriment for relatives or for any business with which the board member or a relative is associated.

5.1.1 "Business" means any corporation, partnership, proprietorship, enterprise, association, franchise, firm, organization, self-employed individual or any legal entity operated for economic gain.

5.1.2 "Business with which a board member or relative is associated" means any private business or closely held corporation of which a board member or relative is a director, officer, owner, employee or agent or any private business or closely held corporation in which a board member or relative owns or has owned stock, another form of equity interest, stock options or debt instruments worth \$1,000 or more at

any point in the preceding year; any publicly held corporation in which a board member or relative owns or has owned \$100,000 or more in stock or another form of equity interest, stock options or debt instruments at any point in the preceding calendar year; or any publicly held corporation of which a board member or relative is a director or officer.

5.2 No Board member or relative will solicit or receive directly or indirectly during any calendar year any gift or gifts with an aggregate value in excess of \$100 from any single source that could reasonably be known to have a legislative, administrative, regulatory, contractual, supervisory or judicial interest in the district.

5.2.1 "Relative" is defined as a board member's spouse, children of a board member or of the member's spouse, brothers, sisters and parents of a board member or of the member's spouse.

5.3 No Board member will solicit or receive, either directly or indirectly, any pledge or promise of future employment based on any understanding that the Board member's vote, official action or judgment would be thereby influenced.

5.4 No Board member will attempt to use or use for personal gain any confidential information gained through his/her official position or association with the district. Board members' shall respect an individual's privacy rights when dealing with confidential information gained through association with the district.

5.4 Potential Conflicts of Interest: A board member may, after declaring his/her potential conflict of interest, either vote or abstain on the issue. Abstaining from a vote does not meet the legal requirement of publicly stating a potential conflict.

5.5 Actual Conflicts of Interest: Actual conflict of interest means any action or any decision or recommendation taken by a board member that would result in a financial benefit or detriment to self or relatives or for any business with which the board member or relatives are associated, unless otherwise provided by law.

5.5.1 A Board member may not vote lawfully if an actual conflict of interest exists unless a vote is needed to meet a minimum requirement of votes to take official action. However, such a vote does not allow the board member to participate in any discussion or debate on the issue out of which an actual conflict arises.

ARTICLE VI

PERSONAL LIABILITY OF DIRECTORS

A Director of the Corporation shall not be personally liable for monetary damages for any action taken or failure to take any action unless it is determined by a court (or if courts ultimately hold that such determination is to be made by the Board of Directors of the Corporation) that the Director is liable for such action or inaction pursuant to Section 65.369 of the Oregon Nonprofit Corporation Act; provided, however, that the foregoing provision shall not eliminate or limit the liability of the Director (i) for any responsibility or liability of such Director to any criminal statute, or (ii) for any liability of such Director pursuant to local, state or federal law. Any repeal or modification of this Article VII shall be prospective only and shall not adversely affect any limitation on the personal liability of a Director existing at the time of such repeal or modification.

ARTICLE IX CONTRACTS, CHECKS AND DEPOSITS

9.1 Contracts. Except as otherwise provided by law, the Board of Directors may authorize any officers or agents to execute and deliver any contract or other instrument in the name of and on behalf of the Corporation, and this authority may be general or confined in specific instances.

9.2 Loans. The Corporation shall not borrow money and no evidence of indebtedness shall be issued in its name unless authorized by the Board of Directors. This authority may be general or confined to specific instances.

9.3 Checks, Drafts, Etc. The Board of Directors must approve in advance by simple majority all expenditures over \$2,000 other than line items in the budget approved by the Board. The Chairperson and the Treasurer shall have authority to sign all checks, drafts or other orders for the payment of money and notes or other evidence of indebtedness issued in the name of the Corporation; however, both signatures of the Chair and the Treasurer are required for any such expenditure. The Board of Directors may authorize the principal or others to sign checks, drafts or other orders for the payment of money in the name of the Corporation. In addition, the signatures of the Chair and the Treasurer shall be required for non-line-item expenditures over \$2,000.

9.4 Deposits. All funds of the Corporation not otherwise employed shall be deposited to the credit of the Corporation in banks, trust companies or other depositories approved by the Board of Directors or by officers designated by the Board of Directors to make such deposits, or shall be invested as authorized by the Board of Directors.

ARTICLE X GENERAL PROVISIONS

10.1 Budget. An annual budget shall be prepared by the principal and a budget or finance committee approved by the Board of Directors. The annual budget shall be presented to the Board of Directors no later than the March meeting of the Board of Directors and approved by the Board of Directors at the April meeting of the Board or as soon as practicable. Any proposed expenditures outside of the adopted budget shall require a first reading at one board meeting and approval at a subsequent Board meeting. Exception to this may be made when, out of necessity, the Board determines that an immediate expenditure is required. In this case, a majority vote of the Board of Directors is needed to approve the expenditure. Fundraising, record keeping, purchasing and reporting shall be consistent with generally accepted accounting practices.

10.2 Amendments. These By-Laws may be amended by a majority vote of the Board of Directors as long as such amendment has been made public prior to the meeting via the school website, notice board and/or newsletter. Prior to the adoption of the amendment, each Board member shall be given at least two days' notice of the date, time and place of the meeting at which the proposed amendment is to be considered. The notice shall state that one of the purposes of the meeting is to consider a proposed amendment to the bylaws and shall contain a copy of the proposed amendment.

10.3 Severability. A determination that any provision of these Bylaws is for any reason inapplicable, invalid, illegal or otherwise ineffective shall not affect or invalidate any other provision of these Bylaws.

10.4 Dissolution of Charter. In the event the Corporation should cease operations for whatever reason, including, but not limited to, the nonrenewal or revocation of its charter, or dissolution of the nonprofit corporation, it is agreed that the Board shall supervise and have authority to conduct the winding up of the

business and affairs of FGCS; provided, however, that in doing so, the District does not assume any liability incurred by FGCS beyond funds allocated to it by the District. The District's authority shall include, but not be limited to, the return and/or disposition of any assets acquired by the purchase or donation by FGCS during the time of its existence. In the event of termination, the assets of FGCS that were purchased with public funds shall be given to the State Board of Education. The State Board of Education may disburse such assets to school districts or other public charter schools