

**MINUTES OF THE FIRST MEETING OF THE BOARD OF DIRECTORS OF  
MOUNT CROSS CHILD DEVELOPMENT CENTER  
A California Nonprofit Public Benefit Corporation**

The directors named by the incorporator of the Corporation, constituting the board of directors of the Corporation, held their first meeting at the time, on the day, and at the place set forth as follows:

Time: 4:55 p.m.

Date: November 9, 2021

Place: 102 Camino Esplendido, Camarillo, California 93010

The following directors, constituting the full board, were present at the meeting:

1. Pastor Julie Morris
2. Lisa Saner
3. Rachel Porter
4. Kelli Hernandez
5. Patti Stouch
6. Iyla W. McClary
7. Kate LaCalamita

On motion duly made, seconded, and unanimously carried, the following were elected temporary chairperson and temporary secretary of the first meeting:

Temporary Chairperson: Lisa Saner

Temporary Secretary: Rachel Porter

**A. ADOPTION OF WAIVER OF NOTICE AND CONSENT TO MEETING**

The temporary chairperson announced that the meeting of the board of directors was held pursuant to a written waiver of notice and consent to the holding of the meeting, signed by all directors of the Corporation who were named as directors by the incorporator. The waiver and consent was presented and, on motion duly made, seconded, and unanimously carried, was made a part of the minutes of the meeting.

## **B. ARTICLES FILED**

The temporary chairperson informed the board of directors that the Corporation's original articles of incorporation were filed with the California Secretary of State on September 1, 2021, and that they designated Seth P. Shapiro as initial agent for service of process.

The temporary chairperson presented to the meeting a certified copy of the articles of incorporation, showing filing as stated. The temporary secretary was directed to insert the copy in the minute book of the Corporation and to keep a copy at the principal office for the transaction of the Corporation's business. On motion duly made, seconded, and unanimously carried, it was resolved that Seth P. Shapiro be confirmed as the Corporation's agent for service of process.

## **C. BYLAWS**

Bylaws were then presented to the meeting and on motion duly made, seconded, and carried by unanimous vote of the directors present, being a majority of the directors authorized, it was:

IT IS RESOLVED THAT the Bylaws in the form of Exhibit A attached hereto, are adopted as the Bylaws of the corporation.

## **D. NUMBER AND TERM OF DIRECTORS**

The temporary chairperson announced that the number and term of directors would be established under the bylaws. On motion duly made, seconded, and carried, the following resolution was adopted:

IT IS RESOLVED THAT the authorized number of directors of the Corporation shall be seven (7).

BE IT FURTHER RESOLVED THAT the Board members, other than the Pastor Board Member, shall serve two-year terms. The terms of the initial directors, other than Pastor Julie Morris will expire in May 2023.

## **E. ELECTION OF OFFICERS**

At the meeting, the board of directors elected a president, vice president, a secretary and a treasurer. The following persons were duly nominated and elected to the offices indicated before their names to serve until their respective successors are duly elected and qualified:

President: Lisa Saner

Vice President: Patti Stouch

Secretary: Rachel Porter

Treasurer: Kelli Hernandez

The officers so elected accepted their respective offices; thereafter the president presided at the meeting as chairperson, and the secretary acted as secretary of the meeting.

#### **F. CORPORATE SEAL**

A corporate seal was then presented to the meeting and on motion duly made, seconded, and carried by unanimous vote of the directors present, being a majority of the directors authorized, it was:

IT IS RESOLVED THAT a corporate seal consisting of two (2) concentric circles containing the words 'MOUNT CROSS CHILD DEVELOPMENT CENTER' and in the center of such circles the word 'Incorporated' together with the date of incorporation of this corporation, is adopted as the corporate seal of the corporation, and the Secretary is instructed to impress such seal on the minutes of this meeting opposite the place where this resolution appears.

#### **G. ACCOUNTING YEAR**

The board next considered adoption of an accounting year. On motion duly made, seconded, and unanimously carried, the following resolution was adopted:

RESOLVED, that this Corporation adopt an accounting year as follows:

Date Accounting Year Begins:	September 1
Date Accounting Year Ends:	August 31

#### **H. PRINCIPAL OFFICE LOCATION**

After discussion and on motion duly made and seconded, the following resolution was adopted:

IT IS RESOLVED THAT the that the principal executive office of this Corporation shall be established and maintained at 102 Camino Esplendido, Camarillo, California 93010, unless changed by resolution of the board of directors.

#### **I. BANK ACCOUNT**

The directors next considered providing for the deposit and disbursement of corporate funds and authorizing certain officers to be responsible for deposits and disbursements. On motion duly made, seconded, and unanimously carried, the following resolutions were adopted:

IT IS RESOLVED THAT the president, vice president, treasurer, and/or secretary of the Corporation is authorized to open such bank accounts as may be necessary or appropriate to conduct the Corporation's business; such bank accounts shall require the signatures of two of the following: the President, Treasurer, or Secretary of the Corporation, on all checks drawn on such accounts, that all resolutions required by the depository banks with respect to such accounts are hereby adopted, and that the secretary of the Corporation is authorized to certify to any bank the adoption of the resolution in the form used by that bank.

#### **J. INCORPORATION EXPENSE**

To pay the expenses of incorporation and organization, on motion duly made, seconded, and unanimously carried, the following resolution was adopted:

IT IS RESOLVED THAT each officer of the Corporation is authorized and directed to pay, on the Corporation's behalf, the expenses of incorporation and organization of the Corporation.

#### **K. CONTRACTS**

On motion duly made, seconded, and unanimously carried, the following resolution was adopted:

IT IS RESOLVED THAT the president, acting alone, be and the same is hereby authorized to sign contracts and obligations on behalf of the Corporation:

#### **L. EXEMPTIONS FROM FEDERAL AND STATE TAXES**

The chairperson noted that federal and state tax exemptions are available to certain nonprofit corporations. On motion duly made, seconded, and unanimously carried, the following resolution was adopted:

IT IS RESOLVED THAT the president consult with legal counsel to ascertain the availability of exemptions from taxation under state and federal tax laws and, if such exemptions are available, the president is authorized and directed to execute and file all necessary applications for such exemption with the appropriate federal and state tax authorities and to pay filing fees.

**M. STATEMENT BY DOMESTIC CORPORATION**

On motion duly made, seconded, and unanimously carried, the following resolution was adopted:

IT IS RESOLVED THAT the president is authorized and directed to execute and file with the office of the California Secretary of State, at the times required by law, the annual statement required by the Corporations Code to be filed by domestic nonprofit corporations.

**N. COMPLIANCE WITH LOCAL SOLICITATION ORDINANCES**

On motion duly made, seconded, and unanimously carried, the following resolution was adopted:

IT IS RESOLVED THAT the president is directed to ascertain the legal requirements imposed on organizations soliciting funds for charitable purposes in the City of Oxnard and the County of Ventura; and

IT IS FURTHER RESOLVED THAT the president is authorized and directed to make all necessary filings and obtain all necessary permits authorizing and allowing the Corporation to make public solicitations for contributions for charitable purposes in the jurisdictions named above.

**O. EMPLOYER IDENTIFICATION NUMBER**

The chairperson stated that a federal employer identification number was needed for use on certain tax returns and statements. On motion duly made, seconded, and unanimously carried, the following resolution was adopted:

IT IS RESOLVED THAT the officers of the Corporation and each of them are authorized and directed to make such filings and applications as are necessary to secure for the Corporation a federal employer identification number.

**P. NONPROFIT MAILING PERMIT**

The chairperson stated that it would be to the Corporation's benefit to obtain a nonprofit mailing permit. On motion duly made, seconded, and unanimously carried, the following resolution was adopted:

IT IS RESOLVED THAT the officers of the Corporation and each of them are authorized and directed to make such filings and applications as are necessary to secure for the Corporation a nonprofit mailing permit.

**Q. CONFLICT OF INTEREST POLICY**

A Conflict of Interest Policy was then presented to the meeting and on motion duly made, seconded, and carried by unanimous vote of the directors present, being a majority of the directors authorized, it was:

IT IS RESOLVED THAT a Conflict of Interest Policy in the form of Exhibit B attached hereto, is adopted as the Conflict of Interest Policy of the corporation.

**R. RACIAL NON-DISCRIMINATION POLICY**


A Racial Non-Discrimination Policy in compliance with IRS Revenue Procedure 75-50 was then presented to the meeting and on motion duly made, seconded, and carried by unanimous vote of the directors present, being a majority of the directors authorized, it was:

IT IS RESOLVED THAT a Racial Non-Discrimination Policy in the form of Exhibit C attached hereto, is adopted as the Conflict of Interest Policy of the corporation.

**S. ADJOURNMENT**

There being no further business, on motion duly made, seconded, and unanimously carried, the meeting was adjourned.

DATED:

  
\_\_\_\_\_  
Lisa Saner, Chairman of the Meeting

  
\_\_\_\_\_  
Lisa Saner, President

Attest:

  
\_\_\_\_\_  
Rachel Porter, Secretary of the Meeting

  
\_\_\_\_\_  
Rachel Porter, Secretary

**EXHIBIT A**

**“BYLAWS”**

**BYLAWS  
OF  
MOUNT CROSS CHILD DEVELOPMENT CENTER  
A California Nonprofit Public Benefit Corporation**

**A. NAME**

The name of this corporation is **MOUNT CROSS CHILD DEVELOPMENT CENTER**

**B. MISSION STATEMENT**

Mount Cross Child Development Center strives to educate young children in a safe and nurturing environment that will help prepare them to enjoy learning, care for the earth, serve others, and spread God's love in the community.

**C. PRINCIPAL OFFICE OF THE CORPORATION**

The principal office for the transaction of the activities and affairs of this corporation is located at 102 Camino Esplendido, Camarillo, California 93010, in Ventura County. The board of directors may change the location of the principal office. Any such change of location must be noted by the secretary on these bylaws opposite this Section; alternatively, this Section may be amended to state the new location.

The board may at any time establish branch or subordinate offices at any place or places where this corporation is qualified to conduct its activities.

**D. GENERAL AND SPECIFIC PURPOSES**

1. The purpose of this corporation is to operate a preschool and transitional kindergarten.
2. The school shall provide the highest possible educational and social opportunities for young children in a Christian environment of love and understanding, free from prejudice and discrimination.
3. The child development center shall be licensed by the California State Department of Social Services for the enrollment of children between the ages of 2 years, 9 months and 6 years. \*Copy of Department of Social Services Regulations is on file in school office.
4. The center shall be operated as a non-profit school.
5. By means of including Christian educational programs, the center seeks to:



- a. Stimulate the child's interest in the world.
  - b. Motivate and stimulate the child to seek information and knowledge.
  - c. Develop cognitive processes, including communication skills that are appropriate for the child.
  - d. To encourage a child towards a sense of self-worth and well-being.
  - e. To accustom the child to a varied social environment, and
  - f. To establish and maintain a good rapport between the school and the child's parents.
6. It is the policy of the child development center that children attending the center and faculty may pray together each day and pledge allegiance to the flag of the United States of America.

## **E. CONSTRUCTION AND DEFINITIONS**

Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the California Nonprofit Corporation Law shall govern the construction of these bylaws. Without limiting the generality of the preceding sentence, the masculine gender includes the feminine and neuter, the singular includes the plural, the plural includes the singular, and the term "person" includes both a legal entity and a natural person.

## **F. DEDICATION OF ASSETS**

This corporation's assets are irrevocably dedicated to public benefit purposes. No part of the net earnings, properties, or assets of the corporation, on dissolution or otherwise, shall inure to the benefit of any private person or individual, or to any director or officer of the corporation. On liquidation or dissolution, all properties and assets remaining after payment, or provision for payment, of all debts and liabilities of the corporation shall be distributed to a nonprofit fund, foundation, or corporation that is organized and operated exclusively for charitable purposes and that has established its exempt status under Internal Revenue Code section 501(c)(3). More specifically, if the Mount Cross Lutheran Church is then in existence and meets the foregoing qualifications, all such properties and assets shall be distributed to the Mount Cross Lutheran Church. If not, then such properties and assets shall be distributed to an Evangelical Lutheran Church in America ministry, as selected by a majority vote of the Board of Directors, that does meet the foregoing qualifications.

## **G. CORPORATION WITHOUT MEMBERS**

This corporation shall have no voting members within the meaning of the Nonprofit Corporation Law. The corporation's board of directors may, in its discretion, admit individuals to one or more classes of nonvoting members; the class or classes shall have such rights and obligations as the board finds appropriate.

## **H. BOARD OF DIRECTORS**

### **1. GENERAL AND SPECIFIC POWERS OF THE BOARD**

Subject to the provisions and limitations of the California Nonprofit Public Benefit Corporation Law and any other applicable laws, the corporation's activities and affairs shall be managed, and all corporate powers shall be exercised, by or under the direction of the board.

The board shall have the power to do the following:

- a. Appoint and remove, at the pleasure of the board, all corporate officers, agents, and employees; prescribe powers and duties for them as are consistent with the law, the articles of incorporation, and these bylaws; fix their compensation; and require from them security for faithful service.
- b. Change the principal office or the principal business office in California from one location to another; cause the corporation to be qualified to conduct its activities in any other state, territory, dependency, or country; conduct its activities in or outside California; and designate a place in or outside California for holding any meeting of Board members.
- c. Borrow money and incur indebtedness on the corporation's behalf and cause to be executed and delivered for the corporation's purposes, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations, and other evidences of debt and securities.
- d. Adopt and use a corporate seal; and alter the form of the seal.

### **2. NUMBER AND QUALIFICATIONS FOR DIRECTORS**

The authorized number of directors shall be between five to seven (5 to 7) and shall consist of the following:

- a. One Director shall be the Pastor of Mt. Cross Lutheran Church, or the Pastor's designee.

- b. One Director must be a member of the Mt. Cross Lutheran Church council.
- c. Three (3) to Five (5) additional Board Members, at least one of which is the parent, guardian, or family member of a current student enrolled in Mount Cross Child Development Center.

The initial number of directors shall be seven (7), but that number may be reduced by majority vote of the board of directors.

Notwithstanding anything to the contrary herein, a majority of the directors must be members of Mt. Cross Lutheran Church (i.e. at least four out of seven directors must be members of Mt. Cross Lutheran Church).

### **3. RESTRICTION ON INTERESTED PERSONS AS DIRECTORS**

No more than 49 percent of the persons serving on the board may be "interested persons." An interested person is (a) any person compensated by the corporation for services rendered to it within the previous 12 months, whether as a full-time or part-time employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a director as director; and (b) any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, or father-in-law of such person. However, any violation of this paragraph shall not affect the validity or enforceability of transactions entered into by the corporation.

### **4. TERM AND ELECTION OF DIRECTORS**

The election process for Board members shall be as follows:

- a. Board members, other than the Pastor Board Member, shall serve alternating (2) two-year terms, three persons being elected each year (depending on the total number of directors).
- b. Persons for consideration shall be solicited in Church and Corporation communications starting in April of each year and shall be appointed by the remaining board members who are not terming out. Appointments shall be made at the May Board of Director's meeting.
- c. A board member, other than the Pastor Board Member may not serve more than (2) two consecutive terms.

Each director, including a director elected to fill a vacancy, shall hold office until the expiration of the term for which elected and until a successor has been elected and qualified.

### **5. QUALIFICATIONS**

All Board Members shall:

- a. Regularly attend all meetings and notify the Chairperson or Secretary when unable to attend any meeting.
- b. Become familiar with the operation of the center, its aims and policies, its budget and facilities.
- c. Carefully consider all matters brought before the Board in terms of the effect upon the church and the school.

## **6. EVENTS CAUSING VACANCIES ON BOARD**

A vacancy or vacancies on the board of directors shall occur in the event of (a) the death, removal, or resignation of any director; provided, however, that a director who was designated as a director may be removed by the person or persons who designated that director, (b) the declaration by resolution of the board of a vacancy in the office of a director who has been convicted of a felony, declared of unsound mind by a court order, or found by final order or judgment of any court to have breached a duty under California Nonprofit Public Benefit Corporation Law, Chapter 2, Article 3; (c) the increase of the authorized number of directors; or (d) the failure of the Board, at any meeting at which any director or directors are to be elected, to appoint the number of directors required to be elected at such meeting.

## **7. RESIGNATION OF DIRECTORS**

Except as provided below, any director may resign by giving written notice to the chairperson of the board, if any, or to the president or the secretary of the board. The resignation shall be effective when the notice is given unless it specifies a later time for the resignation to become effective. If a director's resignation is effective at a later time, the board may elect a successor to take office as of the date when the resignation becomes effective.

Except on notice to the California Attorney General, no director may resign if the corporation would be left without a duly elected director or directors.

## **8. REMOVAL OF DIRECTORS**

Any director may be removed, with or without cause, by the vote of the 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 that meeting and of the removal questions are given as provided in Section I-2. Any vacancy caused by the removal of a director shall be filled as provided in Section H-8.

Any director who does not attend (3) three successive board meetings will be subject, by a unanimous vote of the remaining board of directors, to be removed from the board without board resolution unless (a) the director requests a leave of absence for a limited period of time, and the leave is approved by the directors at a regular or special meeting (if such leave is granted, the number of board members will be reduced by one in determining whether a quorum is or is not present), or (b) the director suffers from an

illness or disability that prevents him or her from attending meetings and the board by resolution waives the automatic removal procedure of this subsection.

## **9. VACANCIES FILLED BY THE BOARD**

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

Any interim Director appointed to fill a vacancy shall serve the remainder of the unexpired term.

## **10. NO VACANCY ON REDUCTION OF NUMBER OF DIRECTORS**

Any reduction of the authorized number of directors shall not result in any director's being removed before his or her term of office expires.

# **I. MEETINGS OF BOARD OF DIRECTORS**

## **1. PLACE OF BOARD MEETINGS**

Meetings of the board shall be held at any place within or outside California that has been designated by resolution of the board or in the notice of the meeting or, if not so designated, at the principal office of the corporation.

## **2. REGULAR AND SPECIAL MEETINGS**

Regular meetings of the board shall be held monthly. Special meetings may be called by the board chairperson and shall be called upon written request of no less than (2) two members of the board, the matters to be decided at a special meeting are limited to those enumerated in the written notice.

The board shall hold an annual general meeting for purposes of organization, election of officers, and transaction of other business. Notice of this meeting is required.

Notice of the time and place of meetings shall be given to each director by (a) personal delivery of written notice; (b) first-class mail, postage prepaid; (c) telephone, including a voice messaging system or other system or technology designed to record and communicate messages, or by electronic transmission, either directly to the director or to a person at the director's office who would reasonably be expected to communicate that notice promptly to the director; (d) facsimile; (e) electronic mail; or (f) other electronic

means. All such notices shall be given or sent to the director's address or telephone number as shown on the corporation's records.

Notices sent by first-class mail shall be deposited in the United States mails at least five (5) days before the time set for the meeting. Notices given by personal delivery, telephone, or electronic transmission shall be delivered, telephoned, or sent, respectively, at least 48 hours before the time set for the meeting.

The notice shall state the time of the meeting and the place, if the place is other than the corporation's principal office. The notice need not specify the purpose of the meeting.

### **3. MEETINGS BY TELEPHONE OR OTHER TELECOMMUNICATIONS EQUIPMENT**

Any board meeting may be held by conference telephone, video screen communication, or other communications equipment. Participation in a meeting under this Section shall constitute presence in person at the meeting if both the following apply:

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

### **4. QUORUM**

A majority of voting members of the board shall constitute a quorum at all meetings.

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

## **5. TRANSFER OF DUTIES AND RESPONSIBILITIES**

The retiring board members and newly elected board members shall meet in June of each year for orientation and transfer of duties and responsibilities.

## **6. WAIVER OF NOTICE**

Notice of a meeting need not be given to any director who, either before or after the meeting, signs a waiver of notice, a written consent to the holding of the meeting, or an approval of the minutes of the meeting. The waiver of notice or consent need not specify the purpose of the meeting. All such waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meetings. Notice of a meeting need not be given to any director who attends the meeting and who, before or at the beginning of the meeting, does not protest the lack of notice to him or her.

## **7. ADJOURNMENT**

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

## **8. NOTICE OF ADJOURNED MEETING**

Notice of the time and place of holding an adjourned meeting need not be given unless the original meeting is adjourned for more than 24 hours. If the original meeting is adjourned for more than 24 hours, notice of any adjournment to another time and place shall be given, before the time of the adjourned meeting, to the directors who were not present at the time of the adjournment.

## **J. ACTION WITHOUT A MEETING**

Any action that the board is required or permitted to take may be taken without a meeting if all board members consent in writing to the action; provided, however, that the consent of any director who has a material financial interest in a transaction to which the corporation is a party and who is an "interested director" as defined in Corporations Code section 5233 shall not be required for approval of that transaction. Such action by written consent shall have the same force and effect as any other validly approved action of the board. All such consents shall be filed with the minutes of the proceedings of the board. Consents may be submitted via electronic communication (e-mail), facsimile, or any other written form.

## **K. COMPENSATION AND REIMBURSEMENT**

Directors may receive such compensation, if any, for their services as directors or officers, and such reimbursement of expenses, as the board may establish by

resolution to be just and reasonable as to the corporation at the time that the resolution is adopted.

## **L. COMMITTEES OF BOARD OF DIRECTORS**

### **1. CREATION AND POWERS OF COMMITTEE**

The board, by resolution adopted by a majority of the directors then in office, may create one or more committees, each consisting of at least one (1) or more directors, to serve at the pleasure of the board. Appointments to committees of the board shall be by majority vote of the directors then in office. The board may appoint one or more directors as alternate members of any such committee, who may replace any absent member at any meeting. Any such committee shall have all the authority of the board, to the extent provided in the board resolution. If a committee is given the authority of the board, then it shall not include as members persons who are not directors. However, the board may create other committees that do not exercise the authority of the board and these other committees may include persons regardless of whether they are directors. Notwithstanding the foregoing, no committee may do the following:

- a. Take any final action on any matter that, under the California Nonprofit Public Benefit Corporation Law, also requires approval of a majority of all members of the board of directors;
- b. Fill vacancies on the board or any committee of the board;
- c. Fix compensation of the directors for serving on the board or on any committee;
- d. Amend or repeal bylaws or adopt new bylaws;
- e. Amend or repeal any resolution of the board that by its express terms is not so amendable or repealable;
- f. Create any other committees of the board or appoint the members of committees of the board;
- g. Expend corporate funds to support a nominee for director if more people have been nominated for director than can be elected; or
- h. Approve any contract or transaction to which the corporation is a party and in which one or more of its directors has a material financial interest, except as special approval is provided for in Corporations Code section 5233(d)(3).



## **2. AUDIT COMMITTEE**

If the corporation grosses at least Two Million Dollars (\$2,000,000) annually, the corporation shall have an audit committee consisting of at least one (1) director, and may include nonvoting advisors. If the corporation grosses less than Two Million Dollars (\$2,000,000) annually, it may have an audit committee at its discretion. Directors who are employees or officers of the corporation or who receive, directly or indirectly, any consulting, advisory, or other compensatory fees from the corporation (other than for service as director) may not serve on the audit committee. The audit committee shall perform the duties and adhere to the guidelines set forth in the corporation's audit committee charter as amended from time to time by the board. Such duties include, but are not limited to:

- a. Assisting the board in choosing an independent auditor and recommending termination of the auditor, if necessary;
- b. Negotiating the auditor's compensation;
- c. Conferring with the auditor regarding the corporation's financial affairs; and
- d. Reviewing and accepting or rejecting the audit.

Members of the audit committee shall not receive compensation for their service on the audit committee in excess of that provided to directors for their service on the board. If the corporation has a finance committee, a majority of the members of the audit committee may not concurrently serve as members of the finance committee, and the chair of the audit committee may not serve on the finance committee.

## **3. COMPENSATION COMMITTEE**

The corporation may have a compensation committee consisting of at least one (1) director and no one who is not a director. Directors who are also employees of the corporation may not serve on the compensation committee. Pursuant to Government Code section 12586(g) and the applicable provisions of federal law, the compensation committee shall review the compensation of the president/chief executive officer, treasurer/chief financial officer, and such other officers of the corporation the compensation committee determines appropriate, annually and whenever a modification in compensation is proposed. The review shall include an evaluation of the performance of the officers and an analysis of appropriate comparability data. Based on its review, the compensation committee shall recommend just and reasonable compensation amounts for the officers to the board. At the request of the president or the board, the compensation committee shall review any issue involving staff compensation and benefits, including but not limited to housing, health, and retirement plans.

#### **4. INVESTMENT COMMITTEE**

This corporation may have an investment committee comprised of not less than one (1) director. The committee shall act with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of like character and with like aims to accomplish the purposes of the institution. Individual investments shall be considered as part of an overall investment strategy. The committee shall consider present and future financial requirements, expected total return, general economic conditions, the appropriate level of risk, appropriate levels of income, growth and long-term net appreciation, and the probable safety of the funds. The committee may retain professional money managers, and shall develop an investment policy that shall be reconsidered at least annually, in light of the changing needs of the corporation, economic conditions, and any other factors that may affect the corporation's tolerance of risk and need for income. The committee may recommend the retention of property contributed by a donor (whether or not it produces income), and a donor's request should be a factor in making the determination of whether to sell a particular asset contributed by a donor.

#### **5. MEETINGS AND ACTIONS OF THE COMMITTEES**

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

### **M. OFFICERS OF THE CORPORATION**

#### **1. OFFICES HELD**

The officers of this corporation shall be a president, a secretary, and a chief financial officer/treasurer. The corporation, at the board's discretion, may also have a Chairperson of the board, one or more vice presidents, one or more assistant secretaries, one or more assistant treasurers, and such other officers as may be appointed under Section M-3 of these bylaws.

Any number of offices may be held by the same person, except that neither the secretary nor the chief financial officer may serve concurrently as either the president or the Chairperson of the board. Any compensation of the president or chief executive officer and the treasurer or chief financial officer shall be determined in accordance with subdivision (g) of section 12586 of the Government Code, if applicable.

## **2. ELECTION OF OFFICERS**

The officers of this corporation, except any appointed under Section M-3 of these bylaws, shall be chosen annually by the board at its July meeting and shall serve at the pleasure of the board, subject to the rights of any officer under any employment contract.

## **3. APPOINTMENT OF OFFICERS**

The board may appoint and authorize the Chairperson of the board or the president to appoint any other officers that the corporation may require. Each appointed officer shall have the title and authority, hold office for the period, and perform the duties specified in the bylaws or established by the board.

## **4. REMOVAL OF OFFICERS**

Without prejudice to the rights of any officer under an employment contract, the board may remove any officer with or without cause. An officer who was not chosen by the board may be removed by any other officer on whom the board confers the power of removal.

## **5. RESIGNATION OF OFFICERS**

Any officer may resign at any time by giving written notice to the board. The resignation shall take effect on the date the notice is received or at any later time specified in the notice. Unless otherwise specified in the notice, the resignation need not be accepted to be effective. Any resignation shall be without prejudice to any rights of the corporation under any contract to which the officer is a party.

## **6. VACANCIES IN OFFICE**

A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled in the manner prescribed in these bylaws for normal appointments to that office, provided, however, that vacancies need not be filled on an annual basis.

## **N. RESPONSIBILITIES OF OFFICERS**

### **1. CHAIRPERSON OF THE BOARD**

If a Chairperson of the board of directors is elected, he or she shall preside at board meetings and shall exercise and perform such other powers and duties as the board may assign from time to time. If there is no president, the Chairperson of the board shall also be the chief executive officer and shall have the powers and duties of the

president of the corporation set forth in these bylaws. Any person elected as Chairperson must be a member of Mount Cross Lutheran Church.

## **2. PRESIDENT**

Subject to such supervisory powers as the board may give to the Chairperson of the board, if any, and subject to the control of the board, the president shall be the general manager of the corporation and shall supervise, direct, and control the corporation's activities, affairs, and officers. The president shall preside at all members' meetings, if any, and, in the absence of the Chairperson of the board, or if none, at all board meetings. The president shall have such other powers and duties as the board or the bylaws may require. The President must be a member of Mt. Cross Lutheran Church.

## **3. VICE PRESIDENT**

If the president is absent or disabled, the vice presidents, if any, in order of their rank as fixed by the board, or, if not ranked, a vice president designated by the board, shall perform all duties of the president. When so acting, a vice president shall have all powers of and be subject to all restrictions on the president. The vice presidents shall have such other powers and perform such other duties as the board or the bylaws may require. The Vice-President, if any are appointed, must be a member of Mt. Cross Lutheran Church.

## **4. SECRETARY**

The secretary shall keep or cause to be kept, at the corporation's principal office or such other place as the board may direct, a book of minutes of all meetings, proceedings, and actions of the board, of committees of the board, and of members' meetings, if any. The minutes of meetings shall include the time and place that the meeting was held; whether the meeting was annual, general, or special, and, if special, how authorized; the notice given; the names of persons present at board and committee meetings; and the number of members present or represented at members' meetings, if any.

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

The secretary shall keep or cause to be kept, at the corporation's principal office or at a place determined by resolution of the board, a record of the corporation's members, if any, showing each member's name, address, and class of membership.

The secretary shall give, or cause to be given, notice of all meetings of members, if any, of the board, and of committees of the board that these bylaws require to be given. The secretary shall keep the corporate seal, if any, in safe custody and shall have such other powers and perform such other duties as the board or the bylaws may require.

## **5. CHIEF FINANCIAL OFFICER/TREASURER**

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

The chief financial officer shall (i) deposit, or cause to be deposited, all money and other valuables in the name and to the credit of the corporation with such depositories as the board may designate; (ii) disburse the corporation's funds as the board may order; (iii) render to the president, Chairperson of the board, if any, and the board, when requested, an account of all transactions as chief financial officer and of the financial condition of the corporation; and (iv) have such other powers and perform such other duties as the board or the bylaws may require.

If required by the board, the chief financial officer shall give the corporation a bond in the amount and with the surety or sureties specified by the board for faithful performance of the duties of the office and for restoration to the corporation of all of its books, papers, vouchers, money, and other property of every kind in the possession or under the control of the chief financial officer on his or her death, resignation, retirement, or removal from office.

## **O. CONFLICTS OF INTEREST**

Any member of the board of directors must disclose any conflicts of interest and abstain from voting on any issue in which they have a conflict of interest.

## **P. INDEMNIFICATION**

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

On written request to the board by any person seeking indemnification under Corporations Code section 5238(b) or section 5238(c), the board shall promptly decide under Corporations Code section 5238(e) whether the applicable standard of conduct set forth in Corporations Code section 5238(b) or section 5238(c) has been met and, if so,

the board shall authorize indemnification. If the board cannot authorize indemnification, because the number of directors who are parties to the proceeding with respect to which indemnification is sought prevents the formation of a quorum of directors who are not parties to that proceeding, the board shall request that the court in which the proceeding is or was pending to determine under Corporations Code section 5238(e)(3) whether the applicable standard of conduct has been met and, if so, that the court authorize indemnification.

To the fullest extent permitted by law and except as otherwise determined by the board in a specific instance, expenses incurred by a person seeking indemnification under these bylaws in defending any proceeding covered by those Sections shall be advanced by the corporation before final disposition of the proceeding, on receipt by the corporation of an undertaking by or on behalf of that person that the advance will be repaid unless it is ultimately found that the person is entitled to be indemnified by the corporation for those expenses.

#### **Q. INSURANCE**

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

#### **R. FORM AND MAINTENANCE OF CORPORATE RECORDS**

This corporation shall keep the following:

- a. Adequate and correct books and records of account;
- b. Minutes of the proceedings of its board and committees of the board; and
- c. If the corporation adds members, a record of each member's name, address, and class of membership.

The minutes and other books and records shall be kept either in written form or in any other form capable of being converted into clearly legible tangible form or in any combination of the two.

#### **S. INSPECTION RIGHTS**

Every director shall have the absolute right at any reasonable time to inspect the corporation's books, records, documents of every kind, physical properties, and the

records of each subsidiary. The inspection may be made in person or by the director's agent or attorney. The right of inspection includes the right to copy and make extracts of documents.

## **T. REQUIRED REPORTS**

### **1. ANNUAL REPORTS**

The board shall cause an annual report to be sent to the directors within 120 days after the end of the corporation's fiscal year. That report shall contain the following information, in appropriate detail:

- a. The assets and liabilities, including the trust funds, of the corporation as of the end of the fiscal year;
- b. The principal changes in assets and liabilities, including trust funds;
- c. The corporation's revenue or receipts, both unrestricted and restricted to particular purposes;
- d. The corporation's expenses or disbursements for both general and restricted purposes;
- e. Any information otherwise required herein; and
- f. An independent accountants' report or, if none, the certificate of an authorized officer of the corporation that such statements were prepared without audit from the corporation's books and records.

This requirement of an annual report shall not apply if the corporation receives less than \$10,000 in gross receipts during the fiscal year, provided, however, that the information specified above for inclusion in an annual report must be furnished annually to any board member who requests it in writing. If the board approves, the corporation may send the report and any accompanying material sent pursuant to this section by electronic transmission.

### **2. ANNUAL STATEMENT OF CERTAIN TRANSACTIONS**

As part of the annual report to all Board Members, or as a separate document if no annual report is issued, the corporation shall, within 120 days after the end of the corporation's fiscal year, annually prepare and mail, deliver, or send by electronic transmission to each director a statement of any transaction or indemnification of the following kind:

- a. Any transaction (i) in which the corporation, or its parent or subsidiary, was a party, (ii) in which an "interested person" had a direct or indirect material financial interest, and (iii) which involved more than \$50,000 or was one of several transactions with the same interested person involving, in the aggregate, more than \$50,000. For this purpose, an "interested person" is either
  - (1) any director or officer of the corporation, its parent, or subsidiary (but mere common directorship shall not be considered such an interest); or
  - (2) any holder of more than 25 percent of the voting power of the corporation, its parent, or its subsidiary.

The statement shall include a brief description of the transaction, the names of interested persons involved, their relationship to the corporation, the nature of their interest in the transaction and, if practicable, the amount of that interest, provided that if the transaction was with a partnership in which the interested person is a partner, only the interest of the partnership need be stated.

- b. Any indemnifications or advances aggregating more than \$10,000 paid during the fiscal year to any officer or director of the corporation under Section P of these bylaws.

## **U. AMENDMENT OF BYLAWS**


These Bylaws may be amended by a majority vote of the Board. Proposed changes must be submitted in writing to each Board member for discussion and review at the meeting prior to a vote on changes.



### CERTIFICATE OF SECRETARY

I certify that I am the duly elected and acting Secretary of MOUNT CROSS CHILD DEVELOPMENT CENTER, a California nonprofit public benefit corporation; that these bylaws, consisting of 18 pages, are the bylaws of this corporation as adopted by the board of directors on November 9, 2021; and that these bylaws have not been amended or modified since that date.

Executed on November 9, 2021 at Camarillo, California.

  
\_\_\_\_\_  
RACHEL PORTER, Secretary

**EXHIBIT B**

**“CONFLICT OF INTEREST POLICY”**

**CONFLICT OF INTEREST POLICY**  
**of**  
**MOUNT CROSS CHILD DEVELOPMENT CENTER, INC.**

**Article I**  
**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 benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflicts of interest applicable to nonprofit and charitable organizations.

**Article II**  
**Definitions**

**1. 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.

**2. Financial Interest**

A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- a. An ownership or investment interest in any entity with which the Organization has a transaction or arrangement,
- b. A compensation arrangement with the Organization or with any entity or individual with which the Organization has a transaction or arrangement, or
- c. 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 2, 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.

## **Article III** **Procedures**

### **1. 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.

### **2. 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.

### **3. Procedures for Addressing the Conflict of Interest**

- a. An interested person may make a presentation at the governing board or committee meeting, but after the 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.
- b. 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.
- c. 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.
- d. If a more advantageous transaction or arrangement is not reasonably possible under 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 arrangement.

### **4. Violations of the Conflicts of Interest Policy**

- a. 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.

- b. If, after hearing the member's response and after making further investigation as 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.

#### **Article IV** **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 transaction or arrangement, and a record of any votes taken in connection with the proceedings.

#### **Article V** **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 matters and who receives compensation, directly or indirectly, from the Organization, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

#### **Article VI** **Annual Statements**

Each director, principal officer and member of a committee with governing board-delegated powers shall annually sign a statement that 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 that accomplish one or more of its tax-exempt purposes.

## **Article VII**

### **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 investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

## **Article VIII**

### **Use of Outside Experts**


When conducting the periodic reviews as provided for in Article VII, 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.

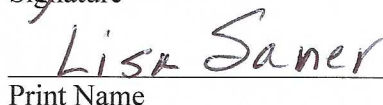
**Appendix A**  
**CONFLICT OF INTEREST POLICY FOR**  
**MOUNT CROSS CHILD DEVELOPMENT CENTER, INC.**

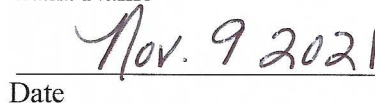
**Annual Statements by Directors, Officers and Members**  
**Of Committees with Governing Board-Delegated Powers**

The undersigned, a director, principal officer and/or member of a committee with governing board-delegated powers, affirms that:

1. I have received a copy of the Organization's Conflict of Interest Policy (the "Policy");
2. I have read and understand the Policy;
3. I agree to comply with the Policy; and
4. I understand the Organization is charitable and in order to maintain its federal tax exemption it must engage primarily in activities that accomplish one or more of its tax-exempt purposes.

  
Signature

  
Print Name

  
Date

**EXHIBIT C**

**“RACIAL NON-DISCRIMINATION POLICY”**



**RACIAL NON-DISCRIMINATION POLICY  
of  
MOUNT CROSS CHILD DEVELOPMENT CENTER, INC.**

The MOUNT CROSS CHILD DEVELOPMENT CENTER school admits students of any race, color, national and ethnic origin to all the rights, privileges, programs, and activities generally accorded or made available to students at the school. It does not discriminate on the basis of race, color, national and ethnic origin in administration of its educational policies, admissions policies, scholarship and loan programs, and athletic and other school-administered programs.