

BYLAWS OF  
RISING STARS BUSINESS ACADEMY, INC

ARTICLE I  
NAME

The name of this corporation shall be the Rising Stars Business Academy, Inc.

ARTICLE II  
OFFICES

SECTION 1 - PRINCIPAL OFFICE

The principal office of the transactions of the business shall be SUITE 107-474 DR. 12831 MORENO BEACH, Moreno Valley, CA 92555. The Board of Directors may change the principal office from one location to another. Any change of this location shall be noted by the Secretary on these Bylaws opposite this section, or this section may be amended to state the new location.

Section 2 - OTHER OFFICES

The Board of Directors may at any time establish branch or subordinate offices at any place or places where the Rising Stars Business Academy, Inc. is qualified to do business.

ARTICLE III  
OBJECTIVES AND PURPOSES

The objectives of the Rising Stars Business Academy, Inc. shall be to:

1. Encourage young people ages 16-24 to get a high school diploma, and pursue higher education at trade schools or college.
2. Enrich the experience of the young people in the RSBA through mentoring, enrichment activities, education, special tutoring classes and social outings.
3. Provide services to youth, teenagers, young adults and adults; to provide recreational and socialization services.
4. Provide case management services to the clients.
5. Provide job training, employment and life skills management.
6. Provide computer literacy.
7. Provide money management and credit education.

ARTICLE IV  
NONPARTISAN ACTIVITIES

This corporation has been formed under the California Non-profit Public Benefit Corporation Law for the purposes described above, and it shall be nonprofit and nonpartisan. No substantial part of the activities of the corporation shall consist of the publication or dissemination of materials with the purpose of attempting to influence

legislation, and the corporation shall not participate or intervene in any political campaign on behalf of any candidate for public office or for/against any cause or measure being submitted to the people for a vote.

The corporation shall not, except in insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the purposes described above.

## **ARTICLE V DEDICATION OF ASSETS**

The properties and assets of this nonprofit corporation are irrevocably dedicated to charitable purposes. No part of the net earnings, properties, or assets of this corporation, on dissolution or otherwise, shall inure to the benefit of any private person or individual, or any member or director of this corporation and obligations shall be distributed and paid over to any organization dedicated to charitable purposes, provided that the organization continues to be dedicated to the exempt purposes as specified in Internal Revenue Code 501(c)(3).

## **ARTICLE VI MEMBERSHIP**

The corporation shall have no "members" as defined in California Corporation Code Section 5056. Any action which would otherwise require approval by the members shall require only approval by the board. All rights which would otherwise vest in the members shall vest in the Board of Directors. The Board of Directors may designate a class or classes of participants who shall be known as "Members." Said Members will have no voting rights and are not "Members" as defined in California Corporation Code Section 5056. Any person eighteen years of age or older, of good character, dedicated to the purposes of this corporation, shall be eligible for such membership upon acceptance of his or her application by the Board of Directors and payment of such dues and initiation fees as may from time to time be fixed by the Board of Directors.

## **ARTICLE VII DIRECTORS**

### **SECTION 1 - POWERS**

- 1) **General Corporate Powers.** Subject to the provisions of the California Nonprofit Corporation Law and any limitations in the Articles of Incorporation and these Bylaws relating to action required to be approved by the members, 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.
- 2) **Specific Powers.** Without prejudice to these general powers, and subject to the same limitations, the Directors shall have the power to:
  - a) Select and remove all officers and agents of the corporation, prescribe any powers and duties for them that are consistent with law, with the Articles of Incorporation, and with these Bylaws, and fix their compensation standards.
  - b) Change the principal executive office or the principal business office in the State of California from one location to another; cause the corporation to be qualified to do business in any other state, territory, dependency or country and conduct business within or outside the State of California; and designate any place within or outside the State of California for the holding of any meetings, including annual meetings.
  - c) Adopt, make, and use a corporate seal; and alter the form of the seal and certificate.



- d) Borrow money and incur indebtedness on behalf of the corporation 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 evidence of debt and securities.

## SECTION 2 – NUMBER AND QUALIFICATIONS OF DIRECTORS

The authorized number of Directors shall be at least three, and not more than ten, and collectively they shall be known as the Board of Directors. The Executive Director shall be a voting member of the Board of Directors. The number may be changed by amendment of this Bylaw and by adoption of a new Bylaw, as provided in these Bylaws.

## SECTION 3 – DESIGNATION AND TERM OF OFFICE OF DIRECTORS

Directors shall be designated by the founding directors appointed by the incorporator to hold office until the next annual meeting, if any annual meeting is not held or the directors are not designated at any annual meeting, they may be so designated at any special member's meeting held for that purpose. Each Director, including a Director designated to fill a vacancy or designated at a special meeting, shall hold office until expiration of the term for which and until a successor has been elected and qualified. The founding Directors designated by the incorporator may designate themselves to successive terms of office.

## SECTION 4 – DUTIES

It shall be the duty of the Directors to:

- 1) Perform any and all duties imposed on them collectively or individually by law, by the Articles of Incorporation of this corporation, the Board Member job description or by these Bylaws;
- 2) Appoint and remove, and, except as otherwise provided in these Bylaws, prescribe the duties and fix the compensation, if any, of all others, agents, consultants and employees of the corporation;
- 3) Supervise all officers, agents and set the standards of the corporation to assure that their duties are performed properly;
- 4) Meet at such times and places as required by these Bylaws;
- 5) Register their addresses with the Secretary of the corporation and notices of meetings mailed or telegraphed to them at such addresses shall be valid notices thereof.

## SECTION 5 – VACANCIES

- 1) **Events Causing Vacancy.** A vacancy or vacancies in the Board of Directors shall be deemed to exist on the occurrence of the following:
  - a) The death, resignation, or removal of any Director;
  - b) The declaration by resolution of the Board of Directors of a vacancy of the office of a director who has been declared of unsound mind by an order of the court or convicted of a felony;
  - c) Removal of a Director in any action in Superior Court pursuant to Section 9223 of the California Nonprofit Corporation Law; or

d) The increase of the authorized number of Directors

- 2) **Resignations.** Except as provided in this paragraph, any Director may resign, which resignations shall be effective on giving written notice to the Board Chair, the Secretary, or the Board of Directors, unless the notice specifies a later time for the resignation to become effective. If the resignation of a Director is effective at a future time, the Board of Directors may elect a successor to take office as of the date when the resignation becomes effective. No Director may resign when the corporation would then be left without a duly elected Director or Directors in charge of its affairs.
- 3) **Vacancies filled by Board of Directors.** Vacancies on the Board may be filled by a majority of the Directors then in office, whether or not less than a quorum, or by the sole remaining Director. The successor Director shall serve out the remaining term of the Director he or she succeeded.
- 4) **No Vacancy on Reduction of Number of Directors.** No reduction of the authorized number of Directors shall have the effect of removing any Director before that Director's term of office expires.
- 5) **Nominating Process.** A board member shall be nominated by the following process – a profile of the individual shall be presented to the nominating committee (of full board) by the nominating individual. Upon discussion at the board meeting, an interview shall be conducted by two board members (not the nominating board member). The interviewers shall present the candidate to the full board, and the potential candidate can be invited to attend a board meeting before the final decisions are made. A majority vote will be required to add a new board member.
- 6) **Terms of Service.** The initial board officers shall serve terms as follows: The President and Secretary shall serve a three year term, the Treasurer and Vice President shall serve a two year term with the option of serving additional terms. All board officers and members will have the option to serve a maximum of three two-year terms at which time their seat will be filled by a new member. The board member that serves three consecutive two-year terms can elect to be named as a *Board Member Emeritus*. The *Board Member Emeritus* will be maintained on the roster, can attend meetings, but will not have voting power.

## SECTION 6 – PLACE OF MEETINGS; MEETINGS BY TELEPHONE

Regular meetings of the Board of Directors may be held at any place within or outside the State of California that has been designated from time to time by resolution of the Board. In the absence of such designation, regular meetings shall be held at the principal executive office of the corporation. Special meetings of the Board shall be held at any place within or outside the State of California that has been designated in the notice of the meeting or, if not stated in the notice, or if there is no notice, at the principal executive office of the corporation.

Notwithstanding the above provisions of this Section, a regular or special meeting of the Board of Directors may be held at any place consented to in writing by all the Board members, either before or after the meeting. If consents are given, they shall be filed with the minutes of the meetings. Any meeting, regular or special, may be held by telephone conference or similar communication equipment, so long as all Directors participating in the meeting can hear one another, and all such Directors shall be deemed to be present in person at such meeting.

The annual board meeting shall be held in the last quarter at the end of the fiscal year, which runs from January to December. The format and agenda of the meeting shall be determined by the Executive Committee.

## SECTION 7 – COMPENSATION



1) **Directors shall serve without compensation**

- 2) **Conflict of Interest Policy.** Conflict of interest arises whenever the personal or professional interest of a Board Member is potentially at odds with the best interests of RSBA. Although the legal standards for avoiding conflict of interest for nonprofit organizations are fairly limited, RSBA will avoid where possible even the appearance of impropriety. Individuals and businesses qualified to provide goods and services in the RSBA area are limited, and therefore situations may arise where Board Members are commercially engaged by RSBA, or hired by RSBA for artistic projects-workshops, summer camps, performances, etc. Because these situations all involve potential conflict of interest, the following procedures apply. If an issue is to be decided by the Board that involves potential conflict of interest for a Board Member, it is the responsibility of the Board Member to:

- a) Identify the potential conflict of interest.
- b) Not participate in discussion of the program or motion being considered.
- c) Not vote on the issue.

It is the responsibility of the Board to:

- a) Only decide to hire or contract with the Board member if they are the best qualified individuals available, and willing to provide the goods or services needed at the best price.
- b) Record in the minutes of the Board Meeting the potential conflict of interest, and the use of the procedures and criteria of this policy. Although it is not a conflict of interest to reimburse Board Members for expenses incurred (such as the purchase of supplies), Board Members are prohibited by law from being paid for serving on the Board. Generally, Board Members will not receive pass-through dollars for individual projects.

#### SECTION 8 – RESTRICTION REGARDING INTERESTED DIRECTORS

Notwithstanding any other provision of these Bylaws, not more than forty-nine percent (49%) of the persons serving on the board may be interested persons. For purposes of this section, "interested persons" means either:

- 1) Any persons currently being compensated by the corporation for services rendered it within the previous twelve (12) months, whether as a full-time officer or other employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a director as director: or
- 2) Any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, daughter-in-law, mother-in-law or father-in-law of any such person.

#### SECTION 9 – REGULAR MEETINGS

Other regular meetings of the Board of Directors shall be held without call at such time as shall from time to time be fixed by the Board of Directors. Such regular meetings may be held without notice. Regular meetings of the Directors shall be held bi-monthly at a mutually agreed upon time and place, unless that day falls on a legal holiday, in which event the regular meeting shall be held at the same hour and place on the same day the following week.

If this corporation makes no provisions for members, then, at the annual meeting of directors held in accordance with this section, voting shall be allowed. Cumulative voting by directors for the election of directors shall not be

permitted. The candidates receiving the highest number of votes up to the numbers of the directors to be elected shall be elected. Each director shall cast one vote, with voting being by ballot or by a verbal "yea" or "nay."

#### SECTION 10 – SPECIAL MEETINGS

- 1) **Authority to Call.** Special meetings of the Board of Directors for any purpose may be called by any Vice President, the Secretary, or by any two Directors.
- 2) **Notice.**
  - a) **Manner of Giving.** Notice of the time and place of special meetings shall be given to each Director by one of the following methods:
    - i) By personal delivery or written notice;
    - ii) By first class mail, postage paid;
    - iii) By telephone communication, either directly to the Director or to a person at the Director's office who would reasonably be expected to communicate such notice promptly to the Director;
    - iv) By telegram, charges prepaid; or
    - v) By fax.All such notices shall be given or sent to the Director's address or telephone number as shown on the records of the corporation.
  - b) **Time Requirements.** Notices sent by first class mail shall be deposited into a United States mailbox or faxed one week in advance before the time set for the meetings. Notices given by personal delivery, or given to the telegraph company at least seventy-two (72) hours before the time set for the meetings.
  - c) **Notice contents.** The notice shall state the time, date and place for the meeting. However, it need not specify the purpose of the meeting, or the place of the meeting if it is to be held at the principal office of the corporation.

#### SECTION 11 – QUORUM

A majority (51%) of the authorized number of Directors shall constitute a Quorum for the transaction of business, except to adjourn as provided in Section 10 of this Article VII. Every act or decision done or made by a majority of the Directors present at a meeting duly held by a majority of the Directors present at a meeting duly held at which a Quorum is present shall be regarded as the act of the Board of Directors, subject to the provisions of the California Nonprofit Corporation Law, especially those provisions relating to (i) approval of contracts or transactions in which a Director has a direct or indirect material financial interest, (ii) appointment of committees, and (iii) indemnification of Directors. A meeting at which a Quorum is initially present may continue to transact business, notwithstanding the withdrawal of Directors, if any action taken is approval by at least a majority of the required Quorum for that meeting.

#### SECTION 12 – MAJORITY ACTION AS BOARD ACTION

Every act or decision done or made by a majority of the Directors present at a meeting duly held at which a quorum is present is the act of the Board of Directors, unless the Articles of Incorporation or Bylaws of this corporation, or provisions of the California Nonprofit Public Benefit Corporation Law, particularly those provisions relating to appointment of committees (Section 5233) and indemnification of directors (Section 5238c), require a greater percentage or different voting rules for approval of a matter by the board.

#### SECTION 13 – WAIVER OF NOTICE



The transactions of any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice, if (a) a Quorum is present, and (b) either before or after the meeting, each of the directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. All waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meeting. Notice of a meeting shall also be deemed given to any Director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

#### SECTION 14 – ACTION WITHOUT MEETING

Any action required or permitted to be taken by the Board of Directors may be taken without a meeting, if all members of the Board, individually or collectively, consent in writing to that action. Such action by written consent shall have the same force and effect as a unanimous vote of the Board of Directors. Such written consents shall be filed with the minutes of the proceedings of the Board.

### ARTICLE VIII COMMITTEES

#### SECTION 1 – COMMITTEES OF DIRECTORS

The Board of Directors may, by resolution adopted by a majority of the Directors then in office, designate one or more committees, each consisting of two or more Directors, to serve at the pleasure of the Board. Any committee, to the extent provided in the resolution of the Board, shall have all the authority of the Board, except that no committee, regardless of Board resolution, may:

- a. Take any final action on matters which, under the Nonprofit Corporation Law of California, also requires member's approval of a majority of all the members;
- b. Fill vacancies on the Board of Directors or in any committee which has the authority 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 of Directors which by its express terms is not so amendable or repealable;
- f. Appoint any other committees of the Board of Directors or the members of these committees;
- g. Approve any transaction (1) to which the corporation is a party and one or more Directors have a material financial interest; or (2) between the corporation and one or more of its Directors or between the corporation and any person in which one or more of its Directors have a material financial interest.

The Board of Directors shall have the following standing committees; **Personnel, Building, Resource Development, and Special Events.**

#### SECTION 2 – MEETINGS AND ACTION OF COMMITTEES

Meetings and action of committees shall be governed by, and held and taken in accordance with, the provisions of Article VIII of these Bylaws, concerning meetings of directors, with such changes in the context of these bylaws as are necessary to substitute the committee and its members for the board of directors and its members, except

that the time for regular meetings of committees may be determined either by resolution of the Board of Directors or by resolution of the Board of Directors or by resolution of the committee. Special meetings of Committees may also be called by resolution of the Board of Directors. Notice of special meetings of committees shall also be given be kept of each meeting (or in lieu of minutes, a report) of any committee and shall be filed with the corporate records. The Board of Directors may adopt rules for the government of any committee not inconsistent with the provisions of the Bylaws.

### SECTION 3 – EXECUTIVE COMMITTEE

The Board of Directors, may, at its discretion, appoint an executive committee which shall be chaired by the Chair of the Board and other Directors. The executive committee shall consist of the Board officers and the executive director or administrator of the corporation. The executive committee shall have the authority to act for and on behalf of the entire Board of Directors, provided, however, that the executive committee does not have the authority to act as set forth in Article VIII, Section 1 subparagraphs (a) through (h). The Executive Committee shall have the power to set the agenda for board meetings, annual meetings, and other events as deemed necessary.

## ARTICLE IX OFFICERS

### SECTION 1 – OFFICERS

The officers of the corporation shall be the President, Vice President, Secretary and Treasurer. The corporation may also have, at the discretion of the Board of Directors, a Board Chair, one or more Vice Chairs, one or more assistant Secretaries, one or more assistant Treasurers and such other officers as may be appointed in accordance with the provisions of Section 2 of this Article IX. Any number of offices may be held by the same person, except that neither the Secretary nor the Treasurer may serve concurrently as either the President or the Chairman of the Board.

### SECTION 2 – ELECTION OF OFFICERS

The officers of the corporation, except those appointed in accordance with the provisions of Section 3 of this Article IX, shall be chosen by the Board of Directors, and each shall serve at the pleasure of the Board, subject to the rights, if any, of an officer under any contract of employment.

### SECTION 3 – SUBORDINATE OFFICERS

Subject to the rights, if any, of an officer under any contract of employment, any officer may be removed, with cause, by the Board of Directors or executive committee special meeting, or, except in 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. Removal by cause shall include felonious acts, unsound mind, non-attendance of three consecutive meetings or non-performance of duties.

### SECTION 4 – REMOVAL OF OFFICERS

Subject to the rights, if any, of an officer under any contract of employment, any officer may be removed, with cause, by the Board of Directors or Executive Committee at any regular or special meeting, or except in case of an officer chosen by the Board of Directors, by an officer or whom such power of removal may be conferred by the Board of Directors.

### SECTION 5 – RESIGNATION OF OFFICERS



Any officer may resign at any time by giving written notice to the corporation. Any resignation shall take effect at the date of the receipt of that notice or at any later time specified in that notice; and, unless otherwise specified in that notice, the acceptance of the resignation shall not be prejudice to the rights, if any, of the corporation under any contract to which the officer is a party.

## SECTION 6 – VACANCIES IN OFFICES

A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled only in the manner prescribed in these Bylaws for regular appointment to that office.

## SECTION 7 – RESPONSIBILITIES OF OFFICERS

- 1) **President.** The President shall preside at meetings of the Board of Directors and Executive Committee and exercise and perform such other powers and duties as may be from time to time assigned to him or her by the Board of Directors or prescribed by the Bylaws. If there is no Chair, the President, shall in addition, be the Chief Executive Officer of the corporation and shall have the powers and duties prescribed in paragraph (b) below.
- 2) **Chair.** Subject to such supervisory powers as may be given by the Board of Directors, if any, the Chair shall be subject to the control of the Board of Directors, generally supervise, direct and control the business and the officers of the corporation. The Chair shall have such other powers and duties as may be prescribed by the Board of Directors of the Bylaws.
- 3) **Vice President.** In the absence or disability of the President, Chair, the Vice President, if any, in order of their rank as fixed by the Board of Directors, shall perform all the duties of the President, and when so acting shall have all the powers of, and be subject to all the restrictions upon, the President. The Vice President shall have such powers and perform such other duties as from time to time may be prescribed for them respectively by the Board of Directors
- 4) **Secretary.** The Secretary shall attend to the following:
  - a) **Book of Minutes.** The Secretary shall keep or cause to be kept, at the principal executive office or such other place as the Board of Directors may direct, a book of minutes of all meetings and actions of Directors, Committees of Directors, and members with the time and place of holding, whether regular or special, the names of those present at such meetings, the number of members present at such meetings and the proceedings of such meetings.
  - b) **Membership Records.** The Secretary shall keep, or cause to be kept at the principal executive office, as determined by resolution of the Board of Directors, a record of the corporate members, showing the name of all members, their addresses, and the class of membership held by each.
  - c) **Notices, Seal, and Other Duties.** The Secretary shall give, or cause to be given, notice of all meetings of the Board of Directors required by the Bylaws to be given. The Secretary shall keep the seal of the corporation in safe custody, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or by the Bylaws.
- 5) **Treasurer/Chief Financial Officer.** The Chief Financial Officer/Treasurer shall attend to the following:
  - a) **Books of Account.** The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and records of accounts of the properties and business transactions of the corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, retained earnings, and other matters customarily included in financial statements. The books of accounts shall be open to inspection by any director at all *reasonable* times.

- b) **Deposit and Disbursements of Money and Valuables.** The Treasurer shall deposit or delegate the deposit of all money and other valuables in the name and to the credit of the corporation with such depositories as may be designated by the Board of Directors; shall render to the President and Directors, whenever they request it, an account of all of the transaction as Treasurer and of the financial condition of the corporation; and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or the Bylaws.
- c) **Bond.** If required by the Board of Directors, the Treasurer 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 his office and restoration to the corporation of all its books, papers, vouchers, money, and other property of every kind in his possession or under his control on his death, resignation, retirement, or removal from office.

#### **ARTICLE X**

##### **INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES, AND OTHER AGENTS**

The Board of Directors may, at its discretion, and to the extent allowed by law:

- 1) Authorize the corporation to indemnify its directors, officers, employees, and other agents against damages/liabilities including court costs and attorneys' fees incurred in the course and scope of their employment of duties on behalf of the corporation or arising out of their status as such directors, officers, employees and other agents; and
- 2) Authorize the purchase of insurance on behalf of such persons for the foregoing purposes.

#### **ARTICLE XI**

##### **DIRECTOR LIABILITY**

The Director shall not be personally liable for the debts, liabilities, or other obligations of the corporation.

#### **ARTICLE XII**

##### **RECORDS AND REPORTS**

The corporation shall keep:

- 1) Adequate and correct books and records of account;
- 2) Minutes, in written form, of the proceedings of its Boards and Committees of the Board; and
- 3) If any provision of these Bylaws requires the vote of a larger proportion of the Directors than otherwise required by law, such provision may not be altered, amended or repealed except by vote of such larger number of directors.