

BYLAWS
OF
21st Century Charter School of Gary, INC.

<Revised January 31, 2018>

ARTICLE I: General

Section 1: Name

The name of the corporation is the 21st Century Charter School at Gary, Inc. (The "Corporation").

Section 2: Initial Registered Office and Initial Registered Agent

The post office address of the Corporation's initial registered office is 1630 N. Meridian St, Suite 350. The initial registered agent in charge of the initial registered office is Dana L. Teasley.

Section 3: Fiscal Year

The Fiscal Year of the Corporation shall begin on the first day of July, and shall end on the last day of June in the following year.

ARTICLE II: Board of Directors

Section 1: Directors

The affairs of the Corporation shall be managed, controlled, and conducted by, and under the supervision of, the Board of Directors, subject to the provisions of the Articles of Incorporation (the "Articles") and these Bylaws. The Board of Directors shall have no less than three members, and no more than eleven.

Members of the Board of Directors will serve a three-year term. Terms of the founding members may be staggered as deemed necessary. At the first meeting of each fiscal year, the Board of Directors shall elect all officer positions for the year.

Members shall serve no more than two consecutive terms. Members may be re-elected to a new term after one year of non-service.

Section 2: Quorum and Approval of Actions

A majority of the Directors must be in attendance at the beginning of a meeting to constitute a quorum for the transaction of any business properly to come before the Board of Directors. The approval of a majority of the Directors present at a meeting in which a quorum is present shall be considered the act of the Board of Directors.

Section 3: Regular Meetings

The Board of Directors shall hold a minimum of ten (10) regular meetings, as fixed by these Bylaws or by resolution of the Board of Directors, for the purpose of transaction such business as properly may come before the Board.

Section 4: Compliance with Indiana Open Door Law

Notwithstanding any other provision of these Bylaws, the Corporation shall comply in all respects with the Indiana Open Door Law, (currently codified at IC 5-14-1.5-1), and any corresponding provision of subsequent Indiana law, in connection with all regular or special meetings of the Board.

Section 5: Action by Written Consent

Action taken by Written Consent of the Board outside of any meeting held in compliance with Open Door laws is strictly prohibited.

Section 6: Resignation, Removal, and Vacancies

Any director may resign at any time by giving written notice of such resignation to the Board of Directors. Such resignation shall take effect at the time specified, or, if no time is specified, at the time of receipt by the Board. The acceptance of a resignation shall not be necessary to make it effective.

A director may be removed for cause by a majority of the directors then in office. Cause shall include, but not be limited to:

- (a) Violations of applicable law, including (but not limited to);
 - i. Violations of Indiana Charter School Law; and
 - ii. Actions that would jeopardize the tax-exempt status of the Corporation or would subject it to intermediate sanctions under the Internal Revenue Code of 1986, as amended, or corresponding provisions of any subsequent federal tax laws (the "Code").
- (b) Breach of Fiduciary Duty, including, but not limited to, a violation of the applicable standard of care under the Articles, these Bylaws, or applicable law.
- (c) Breach of any governing document relating to the Corporation, including, but not limited to, the Articles, these Bylaws, and the Charter Agreement.
- (d) Inadequate attendance at meetings of the Board of Directors, as defined as absence from three consecutive meetings, or from at least 25% of such meetings within one calendar year.

Any vacancy on the Board of Directors created by the resignation or removal of a director shall be filled by a majority of the directors then in office.

Section 7: Prohibition on Service

An individual may not serve on the Board if the individual has committed an offense set forth in Indiana Code 20-26-5-11(b), or any successor statute, or any offense that is substantially equivalent to any of the offenses listed in that statute, unless that individual is specifically authorized to sit on the Organizer's board by the Executive Director by the Ball State Office of Charter Schools.

Section 8: Residency

At all times, all members of the Board of Directors must be residents of the State of Indiana, and at least half of the members of the Board of Directors must be residents as of the date of their initial election of a county from which the School as enrolled students.

Section 9: Training

All new Board members shall undergo training approved by the Sponsor of the School.

Section 10: Meeting Protocols

Robert's Rules of Order shall be followed when conducting board meetings, including the preparation and approval of meeting minutes.

Section 11: Charter Management Organizations

Should the Board of Directors elect to engage a Charter Management Organization ("CMO") to manage the operations of the charter school for which the Corporation is responsible, (the "School"), no member of the Corporation's Board of Directors, their spouses, or immediate family members may have any financial, direct or indirect ownership, employment, contractual, or membership interest in such CMO.

ARTICLE III: Officers

Section 1: In General

The Officers of the Corporation shall consist of a Chair, a Vice-Chair, a Secretary, and a Treasurer. An officer may not simultaneously hold more than one office, with the exception of the Secretary/Treasurer offices. Each officer shall be elected by the Board of Directors and shall serve for one year, or until the officers successor is duly elected.

An officer shall be a member of the Board of Directors. Any officer may be removed by the Board of Directors at any time for cause as that term is defined herein in Article II, Section 6.

Any vacancy in any office shall be filled by the Board of Directors, and any person elected to fill such vacancy shall serve until the expiration of the term vacated and until his or her successor is elected.

Section 2: Chair

The Chair shall preside at all meetings of the Board of Directors of the Corporation and shall be responsible for implementing the policies established by the Board of Directors, as well as other duties as prescribed by the Board.

Section 3: Vice Chair

The Vice Chair shall serve in place of the Chair during times in which the Chair is otherwise unavailable.

Section 4: Secretary

The Secretary shall serve as the custodian, or shall delegate such duties as deemed necessary and expedient, of all papers, books, and records of the Corporation, other than books of account and financial records. The Secretary shall prepare, or shall cause to be prepared, and enter in the minute book the minutes of all meetings of the Board. The Secretary shall authenticate records of the Corporation as necessary, and shall perform other duties usual to such position as the Board of Directors or Chair may prescribe.

Section 5: Treasurer

The Treasurer shall prepare and maintain, or shall cause to be prepared and maintained, correct and complete records of account showing accurately the financial condition of the Corporation. All notes, securities, and other assets coming into the possession of the Corporation shall be received, accounted for, and placed in safekeeping according to proper audit and accounting principles. The Treasurer shall furnish, or shall cause to be furnished, a statement of the financial condition of the Corporation when requested by the Board of Directors or the Chair, and shall perform other duties usual to such position as the Board of Directors or Chair may prescribe.

Section 6: School Treasurer

The Board of Directors shall also elect a School Treasurer who shall manage the day-to-day fiscal affairs of the school and who shall report to the elected Board Treasurer and full Board of Directors on a regular basis. The School Treasurer shall have fiscal and signing authority on all school accounts, and shall be authorized to open accounts, prepare and sign checks, enter into contracts, and conduct business on the school's behalf, subject to the Board's oversight. The School Treasurer position shall not be an officer or member of the Board and shall not hold any voting privileges.

ARTICLE IV: Conflicts of Interest

Section I: General Policy

It is the policy of the Corporation and its Board of Directors that the Corporation's directors, officers, and employees carry out their respective duties in a fashion that avoids actual, potential, or perceived conflicts of interest. The Corporation's directors, officers, and employees shall have the continuing, affirmative duty to report any personal ownership, interest, or other relationship that might affect their ability to exercise impartial, ethical, and business-based judgments in fulfilling their responsibilities to the Corporation. This policy shall be further subject to the following principles:

- (a) Directors, officers and employees of the Corporation shall conduct their duties with respect to potential and actual grantees, contractors, suppliers, agencies, and other persons seeking to transact business with the Corporation in a completely impartial manner, without favor or preference based upon any consideration other than the best interests of the Corporation.
- (b) Directors, officers, and employees of the Corporation shall not seek or accept for themselves or any of their relatives, including spouses, ancestors, and descendants, from any person or business entity that transacts or seeks to transact business with the Corporation, any gifts, entertainment, or other favors relating to their positions with the Corporation that exceed common courtesies consistent with ethical and accepted business practices.
- (c) If a director, or director's relative, directly or indirectly owns a significant financial interest in, or is employed by, any business entity that transacts or seeks to transact business with the Corporation, the director shall disclose that interest or position and shall refrain from voting on any issue pertaining to the transaction.
- (d) Officers and employees of the Corporation shall not conduct business on behalf of the Corporation with a relative or business entity in which the officer, employee, or his or her relative owns a significant financial interest or by which such officer, employee, or relative is employed, except by where such dealings have been disclosed to, and specifically approved and authorized by, the Board of Directors of the Corporation.
- (e) The Board of Directors may require the Corporation's directors, officers, or employees to

complete annually (or as otherwise scheduled by the Board) a disclosure statement regarding any actual or potential conflict of interest described in these Bylaws. The disclosure statement shall be in such form as prescribed by the Board, and may include information regarding a person's participation as a director, trustee, officer, or employee of any other nonprofit organization. The Board shall be responsible for oversight of all disclosures or failures to disclose, and for taking appropriate action in the case of any actual or potential conflict of interest transaction.

Section 2: Effect of Conflict Provisions

The failure of the Corporation, its Board of Directors, or any or all of its directors, officers, or employees to comply with the conflict of interest provisions of these Bylaws shall not invalidate, cancel, void, or make voidable any contract, relationship, action, transaction, debt, commitment, or obligation of the Corporation that is otherwise valid and enforceable under applicable law.

ARTICLE V: Indemnification

Section 1: Indemnification by Corporation

To the extent not inconsistent with applicable law, every person (and the heirs and personal representatives of such person) who is or was a director, officer, employee, or agent of the Corporation shall be indemnified by the Corporation against all liability and reasonable expense that may be incurred by him or her in connection with or resulting from any claim, action, suit, or proceeding (a) if such person is wholly successful with respect thereto or (b) if not wholly successful, then if such person is determined (as provided in Section 3 of this Article V) to have acted in good faith, in what he or she reasonably believed to be the best interests of the Corporation, and with respect to any criminal action or proceeding, is determined to have had reasonable cause to believe that his or her conduct was lawful. The termination of any claim, action, suit, or proceeding by judgment, settlement, (whether with or without court approval), or conviction, or upon a plea of guilty or of nolo contendere, or its equivalent, shall not create a presumption that a person did not meet the standards of conduct set forth in this Article V.

Section 2: Definitions

- (a) As used in this Article V, the phrase "claim, action, suit, or proceeding" shall include any threatened, pending, or completed claim; civil, criminal, administrative, or investigative action, suit, or proceeding and all appeals thereof (whether brought by or on behalf of the Corporation, any other corporation, or otherwise), whether formal or informal, in which a person (or his or her heirs or personal representatives) may become involved, as a party or otherwise:
 - (i) By reason of his or her being or having been a director, officer, employee, or agent of the Corporation or of any corporation where he or she served as such at the request of the Corporation, or
 - (ii) By reason of his or her acting or having acted in any capacity in a corporation, partnership, joint venture, association, trust, or other organization or entity where he or she served as such at the request of the Corporation, or
 - (iii) By reason of any action taken or not taken by him or her in any such capacity,

whether or not he or she continues in such capacity at the time such liability or expense shall have been incurred.

- (b) As used in this Article V, the terms "liability" and "expense" shall include, but shall not be limited to, counsel fees and disbursements and amounts of judgments, fines, or penalties against, and amounts paid in settlement by or on behalf of, a person.
- (c) As used in this Article V, the term "wholly successful" shall mean (i) termination of any action, suit, or proceeding against the person in question without any finding of liability or guilt against him or her, (ii) approval by a court, with knowledge of the indemnity provided in this Article V, of a settlement of any action, suit, or proceeding, or (iii) the expiration of a reasonable period of time after the making of any claim or threat of any action, suit, or proceeding without the institution of the same without any payment or promise made to induce a settlement.

Section 3: Entitlement to Indemnification

Every person claiming indemnification under this Article V (other than one who has been wholly successful with respect to any claim, action, suit, or proceeding) shall be entitled to indemnification if (a) special independent legal counsel, which may be regular counsel of the Corporation or any other disinterested person or persons, in either case selected by the Board of Directors, whether or not a disinterested quorum exists (such counsel or person or persons being hereinafter called the "referee"), shall deliver to the Corporation a written finding that such person has met the standards of conduct set forth in Section I of this Article V and (b) the Board of Directors, appear before the referee and answer questions that the referee deems relevant and shall be giving ample opportunity to present to the referee evidence upon which her or she relies for indemnification. The Corporation shall, at the request of the referee, make available facts, opinions, or other evidence in any way relevant to the referee's findings that are within the possession or control of the Corporation.

Section 4: Relationship to Other Rights

The right of indemnification provided in this Article V shall be in addition to any rights to which any person may otherwise be entitled.

Section 5: Extent of Indemnification

Irrespective of the provisions of this Article V, the Board of Directors may, at any time, and from time to time, approve indemnification of directors, officers, employees, agents, or other persons to the fullest extent permitted by applicable law, or, if not permitted, then to any extent not prohibited by such law, whether on account of past or future transactions.

Section 6: Purchase of Insurance

The Board of Directors is authorized and empowered to purchase insurance covering the Corporation's liabilities and obligations under this Article V and insurance protecting the Corporation's directors, officers, employees, agents or other persons.

ARTICLE VI: Contracts, Checks, Loans, Deposits and Gifts

Section 1: Contracts

The Board of Directors may authorize one or more officers, agents, or employees of the Corporation to enter into any contract or execute any instrument on its behalf. Such authorization may be general or confined to specific instances. Unless so authorized by the Board of Directors, no officer, agent, or employee shall have any power to bind the Corporation or to render it liable for any purpose or amount.

Section 2: Checks

All checks, drafts, or other orders for payment of money by the Corporation shall be signed by such person or persons as the Board of Directors may from time to time designate by resolution. Such designation may be general or confined to specific instances.

Section 3: Loans

Unless authorized by the Board of Directors, no loan shall be made by or contracted for on behalf of the Corporation and no evidence of indebtedness shall be issued in its name. Such authorization may be general or confined to specific instances.

Section 4: Deposits

All funds of the Corporation shall be designated to its credit in such bank, banks, or depositories as the Board of Directors may designate. Such designation may be general or confined to specific instances.

Section 5: Gifts

The Board of Director may accept on behalf of the Corporation any gift, grant, bequest, devise or other contribution for the purposes of the Corporation on such terms and conditions as the Board of Directors shall determine.

ARTICLE VII: Amendments

The power to make, alter, amend, or repeal the Bylaws is vested in the Board of Directors of the Corporation; provided, however, that any proposed substantive alteration amendment, or repeal of these Bylaws must be approved in writing by the Sponsor of the School (as the term "Sponsor" is defined in IC 20-24-1-9) prior to the Board of Directors of the Corporation taking any action thereon.