

BY LAWS
OF
21ST CENTURY CHARTER SCHOOL @ GARY, INC.

ARTICLE 1

Last Modified on February 12th, 2016 by Board of Directors

Board of Directors

Section 1.1. Duties and Qualifications. The business and affairs of the Corporation shall be managed by the Board of Directors.

Section 1.2. Number, Term, and Appointment. The Board of Directors shall consist of a minimum of three (3) directors and a maximum of fifteen (15) directors. The majority of directors, but no greater than 80 % of the directors comprising the Board of Directors shall be appointed by Greater Education Opportunities Foundation (the “supported Organization”); the remaining number of directors, which shall constitute not less than 20% of the directors of the Board of Directors, shall be elected by a majority of the Board of Directors at the annual meeting of the Board of Directors. Specifically, a board of three to five members shall have one Board-elected member, a board of 6-10 members shall have two Board-elected members, and a board of 11-15 members shall have three Board –elected members.

- (a) Each director, whether appointed or elected, shall serve for a term of three (3) years.
- (b) Despite the expiration of a director’s term, the director continues to serve until a successor is appointed and qualifies, or until there is a decrease in the number of directors.
- (c) Unless no eligible person is available, 60% if the Board shall consist of members who live within fifty (50) geographical miles of the school.
- (d) The statutory sponsor of the charter school shall have the right on an annual basis to review the board’s composition, and the process for selection, retention, and replacement of board members in order to determine if there exists any articulable problems of significance which may constitute a violation of applicable law.

- (e) A director's term may automatically renew at the expiration of the three year term, unless an objection is raised by a sitting board member, and ratified by a majority of current sitting Board members.*

Section 1.3 Vacancies. Any vacancy among the directors caused by death, resignation, removal, or otherwise may be filled by appointment or election, as appropriate, as outlined in Section 1.3. The term of office of a director appointed or elected to fill a vacancy shall expire at the later of the expiration of the unexpired term which the director was appointed to fill, or at such time as a successor shall be duly appointed.

Section 1.4. Removal. Directors may be removed by the Supported Organization (appointed positions) or the Board of Directors (elected positions) only upon a showing of cause, including but not limited to:

1. Violation of applicable Federal and/or State laws, including but not limited to
 - a. Charter School Law, as provided in Indiana Code 20-5.5-1-1 et. Seq.
 - b. Actions that would jeopardize the nonprofit status of GEO or the School or the status of GEO or the School under Code Section 501©(3), including but not limited to actions that would subject either GEO or the School to intermediate sanctions of the IRS.
2. Breach of fiduciary duty, including but not limited to a violation of the relevant standard of care under the Articles of Incorporation or Bylaws of the Corporation or as otherwise provided by law.
3. Breach of any governing document relating to the school, including but not limited to the Charter Agreement, Conflict of Interest policies, and Background Check policies.
4. Reprehensible conduct and/or moral turpitude
5. Inadequate attendance, defined as missing more than three consecutive Board meetings, or 50% of annual Board meetings.

Section 1.5 Annual Meetings. The Board of Directors shall meet at a time and place to be determined by the Board of Directors each year, for the purpose of election of directors and officers of the Corporation and consideration of any other business which may be brought before the meeting. Notice shall be provided for the holding of an annual meeting in accordance with the provisions of IC 5-14-1.5.

Section 1.6 Other Meetings. Regular meetings of the Board of Directors may be held pursuant to a resolution of the Board to such effect, and shall be held whenever convenient for the Board of Directors. Unless otherwise provided by the Board of Directors, regular meetings shall be held

at the Corporation's principal office. No notice shall be necessary for any regular meeting except such notice as is required by the open Door Law. Special meetings of the Board of Directors may be held upon the call of the presiding officer of the Board of Directors and upon at least forty-eight (48) hours' notice (excluding Saturdays, Sundays and legal holidays) specifying the date, time, place and purpose or purposes of the meeting, given to each director either personally or by mail, electronic email, facsimile transmission or telephone. A director may waive any required notice of an annual, regular or special meeting. The waiver must be in writing, signed by the director entitled to the notice, and filed with the minutes or corporate records. A director's attendance at or participation in a meeting waives any required notice to the director of the meeting unless the director at the beginning of the meeting, or promptly upon the director's arrival, objects to holding the meeting or transacting business at the meeting and does not vote for or assent to action taken at the meeting. Notwithstanding the forgoing provisions, the Corporation shall at all times comply with the provisions of the Open Door Law.

Section 1.7. Quorum; Voting. A majority of the directors in office when action is taken, but in no event fewer than two (2) directors, shall be necessary to constitute a quorum for the transaction of any business at a meeting of the Board of Directors. If a quorum is present when a vote is taken, the affirmative vote of a majority of the directors present when the act is taken shall be the act of the Board of Directors, unless the act of a greater number is required by law, the Articles of Incorporation or these Bylaws.

Section 1.8. Action by Consent. Any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting if the action is taken by all directors and ratified at a meeting of the Board of Directors that complies with the requirements imposed upon the Corporation by the Open Door Law. The action must be evidenced by at least one (1) written consent describing the action to be taken, signed by each director and included in the minutes or filed with the corporate records reflecting the action taken. Action taken under this Section is effective only when ratified by the Board of Directors at a meeting that complies with the terms of the Open Door Law, and the date of ratification shall be the effective date of the action, unless the consent specifies a prior or subsequent effective date.

Section 1.9. Open Door Law. Any resolutions, consents, minutes or other decisions resulting from a meeting or action of the Board of Directors must comply in all respects with the requirements imposed upon the Corporation by the Open Door Law.

Section 1.10. Access to Public Records Law. Records relating to the Corporation's charter with its sponsoring agency and the operation of a charter school are subject to inspection and copying pursuant to the provisions of Ind. Code § 5-14-3 et seq., or corresponding provisions of any subsequent State open records law.

Section 1.11. Committees. The Board of Directors may from time to time create and appoint standing, special or other committees to undertake studies, make recommendations and carry on functions for the purpose of efficiently accomplishing the purposes of the Corporation. Committees, to the extent specified by the Board of Directors, may exercise the powers, functions or authority of the Board of Directors, except where prohibited by law; provided, however, that if a committee is to exercise board powers, functions, or authority, (a) all the persons serving on the committee must be directors, (b) there must be at least two (2) persons on the committee, and (c) the creation of the committee and the appointment of its members shall be by a majority of all directors in office when the action is taken.

Section 1.12. Pecuniary Interest Should the Board of Directors elect to hire an Educational management organization (EMO) to support the school, at no time will any Board member hold a pecuniary interest in the EMO, as defined by state ethics laws.

ARTICLE II

Officers

Section 2.1. Officers and Qualifications Therefor. The officers of the Corporation shall consist of a President, a Vice President, a Secretary and a Treasurer. The officers shall be chosen by the Board of Directors. Any two (2) or more offices may be held by the same person.

Section 2.2. Terms of Office. Each officer of the Corporation shall be elected by the Board of Directors at its annual meeting and shall hold office for a term of one (1) year and until a successor shall be duly elected and qualified, or until resignation, removal or death.

Section 2.3. Vacancies. Whenever any vacancies shall occur in any of the offices of the Corporation for any reason, the same may be filled by the Board of Directors, and any officer so elected shall hold office until the expiration of the term of the officer causing the vacancy and until the officer's successor shall be duly elected and qualified.

Section 2.4. Removal. Any officer of the Corporation may be removed, with or without cause, at any time by the Board of Directors.

Section 2.5. Compensation. The officers of the Corporation shall receive no compensation for their services in such offices.

ARTICLE III

Powers and Duties of Officers

Section 3.1. President. The President, if present, shall preside at all meetings of the Board of Directors. At each annual meeting of directors, the President or the President's designee shall report on the activities of the Corporation. Subject to the general control of the Board of Directors, the President shall manage and supervise all of the affairs of the Corporation and shall perform all of the usual duties of the chief executive officer of a corporation.

Section 3.2. Vice President. Subject to the general control of the Board of Directors, if the President is not present, the Vice President shall discharge all the usual functions of the President and shall have such other powers and duties as these Bylaws, the Board of Directors or an officer authorized by the Board may prescribe.

Section 3.3. Secretary. The Secretary shall attend all meetings of the Board of Directors, and prepare, keep, or cause to be kept, a true and complete record and minutes of the proceedings of such meetings, and shall perform a like duty, when required, for all committees appointed by the Board of Directors; provided, further, all agendas, resolutions, consents and corporate minutes shall comply in all material respects with the Open Door Law. The Secretary shall at all times ensure that the open records requirements described in Section 1.9 are satisfied. If required, the Secretary shall attest the execution by the Corporation of deeds, leases, agreements and other official documents. The Secretary shall attend to the giving and serving of all notices of the Corporation required by these Bylaws, shall have custody of the books (except books of account) and records of the Corporation, shall be responsible for authenticating records of the Corporation, and in general shall perform all duties pertaining to the office of Secretary and such other duties as these Bylaws, the Board of Directors, or an officer authorized by the Board may prescribe.

Section 3.4. Treasurer. The Treasurer shall keep correct and complete records of account, showing accurately at all times the financial condition of the Corporation. The Treasurer shall have charge and custody of, and be responsible for, all funds, notes, securities and other valuables which may from time to time come into the possession of the Corporation and shall deposit, or cause to be deposited, all funds of the Corporation with such depositories as the Board of Directors shall designate. At each annual meeting of the directors, the Treasurer, or the Treasurer's designee, shall report on the financial condition of the Corporation. The Treasurer, or the Treasurer's designee, shall furnish, at meetings of the Board of Directors or whenever requested, a statement of the financial condition of the Corporation, and in general shall perform all duties pertaining to the office of Treasurer.

Section 3.5. Assistant Officers. The Board of Directors may from time to time designate and elect assistant officers who shall have such powers and duties as the officers whom they are elected to assist shall specify and delegate to them, and such other powers and duties as these Bylaws or the Board of Directors may prescribe. An Assistant Secretary may, in the absence or disability of the Secretary, attest the execution of all documents by the Corporation.

ARTICLE IV

Conflicts of Interest Policy

Section 4.1. General. The proper governance of the Corporation depends upon directors who give of their time for the benefit of their community. The giving of this service, because of the varied interests and backgrounds of the directors, may result in situations involving a dual interest that might be interpreted as a conflict of interest. This service should not be rendered impossible solely by reason of duality of interest or possible conflicts of interest. This service nevertheless carries with it a requirement of loyalty and fidelity to the Corporation, it being the responsibility of the directors to govern the Corporation's affairs honestly and economically, exercising their best care, skill, and judgment for the benefit of the Corporation. The matter of any duality of interest or possible conflict of interest can best be handled through full disclosure of any such interest, together with noninvolvement in any vote wherein the interest is involved.

Section 4.2. Disclosure. On an annual basis, each director shall complete a statement, in the form prescribed by the Board of Directors, disclosing all business relationships between the director and the Corporation including, but not limited to, financial interests that must be disclosed pursuant to any charter agreement between the Corporation and its sponsoring agency. The Board of Directors shall compile a summary of those disclosure statements and investigate and gather whatever additional information is necessary to fully describe the business relationships. Upon the request of any director, the Board of Directors may investigate any matters regarding a business relationship, analyze the potential for a conflict of interest with respect to such business relationship, and issue a report of its findings. The Board of Directors may take into account the personal involvement by the director in the business relationship and the financial significance of the business relationship to the director's business.

Section 4.3. Ongoing Obligation of Disclosure. The foregoing procedure shall not relieve any director from additional disclosure if appropriate in light of developments between annual disclosures to the Board of Directors.

Section 4.4. Voting and Quorum. Any director having a business relationship which impacts upon any matter properly before the Board of Directors should not vote or use personal influence on the matter, and should not be counted in determining the quorum for the meeting, even where permitted by law. The minutes of the meeting should reflect that a disclosure was made, the abstention from voting, and the quorum situation.

Section 4.5. Review. Compliance with this Article IV shall be reviewed annually by the Board of Directors. Any new director shall be properly oriented regarding this section upon commencing the duties of office and shall complete the prescribed statement.

ARTICLE V

Excess Benefit Transaction Policy

Section 5.1. Introduction and Purpose. This policy (the "Policy") is hereby established by the Corporation in regard to managing and avoiding the entering into of transactions which would constitute an "excess benefit transaction" as that term is defined in Section 4958 of the Internal Revenue Code of 1986, as amended (the "Code"). The Corporation is an Indiana nonprofit corporation and has applied for exemption from federal income tax as an organization described in Code Section 501(c)(3). If the requested exemption is granted, the Corporation will be an organization subject to the taxes on excess benefit transactions as set forth in Code Section 4958. To the extent Code Section 4958 applies to transactions by the Corporation, it is the intent of the Corporation to avoid any transaction which could give rise to the excise taxes imposed by this Code Section.

Section 5.2. Definitions. The following terms as used in this Policy are more fully defined in Code Section 4958 and the Regulations issued pursuant thereto. Key definitions can be summarized as follows:

- (a) The term "Disqualified Person" means a person who is or has been in a position to exercise substantial influence over the affairs of the Corporation during the five (5) years ending on the date of the transaction, a member of his or her family, or an entity in which the disqualified person has in excess of thirty-five percent (35%) control. Persons holding the following powers and responsibilities are deemed to be in a position to exercise substantial control over an organization: voting members of the governing body, the chairman, the chief executive officer, the chief operating officer, the treasurer and the

chief financial officer. Others may be in a position to exercise substantial control over the Corporation if the facts and circumstances justify such a conclusion.

- (b) The term "Excess Benefit" means the amount by which the value of the economic benefit provided by the Corporation directly or indirectly to or for the use of a Disqualified Person exceeds the consideration received from the Disqualified Person.
- (c) The term "Excess Benefit Transaction" means any transaction in which an economic benefit is provided by the Corporation directly or indirectly to or for the use of any Disqualified Person, if the value of the economic benefit provided exceeds the value of the consideration, including services, received for providing such benefit.
- (d) The term "Fixed Payment" means a payment made in exchange for the provision of specified services or property, the amount of which is specified in a contract or determined by a fixed formula specified in a contract. A Fixed Payment may include an amount that depends upon specified future contingencies or events, including revenues generated by the Corporation, provided that no person is permitted to exercise discretion when calculating the amount thereof or determining whether or not to make such payment.

Section 5.3. General Rule. The Corporation intends to avoid any Excess Benefit Transaction whereby Excess Benefit is bestowed upon a Disqualified Person, as all these terms are defined. Transactions which present the risk of bestowing Excess Benefit will be scrupulously avoided. When a potential risk is identified, the procedures set forth below should be followed to manage the identified risk.

Section 5.4. Procedures for Establishing a Rebuttable Presumption That a Transaction Is Not An Excess Benefit Transaction. Pursuant to the Regulations issued under Code Section 4958, a rebuttable presumption that a transaction is not an Excess Benefit Transaction may be established. The Board of Directors will endeavor to establish the foregoing presumption by reviewing transactions which raise the risk of Excess Benefit. Persons having a conflict of interest will be excluded from this decision making process. If necessary, a committee which may include directors as well as others who are free of conflict of interest may be formed for this purpose. The Board of Directors will accomplish this by complying with the following procedures whenever a potential risk is identified:

- (a) The transaction shall be approved in advance by the Board of Directors, a committee of the Board of Directors as described in Section 1.10. or other parties authorized by the Board of Directors to act on its behalf (to the extent permitted by state law), provided such group is composed entirely of individuals who do not have a conflict of interest with

respect to the transaction (the "Decision Making Body"). A person has a conflict of interest if that person:

- (i) is a Disqualified Person or a family member thereof;
- (ii) is in an employment relationship subject to the direction or control of a Disqualified Person;
- (iii) receives compensation subject to approval by a Disqualified Person;
- (iv) has a material financial interest affected by the transaction; or
- (v) has previously received an economic benefit through a transaction approved by the Disqualified Person.

(b) The Decision Making Body shall obtain and rely upon appropriate data as to the comparability of the terms of the transaction prior to making its decision.

- (i) The Decision Making Body has appropriate comparability data if, considering the knowledge and expertise of its members, it has sufficient information to determine that the transaction in its entirety is reasonable or at fair market value.
- (ii) Relevant information with respect to a compensation transaction includes:

- (a) compensation paid by similar organizations for functionally comparable positions;
- (b) the availability of similar services within the geographic area;
- (c) current compensation surveys performed by independent firms; and
- (d) written offers from competing entities for the services of the Disqualified Person.

- (iii) If the Corporation's annual gross receipts are less than one million dollars, the Corporation will have considered appropriate comparability data as to a compensation arrangement if it has data on compensation paid by three comparable organizations in the same or similar communities for similar services.

(iv) Relevant information with respect to a property transaction includes:

- (a) current independent appraisals; and
- (b) offers received in a competitive and open bidding process.

(c) The Decision Making Body shall adequately document the basis for its determination concurrently with making that decision.

- (i) Adequate documentation must include:

- (a) the terms of the transaction approved;
- (b) the date the transaction is approved;
- (c) the members of the Decision Making Body present during debate and who participated in voting;
- (d) the comparability data obtained and relied upon and how it was obtained; and
- (e) any actions taken by anyone on the Decision making body who had a conflict of interest with respect to the transaction.

In the event the Corporation wishes to establish the foregoing presumption with respect to a payment which is not a Fixed Payment, the Corporation will ensure that the procedures described above have been satisfied only after the exact amount of such payment has been determined, or a fixed formula for calculating the payment has been specified.

To the extent additional guidance is needed by the Decision Making Body in its deliberations, the regulations under Code Section 4958 may be consulted for insight and guidance.

Section 5.5. Rules Relating to Compensation for Services. If the Corporation intends to compensate a Disqualified Person for services rendered to the Corporation, the Decision Making Body shall clearly indicate its intent to treat the economic benefit as compensation for services by providing written substantiation that is contemporaneous with the payment of the compensation. In addition to the substantiation required by Section 5.4(c), the Decision Making Body shall develop the following written substantiation with respect to compensation payments to a Disqualified Person:

- (a) The Corporation shall report the economic benefit given to the Disqualified 1 Person as compensation on an original Federal tax information return (e.g., Form 990, Form W-2, or Form 1099); and
- (b) The Corporation shall reflect its intent that the economic benefit be considered compensation for services through:
 - (i) An approved written employment or consulting contract executed on or before the date of transfer; or
 - (ii) Written resolutions of the Decision Making Body indicating that it approved the transfer as compensation for services on or before the date of the transfer.

ARTICLE VI

Miscellaneous

Section 6.1. Corporate Seal. The Corporation may, but need not, have a corporate seal. The form of any such corporate seal may be specified in a resolution of the Board of Directors. A corporate seal, however, shall not be required for any purpose, and its absence shall not invalidate any document or action.

Section 6.2. Execution of Contracts and Other Documents. Unless otherwise ordered by the Board of Directors, all written contracts and other documents entered into by the Corporation shall be executed on behalf of the Corporation by the President or Vice President and, if required, attested by the Secretary or an assistant secretary.

Section 6.3. Fiscal Year. The fiscal year of the Corporation shall begin on [January 1] of each year and end on the immediately following [December 31].

ARTICLE VII

Nondiscrimination

The Corporation shall not discriminate against any student, teacher or employee on the basis of race, religion, gender, or national origin. The Corporation shall admit students of any race, religion, gender, color, national and ethnic origin, and disability to all the rights, privileges, programs, and activities generally accorded or made available to students at the Corporation's school. The Corporation does not discriminate on the basis of race, religion, gender, color, national or ethnic origin, or disability in administration of its educational policies, admissions policies, scholarship and loan programs, and athletic and other school administered programs.

ARTICLE VIII

Amendments

The Corporation's Articles of Incorporation and these Bylaws may be altered, amended or repealed upon the affirmative vote of two-thirds (2/3) of the directors then in office and the written consent of the Supported Organization. The Corporation must provide written notice to the directors of any meeting at which an amendment to the Articles of Incorporation or these Bylaws is to be considered and voted upon.


Secretary's Initials

2/12/16