



BYLAWS
OF
ST. CROIX PREPARATORY ACADEMY

Bylaws

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BYLAWS
OF
ST. CROIX PREPARATORY ACADEMY
(the "Corporation")

ARTICLE I
PURPOSE

The purposes of the Corporation are as stated in its Articles of Incorporation.

ARTICLE II
OFFICES

The registered office of the Corporation in the State of Minnesota is as stated in the Articles of Incorporation. The Corporation may have such other offices within the State of Minnesota as the Board of Directors may determine or as the affairs of the Corporation may require. The registered office may be, but need not be, identical with the principal office in the State of Minnesota.

ARTICLE III
MEETINGS

Section 1. Regular Meeting. Regular meetings of the Board of Directors shall generally be held the third Tuesday of each month.

Section 2. Special Meeting. A special meeting of the Board of Directors may be called by the Chair or at least three Directors. Notice of the special meeting shall be provided in accordance with Minnesota Statutes, section 13D.04, as amended. Such notice shall contain the date, time, place and purpose of the meeting. Only subjects listed on the agenda may be acted upon at the meeting.

Section 3. Quorum and Adjourned Meeting. A meeting at which at least a majority of the members of the Board of Directors are present shall constitute a quorum for the transaction of business at any meeting of the Board of Directors. If, however, such quorum shall not be present at any scheduled meeting, the director or directors present thereat shall have the power to adjourn without notice other than announcement at the meeting, until a quorum shall be present. The meeting shall be rescheduled in accordance with the Open Meeting Law. The existence of a quorum is determined when a duly called meeting is convened.

Section 4. Open Meeting Law. All Board of Director meetings, and notice of all such meetings, shall comply with the Open Meeting Law, Minnesota Statutes chapter 13D, as amended.

ARTICLE IV
BOARD OF DIRECTORS

Section 1. General Powers and Voting.

- (a) The affairs of the Corporation shall be managed by its Board of Directors. Except as limited by the Articles of Incorporation, these Bylaws, Minn. Stat. 124E and by law, the Board of Directors shall have the power and authority to do all acts and perform all functions that the Corporation may do or perform.
- (b) Every member of the Board of Directors shall have one (1) vote on all matters to be decided by the Board. Unless otherwise stated in these Bylaws, the affirmative vote of a majority of Directors present and voting shall constitute Board action. Proxy voting is not permitted.

Section 2. Number, Tenure, and Qualifications.

- (a) Number. The Board of Directors shall consist of at least five (5) and no more than eleven (11) members.
- (b) Tenure. Each director shall hold office for a three (3) year term or until a successor has been duly elected and qualified or until the director dies, resigns, is removed, or the term otherwise expires.
- (c) Qualifications.
 - (i) Prohibitions. The Board of Director membership shall not contain any related parties, as defined by Minn. Stat. 124E, or any persons prohibited by Minn. Stat. 124E.
 - (ii) Training Requirements. Minnesota Statutes section 124E.07, subdivision 7, as amended, requires initial and annual training of directors. The Board of Directors will determine the specific initial and annual training requirements and publish these requirements in a training policy. A person elected or appointed to hold office as a director does not automatically assume the duties of that office. A person cannot assume the duties of the office of a director until he or she has qualified for the office. Qualification for an incoming director requires that the person complete the training requirements described in the training policy under the heading "Prerequisites to Assuming the Duties of the Office of a Director." To continue as a director, a person must comply with the initial and annual training requirements described in the training policy under the headings "Initial Training (First Year on the Board)" and "Annual Training".
 - (iii) Additional Qualifications.
 - (A) Employee Termination. A teacher who is a Director and who resigns his or her employment at the school or whose employment is terminated at the school is ineligible to be a Director and is removed from the Board as of the date of employment resignation or termination.
 - (B) Teacher who is Also a Parent. A teacher employed at the school who is also a parent of a child enrolled at the school is eligible for a teacher Director position and is ineligible for a parent Director position.
 - (C) Community Member who Becomes an Employee or a Parent. A community member Director who, during his or her Board term, becomes employed at the school or a parent of a child enrolled at the school is removed from the Board as of the date of such employment or enrollment.
 - (D) Parent whose Child is Unenrolled. A parent Director whose child is unenrolled from the school during such Director's term, is removed from the Board as of the date of such unenrollment.
 - (E) Current Students Attending the Corporation. Current students attending St. Croix Preparatory Academy cannot be a candidate for or hold a Board of Director position.

Section 3. Designation & Change of Governance Structure.

Designation of Governance Structure. The composition of the Board of Directors must be consistent with Minnesota Statutes section 124E.07, subdivision 3, as amended. The term governance structure means having a teacher-majority or a non-teacher majority board, or having a board with no clear majority. The governance structure of the Board of Directors is designated as no clear majority. Any change in board governance structure must conform with the composition of the Board set forth in Minnesota Statutes section 124E.07, subdivision 4, as amended.

- (b) Requirements to Change of Governance Structure. The Board may change the governance structure only upon:
- (i) a majority vote of the Board of Directors and a majority vote of the licensed teachers employed by the school as teachers, including licensed teachers providing instruction under a contract between the school and a cooperative, with licensed teachers who are both employed by the school and a Director having one vote.

AND

- (ii) approval of the school's authorizer.

- (c) Process & Procedures to Change Governance Structure.

- (i) Requests & Petitions to Change Structure. The Board may consider a change in its governance structure upon receipt of a request for such consideration signed by at least two Directors, or the receipt of a petition to so change the governance model signed by at least 50% of the parents of students enrolled in the school or 50% of the licensed teachers employed at the school.
- (ii) Special Board Meeting to Solicit Community Comment. Upon receipt of a request or petition complying with (i) above, the Board shall schedule and publicize a special board meeting, to be held within thirty days of receipt of such request or petition, for the sole purpose of receiving community comment regarding the governance structure. When publicizing the special board meeting, the Board shall also invite the school community to submit written comments to the Board prior to the special board meeting.
- (iii) Board Meeting. The Board shall place on the agenda of its regular meeting following the special board meeting consideration of changing the governance structure. Placing the item on the agenda does not require any board member to introduce a motion or second a motion for such consideration.
- (iv) Effective Date of Change in Governance Structure. Any change in the governance structure complying with this Section 3 is not effective for the duration of the current charter contract period and will be effective for the subsequent charter contract period and begin on the same date as the effective date of the charter contract next executed between the school and its authorizer.

Section 4. Nomination Process. At least sixty (60) days prior to the Corporation's School Board election, the Board of Directors, or its committee, will solicit nominations from teachers, parents/legal guardians, and community members, for all of the Director positions that will be filled at the next election. Each nominee shall identify the category of board membership - licensed teacher, parent/legal guardian, community member - for which s/he is seeking election. The Board of Directors will compile a list of said nominees and notify eligible voters of the nominees, the category of board membership for each nominee, and the

date of the election, at least thirty (30) days prior to the election. The Board of Directors shall prepare ballots for use by voters which shall segregate nominees by category of board membership.

Section 5. Eligible Voters. Each member of the Board of Directors, parent or legal guardian of a child enrolled at the school, and each employee of the school shall have the right to exercise one (1) vote for its board candidates. An individual holding positions in multiple categories (i.e., parent/legal guardian who is an employee of the school; parent/legal guardian who is a Board member; teacher who is a Board member) shall have the right to exercise one (1) vote.

Section 6. Resignation and Removal. Directors may resign at any time, effective immediately or at a specified later date, by giving written notice to the Board Chair or the Secretary of the Corporation. The acceptance of such resignation shall not be necessary to make it effective. A director may be removed at any time, with or without cause, by a two-thirds (2/3) vote of all remaining directors of the Corporation. Failure to attend four (4) consecutive meetings or two (2) quarterly meetings shall constitute cause.

Section 7. Filling Vacancies. Vacancies on the Board of Directors may be filled by appointment of a new director by the affirmative vote of a majority of the remaining directors, even if less than a quorum. The remaining directors shall give consideration to appointing a new director based on the most recent board election, subject to the membership category being filled. A director filling a vacancy shall hold office until the term of his predecessor expires.

Section 8. Compensation. At the discretion of the Board of Directors, directors may receive compensation for their services as a Director; nothing in these Bylaws shall be construed to preclude any director from serving the Corporation in any other capacity and receiving compensation therefore as long as no statutory or common law conflict of interest or statutory prohibition exists. In addition, the directors of this Corporation may be reimbursed for reasonable out-of-pocket expenses incurred by them in rendering services to this Corporation, as the Board of Directors from time to time determines such services to be directly in furtherance of the purposes and in the best interest of the Corporation.

Section 9. Committees of the Board. The Board of Directors may, by resolution passed by a majority of the Board of Directors, designate, define the authority of, set the number and determine the identity of, members of one or more committees. Committee members must be natural persons, but need not be members of the Board of Directors. The Board may, by similar vote, designate one or more alternate members of any committee who may replace any absent or disqualified member at any meeting of the committee.

9.1 Authority of Committees. Committees shall make recommendations to the Board of Directors. No committee shall have the authority to act on behalf of the Board of Directors unless such authority is specifically delegated to the committee by the Board of Directors; provided, however, that no committee shall be granted any powers or authority exceeding that granted to the Board of Directors. Unless otherwise stated in the resolutions creating it, or in these Bylaws, committee actions shall be taken only upon the affirmative vote of a majority of the members of the committee. Failure of a committee to reach an agreement upon any issue before it shall require referral of such issue to the entire Board of Directors. Each committee shall be under the direction and control of the Board and shall keep regular minutes of their proceedings, and all actions of each committee shall be reported to the Board of Directors and shall be subject to revision and alteration by the Board of Directors. Each committee shall meet as provided by its rules or by resolution of the Board of Directors. Notice of all meetings of any committee shall be given to all members of that committee as determined by the committee.

9.2. Procedures for Conducting Meetings. The activities of all committees of this Corporation shall be conducted in such manner as will advance the best interest of the Corporation. Each committee shall fix its own rules of procedure and other

regulations which shall be consistent with the Articles of Incorporation, these Bylaws and the policies of the Corporation. The Board Chair shall be an ex-officio member of all committees, unless he serves as a member of such committee.

Section 10. Conflict of Interest. Statutory and common law conflicts of interest are prohibited. A Conflict of Interest Policy will be established by the Board of Directors.

ARTICLE V OFFICERS AND EMPLOYEES

Section 1. Number, Election, and Experience.

- (a) Number of Officers. The officers of this Corporation shall consist of a President (Chief Executive Officer), Vice President, Treasurer (Chief Financial Officer), Secretary and such other officers as the Board of Directors shall determine from time to time.
- (b) Election of Officers & Term. The officers of the Corporation shall be elected by the Board for the lesser of a one (1) year term or the remaining unexpired term of the Director.
- (c) Experience. It is preferred that the President and Vice President each have at least one year of service as a Director on the Board of Directors before serving in the capacity as the President or Vice President.

Section 2. Vacancies. A vacancy in any office of this Corporation occurring by reason of death, disqualification, resignation or removal shall be filled for the unexpired portion of the term by election of a successor by a majority vote of the Board.

Section 3. President (Chief Executive Officer). The President shall:

- (a) Exercise the functions of the Office of the President of the Corporation;
- (b) Preside at all meetings of the Board of Directors;
- (c) Perform such duties and exercise such powers as are necessary or incident to the supervision and management of the business and affairs of the Corporation as directed by the Board of Directors;
- (d) Sign and deliver, in the name of the Corporation, all deeds, mortgages, bonds, contracts or other instruments requiring an officer's signature, unless otherwise directed by the Board;
- (e) Have the general powers and duties usually vested in the office of the president and;
- (f) Have such other powers and perform such other duties as are prescribed by Minnesota Statutes, Section 317A.305, subd. 2, as amended, and as the Board of Directors may from time to time prescribe.

Section 4. Vice-President. The Vice-President shall:

- (a) Exercise the functions of the Office of the President of the Corporation, in the absence of the President;
- (b) Preside at all meetings of the Board of Directors, in the absence of the President;
- (c) Perform such duties and exercise such powers as are necessary or incident to the supervision and management of the business and affairs of the Corporation as directed by the Board of Directors, in the absence of the President;
- (d) Sign and deliver, in the name of the Corporation, all deeds, mortgages, bonds, contracts or other instruments requiring an officer's signature, unless otherwise directed by the Board, in the absence of the President;
- (e) Have the general powers and duties usually vested in the Office of the President, in the absence of the President and;
- (f) Have such other powers and perform such other duties as the Board of Directors may from time to time prescribe.

Section 5. Treasurer (Chief Financial Officer). The Treasurer or the Treasurer's designee shall:

- (a) Keep accurate financial records for the Corporation and accurate accounts of all monies of the Corporation received or disbursed;
- (b) Deposit all monies, drafts and checks in the name of, and to the credit of, the Corporation in such banks and depositories as the Board of Directors shall from time to time designate;
- (c) Ensure the proper care and custody of the corporate funds and securities;
- (d) Have the power to endorse for deposit all notes, checks and drafts received by the Corporation at the direction of the Board, making proper vouchers for the deposit;
- (e) Disburse the funds of the Corporation and issue checks and drafts in the name of the Corporation as order by the Board of Directors;
- (f) Render to the Board President and the Board of Directors, whenever required, an account of all of the transactions as Chief Financial officer and of the financial condition of the Corporation; and,
- (g) Perform such other duties and have such other powers as may from time to time be prescribed by the Board of Directors.

Section 6. Secretary. The Secretary shall maintain the records of the Office of the Corporation and shall:

- (a) Attend all meetings of the Board of Directors and all committees as required;
- (b) Record all proceedings in the Minutes of the Board of Directors and committees in a book to be kept for that purpose;
- (c) Preserve all documents and records belonging to the Corporation;
- (d) Give or cause to be given notice of all meetings of the Board of Directors and its committees; and,
- (e) Perform such other duties as may be prescribed by the Board of Directors.

Section 7. Management and Administrative Employees. The Corporation may have such management and administrative employees as the Board of Directors deems necessary. The Board of Directors shall determine the hiring process and the duties and responsibilities for such employees.

Section 8. Compensation. The employees of the Corporation may be paid such reasonable compensation, if any, for their services rendered to the Corporation in such capacity, and may be reimbursed for reasonable out-of-pocket expenses, as the Board of Directors from time to time determines to be directly in furtherance of the purposes and in the best interests of the Corporation.

Section 9. Bond. The Board of Directors of this Corporation shall from time to time determine which, if any, of the officers, agents or employees of this Corporation shall be bonded and the amount of each bond.

Section 10. Removal of Officer. Any officer may be removed at any time, by the vote of a majority of a quorum of the Board of Directors at any regular meeting or at a special meeting called for that purpose.

Section 11. Resignation. Any officer may resign at any time. Such resignation shall be made in writing to the President or Secretary of the Corporation and shall take effect at the time specified therein, or if no time be specified, at the time of its receipt by the President or Secretary. The acceptance of a resignation shall not be necessary to make it effective.

ARTICLE VI DISTRIBUTION OF ASSETS

Section 1. Right to Cease Operations and Distribute Assets. By a two-thirds (2/3) vote of all directors, the Board of Directors may resolve that the Corporation cease operations and voluntarily dissolve. Such resolution shall set forth the proposed dissolution and direct designated officers of the Corporation to perform all acts necessary to effect a dissolution. If such cessation and distribution is called for, the Board of Directors shall set a date for commencement of the distribution.

Section 2. Cessation and Distribution. When cessation of operations and distribution of assets has been called for, the Board of Directors and the designated officers shall cause the Corporation to discontinue its regular business activities and operations as soon as practicable, and shall liquidate and distribute all the Corporation's assets to other entities in accordance with Minnesota Statutes, Section 317A.735, as amended, and in accordance with the Articles of Incorporation. Notice of intent to dissolve shall be filed with the Secretary of State pursuant to Minnesota Statutes, Section 317A.723, as amended.

ARTICLE VII INDEMNIFICATION

Section 1. Indemnification. Each director, officer and employee of the Corporation, past or present, shall be indemnified by the Corporation in accordance with, and to the fullest extent permitted by, Minnesota Statutes, Sections 317A.161, subdivision 11, and 317A.521, as amended. The Corporation shall also indemnify and hold harmless the individuals identified in Minnesota Statutes Section 124E.09, in accordance with that statute, as amended, except that such indemnification will be limited as required by applicable law including Minn. Stat. Chapter 124E. The Corporation shall not be obligated to indemnify any other person or entity, except to the extent such obligation shall be specifically approved by resolution of the Board of Directors. The Corporation shall have the power to advance such person's expenses incurred in defending any such proceeding to the maximum extent permitted by law. This Section is and shall be for the sole and exclusive benefit of the individuals designated herein and no individual, firm or entity shall have any rights under this Section by way of assignment, subrogation or otherwise, whether voluntarily, involuntarily or by operation of law.

This duty to indemnify applies provided that the director, officer, or employee, or individual identified in section 124E.09, as amended, was acting in the performance of the duties of the position and was not guilty of malfeasance of office, willful neglect of duty, or bad faith.

Section 2. Insurance. The Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, against any liability asserted against and incurred by such person in his or her official capacity, or arising out of his or her status as such, whether or not the Corporation would have the power to indemnify such person against liability under Minnesota Statutes, Section 317A.521, as amended, the Articles of Incorporation or these Bylaws.

ARTICLE VIII AMENDMENTS

The power to adopt, amend or repeal the Bylaws is vested in the Board of Directors.

ARTICLE IX FINANCIAL MATTERS

Section 1. Contracts. The Board of Directors may authorize any officer or officers, agent or agents of the Corporation to enter into any contract or execute and deliver any instrument in the name and on behalf of the Corporation, and any such authority may be general or confined to specific instances. Unless so authorized by the Board of Directors or these Bylaws, no officer, agent or employee shall have any power or authority to bind the Corporation by any contract or engagement, or to pledge its credit or to render it liable pecuniarily for any purpose or to any amount.

Section 2. Loans and Pledges. No loans shall be contracted nor pledges or guarantees given on behalf of the Corporation unless specifically authorized by the Board of Directors.

Section 3. Authorized Signatures. All checks, drafts or other orders for the payment of money, notes or other evidence of indebtedness issued in the name of the Corporation shall be signed by such person or persons and in such manner as shall from time to time be determined by the Board of Directors or these Bylaws.

Section 4. Deposits. All funds of the Corporation shall be deposited to the credit of the Corporation in such banks, trust companies or other depositories as the Board of Directors may designate and shall be disbursed under such general rules and regulations as the Board of Directors may from time to time determine.

Section 5. Corporate Seal. The Corporation shall not have a corporate seal.

Section 6. Documents Kept at Registered Office. The Board of Directors shall cause to be kept at the registered office of this Corporation originals or copies of:

- 6.1. Records of all proceedings of the Board of Directors and all committees having any authority of the Board, including minutes of meetings;
- 6.2. Records of all votes and actions of the Board of Directors;
- 6.3. Accounting records, including all financial statements of this Corporation; and
- 6.4. Articles of Incorporation and Bylaws of this Corporation and all amendments and restatements thereof.

Section 7. Accounting System and Audit. The Board of Directors shall cause to be established and maintained, in accordance with generally accepted accounting principles, an appropriate accounting and financial reporting system for the Corporation. The Board shall cause the records and books of account of the Corporation to be audited, in accordance with Minnesota Statutes section 124E.16, at least once each fiscal year and at such other times as it may deem necessary or appropriate, and may retain such person or firm for such purposes as it may deem appropriate.

Section 8. Funding Limits. The Board of Directors shall not allocate more than seventy percent (70%) of the total funding received from the State of Minnesota for wages and salaries. The foregoing limitation does not include benefits such as medical and dental benefits or other benefits deemed necessary by the Board of Directors.

ARTICLE X MISCELLANEOUS

Section 1. Gender References. All references in these Bylaws to a party in the masculine shall include the feminine and neuter.

Section 2. Plurals. All references in the plural shall, where appropriate, include the singular and all references in the singular shall, where appropriate, be deemed to include the plural.

CERTIFICATE

The undersigned members of the Board of Directors of the St. Croix Preparatory Academy, a Minnesota nonprofit corporation, do hereby certify that the foregoing pages constituting the bylaws are the updated bylaws adopted for the Corporation.

Date

NAME

Date

NAME

Date

NAME

Date

NAME

Date

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Date

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Date

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Date

NAME