

# Revised Bylaws of Stone Creek Charter School

## Approved by Resolution 2021:1 January 2021

### ARTICLE I: NAME, LOCATION, MISSION & VISION

#### 1.1 Name:

The name of the organization will be Stone Creek Elementary School doing business as Stone Creek Charter School (SCCS) and referred to as such in these Bylaws and elsewhere.

#### 1.2 Location:

The principal office of SCCS will be located within Eagle County, Colorado at one of SCCS's campus locations.

SCCS may also have offices at such other places the Board of Directors (Board) may, from time to time, appoint or the business of SCCS requires; provided, however, that the registered office be registered with the Secretary of the State of Colorado and the agent so registered be located at the same address, or otherwise as provided by the Board of Directors.

#### 1.3 Vision Statement:

SCCS will be a place where kids, teachers, and staff grow, are supported, and challenged to become the best version of themselves in the safe and vibrant community we build to support one another.

#### 1.4 Mission Statement:

To educate, support, and challenge our students and teachers to be great citizens, SCCS will engage their minds, inspire their spirit, support their wellbeing, and build a strong community that showcases their strengths and welcomes their diversity.

#### 1.5 Core Values:

SCCS is a values-driven organization. Our core values are central to our program and to our results. We recognize and celebrate these values in our students throughout the year as these virtues are embedded in everything we do as a learning community:

- **Excellence:** Excellence is doing one's best, not necessarily being the best. It's consistently putting forth your best effort and upholding high personal standards.
- **Diversity, Equity & Inclusion (DEI):** Requires consistent and proactive examination that the following is occurring throughout the organization:
  - Intentional, ongoing effort to ensure that multiple perspectives and populations are invited, represented, welcomed, respected, valued, and ultimately participate in the organization's work and in the community at large.
  - That the organization promotes and maintains justice, impartiality, and fairness within its procedures, processes, distribution of resources, and decision-making.
- **Integrity:** Being truthful, fair, and trustworthy in your words and actions - doing as you say and saying as you do.
- **Respect:** Appreciating the value of a person or an object through your words, actions, and attitude. Treating people with common courtesy, respecting others' personal property and time, and seeking to understand others' viewpoint.
- **Responsibility:** Able to be trusted and or depended upon to complete tasks, follow directions, and own up to your actions.
- **Perseverance:** To persist in anything undertaken despite difficulty, obstacles, or discouragement; continue steadfastly.
- **Intellectual Curiosity:** Eager to learn, explore, and question things to gain a deeper understanding.
- **Kindness:** The quality of being friendly, generous, and considerate of others

## **ARTICLE II: MEMBERS**

SCCS does not have Members. While persons who associate with, attend programs of, participate in, contribute to, or benefit from SCCS may be referred to as “Member”, no rights, voting or other, will be insured to such person.

## **ARTICLE III: BOARD OF DIRECTORS**

**3.1 General Powers:** The Board of Directors shall have conferred upon them all powers set forth in the Colorado Revised Nonprofit Corporation Act, except as those powers may be limited in the Articles of Incorporation or these Bylaws. The Board of Directors may assign duties and responsibilities to its members as it deems necessary from time to time. If necessary, these duties and responsibilities may be reassigned at any time at the discretion of the Board.

### **3.2 Organization:**

A regular annual meeting of the Board of Directors will be held at a date and time to be determined by the Board of Directors. The President (or designee) shall act as Chairman, and the Secretary of SCCS, or in his/her absence any person appointed by the Chairman, shall act as Secretary of the Board.

### **3.3 Number, Tenure and Qualifications:**

A. The members of the Board of Directors shall be at least eighteen years of age or older. The number of Directors should ideally be not less than three or more than seven. The number of Directors should ideally be an odd number so as to avoid tie votes. The Head of School (Principal) will be seated as a non-voting member of the Board. Only one member per household may serve on the Board at any one time. For purposes of avoiding conflicts of interest or the appearance of impropriety, teachers, administrators, or other SCCS employees should not be seated as a voting Board member. However, the Head of School, in consultation with the Board President, can choose to temporarily employ an existing Board member if unique and urgent circumstances require for the school to operate smoothly and at its full capacity.

B. Board elections will occur in the Spring of each year as determined, and appropriately noticed, by the Board of Directors. The Board of Directors will determine the number of seats up for election in advance of noticing the “call for candidates” and/or the election itself.

C. The candidate(s) receiving the most votes will fill the available seats the board placed up for election. In the event of a tie vote for a position, a second ballot will be cast for that position only, with only the tied candidates participating. Should a second tie occur, a result will be obtained by flipping a coin.

D. The Board may require prescribed background checks and establish minimal qualifications for directorships.

E. Candidates seeking a Board of Director position must complete the following (as determined annually by the Board of Directors): an intent to serve form, a board application, a declaration conflict of interests, and a confirmation of fiduciary responsibilities.

F. Board of Directors will serve three-year staggered terms. There shall be no restriction on the number of terms, consecutive or otherwise, that a director may serve so long as they are appropriately re-elected or re-appointed to a seat according to the bylaws herein.

G. Each SCCS family will have one vote for each vacant Board seat. In the case of divorced parents, the parent with whom the child resides during the majority of the school year, or the parent with parental decision making authority over educational matters will vote, unless the parents submit a written agreement stating otherwise. If parents enjoy shared parental decision making authority over educational matters each parent will have a one-half vote unless the parents submit a written agreement stating otherwise. All said voting agreement shall be provided to the Board no later than 5 business days prior to any election.

### **3.4 Resignations:**

Any Director of SCCS may resign at any time by giving written notice to the Board of Directors or to the President or to the Secretary of SCCS. Such resignation shall take effect on the date of the receipt of such notice or at any later time specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

### **3.5 Deemed Resignation:**

A Director is deemed to have resigned for failure to attend three (3) meetings or other obligations and that failure is confirmed by a majority of the Board as being without valid reason. The failure is effective as a resignation at the time of such vote.

### **3.6 Removal by Board of Directors:**

Any Director may be removed with or without cause at any time by the affirmative vote of the majority of remaining Directors, cast at a special meeting of such Directors called for that purpose, and the vacancy on the Board caused by such removal will be filled by special election at the direction of the Board. If no candidates submit their name for consideration, the board can either appoint a new member consistent with the bylaws or choose to operate with a reduced number of members so long as consistent with the bylaws.

### **3.7. Inactive Status:**

Any Director may request of the Board to be placed upon an inactive status for just cause. Said Director may also request the Board appoint an interim Director to fulfill the obligations of the Inactive Director for a period not to exceed 6 months.

### **3.8 Vacancies:**

In the case a vacancy occurs on the Board of Directors, the Board may hold a special election or may appoint a Director to fill the remainder of the departing Director's term. If the Board chooses to hold a special election, it will be duly noticed and conducted in a manner consistent with its annual elections and the bylaws herein.

### **3.9 Place of Meetings:**

The Board of Directors may hold its meetings, have one or more offices, and keep books and records of SCCS at such place or places within the State of Colorado, as the Board may, from time to time, determine, this includes meeting via the use of technology to allow for remote access and participation/voting by either board members and/or participants.

### **3.10 Regular Meetings:**

Regular meetings of the Board of Directors shall be held at least 6 times annually. The Board of Directors may designate, by resolution, the time and place for the holding of regular meetings without other notice in accordance with Colorado's open meeting law.

### **3.11 Special Meetings:**

Special meetings of the Board of Directors may be held whenever called by the President or by two of the Directors (If at any time there is only one Director, then one Director may call such meeting) at such time and place, within Colorado, as the person or persons calling the meeting shall designate. Notice of such meeting shall be given personally, or emailed/mailed to each Director, addressed to him/her at their residence or their usual place of business at least ten (10) days before the day on which the meeting is to be held. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed, with postage thereon prepaid. Every such notice shall be published at least 24 hours in advance of the meeting, the notice will state the time, place and purpose of the meeting in accordance with Colorado's open meetings law. A Director may waive notice by signing a waiver of notice.

### **3.12 Quorum and Manner of Acting:**

Except as otherwise provided by statute or by these Bylaws, a majority of the Directors in office at the time of any regular or special meeting of the Board of Directors shall constitute a quorum for

the transaction of business at such meeting and the act of a majority of the Directors present at the meeting at which a quorum is present shall be the act of the Board of Directors.

In place of this simple majority, a two-thirds majority of the directors present at a meeting at which a quorum is present shall be required to act for the following two topics: the hiring or termination of a Head of School, and the alteration, amendment, or repeal of these bylaws.

In the absence of a quorum, a majority of the Directors present may, without notice other than announcement at the meeting, adjourn the meeting from time to time until a quorum can be had. The Directors present at a duly organized meeting of the Board may continue to transact business until adjournment, notwithstanding the withdrawal of enough Directors to leave less than a quorum. Directors shall be permitted to participate in meetings via electronic means including but not limited to telephone and/computer appearance for the purpose of attendance, participation, and voting.

### **3.13 Executive Sessions:**

All regular and special meetings of the Board of Directors shall be open to the public, except that, upon a vote of a majority of the members present, an executive session may be held to discuss any one or more of the following: 1) legal matters; 2) acquisitions or sales of property; 3) contact proposals or negotiations; 4) confidential personnel matters; 5) student disciplinary matters; and any other matters permitted by law. The motion requesting the executive session shall state the general nature of the matter to be discussed. Only those persons invited by the Board may be present during the executive session. The Board shall not make final policy decisions, nor shall any resolution, rule, regulation, or formal action or any action approving a contract or approving payment of monetary sums be adopted at any executive session. Matters discussed in Executive Session shall remain confidential among those attending. An audio recording of the Executive Session shall be made and kept for 90 days, following which it shall be destroyed.

### **3.14 Committees:**

The Board of Directors, by resolution adopted by majority vote of the Directors, may designate and appoint one (1) or more committees of the Board of Directors. Such committees may exercise all authority as the resolution shall set forth or shall be granted by statute, and may be abolished by majority vote of the Directors. No such committee shall have the power or authority to elect, appoint, or remove any Director; amend, restate, alter, or repeal the Articles of Incorporation; amend, restate, alter, or repeal these or any other Bylaws of SCCS; approve a sale, lease, exchange, or other disposition of all or substantially all of the property of SCCS, with or without goodwill, other than in the usual and regular course of business subject to approval by the full Board of Directors; or to take any other action prohibited by law. Committee actions are limited by the requirements of state law.

### **3.15 Compensation and Expenses:**

Directors shall receive no compensation for their services as members of the Stone Creek Charter School Board except that reimbursement may be made for any expenses incurred on behalf of the School by any Director pursuant to and upon authorization of the School Board. No part of the net revenue of the School shall inure to the benefit of, or be distributable to, its board members, Directors or directors, officers, or other private persons.

### **3.16 Powers and Duties:**

The Board of Directors shall have and exercise all such general powers as are usually exercised by the Board of Directors; and particularly to have all of the powers conferred by the Articles or Certificate of Incorporation, reference to which is hereby made, to elect, appoint or employ Officers, agents and other representatives; to determine their duties and salaries; to require security in such instances as the Board may determine; to determine who shall sign notes, checks, drafts, contracts, deeds, reports and other documents; to delegate the powers of the Board from time to time to an executive committee, or other standing or special committees.

Anything in these Bylaws to the contrary notwithstanding, the Board of Directors is not empowered to perform any activity on behalf of SCCS not permitted to be carried on by an organization exempt from Federal income taxation under 501(c)(3) of the United States Internal Revenue Code.

### **3.17 Standard of Conduct for Directors and Officers:**

A. Each Director and Officer shall perform his/her duties as Director or Officer, including, without limitation, their duties as a member of any committee of the Board, in good faith, in a manner the Director or Officer reasonably believes to be in the best interest of SCCS, and with the care an ordinarily prudent person in a like position would exercise under similar circumstances. In the performance of their duties, a Director or Officer shall be entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by the persons designated in (B) below. However, a Director or Officer shall not be considered to be acting in good faith if the Director or Officer has knowledge concerning the matter in question that would cause such reliance to be unwarranted. A Director or Officer shall not be liable to SCCS for any action in good faith the Director or Officer takes or omits to take as a Director or Officer if, in connection with such action or omission, the Director or Officer performs their duties in compliance with this Section 17. A Director or Officer, regardless of title, shall not be deemed to be a director with respect to SCCS or with respect to any property held or administered by SCCS including, without limitation, property that may be subject to restrictions imposed by the donor or transferor of such property.

B. The designated persons on whom a Director or Officer are entitled to rely on are: (i) one or more Officers or employees of SCCS with whom the Director or Officer reasonably believes to be reliable and competent in the matters presented; (ii) legal counsel, a public accountant, or other person as to matters which the Director or Officer reasonably believes to be within such person's profession or expert competence; (iii) a committee of the Board of Directors on which the Director or Officer does not serve if the Director reasonably believes the committee merits confidence.

### **3.18 Conflict of Interest:**

In addition to annually signing the Declaration of Conflict of Interest, Directors shall report any actual or potential of perceived new conflict of interest as further defined in Article IX in writing to the Board prior to the time set for voting on any such issue or transaction that is the subject of the conflict of interest. It will be expected that any Director reporting any said conflict of interest will abstain from discussions and voting on said matter. Written disclosure will be made a matter of record and attached to the minutes of the meeting.

## **ARTICLE IV: BOARD OBJECTIVES AND RESPONSIBILITIES**

### **4.1 Objectives:**

The objectives of the collective Board of Directors (in collaboration with the Head of School) are as follows:

- A. To ensure that the Mission Statement and Operating Contract between Stone Creek Charter School and the Charter Authorizer are adhered to in all activities and decisions of the Board, staff, students, parents and SCCS advisory committees.
- B. To advise and vote on matters affecting the mission, vision, and values of SCCS, the strategic plan, annual budget, annual calendar, or any other SCCS governance concerns, and to ensure that these are consistent with and promote the educational goals of the Mission Statement, Operating Contract, and official SCCS policy.
- C. To encourage faculty, parents, and students to be aware and responsive to the needs and concerns of SCCS as a whole.
- D. The appropriate board designee may act as the official voice of Stone Creek Charter School with regard to public information, media contacts, and public relations in collaboration with the Head of School when appropriate..



E. To adopt policy and procedures that govern SCCS. These policies and procedures will adhere to the Mission Statement, vision, bylaws, strategic plan, and governance documents.

#### **4.2 Board Responsibilities:**

A. The Board sets and enforces governance policy; assures that SCCS is run in a manner consistent with the Mission Statement and Strategic Plan; is in compliance with all applicable laws, including the Charter Agreement, Operating Contract, and state statute; and maintains its duty of care, duty of loyalty, and duty of obedience.

- **Duty of Care:** Directors meet the duty of care by exercising their responsibilities in good faith and with diligence, attention, care, and skill; carrying out the mission of SCCS; ensuring the submission of required filings; and complying SCCS's organization's governing documents. The duty of care includes both decision-making and oversight responsibilities, and is fulfilled by regularly attending board meetings, preparing for board meetings by reading minutes and applicable reports, participating in discussions, understanding SCCS's programs, maintaining a careful oversight of finances, and questioning unclear or troubling activity.
- **Duty of Loyalty:** Directors meet the duty of loyalty by placing the interests of the organization before their own private interests and avoiding the use of organizational opportunities for personal gain.
- **Duty of Obedience:** Directors meet the duty of obedience by complying with federal, state, and local law, adhering to the organization's governing documents, and guarding the organization's mission.

B. In general, the Board shall exercise its powers through the system known as "policy governance." The board does not manage day-to-day operations. Responsibility for day-to-day operations of the School and for implementation of the policies established by the Board shall generally be the responsibility of the Head of School and his/her designees and staff.

C. The Board shall develop and approve an annual budget, and operate within that budget.

D. The Board shall appoint members to standing and ad hoc committees.

E. The Board will approve the school calendar, including any changes made during the school year.

F. The Board through their designee (the Head of School) shall be responsible for the maintenance of any records required by law or provided for by the Operating Contract.

G. The Board or their designee shall negotiate and approve any changes to or renewals of the facilities lease, its use and maintenance, and shall establish policy for facilities use.

H. The Board shall convene at least six (6) times per year, subject to Open Meetings Law, and will provide an opportunity for public input. In addition, the Board may convene work sessions as it deems appropriate.

I. The Board shall adopt and administer a grievance policy and procedure.

J. The Board shall approve an enrollment policy, and assure compliance with all aspects of such policy.

K. The Board can designate a member to negotiate, review, and approve the agreement with the Head of School (HoS) and selecting and retaining any other advisers, employees or agents, as needed from time to time;

L. The Board shall conduct such evaluations, and make such recommendations or decisions, regarding the HoS and other employees or advisors as will fulfill its duty to assure that the Corporation fulfills the Educational Mission, and otherwise operates in a thorough, equitable, and efficient manner.

M. The Board shall enforce all contract issues, including employment, leases, and charter agreements with the Charter Authorizer or State of Colorado.

N. The Board shall be responsible for the implementation and monitoring of a code of conduct and discipline policy, consistent with the applicable law and the Operating Contract.

O. The Board shall perform other such duties as appropriate and necessary to the safe and effective operation of SCCS, and which promote SCCS's commitment to educational excellence.

P. Political Elections, Educational Issues, and Voting

(1) Expenditures of any School funds or in kind services to otherwise inform voters about an election issue must be specifically authorized by the Board. The School may dispense a factual summary which includes arguments both for and against the proposal without any conclusion or opinions in favor of or against any particular issue addressed by the summary.

(2) In the interest of broadening public participation in and awareness of the political process, the school may, on a nonpartisan basis, invite candidates or sponsors and opponents of issues to appear at school functions and address parents. The board shall decide whether to invite candidates and sponsors/opponents of issues on a case-by-case basis. Any time candidates and/or sponsors/opponents are invited to speak; the school will ensure that both sides are given an equal opportunity to participate.

## **ARTICLE V: OFFICERS**

### **5.1 Number:**

The Officers of SCCS shall be a President, a Secretary, a Treasurer, and such other Officers as may be appointed in accordance with the provisions of Section 3 of this Article V. Directors may hold one or more of these responsibilities simultaneously.

### **5.2 Election, Term of Office and Qualifications:**

The Officers of SCCS shall be chosen by and from the Board of Directors at the first Board meeting following the election. Each Officer, except such Officers as may be appointed in accordance with the provisions of Section 3 of this Article V shall continue in office until his/her successor shall have been duly elected and qualified in his/her stead, or until he/she shall have resigned and his/her resignation shall have become effective or until he/she shall have been removed in the manner hereinafter provided. The appointment of an Officer shall not, in itself, create a contractual right. The Secretary and Treasurer, and the Assistant Secretary and Assistant Treasurer if there are such offices, may or may not be members of the board, and shall hold their offices at the pleasure of the board.

### **5.3 Subordinate Officers, Committees and Agents:**

The Board of Directors may appoint such other Officers, committees and agents as it may deem necessary, including Vice Presidents, one or more Assistant Treasurers and one or more Assistant Secretaries, each of whom shall hold office for such period, have such authority and perform such duties as the Board of Directors may from time to time determine. The Board of Directors may delegate to any Officer or committee the power to appoint, and to prescribe the authority and duties of any such subordinate Officers, committees, or agents.

### **5.4 Removal:**

Any Officer or agent may be removed either with or without cause, by the Board of Directors at any regular or special meeting thereof, or by any committee or superior Officer upon whom such power of removal may be conferred by the Board of Directors. An Officer, who is removed from office, may deliver a statement to that effect to the Secretary of State. Such removal from office does not affect the contractual rights, if any, of SCCS or of the person removed from office.

### **5.5 Resignation:**

Any Officer may resign at any time by giving written notice to the Board of Directors, to the President or to the Secretary of SCCS. Such resignations shall take effect at the date of receipt of such notice or at any later time specified therein, and, unless otherwise specified therein, the

acceptance of such resignation shall not be necessary to make it effective. An Officer who resigns may deliver a statement to that effect to the Secretary of State. Such resignation does not affect the contractual rights, if any, of SCCS or of the person who resigned.

### **5.6 Vacancies:**

A vacancy in office because of death, resignation, removal, disqualification or any other cause may be filled for the unexpired portion of the term in the manner prescribed in the Bylaws for regular appointments or election to such office.

### **5.7 Powers and Duties:**

The Officers of SCCS shall have such powers and duties as usually pertain to their office, except as modified by the Board of Directors, and shall also have such powers and duties as may from time to time be conferred upon them by the Board of Directors. The general powers and duties of the primary Officers are as follows:

**President:** The President shall be the principal executive Officer of SCCS, and, subject to the control of the Board of Directors, shall in general supervise and control all of the business affairs of SCCS. The President shall also act as the Chairman of the Board and be the presiding Officer at meetings of the Board of Directors unless otherwise specified by resolution of the Board of Directors. The President may sign, with the Secretary or any other authorized Officer of SCCS, any deeds, mortgages, bonds, contracts or other instruments authorized to be executed, except where the signing and execution thereof shall be expressly delegated to some other Officer or agent of SCCS, or shall be required by law to be otherwise signed or executed; and in general shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

**Vice-President:** The Vice-President, if any, shall, in the absence of the President, or in the event of the President's inability to act, conduct all Directors meetings and shall have the authority, in the absence of the President, to sign all minutes of meetings transcribed by the Secretary, bonds, deeds, agreements or other instruments in writing made and entered into by, or on behalf of, SCCS wherein the capital of said school is or may be impaired, encumbered or otherwise affected and to perform such other administrative functions in the absence of the President as may be deemed necessary or beneficial to the affairs of this school. The Vice-President shall attend all Directors meetings and shall serve as general advisor to the President.

**Secretary:** The Secretary shall keep and maintain the minutes of the Board of Directors' meetings; see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; be custodian of the corporate records and of the Seal of SCCS and, if required, see that the Seal is affixed to all documents, the execution of which is duly authorized; and in general, perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the President or by the Board of Directors. In the absence of the

Secretary or his inability to perform his duties, such duties may be performed by an assistant Secretary or by a Secretary pro tempore appointed at any meeting by the Chairman of the Board.

**Treasurer:** If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the Board of Directors shall determine. The Treasurer shall have custody of the corporate funds and securities, and shall keep full and accurate accounts of all receipts and disbursements, and of the financial and business transactions of SCCS in books belonging to SCCS; shall deposit all moneys and securities and other valuable effects of SCCS in such banks and depositories as the Board may direct; shall, either alone or in conjunction with others, named by Resolution of the Board, have power to withdraw by check or draft or other order, the funds of SCCS on deposit in any bank or safe deposit box. When so requested by the President or the Board of Directors, he/she shall from time to time make written reports to them showing the financial condition of SCCS, and shall perform such other duties as the Board may designate. In the absence of the Treasurer or the inability to perform the duties of the office, such duties may be performed by an assistant treasurer or other person designated by the Board.

## **ARTICLE VI: INDEMNIFICATION**

### **6.1 Definitions:**

For purposes of this Article:

(a) The terms “Director or Officer” shall include a person who, while serving as a Director or Officer of SCCS, is or was serving at the request of SCCS as a Director, Officer, partner, member, manager, director, employee, fiduciary or agent of another foreign or domestic corporation, nonprofit corporation or other person or employee benefit plan. The term “Director or Officer” shall also include the estate or personal representative of a Director or Officer, unless the context otherwise requires.

(b) The term “proceeding” shall mean any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, whether formal or informal, any appeal in such an action, suit, or proceeding, and any inquiry or investigation that could lead to such an action, suit, or proceeding.

(c) The term “party” includes an individual who is, was, or is threatened to be made a named defendant or respondent in a proceeding.

(d) The term “liability” shall mean any obligation to pay a judgment, settlement, penalty, fine (including an excise tax assessed with respect to an employee benefit plan), or reasonable expense incurred with respect to a proceeding.

(e) When used with respect to a Director, the phrase “official capacity” shall mean the office of a Director in SCCS, and, when used with respect to a person other than a Director, shall mean the office in SCCS held by the Officer or the employment, fiduciary or agency relationship undertaken by the employee or agent on behalf of the corporation, but in neither case shall include service for any foreign or domestic corporation or for any other person, employee benefit plan, or other enterprise.

## **6.2 General Provisions:**

SCCS may indemnify any person who is or was a party or is threatened to be made a party to any proceeding by reason of the fact that such person is or was a Director or Officer of SCCS, against expenses (including attorneys’ fees), liability, judgments, fines, and amounts paid in settlement actually and reasonably incurred by such person in connection with such proceeding if such person (a) acted in good faith, (b) reasonably believed, in the case of conduct in an official capacity with SCCS, that the conduct was in the best interests of SCCS and, in all other cases, that the conduct was at least not opposed to the best interests of SCCS, and (c) with respect to any criminal proceeding, had no reasonable cause to believe that the conduct was unlawful. However, no person shall be entitled to indemnification under this Section 2 if either: (A) in connection with a proceeding brought by or in the right of SCCS in which the Director or Officer was adjudged liable to SCCS; or (B) in connection with any other proceeding charging improper personal benefit to the Director or Officer, whether or not involving action in that person’s official capacity, in which the Officer or Director is ultimately adjudged liable on the basis that the Director or Officer improperly received personal benefit. Indemnification under this Section 2 in connection with a proceeding brought by or on behalf of SCCS shall be limited to reasonable expenses incurred in connection with the proceeding. The termination of any action, suit, or proceeding by judgment, order, settlement, or conviction or upon a plea of nolo contendere or its equivalent shall not of itself be determinative that the person did not meet the standard of conduct set forth in this Section 2.

## **6.3 Successful Defense on the Merits...Expenses:**

To the extent that a Director or Officer of SCCS has been wholly successful on the merits in defense of any proceeding to which the Director was a party, such person shall be indemnified against reasonable expenses (including attorneys’ fees) actually and reasonably incurred in connection with such proceeding.

## **6.4 Determination of Right to Indemnification:**

Any indemnification under Section 2 of this Article (unless ordered by a court) shall be made by SCCS only as authorized in each specific case upon a determination that indemnification of the

Director or Officer is permissible under the circumstances because such person met the applicable standard of conduct set forth in Section 2. Such determination shall be made:

(a) by the Board of Directors by a majority vote of a quorum of disinterested Directors who at the time of the vote are not, were not, and are not threatened to be made parties to the proceeding or;

(b) if such a quorum cannot be obtained, by the vote of a majority of the members of a committee of the Board of Directors designated by the board, which committee shall consist of two or more Directors who are not parties to the proceeding (Directors who are parties to the proceeding may participate in the designation of Directors to serve on such committee) or;

(c) if such a quorum of the Board of Directors cannot be obtained or such a committee cannot be established, or even if such a quorum is obtained or such a committee is so designated, but such quorum or committee so directs, then by independent legal counsel selected by the Board of Directors in accordance with the preceding procedures.

Authorization of indemnification and evaluation as to the reasonableness of expenses shall be made in the same manner as the determination that indemnification is permissible, except that, if the determination that indemnification is permissible is made by independent legal counsel, authorization of indemnification and evaluation of legal expenses shall be made by the body that selected such counsel.

#### **6.5 Advance Payment of Expenses...Undertaking to Repay:**

SCCS may pay for or reimburse the reasonable expenses (including attorneys' fees) incurred by a Director or Officer who is a party to proceeding in advance of the final disposition of the proceeding if: (a) the Director or Officer furnishes SCCS a written affirmation of the Director's or Officer's good faith belief that the person has met the standard of conduct set forth in Section 2; (b) the Director or Officer furnishes SCCS with a written undertaking, executed personally or on the Director's or Officer's behalf, to repay the advance if it is determined that the person did not meet the standard of conduct set forth in Section 2, which undertaking shall be an unlimited general obligation of the Director or Officer but which need not be secured and which may be accepted without reference to financial ability to make repayment; and (c) a determination is made by the body authorizing indemnification that the facts then known to such body would not preclude indemnification.

#### **6.6 Other Employees and Agents:**

SCCS shall indemnify such other employees and agents of SCCS to the same extent and in the same manner as is provided above in Section 2 with respect to Directors and Officers, by adopting a



resolution by a majority of the members of the Board of Directors specifically identifying by name or by position the employees or agents entitled to indemnification.

**6.7 Insurance:**

The Board of Directors may exercise SCCS's power to purchase and maintain insurance (including without limitation insurance for legal expenses and costs incurred in connection with defending any claim, proceeding, or lawsuit) on behalf of any person who is or was a Director, Officer, employee, fiduciary of another domestic or foreign corporation, nonprofit corporation or other person or an employee benefit plan of SCCS against any liability asserted against the person or incurred by the person in any such capacity or arising out of the person's status as such, whether or not SCCS would have the power to indemnify that person against such liability under the provisions of this Article.

**6.8 Non-exclusivity of Article:**

The indemnification provided by this Article shall not be deemed exclusive of any other rights and procedures to which one indemnified may be entitled under the Articles of Incorporation, any Bylaw, agreement, resolution of disinterested Directors, or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a Director or Officer, and shall inure to the benefit of such person's heirs, executors, and administrators.

**ARTICLE VII: CONTRACTS, CHECKS, DRAFTS, BANK ACCOUNTS, ETC.**

**7.1 Contract Execution:**

The Board of Directors, except as in these Bylaws otherwise provided, may authorize any Officer or Officers or agent or agents of SCCS to enter into any contract or execute and deliver any instrument in the name and on behalf of SCCS. Such authority may be general or confined to specific instances, and unless so authorized by the Board of Directors, no Officer, agent or employee shall have any power or authority to bind SCCS by any contract or engagement or to pledge its credit or to render it liable financially for any purpose or to any amount.

**7.2 Loans:**

No loans shall be contracted on behalf of SCCS and no negotiable papers shall be issued in its name, unless authorized by the Board of Directors. When so authorized, any Officer for SCCS may affect loans and advances at any time for SCCS or individual, and for such loans and advances, may make, execute and deliver promissory notes or other evidences of indebtedness of SCCS; and when



authorized as security for the payment of any and all loans, advances, indebtedness and liabilities of SCCS may mortgage, pledge, hypothecate or transfer any real or personal property at any time held by SCCS and to that end execute instruments of mortgage or pledge or otherwise transfer said property. Such authority may be general or confined to specific instances.

### **7.3 Checks, Drafts, Etc.:**

All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of SCCS shall be signed by such Officer or Officers, agent or agents of SCCS and in such manner as shall from time to time be determined by resolution of the Board Directors.

### **7.4 Deposits:**

All funds of SCCS not otherwise employed shall be deposited from time to time to the credit of SCCS in such banks, trust companies or other depositories as the Board of Directors may select.

### **7.5 Gifts:**

The Board of Directors may accept on behalf of SCCS any contribution, gift, bequest or device for the general purposes or for any special purpose of SCCS.

### **7.6. Investment Managers.**

The Board of Directors shall have the authority to designate any bank, trust company, brokerage firm, or investment advisor to manage the assets and investments of SCCS.

## **ARTICLE VIII: BOOKS AND RECORDS**

### **8.1 Corporate Records:**

SCCS shall keep as permanent record minutes of all meetings of its Board of Directors including a record of all actions taken by the Board, and a record of all waivers of notices of meetings of the Board of Directors. SCCS shall also maintain the following records:

- (a) appropriate accounting records;
- (b) its Articles of Incorporation and Bylaws;
- (c) a list of the names and business or home addresses of its current Directors and Officers;
- (d) a copy of its most recent corporate report delivered to the Secretary of State and;
- (e) all financial statements prepared for periods during the last three years.

## **8.2 Inspection and Copying of Corporate Records for Tax Exempt Organization:**

Pursuant to Internal Revenue Code §6104, a copy of SCCS's Application for Tax Exemption under §501 of the Internal Revenue Code and any informational returns filed with the Internal Revenue Service (i.e. Form 990) must be kept at SCCS's principal office and be available for inspection to the public during regular business hours. SCCS must either allow interested persons to photocopy such documents or photocopy such documents for interested persons. SCCS may charge up to the maximum amount allowed by the Internal Revenue Service for such photocopying and postage.

## **ARTICLE IX: CONFLICTS OF INTEREST**

### **9.1 Definition:**

As used in this Article, "Conflicting Interest Transaction" means: a contract, transaction, or other financial relationship between SCCS and a Director of SCCS, or between SCCS and a party related to a Director or between SCCS and an entity in which a Director of SCCS is a Director, Officer or has a pecuniary interest.

### **9.2 Loans:**

No loans shall be made by SCCS to its Directors or Officers. Any Director or Officer who assents to or participates in the making of any such loan shall be liable to SCCS for the amount of such loan until the repayment thereof.

### **9.3 Transactions:**

Members of the Board of Directors hold a position of trust, created in the interest of the common good and for the benefit of SCCS. It is the intent of this Section to maintain public confidence and prevent the use of public office for private gain. Directors will disclose any known or potential conflicts of interest in writing to the Board of Directors prior to the time set for voting on any such transaction and will not be present during a vote on the matter or attempt to influence the decisions of other Directors in voting on the matter. The written disclosures will be attached to the minutes of the meeting in which Board action will occur relating to the matter disclosed. Failure by a Director to bring notice of a potential conflict of interest to the attention of the Board may constitute cause for removal of the member from the Board.

### **9.4 Quorum Count:**

Common or interested Directors may be counted in determining the presence of a quorum at meetings of the Board of Directors or of a committee, which authorizes, approves, or ratifies the Conflicting Interest Transaction.

**9.5 Related Defined:** For the purposes of this Article, a party related to the Director shall mean a spouse, a descendent, an ancestor, a sibling, the spouse of a descendent of a sibling, an estate or trust in which the Director or a party related to the Director has a beneficial interest, or an entity in which the party related to a Director is a Director, Officer, or has a pecuniary interest.

## **ARTICLE X: MISCELLANEOUS**

### **10.1 Fiscal Year:**

The fiscal year of SCCS shall be July 1-June 30 and shall be called the year in which the school year ends.

### **10.2 Waiver of Notice:**

Whenever any notice is required to be given under the provisions of the Colorado Revised Nonprofit Corporation Act or under the provisions of the Articles of Incorporation or the Bylaws of SCCS, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

### **10.3 Conflicts:**

In the event of any irreconcilable conflict between these Bylaws and either SCCS's Articles of Incorporation or applicable law, the latter shall control.

### **10.4 Definitions:**

Except as otherwise specifically provided in these Bylaws, all terms used in these Bylaws shall have the same definition as in the Colorado Revised Nonprofit Corporation Act, as amended.

### **10.5 Receipt of Notice by SCCS:**

Notices and other documents or writings shall be deemed to have been received by SCCS when they are actually received:

- (a) at the registered office of SCCS in Colorado;
- (b) at the principal office of SCCS addressed to the attention of the Secretary of SCCS;
- (c) by the Secretary of SCCS wherever the Secretary may be found or;

(d) by any other person authorized from time to time by the Board of Directors or the President to receive such writings wherever such person is found.

### **10.6 Parent Teacher Organization:**

The Board of Directors shall have the power to institute as a regular committee a parent teacher organization for the benefit of the Stone Creek Charter School. A parent teacher organization shall consist of teachers of the school, parents of students and any community representatives approved by the Board of Directors. A parent teacher organization shall elect its own Officers and develop its own bylaws, policies, procedures and committee structures and shall submit said for approval to the Board of Directors.

#### **ARTICLE XI: AMENDMENTS**

The power to alter, amend or repeal these Bylaws or adopt new Bylaws is vested in the Board of Directors and any such change shall be an approved Resolution of the Board.