

# **Bylaws of Stargate Charter School**

Article I. Name ..... 4  
    Section 1.1 Name ..... 4  
Article II. Offices ..... 4  
    Section 2.1 Principal Office ..... 4  
    Section 2.2 Registered Office ..... 4  
Article III. Purpose ..... 4  
    Section 3.1 Purpose ..... 4  
Article IV. Members ..... 5  
    Section 4.1 Members ..... 5  
Article V. Governance Board of Directors ..... 5  
    Section 5.1 General Power ..... 5  
    Section 5.1.1 Specific Duties of the Board ..... 6  
    Section 5.1.2 Limits of Authority ..... 7  
    Section 5.1.3 Responsibilities of Head of School ..... 7  
    Section 5.2 Number, Qualifications, and Tenure ..... 7  
    Section 5.2.1 Parent Director ..... 7  
    Section 5.2.2 Independent Director ..... 7  
    Section 5.2.3 Staff ..... 8  
    Section 5.2.4 Change of Status ..... 8  
    Section 5.2.5 Director Term ..... 8  
    Section 5.2.6 Director Disqualification ..... 8  
    Section 5.2.7 Parent Director Nominations ..... 8  
    Section 5.2.8 Director Elections ..... 8  
    Section 5.2.9 Elected Committee Members ..... 9  
    Section 5.3 Vacancies ..... 9  
    Section 5.4 Regular Meetings ..... 10  
    Section 5.4.1 Presentation Meetings ..... 10  
    Section 5.5 Special Meetings ..... 10  
    Section 5.6 Open Meetings ..... 11  
    Section 5.7 Notice to Directors ..... 11  
    Section 5.7.1 Waiver of Notice ..... 11  
    Section 5.7.2 Content of Notice ..... 11  
    Section 5.8 Quorum ..... 12  
    Section 5.9 Manner of Acting ..... 12  
    Section 5.10 Compensation ..... 12  
    Section 5.11 Telephone Meetings ..... 12  
    Section 5.12 Committees ..... 12  
    Section 5.12.1 Accountability Committee ..... 13  
    Section 5.12.2 Recruiting Committee ..... 13  
    Section 5.12.3 Elected Committee Vacancies ..... 13  
    Section 5.12.4 Standing Committees ..... 14  
    Section 5.12.5 Ad Hoc Committees ..... 14  
    Section 5.13 Standard of Care ..... 14  
    Section 5.13.1 Reliance ..... 14  
    Section 5.14 Confidentiality ..... 15  
    Section 5.14.1 Confidential Information ..... 15

**Section 5.14.2 Disclosure of Confidential Information** ..... 15  
**Section 5.14.3 Permitted Disclosures** ..... 16  
**Section 5.14.4 Non-Disclosure of Privileged Information** ..... 16  
**Section 5.14.5 Written Authorization** ..... 16  
**Section 5.15 Purpose of Conflict of Interest Policy** ..... 17  
**Section 5.15.1 Conflicts Of Interest** ..... 17  
**Section 5.15.2 Disclosure** ..... 17  
**Section 5.15.3 Recusal** ..... 17  
**Section 5.15.4 Conflict Inquiry** ..... 17  
**Section 5.15.5 Failure to Declare an Interest** ..... 18  
**Section 5.15.6 Records of Proceedings** ..... 19  
**Section 5.15.7 Annual Statements** ..... 19  
**Section 5.15.8 Annual Review of Agreements** ..... 19  
**Article VI. Officers and Agents** ..... 19  
**Section 6.1 General** ..... 19  
**Section 6.2 Election and Term of Office** ..... 20  
**Section 6.3 President** ..... 20  
**Section 6.3.1 President – Head of School** ..... 20  
**Section 6.3.2 President, Represent the Corporation** ..... 20  
**Section 6.4 Vice President(s)** ..... 20  
**Section 6.5 Secretary** ..... 21  
**Section 6.5.1 Record Keeping** ..... 21  
**Section 6.6 Treasurer (Optional)** ..... 21  
**Article VII. Removal of Officers and Deemed Resignation of Directors, Recalls and Vacancies** ..... 22  
**Section 7.1 Removal of Officers** ..... 22  
**Section 7.2 Deemed Resignation of Directors** ..... 22  
**Section 7.3 Recall of Directors** ..... 23  
**Section 7.3.1 Invalid Petitions** ..... 23  
**Section 7.3.2 Recall Election** ..... 23  
**Section 7.3.3 Ballots for Recall** ..... 23  
**Article VIII. Indemnification of Certain Persons** ..... 24  
**Section 8.1 Indemnification** ..... 24  
**Section 8.1.1 Official Capacity** ..... 24  
**Section 8.1.2 Limit of Indemnification** ..... 24  
**Section 8.1.3 Indemnified Expenses** ..... 25  
**Section 8.2 Effect of Termination of Action - Presumption of Good Faith** ..... 25  
**ARTICLE IX. Provision of Insurance** ..... 25  
**Section 9.1 Insurance** ..... 26  
**ARTICLE X. Miscellaneous** ..... 26  
**Section 10.1 Amendments** ..... 26  
**Section 10.1.1 Membership Amendments** ..... 26  
**Section 10.1.2 Board Amendments** ..... 26  
**Section 10.1.3 Member Amendment Process** ..... 26  
**Section 10.2 Lawful Compliance** ..... 27  
**Section 10.3 Emergency Bylaws** ..... 27

## **Article I. Name**

### **Section 1.1 Name**

The name of the corporation is Stargate Charter School, hereinafter referred to as the “School” or “corporation.” The corporation may operate under the name “Stargate School.”

## **Article II. Offices**

### **Section 2.1 Principal Office**

The principal office of the School will be located at 3951 Cottonwood Lake Boulevard, Thornton, Colorado 80241. The School may have such other offices within Colorado as the Governance Board of Directors (the “Board”) may designate or as the business of the School may require.

### **Section 2.2 Registered Office**

The registered office of the corporation required by the laws of the State of Colorado to be maintained in Colorado may be, but need not be, identical with the principal office. The address of the registered office and the registered agent may be changed from time to time by the President or the Board.

## **Article III. Purpose**

### **Section 3.1 Purpose**

The purpose of the School is to provide a differentiated educational opportunity for identified intellectually gifted and talented students principally in the Adams Twelve School District. The corporation’s powers will be limited to the operation of a charter school pursuant to the Colorado Charter School Act, Colo. Rev. Stat. § 22-30.5-101, *et seq.*, and in accordance with Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations

thereunder. The School will be operated in accordance with the Charter entered into between the School and the Adams Twelve School District, as amended.

## Article IV. Members

### Section 4.1 Members

There are two classes of Members of the School. Each parent or legal guardian of a child enrolled at the School will be a “Parent Member” of the School and each full-time employee of the faculty or administration of the School will be a “Staff Member.” Membership as a Parent Member will terminate when the person no longer has a child enrolled at the School. Membership as a Staff Member will terminate when the person’s employment by the School terminates. The date of record for membership shall be twenty days<sup>1</sup> prior to any action requiring a count or vote of the members.

## Article V. Governance Board of Directors

### Section 5.1 General Power

The primary responsibilities of the Governance Board of Directors, also known as “the Board,” are to:

1. Determine the character of the school and uphold the School’s mission;
2. Create a strategic vision and plan;
3. Establish overall policy and policy by which the school is administered and/or managed;
4. Assure financial stability through fiscal and financial oversight and be accountable for the financial health of the school;
5. Institute and promote fund-raising efforts for the school;
6. Ensure that the School has appropriate resources to effectively implement the strategic plan and execute the day-to-day school operations.

---

<sup>1</sup> As used throughout this document, “days” shall refer to business days.

The Board may act through its Officers described in these Bylaws.

### **Section 5.1.1 Specific Duties of the Board**

Without prejudice to such general powers, it is hereby expressly declared that the Board shall have the following powers and responsibilities:

1. Understand and adhere to the rules of Open Meetings and other State and Federal law that apply to non-profit Governance Boards;
2. Ensure that Directors attend annual School sponsored Director Training for Board Members, which shall include, but not be limited to financial responsibilities, behavior protocols, relationship with the Head of School, boundaries, communication, and confidentiality;
3. Appoint and/or remove the Head of the School and conduct an annual performance review of the Head of School;
4. Direct the Head of School to establish and review the educational programs of the school;
5. Establish the budget of the school, which shall be submitted to it upon recommendation of the Finance Committee;
6. Authorize any changes in fees within the school;
7. Approve contracts;
8. Charter committees and serve as liaisons to committees;
9. Annually review and approve the following School policies: Admissions Policy; Employee Policies as expressed in the Employee Handbook; Student and Parent / Guardian Policies as expressed in the Parent – Student Handbook; Board Operations & Governance Protocols; Election Policy; Financial Policy; Fundraising Policy; all Committee charters and all other policies deemed relevant by the Board;
10. Regularly communicate to the Members about key governance topics, including but not limited to: the Strategic Plan, the Budget, Policies, Protocols, and Meeting Minutes;
11. Survey the Members (Parents and Staff) at least annually to assess satisfaction and identify areas for improvement;
12. Ensure compliance with all District, State, and Federal policies and requirements;
13. Conduct annual Board self evaluation; and
14. Approve certificates upon recommendation of the faculty.

**Section 5.1.2 Limits of Authority**

The Board is a unit of authority. Apart from their normal function as part of the unit, the individual members of the Board have no individual authority unless such authority is delegated by the Board. No Director has any individual authority to act alone. Individually, no Director may commit the School to any policy, act, or expenditure, or assume any administrative responsibility.

**Section 5.1.3 Responsibilities of Head of School**

The Head of School acts at the direction of the Board and shall be responsible for the operation of the School in accordance with the School’s mission, goals, policies and strategic plan. The Head of School shall also perform such other duties as the Board may specify. The Head of School shall keep the Board informed of progress and issues affecting the School.

**Section 5.2 Number, Qualifications, and Tenure**

The number of Directors of the School shall be nine, five of whom shall be Parent Members and four of whom shall be Independent Directors. The number of Directors may be increased or decreased by amendment to the bylaws adopted by a two-thirds vote of all Directors then in office, but no decrease shall have the effect of shortening the term of any incumbent Director or reducing the number of Directors below nine. Should the Board increase or decrease in size, there shall continue to be a Parent Director majority and the ratio of Parent Directors to Independent Directors shall be as close to 5 to 4 as possible.

**Section 5.2.1 Parent Director**

A “Parent Director” shall refer to a Director who is a Parent Member of the School as described in Section 4.1. A Staff Member, even if a Parent Member, may not be a Parent Director.

**Section 5.2.2 Independent Director**

An “Independent Director” shall refer to a Director who is neither a Parent Member nor a Staff Member and who has not been either within one year of appointment. Independent Directors shall be appointed in accordance with Section 5.3.

### **Section 5.2.3 Staff**

The Head of School, the Head of Lower School, and at least one additional Staff Member, selected by the Board, shall serve the Board in an advisory capacity (together, “Advisors”).

### **Section 5.2.4 Change of Status**

Any Parent Director who ceases to be a Parent Member or who becomes a Staff Member will be deemed to have resigned as a Director. Any Independent Director who becomes a Parent or Staff Member will be deemed to have resigned as a Director. Any such resignation shall be effective on the date of the change in status.

### **Section 5.2.5 Director Term**

The term for all Directors shall be three years with no term limits.

### **Section 5.2.6 Director Disqualification**

A Director shall be deemed to have resigned and a candidate for a Directorship shall be ineligible to run by virtue of having pleaded guilty or *nolo contendere*, received a deferred sentence or deferred judgment, or having been convicted of any felony or any offense involving sexual conduct, child abuse or financial crimes/malfeasance in violation of the laws of the federal government, the State of Colorado or any States or Territories of the United States.

### **Section 5.2.7 Parent Director Nominations**

Any Parent Member may agree to be nominated, or can self-nominate, for a Parent Director position by submitting a nomination form to the Recruiting Committee. The Recruiting Committee as described in Section 5.12.2 shall determine the eligibility of any candidate in accordance with these by-laws and election policy.

### **Section 5.2.8 Director Elections**

Directors will serve rotating terms such that the term of at least one Parent Director will expire each year. Elections for Parent Directors shall be held annually in the month of May. Each Parent Member and each Staff Member, as defined in Article IV, shall have one vote per vacancy or issue to be voted upon. No family shall have more than two votes per vacancy. Staff

Members who are also Parent Members shall have one vote per vacancy. The candidate(s) or issue(s) receiving the greatest number of votes is deemed elected or passed.

Parent Directors shall be elected by Parent and Staff Members at the annual election as per Election Policy.

The voting method(s), nomination method (for elections), and timing will be set forth in an Election Policy adopted by resolution of the Board and announced to all Members at least twenty days prior to any election. The Board will designate a “Nomination Period” of no less than twenty days prior to each election. The Nomination Period will close no more than fifteen and no less than five days prior to the scheduled election. The Parent Directors elected by the Members in accordance with this paragraph will serve their respective terms beginning with the first meeting **of the Board held after June 30th. (Approved by Stakeholders September 2012)**

#### **Section 5.2.9 Elected Committee Members**

Elected Committee members shall be elected annually by Parent and Staff Members as per Election Policy.

#### **Section 5.3 Vacancies**

Parent Director Vacancy: Within thirty days of a vacancy, the Board shall select, by a majority vote, a Parent Member to fill the vacancy. Any such Director vacancy will only be filled on an interim basis until the next election, at which time a Director will be elected to fill the remaining term in accordance with Section 5.2.

Independent Director Vacancy: Within sixty days of a vacancy, the Board shall appoint, by a majority vote, a person eligible to be an Independent Director to fill the vacancy. Any such Independent Director vacancy, once filled, will be considered filled for the duration of the predecessor’s remaining term.

In the event the Board for any reason has no Directors, the Recruiting Committee shall appoint three interim Directors until an election can be held.

## **Section 5.4 Regular Meetings**

Regular meetings of the Board shall be held at least eight times a year at the School. Meetings are open to the public and shall include a minimum of fifteen minutes dedicated to open microphone to allow for community input. Notice of all meetings shall be posted on the entrance to the School, the School website, or any other manner as school policy mandates and in a manner in accordance with Colorado’s Open Meetings Law (§24-6-402, C.R.S.).

After approval, minutes of Board meetings shall be posted on the website within five days.

### **Section 5.4.1 Presentation Meetings**

In addition to the Regular Meetings, the Board shall also hold an annual fall presentation of the strategic goals for Stargate. The Governing Board of Directors, in conjunction with the Accountability Committee and the Recruiting Committee, shall also hold a ‘State of the School’ presentation no later than twenty days prior to the annual election and proposal for by-law changes. The ‘State of the School’ shall include but not be limited to the results of survey results, financial status, fundraising and progress on educational goals. Both presentations shall be posted on the school website within five calendar days of the public presentation.

## **Section 5.5 Special Meetings**

Special meetings of the Board may be called by the President, any two Directors, or upon written request of ten percent of the Members. The meeting shall be held at the School and the President of the Board, or the Board, will fix a time within fifteen days of the request for holding the meeting. A notice of any special meeting of the Board will be posted at the School at least five days prior to any special meeting.

The President or the Board may, at its discretion, determine that the subject matter of the special meeting is of such urgency that the period of notice may be shortened. Under no circumstances shall the period of notice be less than 24 hours. When notice will be less than five days, notice will also be provided to each Member via e-mail to the Member’s e-mail address of record, or such similar method as defined by School protocol.

### **Section 5.6 Open Meetings**

All meetings of the Board (except executive sessions conducted on confidential matters as permitted by §24-6-402, C.R.S.) will be open to the public.

### **Section 5.7 Notice to Directors**

Notice of a regular or special meeting shall be given to every Director at least three days before the time of the meeting, stating the date, time, place, and, where possible, the purpose, of the meeting. Notice may be given orally to the Director, personally or by telephone or other wire or wireless communication. Notice may also be given in writing by facsimile, electronic mail, mail, or private carrier. If notice is given by facsimile, e-mail or other similar form of wire or wireless communication, notice shall be deemed to be given and to be effective when the notice is sent. Mailed notice shall be effective three days after it is deposited in the United States mail, properly addressed to the last address for the Director shown on the records of the corporation, first class postage prepaid; or the date shown on the return receipt if mailed by registered or certified mail.

#### **Section 5.7.1 Waiver of Notice**

A Director may voluntarily waive notice of any meeting in writing (either before or after the meeting) and automatically waives notice of a regular or special meeting by attending or participating in the meeting unless, at the beginning of the meeting, the Director objects to the holding of the meeting or the transaction of business at the meeting and abstains from all actions taken at such meeting.

#### **Section 5.7.2 Content of Notice**

The business to be transacted at any regular or special meeting of the Board must be specified in the notice or waiver of notice of such meeting. Additional business items may be acted upon at regular meetings, even if not included in the meeting notice, with the unanimous consent of the Directors present. Additional items may be added to a special meeting, with the unanimous consent of the Directors present, as provided by CRS 22-32-108(4). However, meeting items such as votes of mergers or dissolution of the corporation, removal of a Director for cause, elections or appointment of a new Director(s), incurring substantial debt, disposition of significant assets, substantial financial transactions, amendments to the bylaws, material changes

to School policy, or other issues as defined in the Colorado Sunshine Laws must be noticed and may not be additions to a regular or special meeting.

### **Section 5.8 Quorum**

A majority of the then seated Directors shall constitute a quorum for the transaction of business at any meeting of the Board, but if less than such majority is present at a meeting, a majority of the Directors present may adjourn the meeting without further notice, for a period not to exceed forty days at any one adjournment.

### **Section 5.9 Manner of Acting**

The act of the majority present at any meeting at which a quorum is present will be the act of the Board. In the event of a tie vote, the motion fails.

### **Section 5.10 Compensation**

By resolution of the Board, any Director may be reimbursed for expenses, if any, of attendance at meetings or related to the conduct of the business of the Board. No compensation will be granted to Directors.

### **Section 5.11 Telephone Meetings**

One or more Directors or any committee designated by the Board may participate in a meeting of the Board or a committee thereof by means of conference telephone, video conference, computer on-line interactive site that includes audio or similar communications equipment by which all persons participating in the meeting can hear one another at the same time. Such participation will constitute presence in person at the meeting for all purposes, including the finding of a quorum.

### **Section 5.12 Committees**

The school shall be served by two Elected Committees (Accountability and Recruiting) and as many standing and ad hoc committees as the Board deems necessary. These committees shall submit their reports directly to the Board and the Accountability Committee. These committees have the same obligations of posting minutes and providing notice of meetings as required of the Board in Section 5.4. The Board shall review all committee charters annually. Committees can form subcommittees as they deem necessary.

**Section 5.12.1 Accountability Committee**

The Accountability Committee shall be elected by the Members to monitor the effective governing of the School by assessing the School’s progress toward its mission. This will be accomplished by analyzing metrics and targets and conveying the information to the Stargate community. The function of this committee shall be fact-finding, deliberative and advisory to the Board. This committee will be composed of five Parent Members elected by the Parent Members, three Staff Members elected by the Staff Members and one non-voting Director. All committee members will serve staggered two year terms. The authority to act, limits on authority and scope of duties will be clearly delineated in the committee charter but shall include performing an annual comprehensive review of the Board and administration, developing and revising charters, verifying that Board recall petitions meet compliance with the Bylaws’ requirements, and assessing all committees for compliance with their individual charters. The Accountability Committee will present the annual ‘State of the School’ meeting in conjunction with the Board and the Recruiting Committee.

**Section 5.12.2 Recruiting Committee**

A Recruiting Committee shall be elected by the Members to develop and maintain an ongoing list of potential Parent and Independent Directors, prepare potential candidates through an orientation program, and ensure proper training for the Board. The Recruiting Committee shall consist of four Parent Members elected from the parent population and three staff members elected by their peers.

**Section 5.12.3 Elected Committee Vacancies**

Should a vacancy occur on either of the Elected Committees or an insufficient number of candidates exist, the vacancy shall be filled within thirty days by a majority vote of the combined elected members of the Committee and the Board. The newly selected member shall hold the position until such time as the next election is held, at which point the seat shall be filled via the election process. Any person filling a vacancy due to the operation of this subsection cannot vote to fill any subsequent vacancies.

#### **Section 5.12.4 Standing Committees**

The Board shall empanel the following standing committees: Finance and Strategic Planning. In addition, the Board may empanel such other standing committees as it deems appropriate, such as Fundraising, Education, and Community Relations committees. The Accountability Committee shall monitor the committees to assess progress towards goals. At least one Director shall sit on each of these committees and, except for the Strategic Planning Committee; the Board member shall be non-voting. Each Standing Committee shall follow the duties and responsibilities of its charter. **(Board Voted to remove voting status of board member from finance November 2010)**

#### **Section 5.12.5 Ad Hoc Committees**

The Board shall authorize and the Accountability Committee shall monitor Ad Hoc Committees such as an Elections Committee and a Governance Review Committee as the need is warranted.

#### **Section 5.13 Standard of Care**

A Director will perform duties as a Director, including duties as a member of any committee of the Board upon which the Director may serve, in good faith in a manner the Director reasonably believes to be in the best interests of the School, and with such care as an ordinarily prudent person in a like position would use under similar circumstances (the “Standard of Care”). In performing duties, a Director will be entitled to rely on personal knowledge, opinion, and experience and on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by the persons herein designated. The Director will not be acting in good faith if the Director has knowledge concerning the matter in question that would cause such reliance to be unwarranted. A person, who so performs these duties in good faith, will not have any liability by reason of being, or having been, a Director.

#### **Section 5.13.1 Reliance**

The designated persons on whom a Director is entitled to rely are the following:

1. Current or former Directors, current or former Members, and employees whom the Director reasonably believes to be reliable and competent in the matters presented;

2. Counsel, public accountants, consultants, or other persons as to matters which the Director reasonably believes to be within such persons' experiential, professional or expert competence; or,
3. A committee of the Board, duly designated in accordance with Sections 5.12 of these Bylaws, as to matters within its designated authority, which committee the Director reasonably believes to merit confidence.

### **Section 5.14 Confidentiality**

Each Director and each Member serving on a Committee (each, a "Covered Person") is subject to the standards of confidentiality set forth in this Section. Each Covered Person shall be required to sign a non-disclosure agreement setting forth the provisions of this Section 5.14 prior to undertaking service.

#### **Section 5.14.1 Confidential Information**

Covered Persons, by reason of their service to the School, will have access to confidential information of the School, and may not disclose:

1. Discussions and actions taken during an executive session of the Board or a committee, as directed by Colorado and Federal law;
2. Non-public information regarding staff, students, parents, candidates, Directors, and donors;
3. Other confidential business and proprietary information relating to the School and those doing business with the School; and,
4. Information designated as "Confidential" by the Board or any of its committees.

Such Confidential Information is a valuable and unique asset of the School and may be subject to legal and contractual restrictions on disclosure. Covered Persons' obligation to protect such Confidential Information is in furtherance of their duties of loyalty to the School.

#### **Section 5.14.2 Disclosure of Confidential Information**

Covered Persons will not use or disclose to any person any Confidential Information except:

1. A Covered Person may use (but not disclose) Confidential Information in a manner that is consistent with the Covered Person's duties and as required to further a proper corporate objective;
2. Where the majority of the Board authorizes the disclosure of Confidential Information in writing.
3. As otherwise provided in the Colorado Sunshine Laws.

All Covered Persons are duty bound to adhere strictly to this non-disclosure policy with respect to Confidential Information. This duty shall survive each Covered Person's term of office in perpetuity.

### **Section 5.14.3 Permitted Disclosures**

Nothing in this Section 5.14 will prohibit the Covered Person from,

1. Disclosing attendance at any meeting of the Board or any of its committees and assent to or dissent from any action taken publicly at any such meeting (without disclosing any executive session discussions or other confidential matters before the Board or committee at such meeting); or,
2. Disclosing Confidential Information to an attorney or a Board retained advisor who agree to be bound by the terms of this section and not to use such information for any improper purpose.

### **Section 5.14.4 Non-Disclosure of Privileged Information**

Notwithstanding the foregoing, no Covered Person may under any circumstances disclose privileged information (including attorney-client privileged communications) to any person in any manner that would result in a waiver of privilege, without prior written authorization of the Board.

### **Section 5.14.5 Written Authorization**

A majority of the Board shall be necessary to approve the written authorization required in this Section (excluding the Director seeking written authorization). The Board may seek tax and legal advice in connection with the granting or denial of any such written authorization, and will memorialize such grant or denial, and the reasons therefore, in writing.

### **Section 5.15 Purpose of Conflict of Interest Policy**

The purpose of the Conflict of Interest policy is to assure that the organization is operated for the general and public good, to carry out its stated mission, and not for the private benefit of any Covered Person or Related Person, as well as to comply with the common law, Colorado statutes and the Internal Revenue Code (specifically with respect to excess benefit or private inurement issues). For purposes of this section, a Related Person refers to spouses, parents, children, full and half-siblings, grandparents, grandchildren, aunts, uncles, nephews, nieces or cousins to a Covered Person or Advisor as defined in Section 5.2.3 (collectively, “Covered and/or Related Persons”). This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations. Covered Persons and Advisors shall exercise their powers in good faith, and with a view to the best interests of the School.

#### **Section 5.15.1 Conflicts Of Interest**

A Conflict of Interest exists whenever a direct or indirect contract, transaction, compensation or other relationship is being considered or exists between the School and a Covered Person, Related Person, Advisor, or any business entity in which such persons have a financial interest. A Conflict of Interest may be non-financial.

#### **Section 5.15.2 Disclosure**

In connection with any actual or possible Conflict of Interest, a Covered Person or Advisor must disclose the existence of the Conflict of Interest in writing to the Board and Committee as soon as the actual or potential Conflict of Interest is known.

#### **Section 5.15.3 Recusal**

A Covered Person or Advisor who has a Conflict of Interest related to a matter proposed or pending before the Board shall not vote on the matter and shall not attempt to influence the decisions of other Board members in voting on the matter.

#### **Section 5.15.4 Conflict Inquiry**

A Covered and/or Related Person will be deemed to have a Conflict of Interest if such Covered and/or Related Person concedes that such Conflict of Interest exists. If a request is made that the Board make a determination whether or not a Conflict of Interest exists, the Covered and/or

Related Person will present the facts relevant to the Conflict of Interest and then will, if requested by the Board, leave the meeting while the determination of a Conflict of Interest is discussed and voted upon by the members of the Board. A majority of disinterested Directors will make the determination whether a Conflict of Interest exists (even though the disinterested Directors number less than a quorum), and such decision will be noted in the minutes of the Board.

The person chairing the meeting involving the Conflict of Interest may appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement. After exercising due diligence, the Board or committee shall determine whether the School can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a Conflict of Interest. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a Conflict of Interest, the Board or committee shall determine by a majority vote of the disinterested Directors whether the transaction or arrangement is in the School's best interest, for its own benefit and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

The Board shall not enter into any contract with any Covered Person or Related Person or with a firm or corporation in which one of them has a financial interest unless one or more of the following conditions are met:

1. The contract is awarded to the lowest responsible bidder based on competitive bidding procedures.
2. The merchandise is sold to the highest bidder at a public auction.

#### **Section 5.15.5 Failure to Declare an Interest**

If the Board has reasonable cause to believe a Covered Person has failed to disclose an actual or possible Conflict of Interest as required by these Bylaws, it will inform the Covered Person of the basis for such belief and afford the Covered Person the opportunity to explain the alleged failure to disclose.

### **Section 5.15.6 Records of Proceedings**

The minutes of any meeting of the Board at which an actual or potential Conflict of Interest is addressed will contain, at a minimum, the names of the persons who disclosed or otherwise were found to have an actual or possible Conflict of Interest, the general nature of the actual or possible Conflict of Interest, any action taken to determine whether a Conflict of Interest was present, and the Board's determination whether a Conflict of Interest in fact existed.

### **Section 5.15.7 Annual Statements**

Each Director and member of a committee with Board delegated powers shall annually sign a statement which affirms such person:

1. Has received a copy of this Conflicts of Interest policy;
2. Has read and understands the policy;
3. Has agreed to comply with the policy; and,
4. Understands the School is a charitable organization and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

### **Section 5.15.8 Annual Review of Agreements**

The Board shall conduct an annual review of the following:

1. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining; and,
2. Whether partnerships, joint ventures, and other arrangements conform to the School's written policies, are properly recorded, continue to reflect reasonable investment or payments for goods and services, further educational purposes and do not result in any impermissible private benefit or in an excess benefit transaction.

## **Article VI. Officers and Agents**

### **Section 6.1 General**

The Officers of the corporation will be a President, one or more Vice Presidents, and a Secretary. In addition, the Board may elect such Officers as they may consider necessary or desirable, who

will be chosen in such manner and hold their offices for such terms and have such authority and duties as may be determined by the Board. All Board and Officer positions are voluntary. One person may not simultaneously hold the office of President and Secretary. In all cases where the duties of any Officer are not prescribed by the Bylaws or by the Board, such Officer will follow the orders and instructions of the President or President's designee.

### **Section 6.2 Election and Term of Office**

The Officers of the corporation will be elected annually by the Board. To be elected and to remain an Officer, the person must be a current Board member. Once elected, an Officer will hold office until a successor is duly elected or until removed in the manner hereinafter provided.

### **Section 6.3 President**

The President will preside over all meetings of the Board, prepare and distribute an agenda for all meetings, coordinate the work of the Officers of the Board, chair the Annual Meeting, and act as the official representative of the Board in communications to the school members.

#### **Section 6.3.1 President – Head of School**

At the direction and/or approval of the Board, the President shall administer the employer/employee relationship between the Board and the Head of School.

#### **Section 6.3.2 President, Represent the Corporation**

The President will not delegate the authority for executing legal documents, contracts, major acquisitions and disbursements, and the power to bind the School in legal agreements, except as specifically approved by the Board. The President will have custody of the Treasurer's bond, if applicable.

### **Section 6.4 Vice President(s)**

The Vice President(s) will assist the President and will perform such duties as may be assigned by the President or by the Board. In the absence of the President, the Vice President, or, if there is more than one, the Vice Presidents in the order designated by the Board, will have the power and perform the duties of the President.

## **Section 6.5 Secretary**

The Secretary will:

1. Be the custodian of the minutes of the proceedings of all committees and the Board;
2. See that all notices are duly given in accordance with the provisions of these Bylaws as required by law;
3. Be custodian of the corporate records;
4. Keep at the corporation's registered office a record containing the names and addresses of all Officers and Directors;
5. Have custody of the seal of the School;
6. Make available for review draft minutes prior to the next Board meeting; and,
7. In general, perform all duties incident to the office of Secretary and such other duties as may be assigned by the President or by the Board.

Assistant Secretaries, if any, will have the same duties and powers, subject to supervision by the Secretary. The Directors may designate a person other than the Secretary or Assistant Secretary to keep the minutes of their respective meetings.

### **Section 6.5.1 Record Keeping**

Any books, records, or minutes of the corporation will be in written form or in any common and accessible format capable of being converted into written form within a reasonable time. The Secretary will produce a written form of any records, except the record of an executive session, upon any reasonable request within a reasonable amount of time.

### **Section 6.6 Treasurer (Optional)**

The Board, at its option, may appoint a Treasurer, who shall have such duties as the Board deems appropriate.

## Article VII. Removal of Officers and Deemed Resignation of Directors, Recalls and Vacancies

### **Section 7.1 Removal of Officers**

Any Officer may be removed from Office by the Board whenever in its judgment the best interest of the School would be served thereby. A majority of Directors voting at any meeting is required to remove an Officer. The Board may fill a vacancy in any office, however occurring. Removal of an Officer shall not constitute removal of said person as a Director.

### **Section 7.2 Deemed Resignation of Directors**

Any Director who is found by a two-third vote of the entire Board (excluding the Director who is the subject of the vote) to have (a) failed to attend three or more consecutive regular or special meetings of the Board without prior notice to the President or Secretary, (b) failed to meet the responsibilities of Directors, including those set forth in Sections 5.13, 5.14 and 5.15, in Colo. Rev. Stat. § 7-128-401 or in a Code of Ethics adopted by the Board, or (c) has become ineligible for a Directorship position as defined in 5.2.4 or 5.2.6 will be deemed to have resigned in accordance with Colo. Rev. Stat. § 7-128-107(4). A Director who is deemed to have resigned shall be notified of the deemed resignation and of the opportunity to request a reconsideration of the Board's determination by making such request, orally or in writing, within five days of notice by the Board. The Director may, along with the request for reconsideration, submit such additional information concerning the actions leading to the deemed resignation that the Director considers pertinent. The Board shall respond to the Director's request for reconsideration by reviewing the oral or written material submitted by the Director and either affirming or reversing its decision within ten days of its receipt of the request for reconsideration.

Any Director may resign at any time by giving written notice to the President or to the Secretary of the corporation. Such resignation will take effect immediately, unless otherwise determined by the Board. The acceptance of any such resignation will not be necessary to make it effective.

### **Section 7.3 Recall of Directors**

A Director may be recalled from the Board by the Members in a Special Election resulting from a petition for Special Election. The petition will specifically state a reason for the recall, what action(s) or inaction(s) of the Director warrant the recall, and the reason the petitioner believes said recall would be in the best interests of the School. Such petition, containing original signatures of at least twenty-five percent of the Members, or a notarized copy thereof, must be submitted to any elected member of the Accountability Committee. The Accountability Committee shall immediately notify a Board Officer and the subject Director of the recall by mail as set forth in Section 5.7. Within five days of the submission of the petition, the Accountability Committee shall verify that the petition complies with the requirements of this section and shall confirm the signatures set forth on the petition are in fact the Members' signatures using a statistical sample having no more than a five per cent margin of error.

#### **Section 7.3.1 Invalid Petitions**

In the event the Accountability Committee determines the petition does not meet the requirements of this section, the Accountability Committee shall, within ten days of the submission, return it to the petitioner(s) with a statement identifying the reasons it did not meet the requirements.

#### **Section 7.3.2 Recall Election**

In the event the petition meets the requirements of this section, the Board must hold a Special Election within thirty days of the date of the submission of the petition. The ballot of the election will be solely to determine if the Director who is the subject of the recall will be removed from the Board. Both the Director who is the subject of the ballot and the petitioners will have the opportunity to submit written statements setting forth their positions. Not less than ten days prior to the election, the School will, at no cost to either party, distribute these statements to all persons qualified to vote in the recall election.

#### **Section 7.3.3 Ballots for Recall**

Ballots for recall of a Director will be distributed to Members. A Director is automatically removed from the Board if,

1. Forty per cent of all Members eligible to vote do vote; and,

2. At least sixty-seven percent of those voting vote for the removal of the Director.

## **Article VIII. Indemnification of Certain Persons**

### **Section 8.1 Indemnification**

To the fullest extent permitted by law, any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, and whether formal or informal (a “Proceeding”), by reason of the fact that the person is or was a Director, employee, fiduciary or agent of the corporation shall be defended by and indemnified by the School against reasonable expenses (including attorneys' fees), judgments, penalties, fines, (including any excise tax assessed with respect to an employee benefit plan) and amounts paid in settlement reasonably incurred by them in connection with such Proceeding:

1. If the person acted in good faith and reasonably believed, in the case of conduct in his Official Capacity with the School, that the conduct was in the School's best interest;
2. In all other cases (except criminal cases) believed that the conduct was at least not opposed to the School's best interests; or,
3. With respect to criminal proceedings had no reasonable cause to believe the conduct was unlawful.

### **Section 8.1.1 Official Capacity**

A person will be deemed to be acting in his official capacity while acting as a Director, employee, or agent of this School or any other entity if acting at the request of the School. The indemnity offered by this Section will be in addition to the indemnity granted in the Articles of Incorporation, and each will be applied to the fullest extent allowable by law.

### **Section 8.1.2 Limit of Indemnification**

No indemnification will be made under this Section 8.1 to any indemnitee with respect to any claim, issue or matter in connection with a Proceeding by or in the right of the School in which the indemnitee was adjudged liable to the School or in connection with any Proceeding charging improper personal benefit to the indemnitee, whether or not involving action in their Official Capacity, in which they were adjudged liable on the basis that personal benefit was improperly

received by them. Further, indemnification under this Section 8.1 in connection with a Proceeding brought by or in the right of the School will be limited to reasonable expenses, including attorneys' fees, incurred in connection with the Proceeding. With respect to a criminal proceeding that results in a finding that the indemnitee had reasonable cause to believe their conduct was unlawful and a conviction (as opposed to a termination of action as described in Section 8.2 hereafter), the above indemnification will not apply to judgments, penalties, or fines ordered by the court as a result of such conviction, and there will be no further indemnity for expenses (including attorney's fees) relating to the same cause of action after such conviction.

### **Section 8.1.3 Indemnified Expenses**

With respect to the reasonable expenses incurred by any Director when such person is a party to a Proceeding, the corporation will provide funds to such person in advance of the final disposition of the Proceeding if,

1. Such person furnishes the School with such person's written affirmation of a good faith belief that such person has met the applicable standard of care; and,
2. Such person agrees in writing to repay the advance if it is determined by final order of a court of competent jurisdiction that such person it has not met the applicable standard of care.

### **Section 8.2 Effect of Termination of Action - Presumption of Good Faith**

The termination of any action, suit or proceeding by judgment, order, settlement, a conviction, or upon a plea of *nolo contendere* or its equivalent will not of itself create a presumption that the person seeking indemnification did not meet the Standard of Care described in Section 5.13 of these Bylaws. Entry of a judgment by consent as part of a settlement will not be deemed an adjudication of liability. There is a presumption of good faith and a right to this indemnification up to the time of entry of a judgment of criminal conviction in conjunction with a finding that the indemnitee had reasonable cause to believe his conduct was unlawful.

## **ARTICLE IX. Provision of Insurance**

### **Section 9.1 Insurance**

By action of the Board, notwithstanding any interest of the Directors in the action, the corporation may purchase and maintain insurance, in such scope and amounts as the Board deems appropriate, on behalf of any person who is or was a Director, employee, fiduciary, or agent of the School, against any liability asserted against, or incurred by, him in any such capacity or arising out of his status as such, whether or not the School would have the power to indemnify him against such liability under the provisions of Article VIII of these Bylaws or applicable law. Any indemnity owed to any person by the corporation is not in any way limited or predicated on the presence or absence of such insurance or such insurance policies limits of coverage.

## **ARTICLE X. Miscellaneous**

### **Section 10.1 Amendments**

These Bylaws will be reviewed by the Board for any useful or necessary amendments at least biennially at a regular meeting of the Board.

#### **Section 10.1.1 Membership Amendments**

The Members may by a vote as set forth herein alter, amend, add or repeal any section of these Bylaws. The proposed amendment must be published at least twenty days prior to any vote of the membership.

#### **Section 10.1.2 Board Amendments**

The Directors may by a two-third vote alter, amend, add or repeal any section of these bylaws except the following sections: 3.1, 4.1, 5.1.2, 5.2, 5.2.1, 5.2.2, 5.2.3, 5.2.4, 5.2.5, 5.2.6, 5.2.8, 5.3, 5.4, 5.4.1, 5.5, 5.8, 5.9, 5.12, 5.12.1, 5.12.3, 5.13, 5.15.9, 7.3, 7.3.1, 7.3.2, 7.3.3, 10.1.1, 10.1.2, 10.1.3 which shall only be altered, amended, or repealed by a vote of the Members.

#### **Section 10.1.3 Member Amendment Process**

To alter, amend, add or repeal any section of these bylaws, a Member must present a petition reflecting that ten percent of the Members support the amendment. At the next regularly

scheduled election, the ballot shall include the proposed amendment(s). In order for any amendment to take effect, at least thirty percent of the Members must vote and at least sixty-seven percent of the ballots cast must be in favor of the amendment.

### **Section 10.2 Lawful Compliance**

If any section of these Bylaws is found to be in violation of school district, State of Colorado or Federal guidelines or law, that section shall be rendered invalid, but the remaining Bylaws shall remain in force as though such invalid section were not part of these Bylaws.

### **Section 10.3 Emergency Bylaws**

The Emergency Bylaws provided in this Section 10.3 shall be operative during any emergency in the operation of the School during which a quorum of the Board cannot readily be obtained because of some catastrophic event, notwithstanding any different provision in the preceding articles of these bylaws or in the Articles of Incorporation of the corporation or in the Colorado Revised Nonprofit Corporation Act. To the extent not inconsistent with the provisions of this Article, the bylaws provided in the preceding articles shall remain in effect during such emergency and upon its termination and the Emergency Bylaws shall cease to be operative. During any such emergency:

1. A meeting of the Board may be called by any Director. Notice of the time and place of the meeting shall be given by the person calling the meeting to such of the Directors as it may be feasible to reach by any available means of communication. Such notice shall be given at such time in advance of the meeting as circumstances permit in the judgment of the person calling the meeting.
2. As is reasonable and possible, the Board shall offer full and timely notice of meetings to the public in compliance with the Colorado Sunshine Laws.
3. At any such meeting of the Board, a quorum shall consist of the number of Directors in attendance at such meeting.
4. The Board, either before or during any such emergency, may, effective in the emergency, change the principal office or designate one or several alternative principal offices or regional offices, or authorize the Officers to do so.
5. The Board, either before or during any such emergency, may provide, and from time to time modify, lines of succession in the event that during such an emergency any or all

Officers or agents in the School shall for any reason be rendered incapable of discharging their duties.

6. No Director or employee acting in accordance with these Emergency Bylaws shall be liable except for willful misconduct.
7. These Emergency Bylaws shall be subject to repeal or change by further action of the Board or by action of the Members, but no such repeal or change shall modify the provisions of the preceding paragraph with regard to action taken prior to the time of such repeal or change. Any amendment of these Emergency Bylaws may make any further or different provision that may be practical and necessary for the circumstances of the emergency.