

**BYLAWS
Of
STEP ACADEMY-MN
(The “Corporation”)**

ARTICLE 1

Purpose

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

Article II

Offices

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

Article III

Meetings of the Board

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held each month, or at a time or sequence agreed upon by the Board. A schedule of the regular meetings of the Board of Directors will be kept on file at the Corporation’s primary offices and will be posted on the Academy website. The Schedule must state the date, time, and place of the Board’s regular meetings.

Section 2. Annual Meeting. The annual meeting of the members of the Corporation shall be held at such time and location as determined by the Board of Directors. Notification shall be by newsletter and/or posted in the front lobby at the school at least five (5) days and not more than thirty (30) days prior to the meeting date. Such notice shall contain the date, time and place of the meeting.

Section 3. Special Meetings. Two or more Directors may ask the Chair to call a special meeting for a particular purpose. The Chair will honor such a request, provided that the requested date, time, and place of the special meetings are reasonable and that a regular or special meeting of the Board is not already scheduled to be held at or around the same time. The Chair, or a designee, must give three days’ advance notice of the meeting to each Director. Any Director who appears at a meeting waives the right to assert that adequate notice of the meeting was not provided, unless the Director states at the beginning of the meeting that his or her appearance is solely for the purpose of asserting the illegality of the meetings. The Board, or its designee, must post and deliver written notice of the date, time, place, and purpose of a special meeting in accordance with the Open Meeting Law (currently codified at Minn. Stat. Ch. 13D).

Section 4. Emergency Meetings. When circumstances require the immediate consideration of an issue, the Board of Directors may call an emergency meeting in accordance with the procedures set forth in the Open Meeting Law (currently codified at Minn. Stat. Ch. 13D).

Section 5. Quorum and Adjourned Meeting. Except as expressly provided in these Bylaws or applicable law, a quorum is required to hold a Board meeting and to transact any business at a Board meeting. A majority of the Directors constitute a quorum for the transaction of business at any meeting of the Board of Directors. If a quorum is present when a duly called or held meeting is convened, the Directors may continue to transact business until adjournment, even though the withdrawal of directors originally present leaves less than the proportion or number otherwise required for a quorum.

Section 6. Voting. The Board must take action by the affirmative vote of a majority of Directors who are present and entitled to vote at a duly held meeting, except in those cases, if any, where these Bylaws or the laws of the State of Minnesota require the affirmative vote of a larger proportion. Only current Directors on the Board may vote at a meeting, and each Director may cast only one vote per motion.

Section 7. Parliamentary Procedures. The Board will strive to conduct meetings according to the rules contained in the current edition of *Robert's Rules of Order Newly Revised*, unless such rules are suspended by majority vote of a quorum of the Board, or such rules conflict with other rules of order adopted by the Board. The failure to strictly follow parliamentary procedure, including any procedures established in *Robert's Rules of Order*, will not invalidate an action on the Board.

ARTICLE IV BOARD OF DIRECTORS

Section 1. General Powers. The Board of Directors is responsible for governing, managing, and directing the affairs of the Corporation. Toward that end, The Board of Directors is authorized to exercise all corporate powers except as limited by law, the Articles of Incorporation, or these Bylaws.

Section 2. Number and Tenure.

- (a) The number of Directors constituting the Board shall be at least five and not more than eleven, with the exact number to be determined and announced at each annual meeting of the Board. STEP Academy must conform to the requirements stated in Minnesota Charter School Law. Charter School Statute 124D.10 (2013); This statute requires that the Board must include: one licensed teacher who provides classroom instruction at the school, a parent with a student at the school, and an outside community member. There shall not be a teacher majority Board. The chief financial officer and the chief administrator of the school are ex-officio nonvoting members of the Board.
- (b) Every Charter School Board member shall attend training on board governance, the Board's roles and responsibilities, employment policies and practices, and financial management. A Board member who does not begin the required training within six months of being seated and complete the required training within 12 months of being seated on the Board is ineligible to continue to serve as a Board member.
- (c) Each year STEP Academy-MN Charter School Board will have an annual meeting to address the community regarding the state of the school. Nominations will be accepted one month prior to the election of the given year for open Board positions. Elections

will be held at the annual meeting. The membership of the Board shall be consistent with current law.

Section 3. Seats. Directors will be elected to hold specific seats having specific terms. Seats shall be as follows:

Seat A. Required Community Member

Seat B. Required Teacher Member.

Seat C. Required Parent Member.

Seat D. Parent, Teacher, or Community member.

Seat E. Parent, Teacher, or Community member.

Seat F. Parent, Teacher, or Community member.

Seat G. Parent, Teacher, or Community member.

Section 4. Annual elections. STEP Academy will hold its first Board election in April 2014, which will be directed by the Governance Committee in accordance with Charter Law and recommended policy from the Minnesota Department of Education. Current Board members whose terms are ending have the right to run for an elected position along with other eligible candidates.

Section 5. Terms.

- (a) Terms will be staggered so that three (or if there are more than five Board members, a number constituting the majority) of the Board members' terms will expire in three years, and two Board member's terms will expire in two years.
- (b) Each Director will remain on the Board until expiration of the term for which the Director was elected or appointed and until a successor is elected and qualified, or until the death, resignation, removal, or disqualification of the Director, whichever occurs first.

Section 6. Election of Directors.

- (a) On or before May 15, the Board must hold an election in a manner that the Board sees fit to determine which candidates will be elected to the Board. The following individuals may vote in the election: staff members who are employed by the Corporation, including teachers providing instruction under a contract with a cooperative; and all parents and legal guardians of children enrolled at STEP Academy, but not more than two votes per family. Voting will be by ballot (either mail-in or in-person). The ballots will be counted by a person selected by the Board. The counting of the ballots will be witnessed by a third party and will be promptly reported to the Board in writing.
- (b) The persons receiving the greatest number of votes shall be elected for the open seats on the Board.
- (c) Election requirements.

1. The Board will notify eligible voters of the election date at least 30 days before the election.
2. Board elections will be held during the school year and will not be conducted on days when the school is closed for holidays, breaks, or vacations

Section 7. Resignation of a Director.

- (a) A Director may resign at any time by giving written notice to the Board of Directors. Such resignation shall be effective upon delivery of the notice to any officer, unless a later effective date is specified in the written notice. The Board is not required to accept a resignation in order for it to become effective.
- (b) If a Director is an employee of the Corporation, including a licensed teacher, and his or her employment with the Corporation terminates for any reason, the Director shall immediately submit his or her resignation form the Board.

Section 8. Removal of Elected Directors. A Director who has been elected to the Board may be removed at any time, with or without cause, by a two-thirds vote of the other directors on the Board.

Section 9. Removal of Appointed Directors. A Director who has been appointed to the Board may be removed at any time, with or without cause, by majority vote of the other Directors on the Board.

Section 10. Filling Vacancies. If a seat on the Board becomes vacant before the Director who held the seat completes his or her term on the Board, the vacancy may be filled by the affirmative vote of a majority of the Directors on the Board, provided that the vote occurs at a properly noticed meeting of the Board of Directors. A Director who is appointed to fill a vacancy will hold office for the unexpired term of the vacant seat, subject to his or her earlier death, disqualification, resignation, or removal.

Section 11. Compensation. Directors will not receive compensation for their services as a director. However, Directors may be reimbursed for actual, necessary, and reasonable out-of-pocket expenses incurred while rendering services to the Corporation. Subject to any limitations imposed by law, the Board of Directors may determine whether out-of-pocket expenses are necessary and reasonable, and whether such expenses were incurred while rendering services to the Corporation.

Section 12. Committees of the Board. In addition to other actions relating to committees, the Board of Directors may: (1) establish standing or ad hoc committees as it sees fit; (2) define the powers and responsibilities of any committee that it has established; (3) designate and determine the members of any committee that is has established; (4) select or provide a method for selecting chairperson for a committee; (5) designate one or more individuals to replace any absent or disqualified member of a committee; (6) direct and oversee any committee that is has established; and (7) disband any established committee as it sees fit, regardless of whether the committee is a standing committee or an ad hoc committee. An *ad hoc* committee is considered disbanded once its designated task has been completed.

- (a) Authority of Committees. Unless the Board affirmatively acts by majority vote to provide a committee with a decision-making authority, the committee must be deemed to be advisory only, such that it has no decision-making authority. In the event that the Board gives a committee decision-making authority, the meetings of that committee must be posted and held in accordance with the Open Meeting Law. A committee that has been given decision-making authority may exercise that authority only through the affirmative vote of a majority of the total members of the committee.
- (b) Establishment of Personnel Committee. The Board shall establish a Personnel Committee to gather information and conduct annual reviews of the Executive Director. The committee shall use the Executive Director's job description as a basis for the annual review.
1. The Personnel Committee shall not have the authority to take any binding action on behalf of the Board.
 2. The Personnel Committee shall not include teachers employed by the school and shall be comprised of less than a quorum of the Board.
 3. The Personnel Committee shall be the body to receive complaints regarding the Executive Director. If deemed appropriate, the Personnel Committee shall appoint an independent party to conduct an investigation into complaints; that party shall report back to the committee with the results of the investigation. Recommendations for discipline shall be made by the committee to the full board in compliance with open meeting law requirements.
 4. The Personnel Committee shall also be charged with negotiating the terms of a recommended employment contract for the Executive Director. The contract shall be presented to the full Board for its final consideration.
- (c) Procedures for Conducting Committee Meetings. The activities of all committees of the Corporation must be conducted in a manner that will advance the best interest of the Corporation. Each committee must fix its own rules of and must act in a manner that is consistent with the Articles of Incorporation, these Bylaws, and the policies of the Corporation. The Board Chair will be an ex-officio member of all committees, unless the Chair also serves as a member of such committee.
- (d) Limitation on Authority of Committees. Every committee that is established by the Board will be subject to the direction and control of the Board. The actions and decisions of any of decision-making committee that has been established by the Board are subject to review, ratification, modification, or reversal by the Board.

ARTICLE V CONFLICTS OF INTEREST

Section 1. Conflicts of Interest Prohibited. No Director may violate any applicable legal prohibition on conflicts of interest. Applicable statutes include, but are not limited to, Minnesota Statutes Sections 124D.10, subdivision 4a and 124D.10, subdivision 23a. Abstaining from a vote, or abstaining from participating in a discussion of the Board relating to a vote, does not cure a statutory conflict of interest. Any Director who has a personal financial interest in a transaction that is being contemplated by the Board, or who has a relationship with any person who may be involved in a transaction, must fully disclose to the Board the existence of the interest or

relationship before the transaction is initiated. Directors must comply with all conflict-of-interest policies adopted by the Board of Directors and must submit any annual statement required by such policies.

Section 2. Confidentiality. Absent a court order or a privilege protected by law, a Director may not disclose to any third person information that was discussed in closed session or information that relates to the Board's negotiation strategy or competitive bargaining position with respect to any transaction, sale, purchase, lease, agreement, or contract.

ARTICLE VI OFFICERS AND EMPLOYERS

Section 1 . Officers and Terms. The Corporation will have the following officers: (1) President; (2) Vice-President; (3) Treasurer; and (4) Secretary. The President is also referred to as the Chair, and the Vice-President is also referred to as the Vice-Chair. By majority vote of a quorum of the Board, the Board may appoint any director to serve as an officer of the Corporation. Each officer will serve a one-year term, which will begin on the date of the appointment and will end one-year later, or when a successor is duly elected and qualified, whichever occurs later.

Section 2. Vacancies. At its next meeting or at a later date, the Board may appoint a Director to fill any vacancy in any office. The appointment must be by majority vote of a quorum of the Board.

Section 3. Chair. The Board Chair is the principal officer of the Corporation and must not be an employee of the Corporation. The Chair must perform the duties of the Corporation's President in accordance with the Minnesota Nonprofit Corporation Act (currently codified at Minnesota Statutes Section 317A. 305, subdivision 3). Accordingly, among other things, the Chair must:

- (a) have general active management of business of the Corporation;
- (b) call and, when present, preside at regular, special, and emergency meetings of the Board;
- (c) see that the orders and resolutions of the Board are carried into effect;
- (d) sign and deliver in the name of the Corporation deeds, mortgages, bonds, contracts, or other instruments that have been approved by the majority vote of the Board, except in such cases in which the authority to sign and deliver is required by law to be exercised by another person or is expressly delegated by the Board to another officer or agent of the Corporation;
- (e) maintain records of the Board and, when necessary, certify proceedings of the Board;
- (f) perform other duties prescribed by the Board.

Section 4. Vice-Chair. The Vice-Chair must assume the duties of the Chair when the Chair is absent to act, and must perform such other duties as the Board of Directors may prescribe.

Section 5. Treasurer. The Treasurer must perform the duties of the Corporation's Treasurer in accordance with the Minnesota Nonprofit Corporation Act (current coded at Minnesota Statutes Section 317A.305, subdivision 3). In addition, the Treasurer must perform such other duties and have such other powers as may be prescribed by the Board of Directors.

Section 6. Secretary. The Secretary must record and preserve the minutes of the meetings attended by the Secretary and perform such other duties and have such other powers as may be prescribed by the Board of Directors.

Section 7. Removal of Officer. Any officer may be removed from office at any time, with or without cause, by majority vote of the Board of Directors.

Section 8. Registration. Any officer may resign from office at any time by giving written notice to the Board of Directors. Such resignation will be effective upon delivery of the notice to any other officer of the Corporation, unless a later effective date is specified in the written notice. The Board is not required to accept a resignation in order for it to become effective. Any Director who resigns from the Board shall be deemed, without any further action, to have resigned from all offices held by that Director.

ARTICLE VII DISTRIBUTION OF ASSETS

Section 1. Right to Cease Operations and Distribute Assets. By a two-thirds vote of all Directors at a meeting held for the specific stated purpose of considering the questions of dissolution, the Board of Directors may adopt a resolution requiring that the Corporation cease operations and voluntarily dissolve in accordance with all applicable laws.

Section 2. Cessation and Distribution. When cessation of operations and distribution of assets has been called for, the Board of Directors and the designated officers shall cause the Corporation to discontinue its regular business activities and operations as soon as practicable, and shall liquidate and distribute all the Corporation's assets in accordance with all applicable laws and with the requirements of the authorizing contract. Notice of intent to dissolve shall be filed with the Secretary of State as required by law.

ARTICLE VIII IDEMNIFICATION

Section 1. Indemnification. The Corporation shall defend, indemnify, and hold harmless its directors, officers, employees, and committee members to the fullest extent permitted by Minnesota Statutes Section 317A.521 and any amendments thereto.

Section 2. Insurance. The Corporation shall purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, representative, or agent of the Corporation, or member of a committee of the Board of Directors, against any liability asserted against and incurred by such person in his or her official capacity, or arising out of his or her status as such, whether or not the Corporation would have power to indemnify such person against liability.

ARTICLE IX AMENDMENTS

Section 1. Amendments that do not concern the governance structure. These Bylaws may be amended, altered, or repealed and new bylaws adopted upon proper notice and a two-thirds vote of the Board of Directors.

Section 2. Amendments applicable to the governance structure. The governance structure of the Board may only be amended as follows:

(1) by a majority vote of the Board of Directors and a majority vote of the licensed teachers employed by the school as teachers, including licensed teachers providing instruction under a contract between the school and a cooperative;

(2) with the Authorizer's approval. Any change in Board governance structure must conform with the composition of the Board established under Article IV Section 2.

ARTICLE X FINANCIAL MATTERS

Section 1. Contracts. By majority vote of a quorum, the Board of Directors may authorize officers or agents of the Corporation to enter into any contract or to execute and deliver any instrument in the name of, and on behalf of, the Corporation. Any such authority may be general or confined to specific instances. Unless so authorized by the Board of Directors or these Bylaws, no officer, agent, or employee shall have any power or authority to bind the Corporation by any contract or engagement, or to pledge its credit or to render it financially liable for any purpose or to any amount. All contracts are subject to review, reversal and approval of the Board.

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

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

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

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

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

- (a) approved minutes and records or all proceedings of the Board of Directors and all committees;
- (b) records of all votes and actions of the members;
- (c) all financial statements of the Corporation; and
- (d) the Articles of Incorporation and Bylaws of the Corporation and all amendments and restatements thereof.

ARTICLE XI

CERTIFICATION

I hereby certify that the foregoing Bylaws were adopted as the Bylaws of the Corporation at a meeting of the Board of Directors of the Corporation held on _____

By its Secretary _____

Date: _____