

BYLAWS

BlueSky Charter School

Bylaws for the regulation of BlueSky Charter School, a Minnesota nonprofit corporation.

ARTICLE I

NAME AND OFFICE

Section 1.1 Name. The name of the corporation (hereinafter “BlueSky Charter School”) shall be BlueSky Charter School.

Section 1.2 Principal Office. BlueSky Charter School’s principal office shall be at 1821 University Avenue West, Suite 178 N, Saint Paul, MN 55104; or at such other place as the Board may select by resolution or amendment of the Bylaws. The Secretary shall note any change in principal office on the copy of the Bylaws maintained by the Secretary.

ARTICLE II

MEMBERS

Section 2.1 Members. BlueSky Charter School shall have no members. The management of the affairs of BlueSky Charter School shall be vested in a Board of Directors (hereinafter “Board”).

ARTICLE III

DIRECTORS

Section 3.1 Powers.

A. Exclusive Powers. The Board shall conduct or direct the affairs of BlueSky Charter School and exercise its powers, subject to the limitations of Minnesota Statutes and these Bylaws. Exclusive powers of the Board include the authority:

1. To select and remove directors.
2. To select and remove officers.
3. To enter into contracts, leases and other agreements which are, in the Board’s judgment, necessary or desirable in obtaining the purposes of promoting the interests of BlueSky Charter School.
4. To borrow money and incur debt.
5. To carry out such other duties as are described in MN Statutes.

B. Delegable Powers. The board may delegate the management of the activities of BlueSky Charter School to others, so long as the affairs of BlueSky Charter School are managed, and its powers are exercised, under the Board’s ultimate jurisdiction. Delegable powers of the Board include the authority:

1. To select and remove agents and employees of BlueSky Charter School; to prescribe powers and duties for them; and to fix their compensation.
2. To conduct, manage and control the affairs and activities of BlueSky Charter School, and to make rules and regulations.
3. To acquire personal property, by purchase, exchange, lease, gift, devise, bequest, or otherwise, and to hold, improve, lease, sublease, encumber, convey or otherwise dispose of such property.

4. To indemnify and maintain insurance on behalf of any of its Directors or employees acting within the scope of their position for liability asserted against or incurred by such person.

Section 3.2 Composition. The Board shall consist of five Directors, the majority of which are licensed teachers employed by BlueSky Charter School. The remaining members will be stakeholders defined as parents and guardians of currently enrolled students; non-teacher employees of BlueSky Charter School; and any other person who demonstrates support to the mission, values and goals of BlueSky Charter School.

Section 3.3 Election. The Board will follow the BlueSky Board Election Process as the election procedures for BlueSky's Board of Directors for an annual November election. Each BlueSky Charter School employee will have one vote.

- a. Eligibility. Each student's mother and father or legal custodians have one vote, with a maximum of two votes per family. Each BlueSky Charter School employee has one vote.

Section 3.4 Terms.

- A. The Directors shall serve staggered two-year terms with two elected in the even years and three elected in the odd years.
- B. The initial Board under these Bylaws shall provide for terms of its Directors, by designating three as two-year terms and two as three-year terms.
- C. A Director shall serve for no more than two consecutive terms.
- D. The term of office of a Director elected to fill a vacancy in these Bylaws begins on the date of the Director's election, and continues for the balance of the unexpired term in the case of a vacancy created because of the resignation, removal, or death of a Director.
- E. A Director's term begins at the Organizational Meeting of Directors in January.

Section 3.5 Resignation of Directors. A Director may resign by giving written notice to the Board. The resignation is effective on the giving of notice or at any later date specified in the notice.

Section 3.6 Removal of Directors. If a member misses two or more meetings per year, the Board has the right to declare, upon written notification to the individual, that the seat is vacant and proceed to fill the vacancy. Such removal shall not prejudice the Director's rights, if any, under an employment contract.

Section 3.7 Vacancies.

- A. A vacancy is deemed to occur on the effective date of the resignation of a Director, upon the removal of a Director, upon declaration of vacancy pursuant to these Bylaws, or upon a Director's death.
- B. A vacancy on the Board shall be filled by majority vote of the remaining Directors.

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Section 3.8 Compensation. Directors shall serve without compensation. However, the Board may approve reimbursement of a Director's actual and necessary expenses while conducting BlueSky Charter School business.

Section 3.9 Place of Meetings. Board meetings shall be held at BlueSky Charter School's principal office or at any other reasonably convenient place as the Board may designate.

Section 3.10 Organizational Meetings. An organizational meeting of the Board of Directors shall be held in January of each year for the purpose of installing newly elected Directors, electing officers, setting the dates and times of regular Board meetings, and transacting other business as comes before the Board.

Section 3.11 Regular Meetings. Regular Meetings shall be held monthly on a consistent date and time, established by resolution.

Section 3.12 Special Meetings. Special meetings of the Board of Directors may be called at any time upon request of the Chair or any two directors, provided that any such request shall specify the purpose or purposes for the meeting. The Chair shall set the date for the special meeting within three working days of making or receiving such a request and shall give written notice of the time, place and purpose of such special meeting, in accordance with the Board's meeting notice policy.

Section 3.13 Emergency Meetings. An emergency meeting may be called because of circumstances that, in the judgment of the Board, require immediate consideration by the public body. Under such circumstances, the cause must be clearly identified, notification must be given, and 72 hour meeting notice may be waived.

Section 3.14 Notices. Notice of Board Meetings shall be given by e-mailing an agenda to Board members, staff, parents, the sponsor, and any individual requesting notification; in accordance with the Open Meeting Law.

Section 3.15 Quorum. A quorum consists of a majority of the Board of Directors.

Section 3.16 Action by the Board. The actions done and decisions made by a majority of the Directors present at a meeting at which a quorum is present are the actions and decisions of the Board.

Section 3.17 Committees. The Board of Directors may establish one or more committees having the authority of the Board in the management of the business of BlueSky Charter School to the extent determined by the Board. Members of a committee need not be Directors and shall hold such office for a term of one year from their appointment or until their successors are appointed, whichever occurs first. Meetings of the committee may be called, from time to time, upon request of the chair of the Board, the chair of the committee or any two committee members. Notice shall be in accord with the Board's meeting notice policy.

Section 3.18 Standard of Care.

- A. Performance of Duties. Each Director shall perform all duties of a Director, including duties on any Board Committee, in good faith, in a manner the Director believes to be in BlueSky Charter School's best interest and with such care, including reasonable inquiry, as an ordinary prudent person in a like position would use under similar circumstances.
- B. Reliance on Others. In performing the duties of a Director, the Director shall be entitled to rely on information, opinions, reports or statements, including financial statements and other financial data presented or prepared by:
 - 1. One or more officers or employees of BlueSky Charter School whom the Director believes to be reliable and competent in the matters presented;
 - 2. Legal counsel, independent accountants or other persons as to matters that the Director believes are within that person's professional or expert competence; or
 - 3. A Board Committee on which the Director does not serve, as to matters within its designated authority, provided the Director believes the Committee merits confidence and the Director acts in good faith, after reasonable inquiry when the need is indicated by the circumstances, and without knowledge that would cause such reliance to be unwarranted.
- C. Investments. In investing and dealing with all assets held by BlueSky Charter School for investment, the Board shall exercise the standard of care described above and avoid speculation, looking instead to the permanent disposition of the funds, considering the probable income, as well as the probable safety of BlueSky Charter School's capital. No investment violates this section where it conforms to provisions authorizing such investment contained in an instrument or agreement pursuant to which the assets were contributed to BlueSky Charter School. All investments should be in accord with Minnesota Statutes 118A.04 & 118A.05.

Section 3.19 Rights of Inspection. Every Director has the right to inspect and copy all books, records and documents of every kind and to inspect the physical properties of BlueSky Charter School, provided that such inspection is conducted at a reasonable time after reasonable notice, and provided that such right of inspection and copying is subject to the obligation to maintain the confidentiality of the reviewed information, in addition to any obligations imposed by any applicable federal, state, or local law.

Section 3.20 Participation in Discussions and Voting. Every Director has the right to participate in the discussion and vote on all issues before the Board. Any Director shall be excused from the discussion and vote on any matter involving a) a conflict of interest; b) indemnification of that Director.

ARTICLE IV OFFICERS

Section 4.1 Officers. The officers of BlueSky Charter School consist of a President (hereinafter "Chair"), Vice President (hereinafter "Vice Chair"), a Secretary and a Chief Financial Officer (hereinafter "Treasurer"). BlueSky Charter School also may have such other officers as the Board deems advisable.

- A. Chair. If present, the Chair shall preside at Board meetings and establish the meeting agenda.
- B. Vice Chair. If the Chair is absent or disabled, the Vice Chair shall perform all the Chair's duties.
- C. Secretary. The Secretary shall a) keep or cause to be kept, at BlueSky Charter School's principal office a book of minutes of all meetings of the Board and Board Committees, noting the time and place of the meeting, whether is was regular or special (and if special, how authorized), the notice given, the names of those present, and the proceedings; b) keep or cause to be kept a copy of BlueSky Charter School's Bylaws with amendments; c) give or cause to be given notice of the Board and Committee meetings as required by the Bylaws; and d) have such other powers and perform such other duties as the Board may prescribe.
- D. Treasurer. The Treasurer shall a) keep or cause to be kept adequate and correct accounts of BlueSky Charter School's properties, receipts and disbursements; b) make the books of account available at all times for inspection by any Director; c) deposit or cause to be deposited BlueSky Charter School's monies and other valuables in BlueSky Charter School's name and to its credit, with the depositories the Board designates; d) disburse or cause to be disbursed BlueSky Charter School's funds as the Board directs; e) render to the Chair and the Board, a monthly account of BlueSky Charter School's financial transactions and financial condition; f) prepare any reports on financial issues required by an agreement on loans; and g) have such other powers and perform such other duties as the Board may prescribe.

Section 4.2 Election, Eligibility and Term of Office.

- A. Election. The Board shall elect the officers annually at an Organizational Meeting; except that officers elected to fill vacancies shall be elected as vacancies occur.
- B. Eligibility. A Director may hold one office.
- C. Term of Office. Each officer serves a one-year term until his or her successor is elected.

Section 4.3 Removal and Resignation. The Board may remove any officer with reasonable cause at any time. Such removal shall not prejudice the officer's rights, if any, under an employment contract. Any officer may resign at any time by giving written notice to the Board, the resignation taking effect on receipt of the notice or at a later date specified in the notice.

Section 4.4 Non-Liability of Directors. The Directors shall not be personally liable for BlueSky Charter School's debts or liabilities.

Section 4.5 Indemnification of Corporate Agents. BlueSky Charter School shall indemnify any Director, officer, employee or other agent of BlueSky Charter School, who has been successful a) on the merits in defense of any civil, criminal, administrative or investigative proceeding brought to procure a judgment against such person by reason of the fact that s/he is, or was, the BlueSky Charter School's agent, or b) in defense of any claim, issue or matter therein. In such

case, BlueSky Charter School will provide indemnity against expenses actually and reasonably incurred by the person in connection with such proceeding.

ARTICLE V FINANCE

Section 5.1 Fiscal Year. The fiscal year of BlueSky Charter School shall commence on July 1 of each year and end on June 30 of the following year.

Section 5.2 Contracts. All contracts must have Board approval.

Section 5.3 Income. Any revenue, contributions, grants, bequests or gifts made to BlueSky Charter School shall be accepted or collected only as authorized by the Board of Directors.

Section 5.4 Funds Deposit. All funds of the BlueSky Charter School shall be deposited to the credit of BlueSky Charter School under such conditions and in such banks or depositories as shall be designated by the Board of Directors.

Section 5.5 Expenses. All contracts, checks and orders for the payment, receipt or deposit of money, and access to assets of BlueSky Charter School shall be as provided by the Board of Directors.

Section 5.6 Budget. The annual budget of estimated income, income expense and capital expense shall be approved by the Board of Directors. BlueSky Charter School shall not deviate in any material respect from the annual budget approved by the Board of Directors unless consent to such deviation is granted by the Board of Directors.

Section 5.7 Property Title. Title to all property shall be held in the name of BlueSky Charter School.

Section 5.8 Financial Reporting. A summary report of the financial operations of BlueSky Charter School shall be made monthly to the Board of Directors.

Section 5.9 Disposal of Assets. BlueSky Charter School may not sell, lease, transfer, or dispose of all or substantially all of its property and assets, including its good will, not in the usual and regular course of its activities, without the approval of a majority of the directors.

Section 5.10 Right to Cease Operations and Distribute Assets. By a majority vote of all directors, the Board of Directors may resolve that BlueSky Charter School cease operations and voluntarily dissolve. Such resolution shall set forth the proposed dissolution and direct designated officers of BlueSky Charter School to perform all acts necessary to affect dissolution. Written notice shall be given to all directors stating that the purpose of the meeting shall be to vote upon the dissolution of BlueSky Charter School. If such cessation and distribution is called for, the Board of Directors shall set a date for commencement of the distribution.

Section 5.11 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 BlueSky

Charter School to discontinue its regular business activities and operations as soon as practicable, and shall liquidate and distribute all BlueSky Charter School's assets to other entities in accordance with Minnesota Statutes Chapter 317A.735 and in accordance with the Articles of Incorporation. Notice of intent to dissolve shall be filed with the Secretary of State pursuant to Minnesota Statutes Chapter 317A 723.

Section 5.12 Conflict of Interest. Any Director, officer, employee or committee member having an interest in a contract, other transaction or program presented to or discussed by the Board or Board Committee for authorization, approval, or ratification shall make a prompt, full and frank disclosure of his or her interest to the Board.

**ARTICLE VI
AMENDMENT OF BYLAWS**

Section 6.1 Bylaws. These Bylaws will be reviewed as needed and shall be documented as to the date of such review. Proposed amendments will be presented in writing & will be stated in Board meeting notification. Proposed written amendments will be acted upon at the following Board meeting.

Certificate of Secretary. The undersigned does hereby certify that the undersigned is the Secretary of the BlueSky Charter School Board of Directors and the foregoing Bylaws of BlueSky Charter School were duly and regularly adopted as such by the Board of Directors and that the above and foregoing Bylaws are now in full force and effect.

Secretary