

By-Laws of
Swan River Montessori Charter School

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SWAN RIVER MONTESSORI CHARTER SCHOOL AMENDED AND RESTATED BYLAWS

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**RESTATED AND AMENDED BYLAWS OF
SWAN RIVER MONTESSORI CHARTER SCHOOL
(THE "CORPORATION")**

ARTICLE I: PURPOSE

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

ARTICLE II: OFFICES

The principal office of the Corporation in the State of Minnesota shall be set forth in the Articles of Incorporation or in the most recent amendment of the Articles of Incorporation or statement of the Board of Directors filed with the Minnesota Secretary of State changing the registered office in the manner prescribed by law. 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 from time to time.

The Corporation shall have and continuously maintain a registered office in the State of Minnesota. The registered office may be, but not need be, identical with the principal office in the State of Minnesota.

ARTICLE III: MEMBERSHIP

SECTION 1. MEMBERSHIP. The members of the Corporation shall be the persons so designated from time to time by the Board of Directors. There shall be one class of members. The sole members of the Corporation shall be the Board of Directors. Members shall not be required to pay a membership fee or annual dues. The initial member shall have voting rights.

The Board of Directors may, from time to time, create additional classes of membership. The terms and conditions of such additional membership classes, if any, shall be determined by the Board of Directors from time to time.

SECTION 2. MEMBERSHIP CRITERIA. Membership criteria shall be adopted by the Board of Directors, and all membership approval, classification and reclassification shall be the responsibility of the Board of Directors. Members may be reclassified by an action of the Board

of Directors or upon the request of a member, followed by the approval of the Board. Members may resign at any time without the approval of the Board of Directors.

SECTION 3. 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 web site, electronic mail, and/or posted on the two main entrances of the school at least fourteen (14) days prior to the meeting date. Such notice shall contain the date, time, and place of the meeting.

SECTION 4. SPECIAL MEETING. A special meeting of the voting members may be called at any time by a majority vote of the Board of Directors or by the requisite number of voting members as provided in Minnesota Statutes, Section 317A.433. Notification shall be by web site, electronic mail, and/or posted on the two main entrances of the school no fewer than seven (7) days prior to the date of the meeting. Such notice shall contain the date, time, place, and purpose of the meeting. Only subjects listed on the agenda shall be acted upon at the meeting.

SECTION 5. QUORUM. For any annual or special meeting, a majority of the total number of voting members shall constitute a quorum.

SECTION 6. VOTING. At each meeting of the membership, every voting member shall have one (1) vote. Members may vote in person or by proxy. The affirmative vote of a majority of a quorum of voting members shall constitute a duly authorized action of the membership.

ARTICLE IV: BOARD OF DIRECTORS

SECTION 1. GENERAL POWERS. The affairs of the Corporation shall be managed by its Board of Directors. Except as limited by the Articles of Incorporation, these Bylaws, Minn. Stat. 124D.10, and by law, the Board of Directors shall have the power and authority to do all acts and perform all functions that the Corporation may do or perform.

SECTION 2. NUMBERS, TENURE AND QUALIFICATION. The Board of Directors shall consist of not less than five (5) non-related nor more than nine (9) members and include:

2.1 At least one (1) licensed teacher employed at the school or a licensed teacher providing instruction and under a contract between the school and a cooperative;

2.2 The parent or legal guardian of a student enrolled in the charter school;
and

2.3 An interested community member who is not employed by the charter school and does not have a child enrolled in the school.

2.4 The Chief Financial Officer and the Chief Ex-Officio are non-voting board members.

(a) If the Corporation has not secured a waiver of the provisions of Minn. Stat. 124D.10 subd. 4(c)¹ from its sponsor, a majority of the Board of Directors shall, at all times after the school becomes operational, consist of the teachers providing instruction under contract with the Corporation.

(b) If the Corporation has secured a waiver of the provisions of Minn. Stat. 124D.10 subd. 4(c) from its sponsor, then no Directors need be teachers under contract with the Corporation (although this does not prevent teachers under contract from serving as Directors if so elected).

At the first annual meeting, members shall elect two (2) directors to a two (2) year term (to be identified as Directors A and B) and one (1) director to a one (1) year term (to be identified as Director C); thereafter, each director shall hold office for a three (3) year term or until a successor has been duly elected and qualified, or until the director dies, resigns, is removed or the term otherwise expires as provided by law or by the Bylaws of this Corporation. The election of the Board of Directors shall be in compliance with Section 124D.10 subd. 4(c) of the Minnesota Statutes².

(c) Beginning 60 days in advance of the Corporation's annual meeting, the Board of Directors will solicit nominations for all the Directorate positions that will be filled at the next annual meeting. The Board of Directors will compile the list of nominees and notify the Corporation's members of the nominees for each position fifteen (15) days before the date of the annual meeting.

¹ Minn. Stat. 124D.10 subd. 4(c) states that: Licensed teachers employed at the school, including teachers providing instruction under a contract with a cooperative, must be a majority of the members of the Board of Directors, unless the State Board waives the requirement for the school.

² Minn. Stat. 124D.10 subd. 4(c) states that: Any staff members who are employed at the school, including teachers providing instruction under a contract with a cooperative, and all parents of children enrolled in the school may participate in the election.

SECTION 3. ELECTION PROCESS. Eligible voters will be notified of the Board of Director election dates at least 30 days prior to the election. Board elections must be held during a time when school is in session.

SECTION 4. CHANGES TO GOVERNANCE MODEL. Any changes in the Corporation's Governance Model may be made only:

13.1 By majority vote of the Board of Directors and the licensed teachers employed by the school, including licensed teachers providing instruction under a contract between the school and a cooperative; and

13.2 With the Authorizer's approval.

SECTION 5. REGULAR MEETINGS. Regular meetings of the Board of Directors shall be held at the call of the Board Chair, at the request of a majority of the Board of Directors by written notice received by web site, mail, electronic mail, in person, or by facsimile at least five (5) days prior to the meeting, and at least four (4) times during the school year. The notice shall designate the time, place, and date of such meeting; however, the notice need not specify the business to be transacted thereat. The Board of Directors shall meet not less than once per year.

SECTION 6. SPECIAL MEETINGS. Special meetings of the Board of Directors may be called at any time, for any purpose, by the Board Chair. The Board Chair shall call a special meeting of the Board of Directors upon the written request of one-third (1/3) of the members of the Board. Notice of every special meeting of the Board of Directors shall be mailed or electronically mailed to each director at least five (5) days before the day on which the meeting is to be held, or be delivered in person or by telephone, not later than twenty-four (24) hours before the meeting is to be held.

SECTION 7. QUORUM AND ADJOURNED MEETING. A meeting at which at least a majority of the members of the Board of Directors are present shall constitute a quorum for the transaction of business at any meeting of the Board of Directors. If, however, such quorum shall not be present at any such meeting, the director or directors present thereat shall have the power to adjourn the meeting from time to time without notice other than announcement at the meeting, until a quorum shall be present. Notwithstanding the foregoing, if a quorum is present when a duly called meeting is convened, and later enough directors withdraw from the meeting so that less than a quorum remains, the directors remaining may continue to transact business until adjournment.

SECTION 8. VOTING. Each member of the Board of Directors shall have the power to exercise one (1) vote on all matters to be decided by resolution of the Board. The affirmative

vote of a majority of a quorum of Board members shall constitute a duly authorized action of the Board.

SECTION 9. RESIGNATION AND REMOVAL. Directors may resign at any time, effective immediately or at a specified later date by giving written notice to the Board Chair or the Secretary of the Corporation. Unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. A director may be removed at any time, with cause by a two-thirds (2/3) vote of a majority of all remaining directors of the Corporation. Failure to attend four (4) consecutive meetings or two (2) consecutive quarterly meetings shall also constitute cause.

Cause for removal of a Board Member may include, but is not limited to:

- Failure to adhere to these by-laws and their provisions;
- Failure to declare a conflict of interest;
- Soliciting, receiving, or accepting any remuneration, exchange for a vote and/or favorable or unfavorable disposition on any item under consideration by the Board or any of its committees;
- Any form of Board representation not authorized by the Chairperson or the full Board;
- Felony conviction during term of service on the Board;
- A consistent pattern of behavior unbecoming a Board Member (e.g. violent behavior);
- Removal of a Board Member for all the above causes shall be accomplished by a recommendation by the Chairperson and vote of the full Board of Directors. The Chairperson shall provide the Board Member subject to removal written notice of the charge(s) at least fifteen (15) days prior to the meeting of the Board of Directors on which the matter is scheduled. The Board Member may appeal in writing to the Board of Directors seven (7) days before the scheduled meeting. The Board of Directors must respond before the next full board meeting, or within ten (10) days whichever is sooner. If the appeal to the Board is denied, or if no timely appeal is submitted, the proposed removal shall be subject to a vote at the next full board meeting.

SECTION 10. FILLING VACANCIES. Unless otherwise provided by Minnesota Statutes Section 317A.227, vacancies on the Board of Directors caused by death, disqualification, resignation, disability, removal, or such other cause shall be filled by appointment of a new director by the affirmative vote of a majority of the remaining directors, even if less than a quorum. A director filling a vacancy shall hold office until the next annual meeting of the members, or until his successor has been duly elected and qualified, subject to his earlier death, disqualification, resignation, or removal.

SECTION 11. COMPENSATION. Directors, as such, shall not receive stated salaries for their services, but nothing in these by-laws shall be construed to preclude any director from serving the Corporation in any other capacity and receiving compensation therefor. In addition, the directors of the Corporation may be reimbursed for reasonable out-of-pocket expenses incurred by them in rendering services to the Corporation, as the Board of Directors from time to time determines such services to be directly in furtherance of the purpose and in the best interest of the Corporation.

SECTION 12. MEETINGS WITHOUT NOTICE. Any director may, in writing or orally, either before, at, or after any meeting of the Board of Directors, waive notice thereof and, without notice, any director by attendance at such meeting and participation therein shall be deemed to have waived notice of the action or actions taken at any meeting of the Board of Directors.

SECTION 13. PRESENCE AT MEETINGS. Members of the Board of Directors or of any committee, as applicable, may participate in a meeting of the Board of Directors or any committee by means of telephone conference or similar communications equipment. All board members must be simultaneously seen and heard by all participants and people in attendance. Such participation at the meeting shall constitute presence in person at the meeting.

SECTION 14. COMMITTEES OF THE BOARD. The Board of Directors may, by resolution passed by a majority of the Board of Directors, designate, define the authority of, set the number and determine the identity of, members of one or more committees. Committee members must be natural persons, but need not be members of the Board of Directors. The Board may, by similar vote, designate one or more alternate members of any committee who may replace any absent or disqualified member at any meeting of the committee.

14.1. AUTHORITY OF COMMITTEES. Any committee, the extent provided in these by-laws or in the resolutions creating such committee, shall have and may exercise all of the powers and authority granted by the Board of Directors in the management and business affairs of the Corporation; provided, however, that no committee shall be granted any powers or authority exceeded that granted to the Board of Directors. Unless otherwise stated in the resolutions creating it, or in these by-laws, committee actions shall be taken only upon the affirmative vote of a majority of the members of the committee. Failure of a committee to reach an agreement upon any issue before it shall require referral of such issue to the entire Board of Directors.

14.2. PROCEDURES FOR CONDUCTING MEETINGS. The activities of all committees of this Corporation shall be conducted in such manner as will advance the best interest of the Corporation. Each committee shall fix its own

rules of procedure and other regulations which shall be consistent with the Articles of Incorporation these by-laws, and the policies of the Corporation. The Board Chair shall be an ex-officio member of all committees, unless he serves as a member of such committee. The meetings of all committees shall be open to attendance by all directors, which directors may participate in any such meeting, but may not vote unless such director is member of the committee.

14.3. LIMITATION ON AUTHORITY OF COMMITTEES. Each committee shall be under the direction and control of the Board and shall keep regular minutes of their proceedings, and all actions of each committee shall be reported to the Board of Directors and shall be subject to revision and alteration by the Board of Directors. Each committee shall meet as provided by its rules or by resolution of the Board of Directors. Notice of all meetings of any committee shall be given to all members of that committee as determined by the committee, or pursuant to Section 4 above.

ARTICLE V: OFFICERS AND EMPLOYEES

SECTION 1. NUMBER; ELECTION. The officers of the Corporation shall be elected for one to three (1-3) year terms by the Board of Directors, and shall consist of a Board Chair, Chief Financial Officer, Secretary, and such other officers as the Board of Directors shall determine from time to time.

SECTION 2. VACANCIES. A vacancy in any office of this Corporation occurring by the reason of death, disqualification, resignation, or removal shall be filled for the unexpired portion of the term by appointment of a successor by the Board of Directors.

SECTION 3. BOARD CHAIR. The Board Chair shall:

3.1 Act as the chairman of the Board of Directors and exercise the functions of the office of the president of the Corporation.

3.2 Preside at all meetings of the Board of Directors;

3.3 Perform such duties and exercise such powers as are necessary or incident to the supervision and management of the business and affairs of the Corporation;

3.4 Sign and deliver, in the name of the Corporation, all deeds, mortgages, bonds, contracts or other instruments requiring an officer's signature, unless otherwise directed by the Board.

3.5 Have the general powers and duties usually vested in the office of the president; and

3.6 Have such other powers and perform such other duties as are prescribed by Minnesota Statutes, Section 317A.305, subd. 2, and as the Board of Directors may from time to time prescribe.

SECTION 4. CHIEF FINANCIAL OFFICER and/or THE SCHOOL DIRECTOR. The Chief Financial Officer and/or the School Director shall:

4.1 Keep accurate accounts of all monies of the Corporation received or disbursed;

4.2 Deposit all monies, drafts, and checks in the name of, and to the credit of, the Corporation in such banks and depositories as the Board of Directors shall from time to time designate;

4.3 Have the care and custody of the corporate funds and securities;

4.4 Have the power to endorse for deposit all notes, checks, and drafts received by the Corporation;

4.5 Disburse the funds of the Corporation as ordered by the Board of Directors, making proper vouchers therefore;

4.6 Render to the Board Chair and the Board of Directors, whenever required, an account of all of his transactions as Chief Financial Officer and/or School Director and of the financial condition of the Corporation; and

4.7 Perform such other duties and have such other powers as may from time to time be prescribed by the Board of Directors or by the Board Chair.

SECTION 5. SECRETARY. The Secretary shall maintain the office of the Corporation and shall:

5.1 Attend all meetings of the members, the Board of Directors, and all committees (when requested);

5.2 Record all proceedings of the minutes of the members, Board of Directors, and committees in a book to be kept for that purpose;

5.3 Preserve all documents and records belonging to the Corporation;

5.4 Maintain a list of all members of the Corporation in good standing;

5.5 Give or cause to be given notice of all meetings of the members and all meetings of the Board of Directors and committees, and

5.6 Perform such other duties as may be prescribed by the Board of Directors or the Board Chair from time to time.

SECTION 6. MANAGEMENT AND ADMINISTRATIVE EMPLOYEES. The Corporation may have such management and administrative employees as from time to time are determined necessary by the Board of Directors. Such employees shall be appointed in a manner, have the duties and responsibilities, and hold their positions for the time prescribed by the Board of Directors.

SECTION 7. COMPENSATION. The officers and employees of the Corporation may be paid such reasonable compensation, if any, for their services rendered to the Corporation in such capacity, and may be reimbursed for reasonable out-of-pocket expenses, as the Board of Directors from time to time determines to be directly in furtherance of the purposes and in the best interests of the Corporation.

SECTION 8. BOND. The Board of Directors of this Corporation shall from time to time determine which, if any, of the officers, agents, or employees of this Corporation shall be bonded and the amount of each bond.

SECTION 9. REMOVAL OF OFFICER. Any officer may be removed at any time, with or without cause, by the vote of a majority of a quorum of the Board of Directors at any regular meeting or at a special meeting called for that purpose.

SECTION 10. RESIGNATION. Any officer may resign at any time. Such resignation shall be made in writing to the Board Chair or the Secretary of the Corporation and shall take effect at the time specified therein, or, if no time be specified, at the time of its receipt by the Board Chair or Secretary. The acceptance of a resignation shall not be necessary to make it effective.

ARTICLE VI: DISTRIBUTION OF ASSETS

SECTION 1. RIGHT TO CEASE OPERATIONS AND DISTRIBUTE ASSETS. By a two-thirds (2/3) vote of all directors, the Board may resolve that the Corporation cease operations and voluntarily dissolve. Such resolution shall set for the proposed dissolution and direct designated officers of the Corporation to perform all acts necessary to affect a dissolution. Written notice as required by these by-laws shall be given to all voting members stating that the purpose of the meeting shall be to vote upon the dissolution of the Corporation. A resolution to dissolve the Corporation shall be approved only upon the affirmative vote of a two-thirds (2/3) of a quorum of voting members of the Corporation taken at a meeting during which the resolution is brought before the voting members. If such cessation and distribution is called for, the Board shall set a date for commencement of the distribution.

SECTION 2. CESSATION AND DISTRIBUTION. When cessation of operations and distribution of assets has been called for, the Board of Directors and the designated officers shall cause the Corporation to discontinue its regular business activities and operations as soon as possible, and shall liquidate and distribute all the Corporation's assets to other entities in accordance with Minnesota Statutes, Section 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 Statute, Section 317A.723.

ARTICLE VII: INDEMNIFICATION

SECTION 1. INDEMNIFICATION. Each director, officer, and employee of the Corporation, past or present, and each person who serves or may have served at the request of the Corporation as a director, officer, partner, trustee, employee, representative, agent of another organization or employee benefit plan, and the respective heirs, administrators and executors of such persons, shall be indemnified by the Corporation in accordance with, and the fullest extent permitted by Minnesota Statute, Section 317A.521. The Corporation shall not be obligated to indemnify any other person or entity, except to the extent such obligation shall be specifically approved by resolution of the Board of Directors. The Corporation shall have the power to advance to such person's expenses incurred in defending any such proceeding to the maximum extent permitted by law. This Section is and shall be for the sole and executive benefit of the individuals designated herein and no individual, firm, or entity shall have rights under this Section by way of assignment, subrogation or otherwise, whether voluntary, involuntary, or by operation of law.

SECTION 2. INSURANCE. The Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, or agent of the Corporation,

against any liability asserted against and incurred by such person in his or her official capacity, or arising out of his or her status as such, whether or not the Corporation would have the power to indemnify such person against liability under Minnesota Statute, Section 317A.521, the Articles of Incorporation or these by-laws.

ARTICLE VIII: AMENDMENTS

Subject to the right of the voting members to adopt, amend, and repeal these by-laws as set forth in Minnesota Statute, Section 317A.181, subd. 2(b), the power to adopt, amend, or repeal the by-laws is vested in the Board of Directors.

ARTICLE IX: FINANCIAL MATTERS

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

SECTION 2. LOANS AND PLEDGES. No loans shall be contracted nor pledges or guarantees given on behalf of the Corporation unless specifically authorized by the Board of Directors.

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

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

SECTION 5. CORPORATE SEAL. The Corporation shall not have a corporate seal.

SECTION 6. DOCUMENTS KEPT AT REGISTERED OFFICE. The Board of Directors shall cause to be kept at the registered office of this Corporation originals or copies of:

- 6.1 Records of all proceedings of the Board of Directors and all committees;
- 6.2 Records of all votes and actions of the members;
- 6.3 All financial statements of this Corporation; and
- 6.4 Articles of Incorporation and by-laws of this Corporation and all amendments and restatements thereof.

SECTION 7. ACCOUNTING SYSTEM AND AUDIT. The Board of Directors shall cause to be established and maintained, in accordance with generally accepted accounting principles applied on a consistent basis, an appropriate accounting and financial reporting system for the Corporation. The Board shall cause the records and books of account of the Corporation to be audited at least once each fiscal year and at such other times as it may deem necessary or appropriate, and may retain such person or firm for such purposes as it may deem appropriate.

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

ARTICLE X: MISCELLANEOUS

SECTION 1. GENDER REFERENCES. All references in these by-laws to a party in the masculine shall include the feminine and neuter.

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