

BY-LAWS
OF THE
KEYSTONE ACADEMY CHARTER SCHOOL
AS APPROVED AND ADOPTED ON July 17, 2014

Section 1. Name, Objects and Purposes, Mailing Address, Corporate Seal, and Fiscal Year

- 1.1** Name. The name of this nonprofit corporation shall be the KEYSTONE ACADEMY CHARTER SCHOOL, hereafter referred to as the “Charter School.”
- 1.2** Mission, Objectives and Purposes. The mission of the Charter School is to provide Philadelphia students with a rigorous academic program using a concentrated science and math curriculum that employs the use of integrated technology and to embrace strategies that support its elementary science program. These approaches can be divided into four major areas: 1) science curriculum development; 2) staff development and empowerment; 3) assessment development; and 4) materials and resource management and coordination. The objectives and purposes of the Charter School are: (1) to foster quality public education and to advance the interests of public school students through the promotion and advocacy of community schools; (2) to stimulate the development of innovative programs in public education; (3) to provide opportunities for learning and assessments; (4) to provide parents and students with greater educational options in choosing a school; and (5) to hold teachers, parents, and school administrators accountable for the student educational process. The Charter School is incorporated under the Nonprofit Corporation Law of 1988, as amended, of the Commonwealth of Pennsylvania, and shall be organized and operated exclusively for charitable, scientific, literary and educational purposes permitted within the scope of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, including the purposes specified in Act No. 1997-22 of the General Assembly of the Commonwealth of Pennsylvania known as and referred to herein as the “Charter School Law.” In furtherance of these purposes, the Charter School may exercise all rights and powers conferred by the laws of the Commonwealth of Pennsylvania upon nonprofit corporations and schools formed pursuant to the Charter School Law.
- 1.3** Mailing Address. The mailing address of the Charter School shall be:

KEYSTONE ACADEMY CHARTER SCHOOL
6649 Tulip Street
Philadelphia, PA 19135

The Board of Trustees may change this address as necessary.

- 1.4 Fiscal Year. The fiscal year of the Charter School shall, unless otherwise decided by the Trustees, end on June 30 of each calendar year.
- 1.5 Corporate Seal. The Trustees may adopt and alter the corporate seal inscribed with the name of the School, the year of its organization and the words "Corporate Seal, Pennsylvania" and such other details as may be specified by the Board of Trustees.

Section 2. Membership

- 2.1 Membership. Unless or until the Articles of Incorporation of the Charter School are amended to provide otherwise, Charter School shall have no members. Any provision of law requiring notice to, the presence of, or the vote, consent or other action by members of the corporation in connection with such matter shall be satisfied by notice to, the presence of, or the vote, consent or other action by the Board of Trustees. No certificates of membership shall be issued at any time.

Section 3. Board of Trustees

- 3.1 Composition. The Board of Trustees shall be composed of not more than seven (7) natural persons of full age. No member of Board of School Directors of the chartering school district shall serve on the Board of Trustees.
- 3.2 Election of Trustees. Nominations shall be placed before the Board of Trustees as needed at any regularly scheduled or special meeting open to the public. Nominations may be made by a Nominating Committee or by any Trustee. The Trustees will cast an open, public ballot. A simple majority of a quorum is required for election.
- 3.3 Tenure. The Board of Trustees shall consist of not more than seven members designated as either a "Class A" Trustee or a "Class B" Trustee, who shall have the same rights, obligations and privileges, except that the Terms of service for each class of Trustees shall expire at different times, as further set forth in these by-laws.

Each Trustee shall hold office until the Trustee's term expires unless the Trustee dies, resigns, is removed, or becomes disqualified.

In order to have established staggered two year terms for Trustees

the following occurred at the Annual Meeting held in 2012, and at the Annual Meetings held thereafter: Not more than three "Class A" Trustees were elected at the Annual Meeting held in 2012, and they served an initial term of one year. Thereafter, "Class A" Trustees were elected at the Annual Meeting held in 2013 and at the Annual Meeting held every two years thereafter, and they shall serve terms of two years or until a successor is duly elected. Not more than four "Class B" Trustees were elected at the annual meeting held in 2012 and at the annual meeting held every two years thereafter, and they shall serve terms of two years or until a successor is duly elected. A trustee may be reelected or reappointed for consecutive terms.

3.4 Resignation. Any Trustee may resign by delivering a written resignation to the Board of Trustees. Such resignation shall become effective upon receipt unless it is specified to be effective at some time later.

3.5 Vacancies.

(a) Any vacancies on the Board of Trustees shall be filled by a vote of the Board of Trustees. Each trustee so elected to fill a vacancy shall hold office for the remainder of the predecessor's unexpired term.

(b) If a Trustee resigns by giving notice specifying that such resignation shall be effective at a future time, the Board of Trustees shall have the power to elect a successor to take office when the resignation shall become effective.

3.6 Authority. The Board of Trustees (the "Board") shall have and exercise the corporate powers prescribed by the laws of the Commonwealth of Pennsylvania, and more particularly described in the Charter School Law and the Charter (the "Charter") of the Charter School. The essential function of the Board shall be policy making, the assurance of sound management, and active participation in the provision of necessary funds. The Board has ultimate responsibility to determine general, academic, financial, personnel and related policies deemed necessary for the administration and development of the Charter School in accordance with its stated purposes and goals. More specifically, the Board's authority shall be, without limitation:

(a) to approve policies and procedures regarding employment, including but not limited, to appointment, promotion, contracts, leaves of absence, fringe benefits, qualifications of professional and

nonprofessional staff, professional development and dismissal of employees;

- (b) to adopt the curriculum or courses of study and text books;
- (c) to authorize the acquisition, management and disposition of all property and physical facilities, having due respect for the corporate purpose, including the construction renovation and upkeep of the physical plant. As prescribed by the Charter School Law, the Board and contractors shall be restricted and subject to certain statutory requirements governing construction projects as set forth in Section 1715-A (10) of the Public School Code of 1949, as amended 24 P.S. 17-1715-A;
- (d) to approve institutional documents and policy statements at the Board's discretion to assure compliance with the Articles of Incorporation, Bylaws, Charter, and Board Policy;
- (e) to sue and be sued, complain and defend and participate as a party or otherwise, but only to the same extent and upon the same condition that political subdivisions and local agencies can be sued;
- (f) to make contracts and leases for the procurement of services, equipment, and supplies, including contracts with and making appropriations to an intermediate unit, school district, or Area Vocational Technical School for the charter's proportionate share of the cost of services provided or to be provided by the foregoing entities;
- (g) to create or increase any indebtedness, including incurring temporary debts in anticipation of the receipt of funds;
- (h) to solicit and accept any gifts or grants for Charter School purposes;
- (i) to establish the annual academic calendar;
- (j) to adopt and approve the annual budget and to make revisions therein;
- (k) to establish enrollment policies and procedures;
- (l) to adopt and approve policies and procedures to assess student achievement;

- (m) to approve or ratify all contracts as determined by the policy on contracting;
- (n) to be final arbiter of all disciplinary matters;
- (o) to authorize any annual audit by an independent certified public accountant;
- (p) to fix the salary or other compensation of the Chief Executive Officer, Principals, teachers, and other employees of the Charter School;
- (q) to approve all personnel actions;
- (r) to designate depositories of Charter School funds;
- (s) to set the Charter School calendar which must include 900 hours or 180 days for elementary students instruction and 990 hours or 180 days for secondary students instruction but the Charter School cannot be kept open for students or staff on Sundays, Fourth of July, Memorial Day or Christmas);
- (t) to have and exercise all of the powers and means appropriate to effect the purpose or purposes for which the Charter School is chartered; and
- (u) to have and exercise all other powers enumerated in the Nonprofit Corporation Law or otherwise vested by law in the corporation and not consistent with the Charter School Law.

3.8 Committees. The trustees may elect or appoint committees (which may include individuals who are not Trustees of the Charter School) as they determine necessary. Each committee shall be chaired by a Trustee, unless otherwise agreed by the Board. At any meeting of a committee, a quorum for the transaction of business shall consist of a majority of the members of such committee. The members of any committee shall serve on the committee at the pleasure of the Chairperson of the committee.

3.8.1 Permanent Committees. Permanent committees may be formed to handle on-going business of the Charter School. These committees may include:

- (a) Nominating Committee. If a Nominating Committee is appointed by the Board of Trustees, the Board of Trustees shall set forth both the time frame for nominations and the manner by which the Nominating Committee shall make nominations. If a Nominating Committee is appointed by the Board of Trustees, it shall consist of three Trustees.
- (b) Finance and Facilities Committee. The Finance and Facilities Committee shall prepare and present a proposed financial budget to the Board of Trustees, and prepare and implement a system of internal fiscal controls. They shall also maintain the physical facilities.
- (c) Academic Assessment Curriculum Committee. The Academic Curriculum Committee shall review and recommend revisions to the curriculum as necessary and recommend educational strategies, establish criteria for the evaluation of faculty and student performance, and establish and implement provisions for the regular assessment of the academic performance of the student body.
- (d) Personnel Committee. The Personnel Committee shall establish criteria for the performance and evaluation of the faculty and other employees of the school. This committee shall make recommendations to the Board of Trustees regarding salaries, bonuses, and benefits.
- (e) Administrative Services Committee. The Administrative Services Committee shall establish a disciplinary policy for the school and review and recommend revisions of the disciplinary policy as necessary. This committee will hear, or appoint a hearing examiner to hear, any disciplinary appeals made by the students, with either the committee or the hearing examiner to recommend to the Board final disposition of such appeals.
- (f) Audit Committee. The Audit Committee shall oversee and review an annual independent audit and make recommendations as needed.

3.8.2 Ad Hoc Committees. Ad Hoc Committees will be formed by the Board of Trustees from time to time as deemed necessary to handle specific events, functions, or issues. These committees will be

terminated upon completion of their specific assigned task or as determined by the Board of Trustees. Ad Hoc Committees will be chaired by designees of the Board of Trustees and may invite non-board members to serve on them.

3.9 Adoption and Modification of Policies. The Permanent and Ad Hoc Committees will identify areas of need and/or concern and make recommendations to the Board of Trustees for addition to or modification of current policies or Bylaws. The Trustees will vote on these recommendations at either a regularly scheduled meeting or a specifically called meeting. An affirmative vote of a majority of a quorum of the Board of Trustees will be required for adoption and/or modification of policies. If such majority vote is not obtained, the proposed recommendation may be returned to the appropriate committee for refinement.

3.10 Meetings

3.10.1 Regular Meetings. Regular meetings of the Board may be held at such time and at such places as the Trustees determine. Written notice of every meeting and the annual schedule shall be given to each trustee by the June Annual meeting. Reasonable notice shall be made of the first regular meeting following the determination of the Trustees of the time and place of regular meetings.

3.10.2 Special Meetings. Special meetings of the Board may be held anytime and any place when called by the President of the Board of Trustees or by two or more Trustees. In addition to the notice required by Section 3.10.8 hereof, reasonable notice of the time and place of special meetings shall be given to each Trustee. Such notice will specify the purposes of the meeting. It shall be given to each Trustee in accordance with the Pennsylvania Nonprofit Corporations Law. It shall be considered reasonable and sufficient notice to a Trustee to send notice by mail at least three (3) business days before the meeting, addressed to the Trustee at the Trustee's usual or last known residence, or to give notice in person or by telephone or email at least twenty four (24) hours before a special meeting.

3.10.3 Annual Meeting. The Board shall meet annually once per year at the first regularly scheduled meeting in June of each year, at a reasonable time and place convenient to the Board of Trustees and members of the community. In the event that the annual meeting is

not held on the specified day, the Trustees may hold a special meeting in place thereof, and any business transacted or elections held at such meeting shall have the same force and effect as if transacted or held at the annual meeting, provided that notice is given for the meeting and the notice indicates that the special meeting shall be in place of the annual meeting. Notice of the annual meeting or notice of a special meeting called in its place, setting forth the date, time and place shall be published in accordance with Section 3.10.8 hereof and shall be mailed to all Trustees at each individual Trustee's usual or last known address not less than seven days prior to the date of the annual meeting. At the Annual Meeting the President and the Treasurer shall present an annual report which shall set forth:

- (a) The assets and liabilities, including the trust funds, of the Charter School as of the end of the fiscal year immediately preceding the date of the report;
- (b) The principal changes in assets and liabilities including trust funds, during the year immediately preceding the date of the report;
- (c) The revenue or receipts of the Charter School, both unrestricted and restricted to particular purposes, for the year immediately preceding the date of the report, including separate data with respect to each trust fund held by or for the Charter School;
- (d) The expenses or disbursements of the Charter School, for both general and restricted purposes, during the year immediately preceding the date of the report, including separate data with respect to each trust fund held by or for the Charter School;
- (e) The capital budget and the operating budget for the Charter School's current fiscal year;
- (f) A schedule of proposed major activities for the current fiscal year; and
- (g) A summary of the Charter School's compliance with the laws and regulations of federal, state and local governmental

agencies and with the standards, rules and regulations of the various accrediting and approval agencies.

3.10.4 Quorum. At any meeting of the Board of Trustees a quorum for the conduct of business by the Board of Trustees shall consist of a majority of the trustees then in office.

3.10.5 Action of Vote. When a quorum is present at a meeting of the Board of Trustees, a majority of the Trustees present and voting shall decide any question including election of officers, unless otherwise provided by law or these bylaws, including but not limited to, Section 3.10.7, 3.10.9 and 3.12.

3.10.6 Conference Telephone Meetings. One or more persons may participate in a meeting of the Board of Trustees or of a committee of the Board of Trustees by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this Section 3.10.6 shall constitute presence in person at such meeting.

3.10.7 Optional Provisions Not Required by Law. An affirmative vote of the majority of the members of the Board of Trustees then in office shall be required in order to take each of the following actions, of any previously taken action relating to the same subject matter:

- (a) adopting a school calendar, provided that any calendar must provide for a minimum of 990 hours or 180 days of instruction for students in the secondary level and a minimum of 900 hours or 180 days of instruction for students in grades in the elementary level;
- (b) adopting textbooks;
- (c) appointing or dismissing school administrators;
- (d) adopting or amending the annual budget;
- (e) purchasing or selling land;
- (f) locating new buildings or changing the locations of previously used buildings;

- (g) creating or increasing any indebtedness;
- (h) adopting courses of study;
- (i) designating depositories for Charter School funds;
- (j) entering into contracts of any kind where the amount involved exceeds \$5000.00
- (k) fixing salaries or other compensation of administrators, teachers, or other employees of the Charter School; and
- (l) entering into contracts with and making appropriations to an intermediate unit, school district, or Area Vocational/Technical School for the Charter School's proportionate share of the cost of services provided or to be provided by any such entity.

3.10.8 Open Meeting Law. All meetings of the Board of Trustees of the Charter School where actions are formally presented for approval shall be held as public meetings as described in the Sunshine Act, 65 P.S. 271, et seq., Act of July 3, 1986, P.L. 388, as amended (the "Sunshine Act"). Notices of all meetings shall be given in the manner described in the Sunshine Act.

3.10.9 Real Estate Transactions. A vote of two-thirds (2/3) of the members in office of the Board of Trustees duly recorded showing how each member voted shall be required in order to take action on the following subject: purchase of real property or the sale, mortgage, lease or other disposal of real property.

3.11 Compensation, Malfeasance and Conflicts of Interest. Trustees shall serve as Trustees without receiving any compensation for their services as Trustees. No Trustee shall maintain substantial personal or business interests which conflict or which may be seen as conflicting with those of the Charter School. In addition, no Trustee shall as a private person engage in any business transaction with the Charter School, be employed by the Charter School, or receive from the Charter School pay for service rendered to the Charter School. Voting by a Trustee on any matters involving a conflict of interest shall be governed by the Public Official and Employee Ethics Act, 65 P.S. 401-422 and the Pennsylvania Nonprofit Corporation Law. Voting on any matter involving a conflict of interest

shall be governed by the. Notwithstanding the foregoing, common interested Trustees may be counted in determining the presence of a quorum at a Board meeting in which a transaction described above is authorized, approved, or ratified.

In the event that any employee or Trustee of the Charter School is charged with a crime or malfeasance by indictment or otherwise related to such person's duties at the Charter School, the Charter School immediately shall suspend such employee and shall force the resignation of such Trustee until such matters are resolved. This provision shall be added to all existing and new contracts of the Charter School.

In the event that any employee or Trustee of the Charter School is convicted of any offense or any malfeasance, or pleads guilty or no contest to any offense or any malfeasance, related to such person's duties at the Charter School, the Charter School immediately shall terminate the employment of such employee and shall force the resignation of such Trustee, shall terminate any consultant or independent contracts with such person, shall terminate all contracts with any corporation, company or business entity with which such person or any of his or her relatives are or were associated or have or had an interest, and shall not enter into any new contracts with such person, or any corporation, company or business entity with which such person or any of his or her relatives are or were associated or have or had an interest. This provision shall be added to all existing and new contracts of the Charter School.

3.12 Reservation of Powers. None of the following actions may be taken by the Charter School without the prior approval of not less than two-thirds (2/3) of the Board of Trustees then in office:

- (a) to amend the Articles of Incorporation of the Charter School or these Bylaws;
- (b) to amend the Articles of Incorporation of the Foundation or its Bylaws;
- (c) to dissolve or liquidate the Charter School;
- (d) to merge or consolidate the Charter School; and
- (e) to convey, sell or transfer substantially all the Charter School's assets.

Section 4. Officers and Agencies

- 4.1 Number and Qualification. The Officers of the Charter School shall be a President, a Vice-President, a Secretary and Treasurer. The President, Vice President, Treasurer and Secretary shall be members of the Board of Trustees.
- 4.2 Election. The officers shall be elected annually by the Board of Trustees at the annual meeting held pursuant to the provisions of Section 3.10.3 of these by-laws. If at any other time a vacancy exists in these offices, an officer may be elected to fill a vacancy for the remainder of the term at any special or regular meeting of the Trustees.
- 4.3 Term of Office. The President, Vice-President, Treasurer and Secretary shall hold office for one year or until his/her qualified successor is chosen at the next annual meeting of the Board of Trustees.

President. The President of the Board of Trustees shall preside at all meetings of the Trustees, except as the Trustees shall otherwise determine; and shall have such other powers and duties as may be determined by the Trustees. The President of the Board of Trustees of the Charter School shall be on the Board of Trustees of the Keystone Foundation. In the Secretary's absence, a temporary Secretary may be appointed by the President of the Board or the Board.

- 4.4 Vice-President. The Vice-President of the Board of Trustees shall have and exercise all the powers and duties of the President in his/her absence. The Vice-President shall have such other powers and duties as may be determined by the Board of Trustees. The Vice-President of the Board of Trustees of the Charter School shall be on the Board of Trustees of the Keystone Foundation.
- 4.5 Secretary. The Secretary shall record and maintain records of all proceedings of the Trustees in a book or series of books kept for that purpose. These books shall be open at all reasonable times to the inspection of any member of the Board of Trustees of the Charter School. Such book or books shall also contain the original or attested copies of the Articles of Incorporation, the bylaws and the names and residence addresses of all members of the Board of Trustees. The Secretary of the Board of Trustees of the Charter School shall be on the Board of Trustees of the Keystone Foundation.

- 4.6 Treasurer. The Treasurer shall be responsible for the Charter School's financial affairs, funds, securities, and valuable papers and shall keep full and accurate records thereof. The Treasurer shall supervise the CEO with regard to those fiscal matters assigned to the CEO. The Treasurer of the Board of Trustees of the Charter School shall be on the Board of Trustees of the Keystone Foundation.
- 4.7 Other Officers. The Board of Trustees may elect or appoint such other officers as it deems useful for the proper operation of the Charter School.
- 4.8 Chief Executive Officer (CEO) The CEO of the Charter School shall be the CEO of the Keystone Foundation. The CEO of the Charter School shall be the administrative head of the Charter School. The CEO of the Charter School shall serve in an advisory capacity to the Board of the Charter School, shall be required to attend meetings of the Board of Trustees of the Charter School and shall report to the Board of the Charter School on all matters relative to the CEO of the Charter School's duties. The CEO of the Charter School shall also be responsible for routine fiscal matters, including receipt of funds (including but not limited to local, state, federal, and privately and publically donated funds), payment of invoices and contracts as approved by the Board of the Charter School, general bookkeeping and accounting, as well as assistance to the Certified Public Accountant assigned to audit the books of the Charter School. The Board of the Charter School shall fix the salary or other compensation of the CEO of the Charter School.
- 4.9 Bonding of Officers and Employees. The Treasurer of the Charter School shall furnish a bond in such amount and with such surety as may be required, from time to time, by the Board. At the direction of the Board, any other officer or employee shall furnish a bond in such amount and with such surety as may be required by the Board. The expense of furnishing any such bond shall be paid by the Charter School.
- 4.11 Standard of Care for Officers and Trustees. Trustees and Officers have a fiduciary relationship to the Charter School, including in their capacity as members of a committee. Trustees and Officers have an obligation to act in good faith, in a manner he or she reasonably believes to be in the best interest of the School, and with such care, including reasonable inquiry, skill and diligence, as a person of ordinary prudence would use under similar circumstances. In performing their duties Trustees and Officers shall be entitled to rely in good faith on information, opinions, reports or

statement, including financial statements and other financial data, in each case prepared or presented by:

1. One or more officers or employees of the School whom the Trustee or Officer reasonably believes to be reliable and competent in the matters presented;
2. Counsel, public accountants or other persons as to matters which the Trustee or Officer reasonably believes to be within the scope of professional competence; or
3. A committee of the Board upon which he or she does not serve, duly acting under the authority of the Board of Trustees.

Section 5. Dues

The Trustees shall not be required to pay any dues or membership fees.

Section 6. Removal of Officers and Trustees

6.1 Officers. Any elected or appointed officer may be removed from office for failure to perform or conduct detrimental to the Charter School by a two-thirds vote of the Board of Trustees, after thirty days written notice to the officer in question. The officer is entitled to a hearing before the Board of Trustees or before a hearing officer designated by the Board of Trustees prior to a vote of a call for removal.

6.2 Trustees. The entire Board of Trustees may remove a Trustee, who is not otherwise serving as an elected or appointed Officer in accordance with Sections 4.4, 4.5, 4.6, 4.7 and 4.8 of these Bylaws, with or without cause by a two-thirds (2/3) vote of the of the Board of Trustees entitled to cast votes. In addition, if so decided by the Board of Trustees, it may remove any Trustee for the following conduct (list is not all inclusive):

- (a) Failure to attend two consecutive meetings without reasonable justification; and/or
- (b) Failure to attend more than three meetings in one fiscal year without reasonable justification.

For conduct detailed in (a) and (b) above, if decided, the Board of Trustees shall only remove such Trustee by a two-thirds (2/3) vote at the next scheduled meeting of the Board of Trustees.

Section 7. Personal Liability

LIMITATION OF LIABILITY. To the fullest extent permitted by Pennsylvania law, Representatives of the Charter School shall not be personally liable to the Charter School or others for monetary damages for any action taken or any failure to take any action, unless the Representative has breached or failed to perform the duties of his or her office and such breach or failure constitutes self-dealing, willful misconduct or recklessness. The provisions of Section 7.02 and Section 7.03 shall not apply with respect to the responsibility or liability of a Representative under any criminal statute or the liability of a Representative for the payment of taxes pursuant to local, state or federal law.

7.1 Definitions. For purposes of this Article:

- (a) “Charter School” means the charter school named at the beginning of these Bylaws, and if it is involved in any consolidation or merger, each constituent corporation absorbed in, and each surviving or new corporation surviving or resulting from, such consolidation or merger;
- (b) “Liability” means any compensatory, punitive or other damages, judgment, amount paid in settlement, fines, penalty, excise tax assessed with respect to an employee benefit plan, and cost or expense of any nature whatsoever, including without limitation, attorneys’ fees and costs of proceedings;
- (c) “Indemnified Capacity” means any and all past, present and future service by a Representative in one or more capacities:
 - (i) as a trustee, officer, employee or agent of the Charter School; or
 - (ii) at the request of the Charter School, as a trustee, officer, employee, agent, director, or fiduciary of another corporation or any partnership, joint venture, trust, employee benefit plan, or other entity, enterprise or undertaking, including service as a representative that imposes duties on or involves service by the representative with respect to an employee benefit plan, its participants or beneficiaries;

- (d) "Proceeding" means any threatened, pending or completed action, suit, appeal or other proceeding of any nature, whether civil, criminal, administrative or investigative, whether formal or informal, and whether brought by or in the right of the Charter School, or otherwise; and
- (e) "Representative" means any person who: (i) serves or has served as a trustee, director, officer, employee or agent of the Charter School; or (ii) has been expressly designated by the Board as a Representative of the Charter School for purposes of and entitled to the benefits under this Section 7.

7.2 Indemnification. Subject to the subsequent provisions of this Section 7.2 and of Section 7.3, the Charter School shall indemnify a Representative against any Liability actually and reasonably incurred by the Representative in connection with any Proceeding in which he or she may be involved as a party or otherwise by reason of the fact that the Representative is or was serving in an Indemnified Capacity, including without limitation, any Liability resulting from an actual or alleged breach or neglect of duty, error, misstatement or misleading statement, negligence, gross negligence, or act or omission giving rise to strict or products liability, except to the extent: (a) the conduct of the Representative is determined by a court to have constituted willful misconduct or recklessness; (b) the conduct of the Representative is based upon or attributable to his or her receipt from the Charter School of a personal benefit to which the person is not legally entitled; (c) the liability of a Representative is with respect to the administration of assets held by the Charter School in trust pursuant to Section 5547 of the Pennsylvania Nonprofit Corporation Law of 1988, as amended; or (d) such indemnification is expressly prohibited by applicable law or otherwise is unlawful.

The Charter School shall indemnify a Representative under the preceding provisions of this Section 7.2 only if the Representative acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the Charter School and, with respect to any criminal proceeding, had no reasonable cause to believe his or her conduct was unlawful. The termination of any Proceeding, other than any criminal proceeding, by judgment, order, settlement or conviction, or upon a plea of *nolo contendere* or its equivalent, shall not by itself create an presumption that the person did not act in good faith and in a manner that he or she reasonably believed to be in, or not opposed to, the best interests or the Charter School. The termination of any criminal proceeding by judgment, order, settlement or conviction, or upon a plea of *nolo contendere* or its equivalent, shall create an irrebuttable presumption

that the person had no reasonable cause to believe that his or her conduct was unlawful. Action with respect to an employee benefit plan taken or omitted in good faith by a Representative in a manner that he or she reasonably believed to be in the best interests of the participants and beneficiaries of the plan shall be deemed to be action in a manner that is not opposed to the best interests of the Charter School.

The Charter School shall not indemnify a Representative under the preceding provisions of this Section 7.2 with respect to any claim, issue or matter as to which the Representative has been adjudged to be liable to the Charter School in a Proceeding brought by or in the right of the Charter School to procure a judgment in its favor.

Unless ordered by court, any indemnification of a Representative under preceding provisions of this Section 7.2 shall be made by the Charter School only upon a determination made in the specific case that such indemnification of the Representative is proper in the circumstances because he or she has met the applicable standard of conduct set forth in the preceding provisions of this paragraph.

To the extent that a Representative has been successful on the merits or otherwise in defense of any proceeding referred to in Section 5741 or Section 5742 of the Pennsylvania Nonprofit Corporation Law of 1988, as amended, or in defense of any claim, issue or matter therein, such Representative shall be indemnified by the Charter School against expenses (including without limitation attorneys' fees and costs of Proceedings) actually and reasonably incurred by such person in connection therewith.

If a Representative is entitled to indemnification under this Section 7.2 in respect of a portion, but not all, of a Liability to which the Representative is subject, the Charter School shall indemnify the Representative to the maximum extent for such portion of the Liability.

- 7.3** Limitation on Indemnification. Notwithstanding any other provision of this Section 7, the Charter School shall not indemnify a Representative under this Section 7 for any Liability incurred in a Proceeding which was initiated by the Representative (which shall not be deemed to include counter-claims or affirmative defenses) or in which the Representative participated as an intervener or *amicus curiae*, unless such initiation of or participation in the Proceeding is authorized, either before or after its commencement, by the Board of Trustees.

Notwithstanding anything to the contrary in these Bylaws, any Representative of the Charter School who is convicted of any offense or any malfeasance, or who pleads guilty or no contest to any offense or any malfeasance, related to such person's duties at the Charter School, shall reimburse the Charter School for the costs of any legal fees paid

by the Charter School on such employee's or such Trustee's behalf in the defense of such action. This provision shall be added to all existing and new contracts of the Charter School.

- 7.4 Advancement of Expenses. The Charter School shall pay, in advance of the final disposition of a Proceeding described in Section 7.2 or the initiation of or participation in a Proceeding authorized under Section 7.3, the expenses (including without limitation attorneys' fees and costs of Proceedings) incurred in good faith in connection with such Proceeding by the Representative who is involved in the Proceeding by reason of the fact that he or she is or was serving in an Indemnified Capacity. Such advancement of expenses shall be made by the Charter School upon its receipt of an undertaking, satisfactory to the Charter School, by or on behalf of the Representative to repay to the Charter School the amounts advanced by the Charter School in the event it is ultimately determined that the Representative is not entitled to indemnification under this Section 7.
- 7.5 Insurance. To effect, secure or satisfy the indemnification and contribution obligations of the Charter School, whether under this Section 7 or otherwise, the Charter School from time to time may self-insure, obtain and maintain insurance or letters of credit, create a reserve, trust, escrow, cash collateral or other fund or account, enter into indemnification agreements, pledge or give a mortgage upon or a security interest in any property of the Charter School, or use any other mechanism or arrangement, in such amounts, at such costs, and upon such other terms and conditions as and when the Board shall determine. Absent fraud, the determination of the Board with respect to such matters shall be conclusive against all security holders, trustees, officers and directors, and shall not be subject to avoidance or voidability.
- 7.6 Payment of Expenses. A person who is entitled to indemnification or advancement of expenses from the Charter School under this Section 7 shall receive such payment or advancement promptly after the person's written request therefore has been delivered to the Secretary of the Charter School.
- 7.7 Interpretation. The provisions of this Section 7 shall constitute and be deemed to be a contract between the Charter School and its Representatives, pursuant to which the Charter School and each such Representative intend to be legally bound. Each person serving as a Representative shall be deemed to be doing so in reliance upon the rights provided by this Section 7. The rights granted by this Section 7 shall not

be deemed exclusive of any other rights to which persons seeking indemnification, advancement of expenses or contribution under this Section 7 may be entitled under any statute, agreement, vote of Trustees or disinterested Trustees, or otherwise, both as to action in an Indemnified Capacity and as to action in any other capacity. The rights to indemnification, advancement of expenses and contribution provided by this Section 7 shall continue as to a person who no longer serves as a Representative, and shall inure to the benefit of his or her heirs and personal and legal representatives.

7.8 Proper Reliance. An Indemnified Representative shall be deemed to have discharged his or her duty to the Charter School if he or she relied in good faith on information, advice or an opinion, report or statement prepared by:

- (a) one or more officers or employees of the Charter School whom such Indemnified Representative reasonably believes to be reliable and competent with respect to the matter presented;
- (b) legal counsel, public accountants or other persons as to matters the Indemnified Representative reasonable believes are within the professional expert competence of such persons; or
- (c) a committee of the Board of Trustees on which he or she does not serve as to matters within its area of designated authority, which committee he or she reasonably believes to merit confidence.

7.9 Binding Effect. All rights to indemnification under this Section 7 shall be deemed a contract between the Charter School and the Indemnified Representative pursuant to which the Charter School and each Indemnified Representative intent to be legally bound. Any repeal, amendment or modification of this Section 7 shall be prospective only and shall not affect any right or obligations then existing.

7.10 Non-exclusive Remedy. The indemnification of Indemnified Representatives, as authorized by this Section 7, shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement or expenses may be entitled under any statute, agreement, vote or disinterested Trustees or otherwise, both as to action in an official capacity and as to action in any other capacity. The indemnification and advancement of expenses provided by or granted pursuant to this Section 7 shall continue as to a person who has ceased to be an Indemnified Representative in respect of matters arising prior to such time, and shall

insure to the benefit of the heirs, executors, administrators and personal representatives of such person.

- 7.11 Indemnified Representative. Each person who shall act as an Indemnified Representative of the Charter School shall be deemed to be doing so in reliance upon the rights of indemnification provided by this Section 7.

Section 8. Execution of Instruments

- 8.1 General. All contracts, deeds, leases, bonds, notes, and other instruments authorized to be executed by an Officer of the Charter School shall be signed by the President and Secretary of the Board of Trustees, except as the Trustees may generally or in particular cases otherwise determine. Any recordable instrument purporting to affect an interest in real estate, executed in the name of the Charter School by the Board of Trustees shall be binding on the school in favor of a purchaser or other person relying in good faith on such instrument, notwithstanding any inconsistent provision of the Charter, by-laws, or votes of the Board of Trustees.
- 8.2 Guarantees. The Charter School shall make no contracts of guarantee without the affirmative vote of two-thirds of the members of the Trustees then in office.

Section 9. Dissolution

Upon revocation or non-renewal of the Charter School's Charter, such revocation or non-renewal date being when all administrative and judicial remedies have been exhausted, the Charter School shall be dissolved. After disposition of or making provision for the payment of all liabilities and obligations of the Charter School, any remaining assets shall be distributed in accordance with the Articles of Incorporation.

Section 10. Amendments

These by-laws may be altered, amended, repealed and replaced by new by-laws by a vote of not less than two-thirds (2/3) of the Board of Trustees at any annual or called special meeting of the Board of Trustees provided, however, that notice shall be given in the notice of the meeting that a change to the by-laws will be proposed at that meeting.

Section 11. Rules of Procedure

The proceedings and deliberations of the Charter School shall be in accordance with rules adopted and amended by the Board of Trustees. All matters not governed

by such rules shall be governed by the parliamentary practices established by Robert's Rules of Order, Newly Revised.

Section 12. Nondiscrimination

In administering its affairs, including admissions, hiring, and operation, the Board and the Charter School shall not discriminate on the basis of race, color, religion, national or ethnic origin, disability, sex, gender, sexual orientation or age.

Approved and Adopted this 17th day of July 2014