

**Local Board Policy #007**  
**By-Laws**

**Purpose:**

The Bylaws of the SusQ-Cyber Charter School vest the Board of Trustees with the power to operate the Charter School by virtue of its charter and the By-Laws adopted by the Board of Trustees.

**Guidelines:**

- The SusQ-Cyber Charter School Bylaws outline how the power of the Board of Trustees is to be applied and what authority the Board of Trustees can utilize to carry out the operation of the Charter School.
- Duties and responsibilities of Officers are delineated and procedures for continuation of operation are defined.
- The By-Laws Manual as approved and revised by the Board of Trustees is attached after this Policy.

**Delegation of Responsibility:**

The CEO has the responsibility to assure the School Board that operations conform to the charter, the By-laws, and the policies of the Charter School.

TO THE EXTENT THAT ANYTHING IN THIS POLICY COULD BE CONSTRUED TO CONFLICT WITH APPLICABLE STATE AND/OR FEDERAL LAWS, THE APPLICABLE STATE AND/OR FEDERAL LAWS CONTROL. THIS POLICY IS NOT INTENDED TO CONFLICT WITH CHARTER REQUIREMENT.

\*A copy of the Bylaws is attached to this policy.

## **SusQ-Cyber Charter School Bylaws**

### **Section 1 General Provisions**

**1.1 Name and Purpose:** The name of the Cyber Charter School is the SusQ-Cyber Charter School, hereinafter referred to as Cyber School or by its full name SusQ-Cyber Charter School. The purposes of the Cyber Charter School are set forth in the vision and mission statement attached to these Bylaws.

**1.2 Location:** The administrative office of the SusQ-Cyber Charter School shall be 240 Market Street, Suite 15, Bloomsburg, PA 17815, and at such other places within the Commonwealth of Pennsylvania as the Board of Trustees may, from time to time, determine or as the business of the Cyber School may require.

**1.3 Mailing Address:** The mailing address of the administrative office of the SusQ-Cyber Charter School shall be 240 Market Street, Box 1A, Suite 15, Bloomsburg, PA 17815. The mailing address of the Business Office of the SusQ-Cyber Charter School shall be 90 Lawton Lane, Milton, PA 17847.

**1.4 Corporate Seal:** The Trustees may adopt and alter the seal of the SusQ-Cyber Charter School.

**1.5 Fiscal Year:** The fiscal year of the Cyber School shall, unless otherwise decided by the Trustees, end on June 30 in each year.

### **Section 2 Board of Trustees**

**2.1 Powers:** A Board of Trustees shall manage the affairs of the Cyber School and shall have and may exercise all the powers of the Cyber School, except as otherwise provided by law, by the Charter or by the By-Laws.

**2.2 Number:** The Board of Trustees shall consist of nine (9) members. Under the renewed charter the Board shall be comprised of those currently serving Board Members.

**2.3 Eligibility:** All Board Members shall be members-at-large who represent the community, business and/or industry. No current school board member of any school district or Intermediate Unit Board may serve on the SusQ-Cyber Charter School Board of Trustees.

**2.4 Tenure:** The regular term for all Board members shall be three years serving staggered terms. The rotation of the three members to be elected each year was determined by the drawing of lots in 2003.

**2.5 Expiration of Term and Vacancies:** At the expiration of their term, members may chose to be nominated for an additional term or may be replaced by anyone who wishes to place his or her name in nomination. The Chief Executive Officer of the Board shall advertise the vacancies on the board to the parents of the currently enrolled students. No quotas will be enforced on membership of the Board of Trustees.

**2.6 Nomination and Election:** Except as provided below, a member whose term is expiring may run for re-election at any time. Nominations shall be solicited and collected by the Chief Executive Officer not sooner than forty-five (45) days nor later than thirty (30) days prior to any election and compiled to form ballots which will be mailed to all parents/guardians of Cyber School students. In the event that there is only one nominee for each of the three vacant board positions then in place of a ballot being sent to every member of the Cyber School, the Board President shall direct the Board Secretary to cast a unanimous ballot for the existing nominees.

**2.7 Resignation:** Any Trustee may resign by delivering a written resignation to the President of the Board. Such resignation shall be effective upon receipt unless it is specified to be effective at some later time. To facilitate selection of a replacement Trustee, the Cyber School formally encourages Trustees intending to resign to provide notice of the Trustee's intent in order to provide ample time to recruit and elect a replacement. The remaining members of the Board shall elect a replacement Board Member to fill the vacancy who shall serve until the expiration of the term of the departed Trustee. At the expiration of the term the replacement Trustee shall stand for election as a regular member of the Board.

**2.8 Removal:** At a regular or special meeting at which a quorum is present, any Trustee may be removed from office for cause by an affirmative vote of a majority of the Trustees then in office. A Trustee may be removed for cause only after reasonable notice and an opportunity to be heard by the Board of Trustees.

**2.9 Regular Meetings:** Regular meetings of the Board of Trustees may be held without call or notice at such places and times as the Trustees may from time to time determine; provided, however, that any Trustee who is absent when such determination is made shall be given notice as provided in Section 2.12 of these By-Laws. The Board of Trustees shall meet monthly according to the schedule established and publicized at the annual reorganization meeting unless the meeting is canceled due to a weather emergency or lack of a quorum and is rescheduled by Board action or the call of the President. All meetings of the Trustees shall be conducted in accordance with the Act of July 3, 1986 (P.L. 388, No. 84), known as the Sunshine Act.

**2.10 Special Meetings:** Special meetings of the Trustees may be held at any time and place when called by the President of the Board or by two or more of the Trustees. Notice of any special meeting shall be given as provided in Section 2.12 and the previously mentioned "Sunshine Act".

**2.11 Annual Reorganization Meeting:** The Trustees shall hold an annual reorganization meeting during the month of September each year. Notice of the annual reorganization meeting shall be given as provided in Section 2.12 of these By Laws.

**2.12 Notice of Meetings:** Public notice of all such meetings shall be given as required by law.

**2.12.1 Regular Meetings:** No call or notice shall be required for regular meetings of Trustees, provided that reasonable notice: of the first regular meeting

following the determination by the Trustees of the times and places for regular meetings shall be given to absent members; specifying the purposes of regular meeting shall be given to each Trustee if either contract or transaction of the Cyber School with interested persons or amendments to these By-Laws are to be considered at the meeting; and shall be given as otherwise required by law or these By-Laws.

**2.12.2 Annual Reorganization Meeting:** Notice of the annual reorganization meeting setting forth date, time, and place shall be emailed to all Trustees at the Trustee's last known address not less than seven (7) days prior to the date of the annual meeting. A statement in the minutes of the preceding board meeting announcing the annual reorganization meeting shall suffice for the notice required by this paragraph. New officers shall begin their terms of office at the conclusion of the reorganizational agenda item.

**2.12.2.1 Reorganization Meeting Agenda:** Meeting is called to order by sitting President. The President turns the gavel over to the CEO temporarily. The CEO assumes the chair

- Item 1. CEO opens the floor to nominations for President
  - a. Trustees make nominations
  - b. CEO entertains hearing no further nominations closes nominations without objection
  - c. Roll call vote
  - d. CEO turns gavel over to newly elected president
  
- Item 2. President opens the floor to nominations for Vice-President
  - a. Trustees make nominations
  - b. President entertains hearing no further nominations closes nominations without objection
  - c. Roll call vote
  
- Item 3. President opens the floor to nominations for Treasurer
  - a. Trustees make nominations
  - b. President entertains hearing no further nominations closes nominations without objection
  - c. Roll call vote
  
- Item 4. President opens the floor for nominations for Assistant Treasurer
  - a. Trustees make nominations
  - b. President entertains hearing no further nominations closes nominations without objection
  - c. Roll call vote
  
- Item 5. President opens the floor for nominations for Secretary
  - a. Trustees make nominations

- b. President entertains hearing no further nominations closes nominations without objection
- c. Roll call vote

**2.12.3 Special Meetings:** Reasonable notice of the time and place of special meetings of the Trustees shall be given to each Trustee. Such notice shall specify the purposes of the meeting.

**2.12.4 Reasonable and Sufficient Notice:** Except as otherwise expressly provided, it shall be reasonable and sufficient notice to a Trustee to send notice at least forty-eight (48) hours (excluding weekends, and national and school holidays) in advance of the meeting in person or by telephone, telegram, confirmed facsimile transmission or confirmed electronic mail sent to such Trustee's address, or postmarked at least seventy-two (72) hours in advance by mail addressed to such address.

**2.12.5 Waiver of Notice:** Notice of a meeting need not be given to any Trustee who signs a waiver of notice, a written consent to the holding of the meeting, an approval of the minutes of the meeting, whether before or after the meeting, or who attends the meeting without protesting the lack of notice prior thereto or at its commencement. All such waivers, consents and approvals shall be filed with the Cyber School records or made a part of the minutes of the meetings.

**2.12.6 Meetings by Means of Interactive Video Conferencing or Conference Phone:** One or more Trustees may participate in a meeting by means of interactive video conferencing or conference phone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Such participation shall constitute presence in person at the meeting.

**2.12.7 Executive Sessions**

**2.12.7.1** Executive sessions closed to the public may be called for by motion during a regular meeting or by the president outside of regular meetings for the specific reasons delineated in the "Sunshine Law".

**2.12.7.2** Executive sessions will be strictly limited to only those issues, which may be legally discussed in private.

**2.12.7.3** Executive sessions may only be attended by the Trustees and any other personnel deemed specifically necessary by the Board.

**2.12.7.4** Motions for executive sessions made during a regular/special meeting must include the general reason for the meeting and should be kept as short as practical to minimize the interruption to the meeting in progress.

**2.12.7.5** Executive sessions held outside of regular/special meeting and their purposes must be announced at the next public meeting of the Board of Trustees and entered into the minutes.

**2.13 Action at Meetings:** A majority of the Trustees then in office shall constitute a quorum. Any meeting may be adjourned by a majority of the votes cast upon the question, whether or not a quorum is present, and the meeting may be held as adjourned without further notice.

**2.14 Compensation and Conflict of Interest:** No Board member shall, as a private person, engage in any business transaction with the Cyber School, be employed in any capacity by the Cyber School, or receive any compensation for services rendered to the Cyber School.

**2.14.1 Conflict of Interest:** Whenever a Trustee believes he/she may have a conflict of interest, such conflict shall be disclosed to all Trustees then present in a meeting where decisions may be made which could give rise to the conflict of interest. Should a majority of the Trustees agree that a conflict might exist, the Trustee so affected shall refrain from any discussion and will not be permitted to vote on the issue-giving rise to the conflict. For the purpose of determining whether a quorum exists, the affected Trustee shall be deemed absent from the meeting.

**2.14.2 Reimbursement of Expenses:** The Board of Trustees may establish a policy to permit reimbursement of expenses incurred by a Trustee in the discharge of his duties provided that such reimbursements are properly supported.

**2.15 No Personal Liability:** The Trustees and officers of the Cyber School shall not be personally liable for any debt, liability or obligation of the Cyber School. All persons, corporations, or other entities extending credit to, contracting with, or having any claim against the Cyber School, may look only to the funds and property of the School for the payment of any such contract or claim, or for the payment of any debt, damages, judgment or decree, or of any money that may otherwise become due or payable to them from the Cyber School.

**2.16 Roles and Responsibilities:** The Board of Trustees will carry out the duties required by the charter school legislation. A majority vote of the Trustees then in office shall constitute an affirmative vote on a motion. An affirmative vote of a majority of the members of the Board of trustees of the Cyber School, duly recorded showing how each member voted shall be used in order to take action on the following subjects:

**2.16.1** Adopting a school calendar that must include 990 hours or 180 days of instruction for secondary students [grades 7-12] and 900 hours or 180 days for elementary students [grades 1-6]. School cannot be kept open for students or staff on Sundays, Fourth of July, Memorial Day, or Christmas.

**2.16.2** Adopting textbooks

**2.16.3** Appointing or dismissing charter school administrators

**2.16.4** Adopting the annual budget

- 2.16.5 Purchasing or selling land
- 2.16.6 Locating new buildings or changing the location of old ones
- 2.16.7 Creating or increasing any indebtedness
- 2.16.8 Adopting courses of study
- 2.16.9 Designating depositories for school funds
- 2.16.10 Entering into contracts of any kind where the amount involved exceeds \$200
- 2.16.11 Fixing salaries or compensation of administrators, teachers, or other employees of the charter school
- 2.16.12 Entering into 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 service provided or to be provided by the foregoing entities.
- 2.16.13 All other actions prescribed by the school code of 1949 as amended and PA Department of Education regulations that apply.

### **Section 3 Officers and Agents**

**3.1 President :** The Trustees shall elect a President of the Board of Trustees. The President shall hold office until the next annual meeting of the Board of Trustees or special meeting held in lieu thereof, and thereafter until their respective successors are chosen unless a shorter term is specified in the vote electing or appointing them.

**3.1.1** The President may not serve in such capacity for more than two consecutive one-year terms; provided, however, that the President may serve additional, non-consecutive terms. The fact that an individual is serving as President shall not create any presumption that such individual shall be nominated for either such position in any subsequent year.

**3.1.2** The President shall establish the agenda for all meetings of the Board of Trustees in consultation with the Chief Executive Officer and, as appropriate in the discretion of the President, with other Trustees. The President shall preside over all meetings of the Board of Trustees and shall have such other powers, as the Board of Trustees shall determine.

**3.1.3** In the absence of the President at any meetings of the Board, the Vice President shall exercise the rights and perform the function of the President. In the absence of both the President and Vice-President, a President Pro Tempore shall be selected from the members present with a majority vote to conduct the meeting.

**3.2 Vice-President:** The Trustees shall elect a Vice-President of the Board of Trustees. The Vice-President shall hold office until the next annual meeting of the Board of Trustees or special meeting held in lieu thereof, and thereafter until their respective successors are chosen unless a shorter term is specified in the vote electing or appointing them.

**3.2.1** The Vice-President may not serve in such capacity for more than two consecutive one-year terms; provided, however, that the Vice-President may serve additional, non-consecutive terms. The fact that an individual is serving as Vice-President shall not create any presumption that such individual shall be nominated for either such position in any subsequent year.

**3.2.2** In the absence of the President at any meetings of the Board, the Vice President shall exercise the rights and perform the function of the President. In the absence of both the President and Vice-President, a President Pro Tempore shall be selected from the members present with a majority vote to conduct the meeting.

**3.3 Treasurer:** The Cyber School shall have a designated Treasurer whose responsibility is to ensure the proper operation of the business functions of the Cyber School. An Assistant Treasurer may be appointed by the Board of Trustees from its membership to assist the Board in the absence of the Treasurer and to serve as an additional signatory for checks in the absence of the Treasurer or other officers.

**3.3.1** The Board of Trustees upon the recommendation of the Treasurer shall authorize the procedures to be used by the Business Administrator for the daily receipt and depositing of all funds including local, state, and federal funds, and privately donated funds.

**3.3.2** The Business Administrator shall only make deposits to Board approved depositories. Through this authorization the Business Administrator shall make payments out of the general fund on proper orders approved by the Board of Trustees with all payments being signed by any two of the Board Treasurer, Assistant Board Treasurer, Board Secretary, and the Board President.

**3.3.3** The Board authorization also permits the Treasurer or Assistant Treasurer to approve the pay out of funds without the prior approval of the Board for the payment of amounts owing under any contracts or accounts that shall have previously been approved by the Board and by which prompt payment the Cyber School shall receive a discount or other advantage. Such payments will be duly noted on the Treasurer's monthly Bills Payable and Financial reports for the Board.

**3.3.4** The Treasurer shall ensure the proper maintenance of the Cyber School's books of account and accounting records, and of its accounting procedures.



**3.3.5** The CEO and the Business Administrator shall file the Annual Budget, the Annual Financial Reports and all other reports required by the Pennsylvania Department of Education and the State of Pennsylvania and to obtain the required officer's signatures for such reports.

**3.4 Secretary:** The Secretary shall supervise the recording and maintain records of all proceedings of the members and Trustees in a book or series of books kept for that purpose, which book or books shall be kept at the Administrative office of the Cyber School or at the office of its Secretary and shall be open at all reasonable times to the inspections of any member. Such book or books shall also contain records of all meetings of incorporators and the original, or attested copies, of the By-Laws and names of all members and Trustees and the address of each.

**3.4.1** If the Secretary is absent from any meeting of the Board of Trustees, the Assistant Secretary shall exercise the duties of the Secretary for that meeting. In the absence of both the Secretary and Assistant Secretary, a substitute shall be selected.

**3.5 Suspension or Removal:** An officer may be suspended or removed for cause by vote of a majority of trustees then in office at any special meeting called for such purpose or at any regular meeting.

**3.5.1** An officer may be removed with cause only after reasonable notice and opportunity to be heard.

**3.6 Resignation:** An officer may resign by delivering his or her written resignation to the President, Treasurer or Secretary of the Cyber School, at a meeting of the Board of Trustees, or to the Cyber School at its administrative office. Such resignation shall be effective upon receipt (unless specified to be effective at some other time), and acceptance thereof shall not be necessary to make it effective unless it so states.

**3.7 Vacancies:** If the office of any officer becomes vacant, the Trustees shall elect a successor.

**3.7.1** Each such successor shall hold office for the remainder of the unexpired term.

**3.8 Committees:** The President may elect or appoint such committees (which may include individuals who are not Trustees of the Cyber School) as they may from time to time determine necessary or advisable, and may delegate, to the extent permitted by law or these By-Laws, such powers and duties thereto as they may deem advisable;

**3.8.1** President is ex officio member of all committees

**3.8.2** Provided, however, that all committees to which the powers of the Trustees are delegated shall consist of a majority of Trustees and provided, however, that all committees shall have a designated Trustee as liaison between the committee

and the Board. The designated Trustee will provide recommendations to the Board who will act on the recommendation. Action must be taken by a majority of the Trustees in a regular or special meeting.

## **Section 4 Transactions and Handling of Funds**

**4.1 Depositing of Funds:** The Treasurer of the Cyber School shall require deposit of funds belonging to the Cyber School in a depository approved by the Board and shall at the end of each month make a report to the Cyber School Board of Trustees as to the amount of any funds received and disbursed by him or her during the month.

**4.1.1** All deposits of Cyber School funds authorized by the Treasurer shall be made in the name of the SusQ-Cyber Charter School.

**4.2 Investing of Funds:** The Board of Trustees of the SusQ-Cyber Charter School shall invest Cyber School funds consistent with sound business practice. Authorized types of investments shall be:

**4.2.1** United States Treasury bills.

**4.2.2** Short-term obligations of the United States Government or its agencies or instrumentalities.

**4.2.3** Deposits in savings accounts or time deposits or share accounts of institutions insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation or the National Credit Union Share Insurance Fund to the extent that such accounts are so insured, and for any amounts above the insured maximum, provided that approved collateral as provided by law therefore shall be pledged by the depository.

**4.2.4** Obligations of the United States of America or any of its agencies or instrumentalities backed by the full faith and credit of the United States of America.

**4.2.5** Obligations of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith of the Commonwealth.

**4.2.6** Obligations of any political subdivision of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the political subdivision.

**4.2.7** Shares of an investment company registered under the investment Company of America Act of 1940 (54 Stat. 789,15 U.S.C. 80a-1 et seq.) as defined in PA 24 PS 4-440.1 of the Pennsylvania School Code.

**4.3 Standards:** All investments shall be subject to the standards set forth in PA 24 PS 4-440.1 of the Pennsylvania School Code.

**4.4 Accountability:** The Cyber School Treasurer shall settle accounts annually with the Board of School Directors for each school.

**4.4.1** An annual school audit shall be conducted according to the requirements of Article 24 of the School Code of 1949.

## **Section 5 Fulfillment of Charter**

**5.1 Evaluation and Report:** The Cyber School shall be evaluated by means consistent with the requirements of Section 315 of the Pennsylvania Charter School law and the regulations provided by the Pennsylvania Department of Education according to the requirements of Act 88 of 2002.

**5.2 Accountability:** At the end of the five-year charter renewal period, the Cyber School Board of Trustees may apply for a five year Charter Renewal from the Pennsylvania Department of Education based on the criteria set forth in Section 316 of the Pennsylvania Charter School law and amendments to that law from Act 88 of 2002.

## **Section 6 Personnel**

**6.1 Chief Executive:** The Chief Executive Officer of the Cyber School shall perform the following duties:

**6.1.1** Coordinate and oversee staff;

**6.1.2** Serve as liaison to the Board of Trustees;

**6.1.3** Maintain the curriculum and supervise the development of additional on-line courses;

**6.1.4** Serve as liaison to parents;

**6.1.5** Oversee the enrollment of students;

**6.1.7** Develop and oversee the budget.

**6.2 Hiring of Personnel:** The Board of Trustees shall approve the advertising of positions necessary to fulfill the needs of the students enrolled in the Cyber School.

**6.2.1** All Cyber School employees shall comply with mandated health and safety regulations including a report of criminal history (Act 34), an official clearance statement regarding child injury or abuse from the Department of Public Welfare (Act 151), and an FBI clearance including a fingerprint report.

**6.2.2** All employees shall be hired on the basis of "at will" annual contracts whose terms shall expire at the end of each year.

**6.2.3 Non-Certified Employees:** Consistent with the Charter School law, the Cyber School shall have the right to employ non-certified staff up to 25% of the

total professional staff. Consideration shall be given to those individuals providing specialized expertise not provided by regular school personnel or to those individuals who provide a service for which no certified school personnel has applied.

**6.3 Dismissal of Personnel:** The Chief Executive Officer may terminate or suspend the employment of any employee if s/he determines that the employee has failed to fulfill the duties and responsibilities and/or demonstrate the qualities outlined in the job description, or if other good cause exists. The Board of Trustees will be asked to confirm the CEO's actions after the fact if taken with out prior Board approval due to necessary expediency as outlined below.

**6.3.1** In the event the school finds it necessary or desirable to terminate an employee's employment before the end of the school year, the school will attempt to give the employee written notice at least 10 calendar days before termination, unless the Chief Executive Officer determines that the employee poses a threat to the health, safety, or welfare of the school or students.

**6.3.2** In the event of termination of employment prior to the end of an employment contract, the employee shall be entitled only to the prorated salary and benefits earned through the last date of employment.

**6.4 Personnel Policies:** The Trustees shall adopt detailed written policies concerning the recruitment, promotion, discipline and termination of personnel; methods for evaluating performance; and a plan for resolving employee-related problems, including complaint and grievance procedures.

## **Section 7 Insurance and Liability**

**7.1 Insurance:** The Cyber School shall provide for Comprehensive General Liability, Building and Contents, Errors & Omissions (School Leaders), Blanket Occupational Accident, and Excess Workers Compensation Insurance coverage to extend to the Cyber School Board of Trustees and employees, and school activities.

**7.2 Filing and Settling of Claims:** The Cyber School agrees that it shall promptly report any and all pending or threatened claims, file timely notices of claims, cooperate fully in the defense of any claims and comply with the defense and reimbursement provisions of applicable insurance policies. The Cyber School shall neither compromise, settle, negotiate nor otherwise affect any disposition of potential claims asserted against it without the insurance company's written approval.

## **Section 8 Indemnification**

**8.1 Scope of Indemnification:** The Cyber School shall indemnify an indemnified representative against any liability incurred in connection with any proceeding in which the indemnified representative may be involved as a party or otherwise, by reason of the fact that such person is or was serving in an indemnified capacity, including without limitation liabilities resulting from any actual or alleged breach or

neglect of duty, error, misstatement or misleading statement, negligence, gross negligence or act giving rise to strict or products liability, except where such indemnification is expressly prohibited by applicable law or where the conduct of indemnified representative has been determined to constitute willful misconduct or recklessness within the meaning of 42 Pa. C.S. 8365(b) or any superseding provision of law, sufficient in the circumstances to bar indemnification against liabilities arising from the conduct.

**8.1.1 Entitlement:** If an indemnified representative is entitled to indemnification in respect to a portion, but not all, of any liabilities to which such person may be subject, the Cyber School shall indemnify such indemnified representative to the maximum extent for such portion of the liabilities.

**8.1.2 Termination of a Proceeding:** The termination of a proceeding by judgment, order, settlement, conviction or upon a plea of *nolo contendere* or its equivalent shall not, of itself, create a presumption that the indemnified representative is not entitled to indemnification.

## **8.2 Definitions: For the purposes of this Section:**

**8.2.1 "indemnified capacity"** means any and all past, present and future service by an indemnified representative in one or more capacities as a Trustee, officer, employee or agent of the Corporation, or, at the request of the Corporation, as a director, officer, employee, agent, fiduciary or trustee of another corporation, partnership, joint venture, trust employee benefit plan or other entity or enterprise.

**8.2.2 "indemnified representative"** means any and all Trustees and officers of the Cyber School and any other person designated as an indemnified representative by the Board of Trustees of the corporation, (which may, but need not, include any person serving at the request of the Corporation, as a director, officer, employee, agent, fiduciary or trustee of another corporation, partnership, joint venture, trust, employee benefit plan or other entity or enterprise).

**8.2.3 "liability"** means any damage, judgment, amount paid in settlement, fine, penalty, punitive damages, excise tax assessed with respect to an employee benefit plan, or cost or expense of any nature including, without limitation, attorneys' fees and disbursements.

**8.2.3.4 "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 Cyber School.

**8.3 Proceedings Initiated by Indemnified Representatives:** Notwithstanding any other provision of this Section, the Cyber School shall not indemnify under this Section on Indemnification an indemnified representative for any liability incurred in a proceeding initiated (which shall not be deemed to include counter-claims or affirmative defenses) or participated in as an intervener or *amicus curiae* by the person seeking

indemnification unless such initiation of or participation in the proceeding is authorized, either before or after its commencement, by the affirmative vote of a majority of the Trustees in office

**8.3.1 Exclusion of Reimbursement of Expenses:** This Section does not apply to reimbursement of expenses incurred in successfully prosecuting or defending an arbitration under Section 8.6 or otherwise successfully prosecuting or defending the rights of an indemnified representative granted by or pursuant to this Section.

**8.4 Advance of Expenses:** The Cyber School shall pay the expenses (including attorneys' fees and disbursements) incurred in good faith by an indemnified representative in advance of the final disposition of a proceeding described in Section 8.1 or 8.2 upon receipt of an undertaking by or on behalf of the indemnified representative to repay such amount if it shall ultimately be determined pursuant to Section 8.6 that such person is not entitled to be indemnified by the Cyber School pursuant to this Section. The financial ability of an indemnified representative to repay an advance shall not be a prerequisite to the making of such advance.

**8.5 Securing of Indemnification Obligations:** To further effect, satisfy or secure the indemnification obligations provided herein or otherwise, the Cyber School may maintain insurance, obtain a letter of credit, act as self insurer, create a reserve, trust, escrow, cash collateral of other fund or account, enter into indemnification agreements, pledge or grant a security interest in any assets or properties of the Cyber School, or use any other mechanism or arrangement whatsoever in such amounts, at such costs, and upon such other terms and conditions as the Board of Trustees shall deem appropriate.

**8.5.1 Determination of Obligations:** Absent fraud, the determination of the Board of Trustees with respect to such amounts, costs, terms and conditions shall be conclusive against all security holders, officers and Trustees and shall not be subject to void ability.

**8.6 Arbitration:** Any dispute related to the right to the indemnification, contribution or advancement of expenses as provided under this Section, except with respect to indemnification for liabilities arising under the Securities Act of 1933 that the Cyber School has undertaken to submit to a court for adjudication, shall be decided only by arbitration in the county which the principal executive offices of the Cyber School are located, in accordance with the commercial arbitration rules then in effect of the American Arbitration Association, before a panel of three arbitrators, one of whom shall be selected by the Cyber School, the second of whom shall be selected by the indemnified representative, and the third of whom shall be selected by the other two arbitrators.

**8.6.1 Contingency for Arbitration:** In the absence of the American Arbitration Association, or if for any reason arbitration under the arbitration rules of the American Arbitration Association cannot be initiated, or if the arbitrators selected by the Cyber School and the indemnified representative cannot agree on the selection of the third arbitrator within thirty (30) days after such time as the Cyber School and the indemnified representative have each been notified of the selection of the other's arbitrator, the necessary arbitrator or arbitrators shall be

selected by the presiding judge of the court of general jurisdiction in such county.

**8.7 Challenges to Indemnification:** The party or parties challenging the right of an indemnified representative to the benefits of this Section shall have the burden of proof.

**8.8 Reimbursement of Representatives:** The Cyber School shall reimburse an indemnified representative for the expenses (including attorneys' fees and disbursements) incurred in successfully prosecuting or defending such arbitration.

**8.9 Award by Arbitrators:** Any award entered by the arbitrators shall be final, binding and non-appealable and judgment may be entered thereon by any party in accordance with applicable law in any court of competent jurisdiction. This arbitration provision shall be specifically enforceable.

**8.10 Contribution:** If the indemnification provided for in this Section or otherwise is unavailable for any reason in respect of any liability or portion thereof, the Cyber School shall contribute to the liabilities to which the indemnified representative may be subject in such proportion as is appropriate to reflect the intent of this Section or otherwise.

**8.11 Discharge of Duty:** An indemnified representative shall be deemed to have discharged such person's duty to the Cyber School if he or she has relied in good faith on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by any of the following:

**8.11.1** One or more officers or employees of the Cyber School whom the indemnified representative reasonably believes to be reliable and competent with respect to the matter presented;

**8.11.2** Legal counsel, public accountants or other persons as to matters that the indemnified representative reasonably believes to be within the person's professional or expert competence; **or**

**8.11.3** 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.

**8.12 Contract Rights - Amendment or Repeal:** All rights to indemnification, contribution or advancement of expenses under this Section shall be deemed a contract between the Cyber School and the indemnified representative pursuant to which the Cyber School and each indemnified representative intend to be legally bound. Any repeal, amendment or modification hereof shall be prospective only and shall not affect any rights or obligations then existing.

**8.13 Scope of Section:** The rights granted by this Section shall not be deemed exclusive of any other rights to which those seeking indemnification, contribution or advancement of expenses may be entitled under any statute, agreement, vote of disinterested Trustees or otherwise, both as to action in an indemnified capacity and as to action in any other capacity. The indemnification, contribution and advancement of

expenses provided by or granted pursuant to this Section 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 inure to the benefit of the heirs, executors, administrators and personal representatives of such a person.

**8.14 Reliance on Provisions:** Each person who shall act as an indemnified representative of the Cyber School shall be deemed to be doing so in reliance upon the rights of indemnification, contribution and advancement of expenses provided by this Section.

**8.15 Interpretation:** The provisions of this Section, when approved and ratified, are intended to constitute By-Laws authorized by Pennsylvania Law.

## **Section 9 Funds**

**9.1 Funds:** Any funds accumulated by the SusQ-Cyber Charter School at the time of dissolution of the Cyber School and all the physical assets of the Cyber School shall be disposed of in accordance with the provisions of Act 88 of 2002.

## **Section 10 Amendments**

**10.1 These Bylaws may be altered, amended or repealed, or new By-Laws may be adopted, by an affirmative vote of a majority of Trustees then in office, at any regular meeting of the Trustees or special meeting of the Trustees;**

**10.1.1** Provided, however, that notice shall be given in the notice of the meeting that an alteration, amendment or repeal of the Bylaws, or that new Bylaws may be adopted.