

AMENDED AND RESTATED

BY-LAWS

OF

CHARTER SCHOOL, INC.

Table of Contents

	<u>Page</u>
Article I – Powers and Responsibilities of Directors	1
Article II – Membership of the Board of Directors	
Section 1 Number and Composition	2
Section 2 Eligibility	2
Section 3 Liability	3
Section 4 Fiduciary Duties	3
Section 5 Election and Term	3
Section 6 Vacancies	3
Section 7 Removal	4
Section 8 Compensation	4
Section 9 Resignations	4
Article III – Honorary Directors	4
Article IV – Officers of the Corporation	
Section 1 Generally	5
Section 2 President	5
Section 3 Vice President	5
Section 4 President Pro Tem	5
Section 5 Secretary	6
Section 6 Treasurer	6
Section 7 Election	6
Section 8 Vacancies	6
Article V – Meetings of the Board	
Section 1 Regular Meetings	7
Section 2 Open Meetings	7
Section 3 Quorum	7

Article VI – Committees		
Section 1	Committees	7
Article VII – Miscellaneous		
Section 1	Fiscal Year	8
Section 2	Execution of Contracts	8
Section 3	Conflicts of Interests	8
Article VIII – Discrimination Prohibited		
Section 1	Non-Discrimination Policy	9
Section 2	Terminology	9
Article IX – Amendment and Review of By-Laws		9
Article X – Indemnification of Directors, Officers, Employees and Agents		
Section 1	Availability of Indemnification	9
Section 2	Extent of Indemnification	10
Section 3	Promise to Repay Corporation	10
Section 4	Duration of Right to Indemnification	11
Section 5	Indemnification Fund	11
Section 6	Contract for Indemnification	11
Section 7	In General	11
Article XI – Dissolution		12

ARTICLE I – POWERS AND RESPONSIBILITIES OF DIRECTORS

Subject to limitations imposed by law, the articles of incorporation of this corporation or these by-laws, all corporate powers shall be exercised by or under the authority of the Board of Directors. The Board of Directors (referred to in this and the following articles as the “Board”) has the power to manage the property and business of the corporation. The purposes of the corporation are to operate a Charter School, as such term is defined in Title 14, Chapter 5 of the Delaware Code and regulations associated therewith (collectively, the “Charter School Code”) and to conduct such activities in connection with the foregoing as may be determined by the Board and as shall be permissible under the Charter School Code; provided, however, that such purposes and business shall at all times be limited exclusively to those purposes that are “exempt purposes” within the meaning of Section 501(c)(3) of the Internal Revenue Code.

The Board’s primary responsibility is to determine the character for the corporation, to establish overall policy, and to work towards financial stability. The Board has the responsibility for the effective implementation of the policies it lays down.

Without limiting the foregoing, the Board of Directors:

1. maintains the essential character and integrity of the corporation as outlined by the charter and preserves its independence;
2. establishes the goals and parameters which determine the nature of the corporation consistent with its articles of incorporation;
3. approves long-range plans which enable the corporation to approach the desired goals;
4. oversees the general operation of the corporation, assuring that the established policies are effectively interpreted and appropriately implemented;
5. establishes policies regarding the number of employees and the total compensation of personnel;
6. approves major fringe benefits, including employee contribution options deducted from pay;

7. establishes by-laws for effective operations;
8. cultivates, nominates, appoints and orients Board members who possess the talent, skills, and means to further the work of the Board;
9. serves as a court of last resort when decisions at lower echelons have been appealed to and accepted for review by the Board;
10. keeps contact with constituents and evaluates concerns for relevance.

ARTICLE II – MEMBERSHIP OF THE BOARD OF DIRECTORS

Section 1. Number and Composition.

The number of directors shall be no fewer than five (5) nor more than thirteen (13). One director shall be a certificated teacher in the school nominated by fellow teachers. One director shall be a parent of a currently enrolled student in the school no later than the school's First Instructional Day, further provided a single individual shall not represent both the certified teacher and parent role on the board.

Section 2. Eligibility.

The directors of the corporation shall be the only members of the corporation and, upon ceasing to be a director; any such person shall cease to be a member. Election of a director as provided in these by-laws shall likewise serve to elect such director to membership in the corporation. The director shall, for the purpose of any statutory provision or rule of law relating to non-profit corporations, be a member of the corporation and shall have and exercise all the rights, privileges, powers and immunities of members thereof. Other than as stated above, no person shall be eligible who is employed by the corporation. Additionally, no director who has a member of his immediate family employed by the corporation or is an employee of the corporation shall serve in the position of president, vice president or treasurer. The Board of Directors will make efforts to ensure that the majority of the directors are persons who are not employed by the corporation nor have a member of their family employed by the corporation. Persons under the age of 21 are not eligible for membership on the Board of Directors.

Section 3. Liability.

No director shall be personally liable for the debts, liabilities or obligations of the corporation.

Section 4. Fiduciary Duties.

A director of the corporation shall stand in a fiduciary relation to the corporation and shall perform his duties as a director, including his duties as a member of any committee of the Board upon which he may serve, in good faith, in a manner he reasonably believes to be in the best interest of the corporation, and with such care, including reasonable inquiry, skill and diligence as a person of ordinary prudence would use under similar circumstances.

Absent a breach of fiduciary duty, lack of good faith or self-dealing, any action taken as a director or any failure to take any action as a director shall be presumed to be in the best interests of the corporation.

Section 5. Election and Term.

The initial directors of the corporation are the persons who executed and are named in the certificate of incorporation. The terms of office of the directors shall be three (3) years with the number of directors being established by the Board and elected at each annual meeting of the directors. The terms should be staggered so that no more than 1/3 expires each year. No director shall serve for more than nine (9) consecutive years. After completion of the applicable maximum consecutive service, a director is not eligible for re-election until 24 months have elapsed.

Section 6. Vacancies.

Any vacancy on the Board of Directors shall merely reduce the number of duly elected and acting Directors until such time as that vacancy is filled. Vacancies existing from time to time by reason of an increase in the authorized number of directors, or for other reasons, may be filled by a majority vote of the remaining directors by election at any regular meeting of the Board, provided a notice of the election and qualifications of nominees be distributed to the directors at least ten (10) days prior to the election. Vacancies occurring in existing positions shall be filled for the unexpired term only.

Section 7. Removal.

A director may be removed from the Board, with or without cause, by an affirmative vote of at least a majority of the directors. A director may also be removed from the Board should he fail to attend three or more meetings in a calendar year beginning with the annual meeting in October.

Section 8. Compensation.

Directors may not receive compensation for attendance at regular and special meetings and their services as directors, including, without limitation, their services as members of committees of the Board. Nothing contained herein shall be construed to preclude any teacher member of the board of directors from receiving appropriate compensation for their employment at the school.

Section 9. Resignations.

Any director may resign from a committee of the Board, an office of the Board, or the Board itself by giving written notice to the President or the Secretary. Any such resignation shall take effect at the date of receipt of such notice or at any later time therein specified, and, unless otherwise specified, the acceptance of such resignation shall not be necessary to make it effective.

ARTICLE III – HONORARY DIRECTORS

Any individual whose assistance and expertise is sought by the Board may be elected an Honorary Director by a majority of the Board of Directors. Honorary Directors shall be elected for one-year terms and may be re-elected without limit. They are entitled to receive minutes of all Board meetings and may attend all meetings of the Board. An Honorary Director shall not be considered a member of the Board for any legal purpose, including voting. The additional number of Honorary Directors shall not exceed twenty-five percent (25%) of the number of the regularly authorized Board members.

ARTICLE IV – OFFICERS OF THE CORPORATION

Section 1. Generally.

The officers of the Corporation shall consist of a President, one or more Vice Presidents, a Secretary, a Treasurer and such other officers as may from time to time be appointed by the Board of Directors. Officers shall be elected by the Board of Directors which shall consider that subject at its first meeting after every annual meeting. Each officer shall hold office until his successor is elected and qualified or until his earlier resignation or removal. The President shall be a member of the Board of Directors. An officer may hold more than one office at a time, but no more than two. One person may also have such other titles as the Board of Directors may determine.

Section 2. President.

The President shall be the chief executive officer of the Corporation. Subject to the provisions of these Bylaws and to the direction of the Board of Director, he shall have the responsibility for the general management and control of the business and affairs of the Corporation and shall perform all duties and have all powers which are commonly incident to the office of chief executive or which are delegated to him by the Board of Directors. He shall have power to sign all contracts and other instruments of the Corporation which are authorized and shall have general supervision and direction of all of the other officers, employees and agents of the Corporation.

Section 3. Vice President.

The Vice President shall have such powers and duties as may be delegated to him by the Board of Directors. The Vice President shall be designated by the Board of Directors to perform the duties and exercise the powers of the President in the event of the President's absence or disability. In the absence of the President, the Vice President shall, in the order prescribed by a resolution of the Board of Directors, preside at meetings of the Board of Directors.

Section 4. President Pro Tem.

In the absence of the President and Vice-President, the Board of Directors may appoint a President Pro Tem.

Section 5. Secretary.

The Secretary shall keep or cause to be kept a record of the proceedings of the Board of Directors, shall make service of all such notices as may be necessary or proper, and shall have such other powers and duties as may be prescribed from time to time by the President of the Board.

Section 6. Treasurer.

The Treasurer shall be responsible for the oversight of the custody of all funds and securities of the corporation, shall generally supervise the accounting and bookkeeping of the corporation, shall regularly report to the Board of Directors as to the financial condition and results of the operation of the corporation, and shall have such other powers and duties as may be prescribed from time to time by the President or the Board. With approval of the Board, the Treasurer may delegate to an administrative salaried employee of the corporation any of the foregoing duties, including the signing of checks or other orders for the payment of money, as the Treasurer shall specifically designate. All such delegations shall be recorded in the minutes of the Board. The Treasurer and any other persons who are empowered to sign checks or other orders for the payment of money shall give this corporation a bond in such sum and with such surety(ies) as shall be satisfactory to the Board. The cost of such bond or bonds shall be paid by the corporation.

Section 7. Election.

The officers of the Board shall be nominated by the Board and shall be elected by and serve at the discretion of the Board subject to the foregoing limitations. Each officer shall be elected for a three-year term, except that an officer elected to fill a vacancy shall serve for the remainder of the term of his predecessor. No person shall serve as President for more than six consecutive years.

Section 8. Vacancies.

A vacancy in any of the offices of the Corporation may be filled for the unexpired term by a majority vote at any meeting of the Board of Directors, by election, provided that a notice of the elections and qualifications of nominees be distributed to members at least ten days prior to the election.

ARTICLE V – MEETINGS OF THE BOARD

Section 1. Regular Meetings.

Regular meetings of the Board shall be held monthly, at such time and place as the President or a majority of the Board may from time to time prescribe. A yearly calendar of all regular meetings of the Board shall be prepared in September. This calendar shall be distributed to all Board members and shall serve as a legal notice of the time and place of such meetings. The character of these meetings shall be announced by agendas and distributed to Board members and posted at the school at least seven (7) days but not more than twenty (20) days prior to each meeting.

Section 2. Open Meetings.

Every annual, regular, or special meeting of the Board and any of its committees shall be open to the public, except as provided in the Delaware Freedom of Information Act, 29 *Del. C.* § 10001 *et. seq.* (“FOIA”). Notice of the time and place of any meeting shall be given, and a record of the meetings shall be taken, in the manner provided in FOIA. No Directors shall conduct a meeting (as such term is defined in FOIA), except as provided in FOIA. Directors may participate in an open or closed meeting of the Board by telephone conference call or video conference to the extent, and under the procedure, authorized under FOIA.

Section 3. Quorum.

A quorum for the transaction of business at any meeting of the Board shall consist of a majority of the directors then serving. An act of the majority of directors present and voting at a duly called meeting shall be the act of the Board except as may be provided elsewhere by these by-laws.

ARTICLE VI – COMMITTEES

Section 1. Committees.

There may be such standing, special or ad hoc committees as the Board may from time to time establish for the discharge of particular duties.

ARTICLE VII – MISCELLANEOUS

Section 1. Fiscal Year.

- (a) The fiscal year of the corporation shall commence on the first day of July in each year.

Section 2. Execution of Contracts.

- (b) The Board may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances.

Section 3. Conflicts of Interests.

- (c) A director shall be considered to have a conflict of interest if (a) such director has existing or potential financial interests which impair or might reasonably appear to impair such member's independent unbiased judgment in the discharge of his responsibilities to the corporation, or (b) such director is aware that a member of his family (which, for purposes of this paragraph, shall be a spouse or child) or any organization in which such director (or a member of his family) is an officer, director, employee, member, partner, director or controlling stockholder has such existing or potential financial or other interests. All directors shall disclose to the Board any possible conflict of interest at the earliest practical time. No director shall vote on any matter, under consideration of the Board or any of its committees, in which such director has a conflict of interest. The minutes of such meeting shall reflect that a disclosure was made and that the director having the conflict of interest abstained from voting. Any director who is uncertain whether he has a conflict or interest in any matter may request the Board or committee to determine whether a conflict of interest exists and the Board or committee shall resolve the question by a majority vote.

ARTICLE VIII – DISCRIMINATION PROHIBITED

Section 1. Non-discrimination Policy.

- (a) The corporation shall not discriminate against any person on the basis of race, color, religion, national origin, sex, marital status, genetic information, age, sexual orientation, disability, or on any other basis prohibited by applicable law; provided that the Corporation may conduct school classes for children of certain specified ages.

Section 2. Terminology.

- (a) In interpreting these by-laws, all masculine pronouns shall be deemed to refer equally to the feminine gender.

ARTICLE IX – AMENDMENT AND REVIEW OF BY-LAWS

New by-laws may be adopted or these by-laws may be amended or repealed by the vote of two-thirds of all directors at a meeting duly called and held for such purpose, provided that 10 business days notice of the proposed by-law change be given. Prior to each annual meeting of the Board of Directors, the Board's officers shall review these by-laws and suggest any necessary changes thereto.

ARTICLE X – INDEMNIFICATION OF DIRECTORS

(OFFICERS, EMPLOYEES AND AGENTS)

Section 1. Availability of Indemnification.

- (a) The corporation shall indemnify any director, officer, other employee or agent who was or is a party to, or is threatened to be made a party to or who is called as a witness in connection with any threatened, pending or completed action, suit or proceeding whether civil, criminal, administrative or investigative including an action by or in the right of the corporation by reason of the fact that he is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other

enterprise against expenses, including attorneys' fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding unless the act or the failure to act giving rise to the claim for indemnification is determined by a court to have constituted willful misconduct or recklessness.

Section 2. Extent of Indemnification.

- (a) The indemnification and advancement of expenses provided by, or granted pursuant to, this Article X shall not be deemed exclusive or any other rights to which those seeking indemnification or advancement of expenses may be entitled under any by-law, agreement, contract, vote of shareholders or disinterested directors or pursuant to the direction, howsoever embodied, of any court of competent jurisdiction or otherwise both as to action in his official capacity and as to action in another capacity while holding such office. It is the policy of the corporation that indemnification of and advancement of expenses to directors, officers, employees and other agents of the corporation shall be made to the fullest extent permitted by law. To this end, the provisions of this Article X shall be deemed to have been amended for the benefit of directors, officers, employees and other agents of the corporation effective immediately upon any modification of the General Corporation Law of the State of Delaware (the "GCL") which expands or enlarges the power or obligation of corporations organized under the GCL to indemnify or advance expenses to directors, officers, employees and other agents of the corporation.

Section 3. Promise to Repay Corporation.

- (a) The corporation shall pay expenses incurred by an officer, director or other employee or agent in defending a civil or criminal action, suit or proceeding in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such person to repay such amount if it shall ultimately be determined that he is not entitled to be indemnified by the corporation.

Section 4. Duration of Right to Indemnification.

- (a) The indemnification and advancement of expenses provided by or granted pursuant to this Article X shall, unless otherwise provided when authorized or ratified, continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such person.

Section 5. Indemnification Fund.

- (a) The corporation shall have the authority to create a fund of any nature, which may, but need not, be under the control of a director, or otherwise secure or insure in any manner its indemnification obligations, whether arising under these bylaws or otherwise. The authority granted by this Section 5 shall be exercised by the Board of Directors of the corporation.

Section 6. Contract for Indemnification.

- (a) A contract shall be deemed to exist between the corporation and each director and officer of the corporation with respect to indemnification and advancement of expenses as provided by this Article X and as otherwise provided by applicable law.

Section 7. In General.

- (a) The provisions of this Article X shall not be deemed to preclude the indemnification of, or advancement of expenses to, any person who is not specified in Section 1 of this Article X but whom the corporation has the power or obligation to indemnify or to advance expenses for under the provisions of the GCL or otherwise.

ARTICLE XI – DISSOLUTION

(a) In the event of the dissolution and final liquidation of the corporation, none of the property of the corporation nor any of the proceeds thereof shall be distributed to or divided among any of the Directors of the corporation or inure to the benefit of any individual. After all liabilities and obligations of the corporation have been paid, satisfied, and discharged or adequate provision has been made therefore, all remaining property and assets of the corporation shall be distributed to one or more non-profit organizations which meet the following criteria:

- such organizations shall be organized and operated exclusively for charitable, scientific, research, or educational purposes;
- transfers of property to such organization shall, to the extent then permitted under the statutes of the United States, be exempt from Federal gift, succession, inheritance, estate or death taxes (by whatever name called);
- such organization shall be exempt from Federal income taxes by reason of section 501(c)(3) of the Internal Revenue Code of 1954 (or of the corresponding provision of any subsequent Federal tax law).
- The undersigned, Secretary of Charter School, Inc., does hereby certify that the foregoing is a true copy of the by-laws of Charter School, Inc., and that the same are in full force and effect at this date.

_____, Secretary, Campus Community School Board of Directors

_____, Date