

**BYLAWS  
OF  
Positive Outcomes Charter School Inc.  
Passed April 2006**

**ARTICLE I – POWERS AND FUNCTIONS OF DIRECTORS**

Subject to limitations imposed by law, the Certificate of Incorporation, or these bylaws, all corporate powers shall be exercised by or under the authority of the Board of Directors (the “Board”). The Board has the power to manage the property and business of this corporation (the “Corporation” or “School”). The members of the Corporation (the “Members”) shall have no voting rights, other than as provided by the General Corporation Law of the State of Delaware and the provisions of these bylaws.

Without limiting the foregoing, the Board shall conduct the business of the Corporation, including but not limited to:

1. Adopting the bylaws of the Corporation;
2. Determining the general policies and strategic planning of the Corporation;
3. Establishing the annual budget and approving major expenditures;
4. Selecting projects and approving the overall budget of said projects;
5. Approving the administrative budget of the Corporation;
6. Approving the annual reports of the Corporation;
7. Approving the annual financial statements of the Corporation; and
8. Electing officers and filling vacancies in said offices as may occur from time to time during the year.

**ARTICLE II – MEETINGS OF THE BOARD**

Section 1. Compliance with the provisions of the Freedom of Information Act.

The Board shall conduct its meetings as if it were a “public body” as defined in 29 Del. Code § 10002(a) and according to the requirements of Chapter 100 of said Title 29 (the “Act”). In addition to the published notices required by the Act, notices of each meeting of the Board shall be forwarded to its members by any method which preserves proof of such notice.

### Section 2. Quorum.

A quorum for the transaction of business at any meeting of the Board shall consist of 51% of the voting directors then serving, except as may otherwise be required by law. 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 otherwise be provided elsewhere by these bylaws.

### Section 3. Participation by Conference Telephone.

Notwithstanding any provision of these bylaws to the contrary, members of the Board, or of any committee thereof, may participate in a meeting of such Board or committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other and such participation shall constitute presence in person at such meeting.

### Section 4. Reliance.

A member of the Board or of any committee thereof, shall in the performance of his or her duties, be fully protected in relying in good faith upon the records of the Corporation and upon such information, opinions, reports or statements presented to the Corporation by any of its officers, or employees, or committees of the Board, or by any other person as to matters the member reasonably believes are within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Corporation.

## **ARTICLE III – BOARD OF DIRECTORS**

### Section 1. Number and Composition.

The Board shall consist of up to eleven members. The will have a minimum of five members. The Board shall be composed of three parent of actively enrolled students seats, two staff member seats (one of which must be an active teacher) and six community member seats.

### Section 2. Eligibility.

The members of the Board of Directors will comprise the Corporation. A Parent Director who ceases to be a parent or legal guardian of a student enrolled at the School may continue in office until the next annual meeting of the Corporation. A

Staff Director shall be deemed to have resigned from the Board of Directors on the date the Staff Director is no longer employed as a staff member at the School.

Section 3. Voting Rights.

Each director shall have one vote.

Section 4. Liability.

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

Section 5. Election and Term.

The Parent Directors shall be elected by the parents or legal guardians of students enrolled in the School and the Staff Directors shall be elected by the staff members at the School, in accordance with the provisions of Article V. The directors may, in their discretion, elect additional directors pursuant to an affirmative vote of 3/4 of all Directors then serving, provided that the limit on the number of directors set forth above in Section 1 of this Article III shall not be exceeded.

The staff terms shall be set at two years. The staff shall hold an annual election of their representatives in August of each year. The Staff Directors terms will alternate so that only one Staff Director will be elected each August.

All other member's terms shall be limited to 3 years, with no more than one third of the board being elected annually. No member may serve for more than two consecutive terms.

Section 6. Chair of the Board.

The Board shall elect, at its annual meeting a Chair of the Board (the "Chair") who shall be a director and who shall hold office until the first meeting of the Board following the next annual meeting of the Members and until his or her successor is elected and qualified or until his or her earlier resignation or removal by act of the Board. The Chair shall preside at meetings of the Members of the Corporation and of the Board. In the absence of the Chair, a Vice-Chair shall preside at meetings of the members of the Board.

Section 7. Vacancies.

The directors may, in their discretion, fill any vacancy by an affirmative vote of  $\frac{3}{4}$  of the directors then serving; provided, however, that any vacancy with respect to a

Parent Director position on the Board must be filled by a parent or legal guardian of a student enrolled in the School and the two Staff Director position on the Board must be filled by at least one teacher and one staff member of the School.

Section 8. Removal.

A director may be removed from the Board, with or without cause, by an affirmative vote of 3/4 of all directors.

Section 9. Compensation.

Directors shall serve without compensation.

Section 10. 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 Chair or the Secretary. Any such resignation shall take effect on 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 IV – COMMITTEES OF THE BOARD**

Section 1. Establishment by Board.

The Board may appoint, or may provide for the appointment of, committees consisting of directors with such duties and powers as the Board may, from time to time, designate and prescribe. In the absence or disqualification of any member of any committee and any alternate member in his or her place, the Board may appoint another member of the Board to act at the meeting in the place of any such absent or disqualified member. The Board may, from time to time, suspend, alter, continue or terminate any of such committees or the powers and functions thereof.

Section 2. Action.

Unless otherwise provided in the resolution of the Board designating a committee, a majority of the members of the whole committee shall constitute a quorum unless the committee shall consist of one or two members, in which case one member shall constitute a quorum. All matters properly brought before the committee shall be determined by a majority vote of the members present.

Section 3. Action without Formal Meeting.

Any action that may be taken by a committee at a meeting may be taken without a meeting if all members thereof consent thereto in writing, and such writing is filed with the minutes of the proceedings of such committee; provided, however, that no such action without a meeting may be taken if such action were to be regarded as the sort of action that may only be taken at a public meeting as required by the Act.

#### Section 4. Procedures.

Each committee may determine the procedural rules for meeting and conducting its business and shall act in accordance therewith, except as otherwise provided by law. Adequate provision shall be made for notice to all members of any committee of all meetings of that committee.

### **ARTICLE V – MEMBERS**

#### Section 1. Eligibility.

The Members of the Corporation shall be the members of the Board of Directors.

#### Section 2. Annual Meeting.

An annual meeting of the Members of the Corporation, for the purpose of electing officers for the ensuing year and for the transaction of such other business as may properly come before the meeting, shall be held at such place, on such date, and at such time as shall have been established by the Board.

#### Section 3. Special Meetings.

Special meetings of the Members of the Corporation may be held at the call of the Board Chair, or by written petition by at least 51% of the Members of the Board, for any purpose or purposes. Such request shall state the purpose or purposes of the proposed meeting.

#### Section 4. Notice.

A notice of any annual or special meeting, setting forth the time, date and place of the meeting, shall be given by the Secretary in person, by mail, by telephone, by telecopier, by telegram or by electronic mail not less than ten (10) days in advance of the meeting to each Member at the address last shown on the records of the Corporation. Unless otherwise indicated in the notice thereof, any and all business may be transacted at any annual or special meeting.

Section 5. Quorum.

At any meeting of the Members, a quorum for the transaction of business shall consist of 51% of all of the Members of the Corporation present at a meeting

Section 6. Waiver.

The transaction of business at any meeting of the Members of the Corporation, however called and noticed and wherever held, shall be as valid as though held at a meeting after regular call and notice, if a quorum is present in person.

**ARTICLE VI – OFFICERS**

Section 1. Officers.

The officers of the Corporation shall consist of the Chair, a Vice Chair, a Secretary, a Treasurer, and such assistants as the Board may deem necessary. The officers shall perform such duties as described in this Article and shall receive no compensation for these services, except as otherwise expressly noted. Only members of the Board may serve as the Chair, Vice Chair, Treasurer and Secretary. Any person may hold more than one office.

Section 2. Election and Term.

The officers of the Corporation shall be elected by, and serve at the pleasure of, the Board for terms to expire at the first meeting of the directors following the next annual meeting of the Members, provided that an officer appointed to fill a vacancy shall serve for the remainder of the term of his or her predecessor, and provided further that an officer shall serve until his or her successor is elected and qualified in accordance with these bylaws.

Section 3. Vacancies.

A vacancy in any of the offices of the Corporation may be filled for the unexpired term by the Board.

Section 4. Chair.

The Chair shall preside at all meetings of the Board and all meetings of the Members of the Corporation. The Chair shall serve as the principal executive officer of the Corporation. The Chair shall see that all orders and resolutions of the Board and the Executive Committee or other committees of the Board are carried into effect. The Chair

shall also have general supervision and direction of the officers and shall see that their duties and those assigned to other directors are properly performed.

Section 5. Vice Chair.

The Vice Chair shall have such powers and duties as may be prescribed from time to time by the Chair or by the Board. In the absence or disability of the Chair, the Vice Chair shall perform all the duties of the Chair.

Section 6. Secretary.

The Secretary shall keep or cause to be kept a record of the proceedings of the Board, shall make service of all such notices as may be required under the provisions of these bylaws or by law, shall be custodian of the corporate records and of the corporate seal, and shall have such other powers and duties as may be prescribed from time to time by the Chair or the Board.

Section 7. Treasurer.

The Treasurer shall be responsible for the oversight of the custody of all funds of the Corporation, shall generally supervise the accounting and bookkeeping of the Corporation, shall regularly report to the Board 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 Chair or the Board.

**ARTICLE VII – EXECUTION OF INSTRUMENTS**

Section 1. Checks, Drafts and Orders for Payment of Money.

All checks, drafts and orders for payment of money shall be signed in the name of the Corporation and shall be signed by any one of the following officers: the Treasurer, the Secretary or such individuals as designated by the Board.,

Section 2. Contracts.

All contracts, conveyances or other instruments which have been authorized by the Board shall be executed in the name and on behalf of the Corporation, and have affixed thereto the corporate seal, by the Secretary of the Corporation or his or her delegate.

## **ARTICLE VIII – INDEMNIFICATION**

### **Section 1. Right to Indemnification.**

The Corporation shall indemnify and hold harmless, to the fullest extent permitted by applicable law as it presently exists or may hereafter be amended, any person who was or is made or is threatened to be made a party or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a “proceeding”) by reason of the fact the he, or a person for whom he is the legal representative, is or was a director or officer of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust, enterprise, or nonprofit entity, including service with respect to employee benefit plans, against all liability and loss suffered and expenses (including attorneys’ fees) reasonably incurred by such person. The Corporation shall be required to indemnify a person in connection with a proceeding (or part thereof) initiated by such person only if the proceeding (or part thereof) was authorized by the Board of the Corporation.

### **Section 2. Prepayment of Expenses.**

The Corporation shall pay the expenses (including attorneys’ fees) incurred in defending any proceeding in advance of its final disposition, provided, however, that the payment of expenses incurred by a director or officer in advance of the final disposition of the proceeding shall be made only upon receipt of an undertaking by the director or officer to repay all amounts advanced if it should be ultimately determined that the director or officer is not entitled to be indemnified under this Article or otherwise.

### **Section 3. Claims.**

If a claim for indemnification or payment of expenses under this Article is not paid in full within sixty days after a written claim therefore has been received by the Corporation, the claimant may file suit to recover the unpaid amount of such claim and, if successful in whole or in part, shall be entitled to be paid the expense of prosecuting such claim. In any such action the Corporation shall have the burden of proving that the claimant was not entitled to the requested indemnification or payment of expenses under applicable law.

### **Section 4. Nonexclusivity of Rights.**



The rights conferred on any person by this Article VIII shall not be exclusive of any other rights which such person may have or hereafter acquire under any statute, provision of the certificate of incorporation, these bylaws, an agreement, vote of Members or disinterested directors or otherwise.

Section 5. Other Indemnification.

The Corporation's obligation, if any, to indemnify any person who was or is serving at its request as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, enterprise or nonprofit entity shall be reduced by any amount such person may collect as indemnification from such other corporation, partnership, joint venture, trust, enterprise or nonprofit enterprise.

Section 6. Liability Insurance.

The Corporation may purchase and maintain insurance on behalf of any person who was or is 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 any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Corporation would have the power or the obligation to indemnify him against such liability under the provisions of this Article VIII.

Section 7. Amendment or Repeal.

Any repeal or modification of the foregoing provisions of this Article VIII shall not adversely affect any right or protection hereunder of any person in respect of any act or omission occurring prior to the time of such repeal or modification.

**ARTICLE IX – CONFLICTS OF INTEREST POLICY**

Section 1. Purpose.

The purpose of the conflicts of interest policy is to protect the Corporation's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Corporation. This policy is intended to supplement but not replace any applicable state laws governing conflicts of interest applicable to nonprofit and charitable corporations.

## Section 2. Voting and Disclosure.

In order to minimize any risk of any conflict of interest concerning the Board of Directors and officers of the Corporation, all board members and officers shall refrain from voting on any issue in which they have a financial interest. In particular, Staff Directors are precluded from voting on issues related to Staff compensation at the School. All Board members and officers must make a full disclosure annually of all organizations, together with any other relationships which, in the judgment of the director or officer, has the potential for creating a conflict of interest. Furthermore, in the event that the Board of Directors considers any matter that may have a material impact on any organization of which a director or officer serves as a director, officer or key employee or as to which a director or officer otherwise has a material relationship, such director or officer must disclose such relationship to the Board of Directors and must refrain from voting on such matter.

## Section 3. Board Approval.

No director or officer, or any spouse, sibling, parent or child (in each case whether by birth, marriage, guardianship or legal adoption) of such director or officer or any employee or other person or entity in which a director or officer has a material financial interest, shall receive any payment or other direct benefit from the Corporation for any services rendered unless the Board of Directors, after full disclosure of the terms and conditions of such payments, approves such payments.

## **ARTICLE X – CORPORATE SEAL**

The Board shall provide a corporate seal, containing the name of the Corporation, which seal shall be in the charge of the Secretary.

## **ARTICLE XI – AMENDMENT OF BYLAWS**

These bylaws may be amended, suspended or repealed by the affirmative vote of Not less than 2/3 of all of the members of the Board of Directors of the Corporation then serving at a meeting noticed and called for the purpose of amending, suspending or repealing the bylaws.

## **ARTICLE XII – GIFTS**

The Board may accept, on behalf of the Corporation, any contribution, gift, bequest or devise for the general purpose, or any special purpose, of the Corporation.

## **ARTICLE XIII – FISCAL YEAR**

The fiscal year of the Corporation shall commence on the first day of July of each year.