

Adopted: April 9, 1999

BY-LAWS
OF
The Gray CHARTER SCHOOL, INC.

ARTICLE I

Name and Incorporation

Section 1. Name. The name of the corporation is The Gray Charter School, Inc. It is hereinafter referred to as "the Corporation."

Section 2. Purposes. The Corporation shall be a non-profit corporation organized under the laws of the State of New Jersey and its purposes are exclusively educational as set forth in the Certificate of Incorporation. More specifically, the purposes for which the Corporation is organized are:

To operate and maintain a public school under a charter granted by the State of New Jersey which promotes comprehensive educational reform by infusing innovation into the public education system;

To permit parents and other school/community members to have greater control over and participation in the educational process;

To create an environment which maximizes the potential for pupil learning;

To increase, for students and parents, the educational choices available when selecting the learning environment which they feel is most appropriate;

To develop and encourage the use of different and innovative learning/teaching methods;

To develop and establish new standards for accountability for schools;

To provide to the community information, in the form of seminars, community programs, and other information media, concerning education, public education and other relevant topics; and,

To undertake any other actions necessary and proper to accomplish the above, so long as such activities are consistent with status as a charitable organization pursuant to Section 501(c)(3) of the Internal Revenue Code.

Section 3. Non-discrimination. The Corporation shall not discriminate on the basis of race, religion, national origin, gender or age in either the hiring and other employment practices of the school or in its admission policies for students. Further, the Corporation shall be open to all students on a space

available basis and shall not discriminate in its admission policies or practices on the basis of intellectual or athletic ability, measures of achievement or aptitude, status as a handicapped person, proficiency in the English language, or any other basis that would be illegal if used by a school district. The criteria, if any, used to evaluate prospective students shall be outlined in the school's charter.

ARTICLE II

Members

Section 1. Non-Membership Corporation. The Corporation shall have no members. The Trustees shall have all powers and duties for the conduct of the activities of the corporation.

Section 2. Honorary Titles. The Corporation may create such classes of "membership," such as contributing members or honorary members, as the Trustees see fit, but such persons shall not have the rights of members under the New Jersey Nonprofit Corporation Act.

ARTICLE III

Board of Trustees

Section 1. Number and Qualifications. The Board of Trustees shall consist of not less than three nor more than eight persons.

The composition of the Board shall comply with the requirements of the Charter School Program Act of 1995 and regulations promulgated thereunder. Any qualifications for trustees, as set by the Board of Trustees from time to time, must be met prior to election to the Board.

Section 2. Powers. a. The Board of Trustees shall have all powers and authority necessary for the management of the business, property and affairs of the Corporation, to do such lawful acts and things as it deems proper and appropriate to promote the objectives and purposes of the Corporation. The Board of Trustees shall have the authority to decide matters related to the operations of the school, including but not limited to budgeting, curriculum, and operating procedures, subject to the school's charter. The Board of Trustees may delegate, as necessary from time to time, responsibility for such affairs, business and property to its Officers or Trustees.

b. The members of the Board of Trustees shall be "school officials" as defined in the School Ethics Act (N.J.S.A. 18A:12-23) and shall comply with the provisions of the School Ethics Act and the rules promulgated thereto at N.J.A.C. 6:3-9.

c. The members of the Board of Trustees shall not be considered "board members" for the purposes of N.J.S.A. 18A:12-33.

Section 3. Election. The initial Trustees are set forth in the Certificate of Incorporation. All successor Trustees shall be elected annually by the Trustees at the annual meeting of the Trustees, and shall serve for staggered terms of three years each and until their successors are elected and qualified. Initially, the trustees shall be randomly assigned terms of one, two or three years in length. Following the initial elections, all terms thereafter shall be three years in length so that approximately one-third of the Board of Trustees is elected each year. There is no limit to the number of terms a trustee may serve.

Section 4. Resignation and Removal. A Trustee may resign by submitting his or her resignation in writing to the Chairperson of the Board of Trustees. A Trustee may be removed with or without cause by the affirmative vote of two-thirds of the entire Board of Trustees *or by a proportion of the Board as you may designate or by the vote of an appropriate committee with approval of some proportion of the Board of Trustees* , A Trustee whose removal is to be considered shall receive at least two weeks' notice of such proposed action and shall have the opportunity to address the Board regarding such action prior to any vote on such removal.

Section 5. Vacancies. Vacancies in the Trustees shall be filled by appointment by the Board of Trustees *or by the Chairperson of the Board* based on the recommendations of the Nominating Committee. Trustees thus appointed shall serve for the remainder of the vacated term.

Section 6. Annual (or Biennial) Meeting and Regular Meetings. A regular meeting of the Board for the election of Trustees and Officers and such other business as may come before the meeting shall be held in *November* of each year upon not less than ten nor more than sixty days' written notice of the time, place and purposes of the meeting at the principal office of the corporation, or such other time and place as shall be specified in the notice of meeting. All notices of Board meetings shall comply with the notice requirements contained in the Open Public Meetings Act, N.A.S.A. 10:4-6 et seq. The Board may provide for additional regular meetings which may be held without notice by resolution adopted at any meeting of the Board.

Section 7. Special Meetings of the Board. Special meetings of the Board for any purpose or purposes may be called at any time by the Chairperson or by any *three* members of the Trustees. Such meetings shall be held upon not less than two days' notice given personally or by telephone or telegraph, or upon not less than four days' notice given by depositing notice in the United States mails, postage prepaid. Such notice shall specify the time and place of the meeting and in all respects comply with the notice requirements contained in the Open Public Meetings Act, N.A.S.A. 10:4-6 et seq..

Section 8. Waivers of Notice of Board Meetings: Adjournments. Notice of a meeting need not be given to any Trustee who signs a waiver of notice whether before or after the meeting, or who attends the meeting without protesting, prior to the conclusion of the meeting, the lack of notice to such Trustee of such meeting. Neither the business to be transacted at nor the purpose of any meeting of the Board need be specified in the notice or waiver of notice of such meeting. Notice of an adjourned meeting need not be given if the time and place are fixed at the meeting adjourning and if the period of adjournment does not exceed ten days in any one adjournment.

Section 9. Action Without Meeting. The Board or any committee of the Board may act without a meeting if, prior or subsequent to such action, each Trustee or committee member shall consent in writing to such action. Such written consent or consents shall be filed with the minutes of the meeting.

Section 10. Meeting by Telephone. The Board or a committee of the Board may participate in a meeting of the Board or such committee, by means of a telephone conference call or any other means of communication by which all persons participating in the meeting are able to hear each other.

Section 11. Quorum. A majority of the Trustees shall constitute a quorum of the Board for the transaction of business. The act of the majority of the Trustees at a meeting at which a quorum is present shall be the act of the Board (except that the act of a majority of the entire Board shall be required with respect to any amendment to these by-laws or the Certificate of Incorporation).

Section 12. Attendance of Trustees. Trustees are expected to attend Board meetings. It shall be the duty of the Secretary of the Board to communicate with any member after such member's three unexcused, consecutive absences to ascertain continuing interest in Board Membership. Failure to provide an adequate response may qualify as sufficient cause for removal from the Board of Trustees.

ARTICLE IV

Officers

Section 1. Titles/Qualifications. The Officers of the Corporation shall include a Chairperson, Vice-Chairperson, President, Vice President, Secretary and Treasurer and such other officers whose positions shall be created from time to time by the Board of Trustees to perform such duties as may be prescribed by the Board of Trustees. Any two or more offices may be held by the same person, but no officer shall execute, acknowledge, or verify any instrument in more than one capacity if such instrument is required by law or by these by-laws to be executed, acknowledged or verified by two or more Officers.

Section 2. Election. The Officers, except for President and Vice-President shall be elected by the Trustees at the annual meeting of the Trustees and shall serve for staggered terms of five years each and until their successors are elected and qualified.

Section 3. Consecutive Terms. There is no limit to the number of terms an officer may serve in any one position.

Section 4. Duties. The duties and authority of the Officers shall be determined from time to time by the Board. Subject to any such determination, the Officers shall have the following duties and authority:

(a) The Chairperson shall be chief executive officer of the corporation, shall have general charge and supervision over and responsibility for the affairs of the corporation, and shall preside at all meetings of the Board. Unless otherwise directed by the Board, all other Officers shall be subject to the authority and the supervision of the Chairperson. The Chairperson may enter into and execute in the name of the corporation contracts or other instruments not in the regular course of business which are authorized, either generally or specifically, by the Board. The Chairperson shall have the general powers and duties of

management usually vested in the office of President of a corporation. The Chairperson may delegate from time to time to any other officer, any or all of such duties and authority.

(b) The Treasurer shall have the custody of the funds and securities of the corporation and shall keep or cause to be kept regular books of account for the corporation. The Treasurer shall perform such other duties and possess such other powers as are incident to the office or as shall be assigned by the Chairperson or the Board, including but not limited to selection of an auditor, responsibility for filing all reports, information returns and other filings as required by any of the state, local or federal statutes or regulations to which the Corporation is subject and any other responsibilities usually incident to the office. At the first meeting following the end of each quarter, the Treasurer shall submit to the Board of Trustees a detailed written financial report in compliance with the New Jersey statutes and regulations relating to charter schools. The Treasurer shall be responsible for a system of adequate financial recording showing quarterly income, expenditures and balances. The Treasurer shall serve as Chairman of the Finance Committee, which shall prepare an annual budget for the consideration and approval of the Board of Trustees.

(c) The Secretary shall cause notices of all meetings to be served as prescribed in these by-laws and shall keep or cause to be kept the minutes of all meetings of the Board. The Secretary shall perform such other duties and possess such powers as are incident to the office or as shall be assigned by the Chairperson or the Board.

(d) The President shall serve on the Board as a non-voting member as long as he or she is currently employed by the Board. He or she shall have general charge and supervision over and responsibility for affairs of the school and shall act as Lead Teacher, Headmaster (or Principal, if appropriately licensed) under such terms and conditions as set by the Board of Trustees. Along with the Chairperson the President may enter into and execute in the name of the Corporation, contracts or other instruments not in the regular course of business which are authorized either generally or specifically by the Board prior to such execution. The President may, from time to time, delegate any or all of his duties and authority to any other officer. If the President is not available for signature, a Trustee designated by the Chairperson may sign for the President. Vouchers shall be signed by the President.

(e) The Vice-President shall serve on the Board as a non-voting member as long as he or she is currently employed by the Board. He or she shall perform such duties as the President may request or as directed by the Chairperson of the Board of Trustees. Upon the President's death, resignation or inability to serve, the Vice-President shall automatically become President until the Board convenes to appoint a replacement. The position of Vice-President shall be filled by procedures to be determined by the Board of Trustees.

Section 5. Resignation and Removal. An Officer may resign by submitting his or her resignation in writing to the Chairperson of the Board of Trustees. An Officer may be removed with or without cause by the affirmative vote of two-thirds of the entire Board of Trustees.

An Officer whose removal is to be considered shall receive at least two weeks' notice of such proposed action and shall have the opportunity to address the Board regarding such action prior to any vote on such removal.

Section 6. Vacancies. Vacancies in the Officers shall be filled by appointment by the Board of Trustees or by the Chairperson of the Board based on the recommendations of the Nominating Committee. Officers thus appointed shall serve for the remainder of the vacated term.

ARTICLE V

Committees of the Board of Trustees

Section 1. General Provisions. There shall be ~~four~~ four standing committee(s) of the Board of Trustees: They are *Executive, Finance, Fundraising*. There is also a standing Nominating Committee. In addition to the provisions for standing committees, the Board of Trustees, by resolution approved by a majority of the entire Board, may appoint from among the Trustees one or more committees, of one or more members (which may include persons who are not trustees, provided that at least one member of each committee shall be a trustee and that any act of any committee which has members which are not trustees shall be advisory, shall not bind the Board or the Corporation and shall be subject to Board approval) each of which, to the extent provided in the resolution, shall have and may exercise the authority of the Board, except that no such committee shall:

- (a) make, alter or repeal any by-law of the corporation;
- (b) elect or appoint any Officer or Trustee, or remove any Officer or Trustee; or
- (c) amend or repeal any resolution previously adopted by the Board.

The Board, by resolution adopted by a majority of the entire Board, may:

- (a) fill any vacancy in such committee;
- (b) appoint one or more persons to serve as alternate members of any such committee, to act in the absence or disability of members of any such committee with all the powers of such absent or disabled members of a committee;
- (c) abolish any such committee at its pleasure; or
- (d) remove any members of such committee at any time, with or without cause.

A majority of each committee shall constitute a quorum for the transaction of business and the act of the majority of the committee members present at a meeting in which a quorum is present shall be the act of such committee. Each committee shall appoint from among its members a chairperson unless the resolution of the Board establishing such committee designates the chairperson, in which case, in the event of a vacancy in the chairperson, the Board shall fill the vacancy.

Actions taken at a meeting of any such committee shall be kept in a record of its proceedings which shall be reported to the Board at its next meeting following such committee meeting, except that,

when the meeting of the Board is held within two days after the committee meeting, such report shall, if not made at the first meeting, be made to the Board at its second meeting following such committee meeting.

Section 2. Executive Committee.

The Executive Committee shall consist of the Officers plus three to five "at large" members appointed by the Board from among the Trustees. The Executive Committee shall be responsible for making recommendations to the full Board concerning the overall operation of the school. It shall also have the power to act on behalf of the Board in emergency situations when it would be impractical to convene a special meeting of the full Board prior to taking necessary action. In such emergencies, the Executive Committee may act with such authority and within the scope of such guidelines as have been previously established by the Board. Any action taken in an emergency by the Executive Committee shall be ratified by the full Board at the next regularly scheduled meeting of the Board. The Chairperson of the Board shall act as Chair of the Executive Committee.

Section 3. Nominating Committee. The Chairperson shall, with the advice and consent of the Board, appoint a nominating committee of three or more trustees (which may include persons who are not Trustees, provided that at least one member of the nominating committee shall be a Trustee) which shall recommend to the Board the names of persons to be submitted for election as Trustees. The Trustees shall be elected by the Board. Names for a roster of prospective Trustees may be suggested to the Nominating Committee, during the year, by any Trustee or parent of a student enrolled in the Charter School.

Section 4. Finance Committee. The Finance Committee shall consist of the Treasurer, as Chair, and three to five additional Trustees. It shall study the school's finances, develop relevant plans, prepare the annual budget, recommend an auditor for Board selection and report on all financial matters to the Board of Trustees.

Section 5. Fundraising Committee. The Fundraising Committee shall consist of the chairperson and two Board of Trustee members. This committee will raise money for the charter school.

ARTICLE VI

Fiscal Year and Check Signing

Section 1. Fiscal Year. The fiscal year of the Corporation shall be July 1 through June 30.

Section 2. Check Signing. The Board shall establish a policy setting the amount above which checks must have two signatures. Usually, the President and Treasurer will sign checks. The Board of Trustees, may, in its sole discretion, choose to name a Trustee as a substitute signatory for checks. If the President is unavailable to approve a withdrawal, it may be approved by the Vice-President or Secretary.

ARTICLE VII

Amendment to By-laws

Section 1. Amendments. These by-laws may be altered, amended or repealed by the Board. Written notice of any such by-law change to be voted upon by the Board shall be given not less than 10 days prior to the meeting at which such change shall be proposed.

ARTICLE VIII

Conflicts of Interest

Section 1. Current Trustees and Officers. No contract or other transaction between the Corporation and one or more of its Trustees or Officers, or between the Corporation and any other corporation, firm, association or other entity in which one or more of its Trustees or Officers are directors or officers, or have a substantial personal, professional, political or financial interest, shall be approved by a vote of the Board or any committee thereof if such Trustee or Trustees or Officer or Officers, (hereinafter "interested Trustee or Trustees") are present at the meeting of the Board, or of a committee thereof, which authorizes such contract or transaction, or his or her votes are counted for such purpose, unless the material facts as to such Trustee's or Officer's interest in such contract or transaction and as to any such common directorship, officership or financial interest are disclosed in good faith or are known to the Board or committee, and the Board or committee authorizes such contract or transaction by unanimous written consent, provided at least one Trustee so consenting is disinterested, or by a majority vote without counting the vote or votes of such interested trustee or officer even though the disinterested Trustees are less than a quorum.

Section 2. Former Trustees and Officers. The conflicts of interest policy described above in Article VIII. Section 1. shall also apply to any former Trustee or Officer whose last service on the Board occurred less than two years before the effective date of any proposed contract or transaction between such person and the Corporation.

ARTICLE IX

Additional Provisions

Section 1. Dissolution. Upon dissolution, after payment of all debts, no part of the remaining assets may be distributed to any trustee, member of officer of the corporation but shall be distributed in accordance with law, provided, however, that the distribution must be to another organization exempt under the provisions of Section 501(c)(3) of the United States Internal Revenue Code or to the United States, or a State or local government, for a public purpose.

Section 2. Indemnification of Officers and Trustees. The corporation shall indemnify every corporate agent as defined in, and to the full extent permitted by Sections 15A:2-8 and 15A:3-4 of the New Jersey Nonprofit Corporation Act, and to the full extent otherwise permitted by law. A trustee or officer shall not be personally liable to the Corporation for damages for breach of any duty owed to the Corporation, its beneficiaries or its Board of Trustees, except that nothing contained herein shall relieve a trustee or officer from liability for any breach of a duty based on an act or omission: (a) in breach of such

person's duty of loyalty to the Corporation; (b) not in good faith or involving a knowing violation of law; or (c) resulting in receipt by such person of an improper personal benefit.

Section 3. Compensation. Neither Trustees nor Officers shall receive any fee, salary or remuneration of any kind for their services in such capacities, provided, however, that Trustees and Officers may be reimbursed for reasonable expenses incurred with approval of the Board upon presentation of vouchers.

Section 4. Force and Effect of By-laws. These by-laws are subject to the provisions of the New Jersey Nonprofit Corporation Act N.J.S.A. 15A:1-1 et seq., the Charter School Program Act of 1995, Title 18A of the New Jersey Statutes, the Open Public Meeting Act, N.J.S.A. 10:44-6 et seq., applicable state and federal anti-discrimination statutes and any other applicable laws as they may be amended from time to time. These by-laws are also subject to the terms of the Certificate of Incorporation as it may be amended from time to time. If any provision in these by-laws is inconsistent with a provision in the statutes, regulation or the Certificate of Incorporation, the provision of the law or regulation or the Certificate of Incorporation shall govern to the extent of such inconsistency.

Section 5. Insurance. The Board of Trustees shall provide for liability and other forms of insurance considered to be necessary and prudent as protection against possible claims.

Section 6. Audit. At the close of the fiscal year, the accounts of the **Gray** Charter School shall be audited by a Licensed public school accountant who also has expertise in accounting of tax-exempt organizations generally. The audit shall be in compliance with New Jersey statutes governing Charter Schools and with all applicable state and federal laws controlling non-profit tax-exempt corporations.