



URBAN CHOICE CHARTER SCHOOL

Urban Choice Charter School Bylaws

Redefining Urban Education

**Urban Choice Charter School
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ARTICLE I: NAME

The name of the Corporation is the Urban Choice Charter School (the "Corporation").

ARTICLE II: MEMBERSHIP

The Corporation has no members as that term is defined under Section 102(a)(9) of the New York Not-for-Profit Corporation Law ("NPCL").

ARTICLE III: BOARD OF TRUSTEES

A. Powers. The Board of Trustees (the "Board") shall conduct or direct the affairs of the Corporation and exercise its powers, subject to applicable provisions of the Education Law and the NPCL, the Corporation's Charter and these Bylaws. Without limiting the general plenary authority of the Board, the Board shall have all the powers enumerated in these Bylaws, including, but not limited to, the following specific powers:

1. To elect and remove Trustees;
2. To select and remove Officers, agents and employees of the Corporation; to prescribe powers and duties for them; and to fix their compensation;
3. To conduct, manage and control the affairs and activities of the Corporation, and to make rules and regulations;
4. To enter into contracts, leases and other agreements which are, in the Board's judgment, necessary or desirable in obtaining the purposes of promoting the interests of the Corporation;
5. To carry on the business of operating the Charter School and apply any surplus that results from the business activity to any activity in which the Corporation may engage;

6. To acquire real or personal property, by purchase, exchange, lease, gift, devise, bequest, or otherwise, and to hold, improve, lease, sublease, mortgage, transfer in trust, encumber, convey or otherwise dispose of such property;
7. To borrow money, incur debt, and to execute and deliver promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations and other evidences of debt and securities;
8. To indemnify and maintain insurance on behalf of any of its Trustees, Officers, employees or agents for liability asserted against or incurred by such person in such capacity or arising out of such person's status as such, subject to the provisions of the NPCL and the limitations noted in these Bylaws; and
9. To adopt and annually review a Code of Ethics which shall set forth the standard of conduct expected of them and which shall include a Conflict of Interest Policy containing provisions for disclosing, addressing and documenting conflicts of interest which may affect matters brought before the Board. Standards for disclosure and recusal shall be in all respects consistent with the provisions of §§ 800–806 of the General Municipal Law, to the same extent as such sections apply to public school districts. The Conflict of Interest Policy shall contain specific provisions for addressing Related Party Transactions, as such term is defined in § 101(24) of the NPCL and in the Conflict of Interest Policy adopted pursuant to this section.

B. Number of Trustees. The number of Trustees of the Corporation shall not be less than seven (7) and shall not exceed fifteen (15). One to four Trustees shall be parents, guardians,

or grandparents of students currently at the School. The “Entire Board” shall consist of the number of Trustees, within these limits, elected by the Board.

C. Election of Trustees.

1. Election. The Board shall elect the Trustees by the vote of a majority of the Trustees then in office, whether or not the number of Trustees in office is sufficient to constitute a quorum, or by the sole remaining Trustee. Trustees-elect assume office subject to approval by the Charter Entity.

2. Eligibility. The Board may elect any person who in its discretion it believes will serve the interests of the Corporation faithfully and effectively. Trustees, officers or employees of any single organization shall hold no more than 40% of the seats comprising the Board. A Trustee may not serve on more than one other charter school board of trustees.

3. Interested Persons. Not more than 40% of the persons serving on the Board may be Interested Persons. An "Interested Person" is: (1) any person currently being compensated by the Corporation for services rendered to it within the previous 12 months, whether as a full-time or part-time employee, independent contractor or otherwise; or (2) any sister, brother, ancestor, descendant, spouse, sister-in-law, brother-in-law, daughter-in-law, son-in-law, mother-in-law or father-in-law of any such person.

4. Term of Office.

a. The Trustees elected shall be divided into three classes for the purpose of staggering their terms of office. All classes shall be as nearly equal in number as possible.

b. The terms of office of the Trustees shall be three (3) years. No Trustee shall serve more than two consecutive three-year terms exclusive of any period during which a Trustee was filling a Board vacancy.

c. The term of office of a Trustee elected to fill a vacancy in these Bylaws begins on the date of the Trustee's election, and continues: (1) for the balance of the unexpired term in the case of a vacancy created because of the resignation, removal, or death of a Trustee, or (2) for the term specified by the Board in the case of a vacancy resulting from the increase of the number of Trustees authorized.

d. A Trustee's term of office shall not be shortened by any reduction in the number of Trustees resulting from amendment to the Charter, the Bylaws, or other Board action.

e. A Trustee's term of office shall not be extended beyond that for which the Trustee was elected by amendment of the school's charter or the Bylaws or other Board action.

5. Time of Elections. The Board shall elect Trustees whose terms begin on July 1st of a given year at the Annual Meeting for that year, or at a Regular Meeting designated for that purpose, or at a Special Meeting called for that purpose.

D. Removal of Trustees. The Board may remove a Trustee in accordance with the applicable provisions of the Education Law and the NPCL. Pursuant to Education Law § 226, if any Trustee shall fail to attend three consecutive meetings without excuse accepted as satisfactory by the Board, he/she shall be deemed to have resigned and the vacancy shall be filled.

E. Resignation by Trustee. A Trustee may resign by giving written notice to the Board Chair or Secretary. The resignation is effective upon receipt of such notice, or at any later date specified in the notice. The acceptance of a resignation by the Board Chair or Secretary

shall not be necessary to make it effective, but no resignation shall discharge any accrued obligation or duty of a Trustee.

F. Vacancies. A vacancy is deemed to occur on the effective date of the resignation of a Trustee, upon the removal of a Trustee, upon declaration of vacancy pursuant to these Bylaws, or upon a Trustee's death. A vacancy is also deemed to exist upon the increase by the Board of the authorized number of Trustees.

G. Compensation of Trustees. Trustees shall serve without compensation. However, the Board may approve reimbursement of a Trustee's actual and necessary expenses while conducting Corporation business. Such a Trustee or officer shall not, for purposes of Section 702-a of the NPCL, be considered compensated solely by reason of reimbursement or being advanced his or her actual expenses incurred in attending meetings or otherwise in the execution of such office.

H. Annual Report. The Board shall direct the Chief Executive Officer and the Treasurer to present at the Annual Meeting of the Board an annual report certified by a firm of independent public accountants selected by the Board, showing in appropriate detail the following:

1. The assets and liabilities, including the trust funds, of the Corporation as of the end of the fiscal year immediately preceding the date of the report.
2. The principal changes in assets and liabilities, including trust funds, during the fiscal year immediately preceding the date of the report.
3. The revenue or receipts of the Corporation, both unrestricted and restricted to a particular purpose, for the fiscal year immediately preceding the date of the report.

4. The expenses or disbursements of the Corporation, for both general and restricted purposes, during the fiscal year immediately preceding the date of the report.

ARTICLE IV: PRINCIPAL OFFICE

The Corporation's principal office shall be at the following address: Urban Choice Charter School, 545 Humboldt Street, Rochester, NY, 14610; or at such other place as the Board may select by resolution or amendment of the Bylaws. The Secretary shall note any change in office on the copy of the Bylaws maintained by the Secretary.

ARTICLE V: MEETINGS OF THE BOARD

- A. Place of Meetings.** Board Meetings shall be held at the Corporation's principal office or at any other reasonably convenient place as the Board may designate.
- B. Annual Meetings.** An Annual Meeting shall be held in the month of May of each year for the purpose of electing Trustees and officers, making and receiving reports on corporate affairs, and transacting such other business as comes before the meeting.
- C. Regular Meetings** A minimum of twelve Regular Meetings shall be held each year on dates determined by the Board.
- D. Special Meetings.** A Special Meeting shall be held at any time called by an officer of the Corporation, or by any Trustee upon written demand of not less than one-half of the Entire Board.
- E. Adjournment.** A majority of the Trustees present at a meeting, whether or not a quorum, may adjourn the meeting to another time and place.

F. Notices of Board Meetings shall be given as follows:

1. Notice to Trustees: Annual Meetings and Regular Meetings may be held without notice if the Bylaws or the Board fix the time and place of such meetings. Special Meetings shall be held upon seven days' notice by first-class mail or 48 hours' notice delivered personally or by telephone, facsimile or e-mail. Notices will be deemed given when deposited in the United States mail, addressed to the recipient at the address shown for the recipient in the Corporation's records, first-class postage prepaid; when personally delivered in writing to the recipient; or when faxed, e-mailed or communicated orally in-person or by telephone, to the Trustee or to a person whom it is reasonably believed will communicate it promptly to the Trustee.
2. Notice to the Public: Notice of all regular meetings of the Board and of all other meetings of the Board scheduled at least one week prior to the date of such meeting, in form approved by the Chair of the Board, shall be given at least one week in advance to the news media designated by resolution of the Board from time to time, and shall be posted at least 72 hours in advance in such location designated by resolution of the Board from time to time. Notice of every other meeting of the Board, in form approved by the Chair of the Board, shall be given to the news media, to the extent practicable, and shall be posted, as provided in the previous sentence, at a reasonable time prior to the meeting.
3. Waiver of Notice. Whenever any notice of a meeting is required to be given under the provisions of applicable statute or these By-laws, a waiver thereof submitted in writing or electronically by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of

such notice. If written, the waiver must be executed by signing such waiver or causing such person or persons' signature to be affixed to such waiver by any reasonable means including, but not limited to facsimile signature. If electronic, the transmission of the waiver must be sent by electronic mail and set forth, or be submitted with, information from which it can reasonably be determined that the transmission was authorized by such person or persons. The attendance of any person at a meeting without protesting prior to the conclusion of the meeting the lack of notice of such meeting, shall constitute a waiver of notice by him/her.

G. Open Meetings Law. To the extent of any conflict between these Bylaws and the Open Meetings Law (Article 7 of the Public Officers Law), the provisions of that Law shall prevail and control.

ARTICLE VI: ACTION BY THE BOARD

A. Quorum. Unless a greater proportion is required by law, a majority of the Entire Board shall constitute a quorum for the transaction of any business or of any specified item of business.

B. Action by the Board.

1. **Actions Taken at Board Meetings.** Except as otherwise provided by law or by these Bylaws, the vote of a majority of the Trustees present at the time of the vote, if a quorum is present at such time, shall be the act of the Board. If at any meeting of the Board there shall be less than a quorum present, the Trustees present may adjourn the meeting until a quorum is obtained.

2. **Board Participation by Other Means.** In all events, a quorum of Trustees must be present to lawfully conduct a meeting of the Board. To the extent permitted by Article 7

of the Public Officers Law, Trustees participating by means of video-conferencing may be counted toward achieving a quorum. Trustees participating by means of video-conferencing shall do so from a site so that the public may attend, listen, and observe. Once a quorum is present, additional Trustees may participate in a Board meeting through conference telephone or similar communication equipment, provided that all Trustees participating in such meeting can hear one another and there is no objection from any Trustee or any person in the public audience. Trustees other than those attending in-person or participating by live video-conferencing shall not vote.

C. Committees.

1. Appointment of Committees. The Board may create committees for any legal purpose, and the Chair shall appoint members to and designate the chairs of such committees. A committee of the Board will consist of not fewer than three Trustees, who shall serve at the pleasure of the Chair, except that any executive committee of the Board shall comprise not fewer than four trustees. The Chair shall sit ex officio as a member of all committees of the Board, other than the Audit/Finance Committee unless he/she is an Independent Trustee as such term is defined in the Corporation's Conflict of Interest Policy.
2. Audit/Finance Committee. The Board shall have a standing Audit/Finance Committee, consisting of at least three Trustees who are "Independent" Trustees as that term is defined in §102(a)(21) of the NPCL at least one of whom shall have financial experience. The Audit/Finance Committee shall review the financial condition of the Corporation with the Treasurer and report periodically to the Board. The Audit/Finance Committee shall review the annual budget with the chief executive officer before it is presented to the Board for approval. The Audit/Finance Committee shall oversee the implementation of and periodically review and recommend any required changes to the Corporation's Conflict of

Interest Policy, Internal Control Policies and Whistleblower Policy. The Audit/Finance Committee shall also recommend to the Board annually the appointment of an independent firm of accountants to audit the financial accounts and records of the Corporation, and, in accordance with the NPCL, the Audit/Finance Committee shall provide assurance on the integrity of the Corporation's financial management, by overseeing such annual audit of the Corporation. Additionally, the Audit/Finance Committee shall:

- a. Review the scope and planning of the audit with the independent auditor prior to audit's commencement;
- b. Upon completion of the audit, review and discuss with the auditor:
 - i. any material risks or weaknesses in internal controls identified by the auditor;
 - ii. any restrictions on the scope of the auditor's activities or access to information;
 - iii. significant disagreements between the auditor and the Corporation's management; and
 - iv. the adequacy of the Corporation's accounting and financial reporting processes.
- c. Annually consider the performance and independence of the independent auditor; and
- d. Report to the Board and act on audit findings.

3. Governance Committee. The Governance Committee shall prepare and propose to the Board for election at the Annual Meeting a single slate of nominees for Board vacancies and a slate of nominees for officers.

4. Authority of Board Committees. The Board may delegate to a committee of the Board any of the authority of the Board, except with respect to:

- a. The election of Trustees;
- b. Filling vacancies on the Board or any committee which has the authority of the Board;
- c. The amendment or repeal of Bylaws or the adoption of new Bylaws; and
- d. The appointment of other committees of the Board, or the members of the committees.

5. Procedures of Committees. The Board may prescribe the manner in which the proceedings of any committee of the Board are to be conducted. In the absence of such prescription, a committee of the Board may prescribe the manner of conducting its proceedings, except that the regular and special meetings of any such committee are governed by the provisions of these Bylaws and the Open Meetings Law with respect to the calling of meetings.

D. Standard of Care.

1. Performance of Duties. Each Trustee shall perform all duties of a Trustee, including duties on any committee of the Board, in good faith and with that degree of diligence, care and skill, including reasonable inquiry, as an ordinary prudent person in a like position would use under similar circumstances.

2. Reliance on Others. In performing the duties of a Trustee, a Trustee shall be entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, presented or prepared by:

- a. One or more Officers or employees of the Corporation whom the Trustee believes to be reliable and competent in the matters presented;

- b. Legal counsel, public accountants or other persons as to matters that the Trustee believes are within that person's professional or expert competence; or
- c. A committee of the Board on which the Trustee does not serve, duly designated in accordance with a provision of the Corporation's Charter or Bylaws, as to matters within its designated authority, provided the Trustee believes such committee merits confidence and the Trustee acts in good faith, and with that degree of care specified in Paragraph D.1. of this Article VI, and after reasonable inquiry when the need is indicated by the circumstances, and without knowledge that would cause such reliance to be unwarranted.

3. Investments. In investing and dealing with all assets held by the Corporation for investment, the Board shall exercise the standard of care described above in Paragraph D.1. of this Article VI and shall consider among other relevant considerations the long and short term needs of the Corporation in carrying out its purposes, including its present and anticipated financial requirements. Pursuant to Section 514 of the NPCL, the Board may delegate certain investment functions to a committee of the Board. Additionally, pursuant to the New York Prudent Management of Institutional Funds Act (“NYPMIFA”), particularly Section 554 of the NPCL, the Board or a designated committee of the Board may delegate certain investment functions to an “external agent” who has special skills and expertise necessary to manage and invest the institutional funds of New York not-for-profit corporations exempt from federal income tax; provided that at all times the Board or any designated committee must exercise the standard of care described above in Paragraph D.1. of this Article VI in making any such delegation and meet all other requirements related to any such delegation set forth in the NPCL.

E. Participation in Discussions and Voting. Every Trustee has the right to participate in the discussion and vote on all issues before the Board or any committee of the Board,

except that any Trustee shall be excused from the discussion and vote on any matter involving such Trustee relating to: (a) a Related Party Transaction as that term is defined in the Corporation's Conflict of Interest Policy; (b) a conflict of interest; (c) indemnification of that Trustee uniquely; (d) any other matter prohibited by law or the Corporation's Conflict of Interest Policy; or (e) any other matter at the discretion of a majority of the Trustees then present.

F. Duty to Maintain Board Confidences. Every Trustee has a duty to maintain the confidentiality of all Board actions which are not required by law to be open to the public, including discussions which take place at any Executive Sessions of the Board. Any Trustee violating this confidence may be removed from the Board.

ARTICLE VII: OFFICERS

A. Officers. The Officers of the Board consist of the Chair, Vice Chair, Treasurer, and Secretary. The Corporation shall also have a Chief Executive Officer as an Officer of the Corporation who shall be an *ex officio* nonvoting member of the Board and shall not be included in determining the number of Trustees constituting the Entire Board or for purposes of determining a quorum of the Board. The Corporation also may have such other officers as the Board deems advisable.

1. **Chief Executive Officer.** The Chief Executive Officer of the Corporation shall have authority and responsibility for the educational and administrative activities of the Corporation. The Chief Executive Officer shall perform such other duties as the Board may properly direct and shall serve as an *ex officio* member of the Board.

2. Chair. The Chair shall have and may exercise any powers and duties pertaining by law, regulation or practice, to the office of Chair, or imposed by these Bylaws. The Chair shall preside over all regular and special meetings of the Board and shall, subject to the direction of the Board, supervise the operation of the Corporation, supervise the carrying out of the policies adopted or approved by the Board and perform such other duties and exercise such other functions as may be designated by the Board. The office of Chair shall not be held by an employee of the Corporation.

3. Vice Chair. During the absence or incapacity of the Chair, the Vice Chair shall have all the powers and functions of the Chair. The Vice Chair shall have such other powers and duties as may be properly designated by the Board.

4. Secretary. The Secretary shall: (a) keep or cause to be kept, at the Corporation's principal office, or such other place as the Board may direct, a book of minutes of all meetings of the Board and committees of the Board, noting the time and place of the meeting, whether it was regular or special (and if special, how authorized), the notice given, the names of those present, and the proceedings; (b) keep or cause to be kept a copy of the Corporation's Charter and Bylaws, with amendments; (c) give or cause to be given notice of the Board and committee meetings as required by the Bylaws; and (d) have such other powers and perform such other duties as the Board may prescribe.

5. Treasurer. The Treasurer shall: (a) keep or cause to be kept adequate and correct accounts of the Corporation's properties, receipts and disbursements; (b) make the books of account available at all times for inspection by any Trustee; (c) deposit or cause to be deposited the Corporation's monies and other valuables in the Corporation's name and to its credit, with the depositories the Board designates; (d) disburse or cause to be disbursed the Corporation's funds as the Board directs; (e) render or cause to be

rendered to the Chair and the Board, as requested but no less frequently than once every fiscal year, an account of the Corporation's financial transactions and financial condition; (f) prepare or cause to be prepared any reports on financial issues required by an agreement on loans; and (g) have such other powers and perform such other duties as the Board may prescribe.

B. Election, Eligibility and Term of Office.

1. Election. The Board shall elect the Officers annually at the Annual Meeting or a Regular Meeting designated for that purpose or at a Special Meeting called for that purpose, except that Officers appointed to fill vacancies shall be elected as vacancies occur.

2. Eligibility. A Trustee may hold any number of offices, except that neither the Secretary nor Treasurer may serve concurrently as the Chair.

3. Term of Office. Each Officer serves at the pleasure of the Board, holding office until resignation, removal or disqualification from service, or until his or her successor is elected.

C. Removal and Resignation. The Board may remove any Officer, either with or without cause, at any time. Such removal shall not prejudice the Officer's rights, if any, under an employment contract. Any Officer may resign at any time by giving written notice to the Corporation, the resignation taking effect upon receipt of the notice or at a later date specified in the notice.

ARTICLE VIII: INDEMNIFICATION

A. Indemnity. Any person who was, is, or is threatened to be made a party to any action or proceeding (including an action by or in the right of the Corporation or any other

corporation, company, partnership, joint venture, trust, employee benefit plan or other enterprise which any Trustee or Officer of the Corporation served in any capacity at the request of the Corporation), by reason of the fact that he or she, or his or her testator or intestate, is or was a Trustee or Officer of the Corporation, or served such other corporation, company, partnership, joint venture, trust, employee benefit plan or other enterprise in any capacity at the request of the Corporation, shall be indemnified by the Corporation against all judgments, fines, amounts paid in settlement and reasonable expenses, including attorneys' fees actually and necessarily incurred in connection with the defense or appeal of any such action or proceeding, and against any other amounts, expenses and fees similarly incurred; provided that no indemnification shall be made to or on behalf of any Trustee or Officer where indemnification is prohibited by applicable law. The right of indemnification shall include the right of a Trustee or Officer to receive payment from the Corporation for expenses incurred in defending or appealing any such action or proceeding in advance of its final disposition; provided that the payment of expenses in advance of the final disposition of an action or proceeding shall be made only upon delivery to the Corporation of an undertaking by or on behalf of the Trustee or Officer to repay all amounts so advanced if it should be determined ultimately that the Trustee or Officer is not entitled to be indemnified. The preceding right of indemnification shall be a contract right enforceable by the Trustee or Officer with respect to any claim, cause of action, action or proceeding accruing or arising while these By-laws shall be in effect.

B. Authorization. Any indemnification provided for by Section 1 of this Article VIII shall be authorized in any manner provided by applicable law or, in the absence of such law:

(a) by the Board acting by a quorum of Trustees who are not parties to such action or proceeding, upon a finding that there has been no judgment or other final adjudication adverse to the Trustee or Officer which establishes that his or her acts were committed in bad faith or were the result of active and deliberate dishonesty and were material to the cause of action so adjudicated, or that he or she personally gained in fact a financial profit or other advantage to which he or she was not legally entitled, or

(b) if a quorum under clause (a) is not obtainable, by the Board upon the opinion in writing of independent legal counsel that indemnification is proper in the circumstances because there has been no such judgment or other final adjudication adverse to the Trustee or Officer.

C. Corporation Failure to Pay. If a claim of indemnification is not paid in full by the Corporation within ninety (90) days after a written claim has been received by the Corporation, the claimant may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim and, if successful in whole or in part, the claimant shall also be entitled to recover the expenses of prosecuting such claim.

D. Non-Exclusivity. The rights conferred on any person under this Article shall not be exclusive of any other right which may exist under any statute, these By-laws, agreement, or otherwise.

E. Insurance. Subject to the laws of the State of New York, the Corporation may maintain insurance, at its expense, to protect itself and any Trustee, Officer, employee or agent of the Corporation against any expense, liability or loss of the general nature contemplated by this Article VIII, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the laws of the State of New York.

F. Severability. It is the intent of the Corporation to indemnify its Trustees and Officers to the fullest extent authorized by the laws of the State of New York as they now exist or may hereafter be amended. If any portion of this Article shall for any reason be held invalid or unenforceable by judicial decision or legislative amendment, the valid and enforceable provisions of this Article shall continue to be given effect and shall be construed so as to provide the broadest indemnification permitted by law.

ARTICLE IX: CONFLICT OF INTEREST; RELATED PARTY TRANSACTIONS.

A. Conflicts of Interest. Trustees must disclose any potential conflicts of interest when voting on policy or transaction matters of the Corporation and comply with the Corporation's Conflict of Interest Policy. Trustees will be required to sign a conflict of interest statement annually.

B. Related Party Transactions. The Corporation shall not enter into a transaction with a "Related Party," as that term is defined in the Corporation's Conflict of Interest Policy, until all of the requirements set forth in the Corporation's Conflict of Interest Policy for approving a transaction with a Related Party have been satisfied.

ARTICLE X: OTHER PROVISIONS

A. Fiscal Year. The fiscal year of the Corporation begins on July 1 of each year and ends June 30.

B. Execution of Instruments. Except as otherwise provided in these Bylaws, the Board may adopt a resolution authorizing any Officer or agent of the Corporation to enter into any

contract or execute and deliver any instrument in the name of or on behalf of the Corporation. Such authority may be general or confined to specific instances. Unless so authorized, no Officer, agent or employee shall have any power to bind the Corporation by any contract or engagement, to pledge the Corporation's credit, or to render it liable monetarily for any purpose or any amount.

C. Checks and Notes. Except as otherwise specifically provided by Board resolution, checks, drafts, promissory notes, orders for the payment of money, and other evidence of indebtedness of the Corporation may be signed by the Chair, the Chief Executive Officer, the Treasurer or the Coordinator of Operations and Finance. Such items for amounts of \$5,000.00 or greater must be signed by two of these individuals.

D. Construction and Definitions. Unless the context otherwise requires, the general provisions, rules of construction, and definitions contained in the NPCL and the Education Law shall govern the construction of these Bylaws. Without limiting the generality of the foregoing, words in these Bylaws shall be read as the masculine or feminine gender, and as the singular or plural, as the context requires, and the word "person" includes both a corporation or other business entity and a natural person. The captions and headings in these Bylaws are for reference and convenience only and are not intended to limit or define the scope or effect of any provisions.

E. Interpretation of Charter. Whenever any provision of the Bylaws is in conflict with the provisions of the Charter, the provisions of the Charter shall control.

F. Budget Approval Process. The Chief Executive Officer shall cause the annual operating budget and monthly cash flow projections to be prepared and presented to the Board for review and approval. Budgeted expense categories shall include the cost of personnel, instruction, administration, facilities, operations and other spending categories

of the Corporation. Detailed expenses, such as supplies, repairs and maintenance, travel, contracted services, utilities, rent, and other expenses will be budgeted according to the above spending categories.

The Board will approve the annual operating budget and monthly cash flow projections of the Corporation and submit a copy to the State Education Department by May 15 of the immediately preceding fiscal year. The Board also will approve any amendments proposed during the year. The Board will compare year-to-date revenues and expenditures to the budget and review significant variations on a monthly basis.

G. Dissolution. In the event of dissolution or final liquidation of the Corporation, the Board shall, after paying or making provisions for the payment of all the lawful debts and liabilities of the Corporation, (1) distribute any funds that can be attributed to public funding to each school district having resident children served by the Corporation in the school year in which the Corporation is dissolved or the last year in which students were enrolled in the Corporation, in the same proportion as the number of students placed by each school district and served by the Corporation in the last school year in which children were served by the Corporation, bears to the total number of students served by the Corporation in such school year, and (2) distribute all remaining assets of the Corporation to one or more of the following categories of recipients as the Board shall determine: (i) an organization which may have been created to succeed the Corporation, as long as such successor organization shall then qualify as an organization exempt from federal income taxation under Code Section 501(a) as an organization described in Code Section 501(c)(3); or (ii) if the Corporation's successor fails to qualify as an organization exempt from federal income taxation under Code Section 501(a) as an organization described in Code Section 501(c)(3) then a non-profit organization or organizations having similar aims

and objectives as the Corporation and which may be selected as an appropriate recipient of such assets, as long as such organization or each of such organizations shall then qualify as an organization exempt from federal income taxation under Code Section 501(a) as an organization described in Code Section 501(c)(3).

ARTICLE XI: AMENDMENT

These Bylaws may be amended or repealed, wholly or in part, by the affirmative vote of a majority of the Board present at the Annual Meeting or at any regular or special meeting, provided that notice of any proposal for such amendment or repeal, or a summary thereof, shall have been given to each member of the Board in the manner provided in subsection 1 of subdivision F of Article V of these Bylaws. Any amendment or repeal of these Bylaws is subject to the approval of the Charter Entity.