

Adopted: February 23, 1997 - Amended: May 12, 1997, March 13, 1999, May 25, 2000, January 29, 2011, March 13, 2012, and March 2015

## **BY-LAWS**

### **OF**

## **ELYSIAN CHARTER SCHOOL, INC.**

### **ARTICLE I**

#### Name & Incorporation

Section 1. Name. The name of corporation is the Elysian Charter School, Inc. It is hereinafter 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 education 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 Secant 501(c)(3) of the Internal Revenue Code.

To undertake any actions necessary and proper to accomplish the above, so long as such activities are consistent with Ch. 426, P.L. of the N.J., 1995 (NJSA 18A:361-1 et. seq), also known as the Charter School Program Act.

Section 3. Non-discrimination. The Corporation shall conduct all of its activities in accordance with all applicable state, federal and local ant-discrimination laws, as well as in accordance with all other laws and regulations applicable to the operation of charter schools in the State of New Jersey.

Section 4. Location. The principal offices of the Corporation shall 301 Garden Street, 3<sup>rd</sup> Floor, Hoboken, New Jersey or such other location as the Trustees may from time to time determine.

## ARTICLE II

### Members

Section 1. Determination and Rights of Members. The corporation shall have only one class of members. No member shall hold more than one membership in the corporation. Except as expressly provided in or authorized by the Articles of Incorporation, the Bylaws of this corporation, or provisions of law, all memberships shall have the same rights, privileges, restrictions and conditions.

Section 2. Qualifications of Members. The qualifications for membership in this corporation are as follows: Prior to November 1, 1997 the members of the Corporation shall be the Board of Trustees of Mile Square Families, Inc. Beginning on November 1, 1997, the members of the Corporation shall consist of the families of children recognized by the State of New Jersey Department of Education as attending the Elysian Charter for purposes of determining the Elysian Charter School's level of public funding for the fiscal year in which this funding occurs. Each family will be counted as one member, regardless of how many children they may have enrolled in the school. The family of a child enrolled at the Elysian Charter School shall be defined as the guardian of the child or children. The voting rights of each member family will be exercised by the adult or adults (or guardian) of the family. In addition, all employees of the Elysian Charter School, defined as individuals who have been employed for the six months prior to an election -- except for weeks in which school holidays, vacation sick pay or other days off provided for in their employment agreement -- will be considered members of the Corporation. In addition, all currently serving members of the Board of Trustees will be considered members of the Corporations. Those employees who are on a leave of absence of over six months from school employment, shall be exempt from voting for the duration of their

leave. (Amended 1/2011)

Section 3. Admission of Members. Prior to November 1, 1997, applicants shall be admitted based on their status as a Trustee of Mile Square Families, Inc. Beginning on November 1, 1997, members shall be automatically admitted based on one of two criteria: 1) whether the State of New Jersey determines that a family member is enrolled at the Elysian Charter School for the purpose of determining funding levels for that fiscal year; 2) whether they are currently employed by the Elysian Charter School as a full-time employee.

Section 4. Fees and Dues. There shall be no dues charged for membership in the Corporation.

Section 5. Limitation on the Number of Members. The number of members of the corporation shall be limited to the number of families with children enrolled at the school plus the number of employees of the Corporation.

Section 6. Membership Book. The corporation shall keep a membership book containing the name and address of each member. Termination of the membership of any member shall be recorded in the book, together with the date of termination of such membership. Such a book shall be kept in custody by the Secretary of the Corporation.

Section 7. Nonliability of Members. A member of this corporation is not, as such, personally liable for the debts, liabilities, or obligations of the corporation.

Section 8. Nontransferability of Membership. No member may transfer a membership or any right arising therefrom.

Section 9. Termination of Membership. All rights of membership cease upon death, or their no longer falling with the qualifications described in Article II, Section 2 of these Bylaws. All rights of a member in the corporation shall cease on termination of membership as herein provided.

### ARTICLE III

#### Meetings of Members

Section 1. Place of Meetings. Meetings of members shall be held at the principal office of the corporation or at such other place or places as may be designated from time to time by resolution of the Board of Trustees.

Section 2. Regular Meetings. A regular annual meeting of members shall be held on the second Tuesday of March of each year for the purpose of electing trustees and transacting other business as may come before the meeting. The qualified candidates as receiving the highest number of votes up to the number of trustees to be elected shall be elected. Each voting member shall cast one vote, with voting being by ballot only. The annual meeting of members for the

purpose of electing trustees shall be deemed a regular meeting. If the day fixed for a regular meeting falls on a legal holiday, such meeting shall be held at the same hour and place on the next business day. In the event that the regular March meeting is cancelled due to inclement weather or any other reason, it shall be rescheduled in no less than seven days or more than 14 days from the date on which it had been scheduled or rescheduled.

Section 3. Special Meetings of Members. Special meetings of the members may be called by the Board of Trustees, or by a petition in the form of a notarized letter mailed to the Chairperson of the Board that is signed by at least fifteen members or a majority of the total membership of the Corporation, whichever is less, as well as by any persons specifically authorized under the laws of this state to call special meetings of the members.

Section 4. Notice of Meetings. Prior to November 1, 1997, unless otherwise provided by the Articles of Incorporation, these Bylaws, or provisions of law, notice stating the place, day and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered by electronic means, mail, telephone or facsimile transmission not less than seven (7) days or more than thirty (30) days before the date of the meeting by or at the direction of the Board, or the persons calling the meeting, to each member entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the member at his or her address as it appears on the records of the corporation, with postage prepaid.

Beginning on November 1, 1997, unless otherwise provided by the Articles of Incorporation, these Bylaws, or provisions of law, notice stating the place, day and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, will make a good faith, verifiable effort to insure that all members receive a ballot and will publicize the meeting through normal school channels such as a school electronic newsletter. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the member at his or her address as it appears on the records of the corporation, with postage prepaid.

All notices of Board meetings shall comply with the notice requirements contained in the Open Public Meetings Act, N.J.S.A. 10:4-6 et seq.

Whenever any notice of a meeting is required to be given to any member of this corporation under provisions of the Articles of Incorporation, these Bylaws, or the law of this state, a waiver of notice in writing signed by the member, whether before or after the time of the meeting, shall be equivalent to the giving of such notice.

Section 5. Quorum for Meetings. A quorum shall consist of 70 members of the voting members of the Corporation. Except as otherwise provided under the Articles of Incorporation, these Bylaws, or provisions of law, no business shall be considered by the members at any meeting at which the required quorum is not present, and the only motion which the Chair shall entertain at such meeting is a motion to adjourn.

Section 6. Majority Action as Membership Action. Every act or decision done or made by a majority of voting members present in person or by proxy at a duly held meeting at

which a quorum is present is the act of the members, unless the Articles of Incorporation, these Bylaws, or provisions of law require a greater number.

Section 7. Voting Rights. Each member is entitled to one vote on each matter submitted to a vote by the members. Voting at duly held meetings shall be by written ballot. Votes shall be counted by an independent auditor.

Section 8. Action by Written Ballot. Except as otherwise provided under the Articles of Incorporation, these Bylaws, or provisions of law, members not able to attend the Members meeting at which a vote is being taken may vote by written ballot delivered to the meeting at which a vote is being taken for a particular matter by a duly authorized proxy. The ballot shall:

1. set forth the proposed action;
2. provide an opportunity to specify approval or disapproval of each proposal;
3. indicate the number of responses needed to meet the quorum requirement and, except for ballots soliciting votes for the election of trustees, state the percentage of approvals necessary to pass the measure submitted; and
4. shall specify the date by which the ballot must be received by the corporation in order to be counted. The date set shall afford members a reasonable time within which to return the ballots to the corporation.

Sample ballots shall be mailed or delivered in the manner required for giving notice of membership meetings as specified in these bylaws.

Approval of action by written ballot shall be valid only when the number of votes cast by ballot within the time period specified equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the action at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.

Trustees must be elected by written ballot. Such ballots for the election of trustees shall list the persons nominated at the time the ballots are mailed or delivered.

Section 9. Conduct of Meetings. Meetings of members shall be presided over by the Chairperson of the Board, or, if there is no Chairperson or, in his or her absence, by the Vice Chairperson of the Corporation or, in his or her absence, by a Chairperson chosen by a majority of the voting members, present at the meeting. The Secretary of the corporation shall act as Secretary of all meetings of members, provided that, in his or her absence, the presiding officer shall appoint another person to act as Secretary of the Meeting.

Robert's Rules of Order shall govern meetings; as such rules may be revised from time to time, insofar as such rules are not inconsistent with or in conflict with the Articles of Incorporation, these Bylaws, or with provisions of law.

## ARTICLE IV

### Board of Trustees

Section 1. Number and Qualifications - The Board of Trustees shall consist of nine persons. The composition of the Board shall comply with the requirements of the Charter School Program Act of 1995 and regulation promulgated thereunder.

All candidates for the Board of Trustees will be required to make full, written disclosures of any existing business relationships -- or business relationships occurring in the preceding three years -- between the candidate (and/or the candidate's spouse or children) and any other board member (and/or any other board member's spouse or children). Such disclosures must be made no less than thirty days prior to a regularly scheduled election, or ten days prior to an interim election. Failure to make such disclosures will disqualify individuals from serving as board members.

In addition, no more than two voting seats on the Board of Trustees can be occupied by individuals (or spouses and children of such individuals) from any of the following groups:

- o Officials or employees of the Hoboken Board of Education;
- o Employees of the Hoboken School System;
- o Employees of the City of Hoboken;
- o Officials or employees of any union under contract with either the Hoboken Public School System or the City of Hoboken;
- o Owners or employees of any enterprise receiving more than \$100 in annual revenue from any of the above-named entities;

No more than one voting seat on the board can be occupied by an employee, a trustee, or a holder of more than a 2% interest in any organization (for profit or otherwise) in which another board member has substantial influence on hiring, firing, promotion or compensation decisions.

Voting board members whose circumstances change during their term and who are no longer in compliance with any of the above stipulations will be required to resign their board position, effective the date on which the conflict arose.

No employee of the Elysian Charter School may serve as a Trustee of the Corporation.

No two or more persons not appointed or elected to the Board prior to June 30, 1997 who are family members -- defined as a person(s) with the relationship of spouse, parent, child or sibling -- may serve on the Board at the same time.

No person who is a family member -- defined as a person(s) with the relationship of spouse, parent, child or sibling -- of an employee of the Elysian Charter School may serve on the Board at the same time.

No person who is a publicly elected official of state, Federal or local government, including members of a local board of education may serve as Trustee of the Corporation.

No person convicted of a felony may serve as a Trustee of the Corporation.

Any qualified individual may stand for election to the Board of Trustees who has been nominated by the existing Board of Trustees, or whose name has been placed in nomination by a petition of 15 (fifteen) members of the Corporation no less than sixty days or more than ninety days prior to the Annual March meeting of the Membership, or less than thirty days prior to a special meeting of the membership.

Section 2. Powers. 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 procedure, 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.

Section 3. Election. The initial Trustees are set forth in the Certificate of Incorporation and have been appointed by the Board of Trustees of Mile Square Families Inc. All successor Trustees shall be elected by the Members of the Corporation at the Regular March Meeting of the Membership as called for in Article III of these bylaws, or at a special meeting called as a result of the conditions outlined in Article IV Section 5 of the Bylaws. Each Member will cast one vote for each seat being elected at that meeting (i.e. if three trustees are to be elected, each Member will cast three votes). If an election results in a board that fails to fit within the parameters outlined in Article IV Section 1, a run-off election will be held among all individuals whose circumstances place them within the groups described above. The run-off will be designed to reduce the number of individuals from these groups to two. Seats vacated by those losing this run-off election will be assigned to those receiving the most votes in the initial election whose circumstances fall outside these parameters. (The top vote getters and dealing with a tie)

**Amended (January 2011)** Section 4. Terms of Trustees. (a) All Trustees shall serve three (3) year terms. No Trustee shall serve more than three (3) consecutive three (3) year terms without stepping down for at least one three (3) year period. Three-year terms, for purposes of this paragraph, shall be defined as the interval from the regular annual meeting at which the Trustee is elected to the Board of Trustees until the date of the third regular annual meeting occurring after such election. All references to the regular annual meeting of Members of the Corporation in this paragraph shall be defined as the regular annual meeting of Members of the Corporation scheduled for the second Tuesday in March as described in Article III, Section 2 of these Bylaws. Each Trustee shall serve until a successor has been elected and qualified, as the case may be. (b) Any duly elected Trustee who has served on the Board for two (2) consecutive terms prior to the effective date of this amendment shall have the right to run for a third term at the regular annual meeting of Members scheduled for March 8, 2011.

Section 5. Resignation & 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 a majority of all of the Members of the Corporation at a regular or special meeting of the Members of the Corporation. Additionally, board members are expected to hold themselves to the same code of conduct which governs the

behavior of students enrolled at the Elysian Charter School. Any board member convicted of a criminal offense will be considered to have been removed from their board position, effective the date the indictment or conviction is handed down.

Section 6. Vacancies. Any seat vacated prior to the end of a term will be filled by an individual appointed by an affirmative vote of no less than six of the remaining Trustees. The duly elected trustee shall serve for the remainder of the vacated term. Should a seat remain vacant for more than forty-five days, or should the number of Trustees fall to less than six, a special election will be called to fill the vacant seat, with each family with students enrolled in the school and each employee of the school casting one vote each.

Section 7. Regular Meetings. A regular meeting of the Board for business as may come before the meeting shall be held at least once every month. All notices of Board meetings shall comply with the notice requirements contained in the Open Public Meetings Act, N.J.S.A. 10:4-6 et seq. The Board may provide for additional regular meetings which may be held upon ten days written notice by resolution adopted and approved by no less than six board members at any regular meeting of the board.

Section 8. 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 of the Trustees. Such meetings shall be held upon not less than five days notice given personally or by telephone or email or upon not less than seven 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, J.J.S.A. 10:4-6 et seq.

Section 9. 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 on adjournment.

Section 10. Action Without Meeting. The Board may not take any official action except at a duly authorized or emergency meeting.

Section 11. Meeting by Videoconference. The Board or a committee of the Board may participate in a meeting of the Board or such committee, by means of a conference call or any other means of communication by which all persons participating in the meeting are able to see and hear each other.

Section 12. Quorum. Five or more of the Trustees shall constitute a quorum of the Board for the transaction of business. The act of the majority of the Trustees (i.e. five Trustees voting in the affirmative) at a meeting at which a quorum is present shall be the act of the Board.

Section 13. 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 V

### Officers

Section 1. Titles/Qualifications. The Officers of the Corporation shall include a Chairperson, Vice-Chairperson, Secretary and Chair of the Finance Committee and such other officers whose positions shall be created from time to time by the Board of Trustees or Membership to perform such duties as may be prescribed by the Board of Trustees. All officers of the Corporation must be duly elected Trustees of the Corporation.

Section 2. Election. The Officers shall be elected by the Trustees at a Meeting of the Trustees to be held no more than 30 days after the Annual Meeting. Officers so elected shall serve until the next Annual Meeting (i.e., approximately one year.)

Section 3 Duties. The Duties and authorities of the Officers shall be determined from time to time by the Board. Subject to any such determination, the Officer 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 an responsibility for the affairs of the corporation, and shall preside at all meetings of the Board. 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.

(b) The Vice Chairperson shall have the duties and possess such authority as may be delegated to the Vice Chairperson by the Chairperson.

(c) The Chair of the Finance Committee 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 Chair of the Finance Committee shall perform such other duties and possess such other powers as are incident to the office or as shall be assigned by the Chairperson of the Board, including but not limited to selection of an auditor, responsibility for filing all reports, information returns and other filings as required by an 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 Chair of the Finance Committee 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 Chair of the Finance Committee shall be responsible for a system of adequate financial recording showing quarterly income, expenditure and balances. The Chair of the Finance Committee shall serve as Chair of the Finance Committee, which shall prepare an annual budget for the consideration and approval of the Board of Trustees.

(d) 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 duties and possess such powers as are incident to the office or as shall be assigned by the Board.

Section 4. 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 a majority of the entire membership of the corporation at a regular or special meeting of the membership.

Section 5. Vacancies. Vacancies in the Officers shall be filled by election of the Board. Officers thus appointed shall serve for the remainder of the vacated term.

## ARTICLE VI

### Committees of the Board of Trustees

Section 1. General Provisions. There shall be 7 standing committees of the Board of Trustees: Academic Performance, Community Outreach, Finance, Facilities, Fund Raising, Nominating, Personnel and Planning. In addition to the provisions for standing committees, the Board of Trustees, by resolution approved by a majority of the entire board, may appoint one or more special committees. The act of any committee shall be advisory, shall not bind the board, and shall be subject to Board approval. 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.

Section 2. Committee Membership. Each member of each committee shall be appointed by a majority of the Board. Each committee shall appoint from among its members a chairperson unless the resolution of the Board establishing such a committee designates the chairperson, in which case, in the event of a vacancy in the chairperson, the Board shall fill the vacancy. All committees must have at least one Trustee as a member, although all members of a committee do not need to be Trustees. Unless otherwise stated in Article VI, Sections 3 - 11 of the bylaws, all committees shall be composed of no less than three persons.

Section 3. Committee Minutes. Actions taken at a meeting of any such committees shall be kept in a record of its proceedings which shall be reported to the Board at its next meeting following such a committee meeting and included in the minutes of that board 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 4. Finance Committee. The Finance Committee shall consist of the Treasurer, as Chair, and at least two other 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. Academic Performance. The Academic Performance Committee shall monitor the implementation of a means of assessing academic performance intended to: 1) ensure that the Corporation achieves the highest level of academic performance possible; 2) ensure that the Corporation remains in compliance with all relevant laws related to curriculum and academic performance.

Section 6. Community Outreach. The Community Outreach Committee shall monitor activities intended to ensure that: 1) planned enrollment levels are achieved; 2) the enrollment activities seek in good faith to enroll a student body reflective of the school-age population of Hoboken. It shall also serve as the principal liaison between the board and efforts by the Corporation to achieve maximum levels of parental involvement in the educational process.

Section 7. Facilities. The Facilities Committee shall be charged with monitoring that the facilities in which the Corporation conducts its educational programs are adequate and in conformity with relevant state laws for such facilities.

Section 8. Fund Raising. The Fund Raising Committee shall be charged with securing charitable donations which will be used to provide financial and material resources necessary for the successful accomplishment of the Corporation's mission. Employees, consultants or vendors hired to assist in securing such donations will report to this committee, as well as to the Trustee of the Elysian Charter School.

Section 9. Nominating. The Nominating Committee shall be charged with ensuring that a sufficient number of qualified candidates stand for election as Directors at both general and special elections by the Membership.

Section 10. Personnel. The Personnel Committee shall be charged with: 1) monitoring the Corporation's hiring and compensation practices and ensuring that they are in compliance with all relevant Federal, State and Local laws; 2) monitoring the performance reviews of employees of the Corporation. The Director of the Elysian Charter School shall sit on this committee as a non-voting member, but shall not chair it, and shall be recused from reviews of his or her performance at the request of other members of the committee. The Personnel Committee shall consist of three members in addition to the school's Director. At least one member of this committee shall be a person qualified by the State of New Jersey to evaluate the performance of teachers certified to teach in the State of New Jersey.

Section 11. Planning. The Planning Committee shall be charged with ensuring that an Annual Operating Plan is developed for review and approval of the Board. This Plan will be revised on an annual basis and will cover a time-period of no less than 24 months at any given time and will encompass, in general form, all activities of the Corporation.

Section 12. Limitations on Committee Membership. No committee shall have more than four Board members among its members.

## ARTICLE VII

### Fiscal Year and Check Signing

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

Section 2. Check Signing. The Board shall establish a policy setting the amount above which checks must have two signatures. Usually, the Chair of the Elysian Charter School Board Trustees and the Chair of the Finance Committee will sign checks. The Board of Trustees may, in its sole discretion, choose to name another Trustee as a substitute signatory for checks.

## ARTICLE VIII

### Amendment to By-Laws

Section 1. Amendments. These by-laws may be altered, amended or repealed by a two-thirds vote of all Members casting ballots in a duly authorized public members meeting at which a quorum is present. Notice shall not be given less than 30 (thirty) days prior to the meeting at which the change shall be proposed.

## ARTICLE IX

### 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 the Trustees or Officers are trustees or officers or their immediate family members have any personal, professional, political or financial interest, shall be approved by a vote of the Board or any committee thereof if such a Trustee 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 any such purpose. Failure to make good faith efforts to disclose such conflicts of interest and participate in a vote of the Board or any committee thereof by an interested Trustee or Trustees shall be considered grounds for removing said Trustees, subject to a vote of the majority of the Members of the Corporation. Failure on the part of other Trustees participating in such a vote, or present at a meeting where such a vote is taken, to disclose potential conflicts of interest of which they are aware to other Trustees present at the meeting shall also constitute grounds for removing the Trustee failing to make such disclosures, subject to a vote of the majority of the Members of the Corporation.

Section 2. Former Trustees. The same obligations and policies described in Article IX. Section 1 shall also apply to contract or transactions between any former Trustee, 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.

Section 3. Committee Members. The same obligations and policies described in Article IX. Section 1. shall also apply to contract or transactions between any former member of a Committee of the Board -- whether they are a Trustee or not -- whose last service on a Board Committee occurred less than two years before the effective date of any proposed contract or transaction between such person and the Corporation.

Section 4. Former Committee Members. The same obligations and policies

described in Article IX. Section 1. shall also apply to contract or transactions between any former member of a Committee of the Board -- whether they are a Trustee or not -- whose last service on a Board Committee occurred less than two years before the effective date of any proposed contract or transaction between such person and the Corporation.

Section 5. Employees. The same obligations and policies described in Article IX. Section 1 shall also apply to contract or transactions between any former employee whose last day of employment less than two years before the effective date of any proposed contract or transaction between such person and the Corporation.

Section 6. Former Employees. The same obligations and policies described in Article IX. Section 1 shall also apply to contract or transactions between any former employee whose last day of employment occurred less than two years before the effective date of any proposed contract or transaction between such person and the Corporation.

## ARTICLE X

### 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 or 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 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 damage for breach of any duty owed to the Corporation, its successors, 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 of by such person of an improper personal benefit.

Section 3. Compensation. Neither the 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 applicable 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 law or regulation 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 being necessary and prudent as protection against possible claims.

Section 6. Audit. At the close of the fiscal year, a licensed public school accountant who also has expertise in accounting of tax-exempt organizations generally shall audit the accounts of the Elysian Charter School. 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 organizations.