

---

# Faith Academy Charter School Board Book

March, 2021

Monday, March 3, 2021

Link to Virtual Meeting:

<https://us02web.zoom.us/j/88681072359?pwd=L3NReEdCc2R5SmwxNkV2akRmSSsxUT09>

Passcode: 416935

## School Mission:

Faith Academy Charter School will prepare a diverse student body for college and career through Project Based Learning, life skills courses, and College and Technical Education pathways. Through this challenging and supportive learning environment, students address real-world problems to become successful citizens and community leaders in a rapidly changing world.

## Agenda

### Open Session

1. **Recitation of Mission**
2. **Approval of March 3 Agenda**
3. **Approval of February Minutes**  
[February 15, 2021 Minutes](#)
4. **Public Comment**
5. **Bylaw Revisions**  
[FACS Bylaws](#)
  - a. Article II: Purpose
  - b. Article IV; Section A. Powers
  - c. Article IV; Section C.3 Interested Persons
  - d. Article V; Section G Emergency Meetings
  - e. Article X: Conflict of Interest and Nepotism Policy
  - f. Article XI: Other Provisions
  - g. Article XII: Agent Address
6. **Enrollment Numbers**

Discuss lowering the number of middle school seats offered

**Closed Session:** Purpose of Closed Session Discussion Item #3: 143-318.11. Closed sessions.(a) Permitted Purposes. - It is the policy of this State that closed sessions shall be held only when required to permit a public body to act in the public interest as permitted in this section. A public body may hold a closed session and exclude the public only when a closed session is required:

(6) To consider the qualifications, competence, performance, character, fitness, conditions of appointment, or conditions of initial employment of an individual public officer or employee or prospective public officer or employee; or to hear or investigate a complaint, charge, or grievance by or against an individual public officer or employee...Final action making an appointment or discharge or removal by a public body having final authority for the appointment or discharge or removal shall be taken in an open meeting.

**a. Personnel**

- i. Approval of Applicant A
- ii. Approval of Applicant B

(5) To establish, or to instruct the public body's staff or negotiating agents concerning the position to be taken by or on behalf of the public body in negotiating (i) the price and other material terms of a contract or proposed contract for the acquisition of real property by purchase, option, exchange, or lease; or (ii) the amount of compensation and other material terms of an employment contract or proposed employment contract.

**b. Discussion of property**

## **Adjournment**

---

# Faith Academy Charter School Board Book

February, 2021

Monday, February 15, 2021

Link to Virtual Meeting:

<https://us02web.zoom.us/j/87006878294?pwd=RnRvQ2lpRi9oSmVaeDN1UkZZRUICZz09>

Passcode: 964025

## School Mission:

Faith Academy Charter School will prepare a diverse student body for college and career through Project Based Learning, life skills courses, and College and Technical Education pathways. Through this challenging and supportive learning environment, students address real-world problems to become successful citizens and community leaders in a rapidly changing world.

Board Members Present: George Wilhelm, Chairman, Gene Miller, Vice-Chairman, Tim Williams, Secretary, Liz Morrow, Treasurer, Janna Griggs, Chris Sease and Howard Torrence

Quorum Present: All Board Members Present

Time Called to Order: 6:55pm

## Agenda

### Open Session

#### 1. Agenda for Current Meeting:

Motion to Approve: Chris Sease

Seconded: Janna Griggs

Discussion: None

Motion Status: Approved Unanimously

2. **Recitation of Mission:** *Faith Academy Charter School will prepare a diverse student body for college and career through Project Based Learning, life skills courses, and College and Technical Education pathways. Through this challenging and supportive learning environment, students address real-world problems to become successful citizens and community leaders in a rapidly changing world.*

3. **Approval of January Minutes:** [January 15, 2021 Minutes](#)

**4. Motion to Approve: Chris Sease**

Seconded: Gene Miller

Discussion: None

Motion Status: Approved Unanimously

**5. Public Comment: None**

**6. Academic Section:**

**School Administrative Report**

[Dr. Hensley's February Report](#)

**7. Operations/Finance Section:**

**Charter Success Partners' Report**

[CSP's February Report](#)

**8. Governance/Operations Section:**

**RTO Update**

[Bylaws](#)

Motion to Approve: Motion to Approve changes to Bylaws by Janna Griggs

Seconded: Howard Torrence

Discussion: None

Motion Status: Approved Unanimously

**Policy Manual**

i. [Admissions, Weighted Lottery, and Enrollment Policy](#)

ii. [Board Meeting Calendar Policy](#)

iii. [Board Committee](#)

iv. [Background Check Policy](#)

v. [Third Party Contracts](#)

Motion to Approve Changes to Policy Manual: Howard Torrence

Seconded: Gene Miller

Discussion: None

Motion Status: Approved Unanimously

**Student Accountability**

vi. [10/20 Day Policy](#)

vii. [Testing Calendar Policy](#)

viii. [Testing Coordinator Job Description](#)

Motion to Approve Changes to Student Accountability: Chris Sease

Seconded: Janna Griggs

Discussion: None

Motion Status: Approved Unanimously

## 9. Enrollment Priorities Broadened

### Percentages of applications/Surname

Cory Draughon spoke to the Board about our Surname policy. He explained to the Board how parents could enter their children into the lottery. First of all, each child should apply for admission, then there are two ways to enter siblings into the lottery- 1) multiple siblings in a family can be entered as one surname. When that name is called all siblings are accepted into enrollment or 2) each sibling can be entered into the lottery separately. In which case, each sibling would have to be drawn in the lottery process. Cory further explained that the board may want to consider making public the percentages of students for each grade level or the numbers of applications for each grade level and the maximum numbers that FACS can enroll for that particular grade level. Liz Morrow suggested that at the close of the application process that we release percentages so that parents/guardians can make the best decision for their children where the lottery is concerned.

### Sibling Priority

## 10. First Reading of School Calendar

The Board reviewed the following calendars. Justin Smith led the discussion and suggested that the Board may want to digest these calendars and vote on them at the next meeting and perhaps poll those that are enrolled at the appropriate time following the lottery as to which calendar suits best for most families.

[Link to Rowan-Salisbury Calendar](#)

[Link to Calendar Draft 8/11 Start](#)

[Link to Calendar Draft 8/23 Start](#)

Motion to Table the adoption of the 2021-2022 School Calendar: Chris Sease

Seconded: Liz Morrow

Discussion: None

Motion Status: Approved Unanimously

Chairman Wilhelm spoke briefly to the Board and those in attendance at this time. He informed everyone about Faith Community Endowment's meeting scheduled for March 1 at 7pm. The Endowment will be sponsoring a Boston Butt sale on April 3rd with proceeds going toward the three organizations it serves; Scout, Cub Scouts and Faith Academy. Chairman Wilhelm also spoke about the history of Faith Academy up to this point and asked for a motion to go into closed session for personnel and property discussions.

Motion to go into Closed Session at 8:01pm by Chris Sease

Seconded: Howard Torrence

Discussion: None

Motion Status: Approved Unanimously

**Closed Session:** Purpose of Closed Session Discussion Item #3: 143-318.11. Closed sessions.(a) Permitted Purposes. - It is the policy of this State that closed sessions shall be held only when required to permit a public body to act in the public interest as permitted in this section. A public body may hold a closed session and exclude the public only when a closed session is required:

(6) To consider the qualifications, competence, performance, character, fitness, conditions of appointment, or conditions of initial employment of an individual public officer or employee or prospective public officer or employee; or to hear or investigate a complaint, charge, or grievance by or against an individual public officer or employee...Final action making an appointment or discharge or removal by a public body having final authority for the appointment or discharge or removal shall be taken in an open meeting.

**a. Personnel**

i. Approval of applicant

(5) To establish, or to instruct the public body's staff or negotiating agents concerning the position to be taken by or on behalf of the public body in negotiating (i) the price and other material terms of a contract or proposed contract for the acquisition of real property by purchase, option, exchange, or lease; or (ii) the amount of compensation and other material terms of an employment contract or proposed employment contract.

**b. Discussion of property**

**Meeting resumed at 9:02pm**

**Motion 1**

Faith Academy Board of Directors on this day February 15, 2021, hereby resends our offer of two-hundred fifty thousand dollars to the Rowan Salisbury School Board dated January 4, 2021. The offer was time sensitive to February 15, 2021 as per letter dated January 5, 2021. A memorandum will be sent by email to RSS Board and Staff tonight February 15, 2021 and mailed tomorrow February 16,2021.

Motion to Approve: Gene Miller

Seconded: Janna Griggs

Discussion: None

Motion Status: Approved Unanimously

**Motion 2**

Faith Academy Board of Directors hereby accepts Shiloh Reformed Church of Faith, NC offer to place modular school units on its property. We will begin contract negotiations with all parties involved beginning on February 16, 2021 and will notify Shiloh Reformed Church by Memo tomorrow of our intent. We will begin the 2021-2022 school year on our temporary campus in August of 2021.

Motion to Approve: Howard Torrence

Seconded: Gene Miller

Discussion: None

Motion Status: Approved Unanimously

## **Adjournment**

Motion to Adjourn: Chris Sease

Seconded: Janna Griggs

Discussion: None

Motion Status: Approved Unanimously

Adjournment Timestamp: 9:25pm

# FAITH ACADEMY CHARTER SCHOOL

## Bylaws

### ARTICLE I: NAME

The name of the Corporation is Faith Academy Charter School, Inc. (hereinafter the "Corporation" or the "School").

### ARTICLE II: PURPOSE

The Corporation is a nonprofit corporation whose purpose is to provide a charter school for the Faith, North Carolina area in accordance with the laws, rules and regulations governing charter schools in North Carolina (the "Education Laws"). The Corporation, which is organized under the Non-Profit Corporation Act of North Carolina, shall operate exclusively for charitable and educational purposes and in a manner consistent with Chapter 55A of the General Statutes of North Carolina and Section 501(c)(3) or successor provisions of the Internal Revenue Code. It shall be the policy of the Board of Directors and the school not to discriminate in admissions and hiring practices in violation of the law.

The corporation is organized exclusively for charitable and educational purposes, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code.

#### Prohibited Activities.

No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to its members, trustees, officers, or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article Third hereof. No substantial part of the activities of the corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office. Notwithstanding any other provision of these articles, this corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the purposes of this corporation.



### **ARTICLE III: MEMBERSHIP**

The Corporation has no members. The rights which would otherwise vest in the members vest in the Directors of the Corporation (hereinafter the “~~Trustees~~ **Officers**” or the “Directors”) of the School. Actions which would otherwise require approval by a majority of all members or approval by the members require only approval of a majority of all ~~Trustees~~ **Officers** or approval by the Board of ~~Trustees~~ **Directors** (hereinafter the “Board”).

### **ARTICLE IV: BOARD OF TRUSTEES ~~Trustees~~ **Directors****

A. **Powers.** ~~The Public Charter School shall at all times be operated by the Board of Directors of the non-profit corporation in accordance with G.S. 115C-218-et seq. and all other applicable laws and regulations.~~ The Board will be responsible for setting policy, overseeing operation matters including budgeting, operating procedures and community relations. The Board shall conduct or direct the affairs of the Corporation and exercise its powers, subject to the Education Laws, nonprofit corporation law, the Corporation’s Charter and these Bylaws. The Board may delegate the management of the activities of the Corporation to others, so long as the affairs of the Corporation are managed, and its powers are exercised, under the Board’s ultimate jurisdiction.

Without limiting the generality of the powers hereby granted to the Board, but subject to the same limitations, the Board shall have all the powers enumerated in these Bylaws, and the following specific powers:

1. To elect and remove ~~Trustees~~ **Officers**;
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 act as ~~trustee~~ **Officer** under any trust incidental to the Corporation’s purposes, and to receive, hold, administer, exchange and expend funds and property subject to such a trust;

7. 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;

8. 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;

9. To lend money received only from private sources and to accept conditional or unconditional promissory notes therefore, whether interest or non-interest bearing, or secured or unsecured; and

10. 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 North Carolina Not-for-Profit Corporation Law and the limitations noted in these Bylaws.

B. Number of ~~Trustees~~ Officers. The number of ~~Trustees~~ Officers of the Corporation shall be not fewer than five (5) and shall not exceed nine (9). The Board shall fix the exact number of ~~Trustees~~ Officers, within these limits, by Board resolution or amendment of the Bylaws.

### C. Election of ~~Trustees~~ Officers.

1. Election. The Board shall elect the ~~Trustees~~ Officers by the vote of a majority of the ~~Trustees~~ Officers then in office, whether or not the number of ~~Trustees~~ Directors in office is sufficient to constitute a quorum, or by the sole remaining Trustee.

2. Eligibility. The Board may elect any person who in its discretion it believes will serve the interests of the Corporation faithfully and effectively. The Corporation will seek to have ~~Trustees~~ Officers who represent a cross-section of backgrounds, professions and experiences. Officers will undergo a reference check, interview with the Board, and will be subject to a criminal background check.

3. Interested Persons. The members of the governing board of the nonprofit shall receive no compensation other than reimbursement of reasonable expenses incurred while fulfilling duties as a member of the board. Not more than 49% 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 Founding ~~Trustees~~ Officers 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 Founding ~~Trustees~~ **Officers** initially classified shall be as follows: that of the first class shall expire at the next annual meeting of the ~~Trustees~~ **Directors**, the second class at the second succeeding annual meeting and the third class at the third succeeding annual meeting. Following the expiration of these designated terms, the term of each Founding ~~Trustee~~ **Officer** shall continue for three (3) additional years.

c. The term of office of ~~a Trustee~~ **an Officer** elected to fill a vacancy in these Bylaws begins on the date of the ~~Trustee's~~ **Officer'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 ~~an Officer~~ **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~~ **Officers** authorized.

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

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

f. ~~A Trustee~~ **An Officer** who has served a three-year term shall not be eligible for election or appointment to a new term until one year after the expiration of the three-year term.

5. Time of Elections. The Board shall elect ~~Trustees~~ **Officers** 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~~ **Officers**. The Board may remove ~~an Officer~~ **Trustee** at any time by a vote of at least 75% of the other ~~Trustees~~ **Officers**.

E. Resignation by ~~Trustee~~ **Officer**. ~~A Trustee~~ **An Officer** may resign by giving written notice to the Board Chairman 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 President or Secretary shall not be necessary to make it effective, but no resignation shall discharge any accrued obligation or duty of ~~a Trustee~~ **an Officer**.

F. Vacancies. A vacancy is deemed to occur on the effective date of the resignation of ~~a Trustee~~ **an Officer**, upon the removal of ~~a Trustee~~ **an Officer**, upon declaration of vacancy pursuant to these Bylaws, or upon ~~a Trustee's~~ **an Officer's** death. A vacancy is also deemed to exist upon the increase by the Board of the authorized number of ~~Trustees~~ **Officers**. ~~Trustees~~ **Officers** may be elected to fill vacancies by a majority vote of the ~~Trustees~~ **Officers** then in office.

G. Compensation of ~~Trustees~~ **Officers**. ~~Trustees~~ **Officers** shall serve without compensation. However, the Board may approve reimbursement of ~~a Trustee's~~ **an Officer's** actual and necessary expenses while conducting Corporation business.

## 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 March of each year for the purpose of electing Trustees **Officers**, making and receiving reports on corporate affairs, and transacting such other business as comes before the meeting.

C. Regular Meetings. The Board will meet monthly during the school year at an agreed upon time and place. **The Board shall meet, at minimum, eight (8) times annually.**

D. Special Meetings. A Special Meeting shall be held at any time called by the Chairman or by any ~~Trustee~~ **Officer** upon written demand of not less than one-half of the entire Board. **Each special meeting must be advertised to the public, and, at a minimum, include the posting of a written notice for at least 48 hours at the place of regular meetings and by giving oral or written notice at least 48 hours in advance at the front door of the administration buildings.**

F. Adjournment. A majority of the ~~Trustees~~ **Officers** present at a meeting, whether or not a quorum, may adjourn the meeting to another time and place.

G. Notices. Notices to ~~Trustees~~ **Officers** of Board Meetings shall be given as follows:

1. Annual Meetings and Regular Meetings may be held without notice if the Bylaws or the Board fix the time and place of such meetings.

2. Special Meetings shall be held upon four 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~~ **Officer** or to a person whom it is reasonably believed will communicate it promptly to the ~~Trustee~~ **Officer**.

**3. For an emergency meeting, the public body shall cause notice of the meeting to be given to each local newspaper, local wire service, local radio station, and local television station that has filed a written request, which includes the newspaper's, wire service's, or station's telephone number, for emergency notice with the clerk or secretary of the public body or with some other person designated by the public body. This notice shall be given either by e-mail, by telephone, or by the same method used to notify the members of the public body and shall be given immediately after notice has been given to those members. This notice shall be given at the expense of the party**

notified. Only business connected with the emergency may be considered at a meeting to which notice is given pursuant to this paragraph.

G. Waiver of Notice. Notice of a meeting need not be given to a ~~Trustee~~ **Officer** who signs a waiver of notice or written consent to holding the meeting or an approval of the minutes of the meeting, whether before or after the meeting, or attends the meeting without protest prior to the meeting or at its commencement, of the lack of notice. The Secretary shall incorporate all such waivers, consents and approvals into the minutes of the meeting.

H. Open Meetings. The Board will observe the Open Meetings Law (Article 33C if Chapter 143 of the North Carolina General Statutes), including without limitation by giving or providing notice of all “official meetings” (as defined in the Open Meetings Law) in the manner required by law and by providing access to records of Board meetings to the public in the manner required by law.

## **ARTICLE VI: ACTION BY THE BOARD**

A. Quorum. Unless a greater proportion is required by law, a majority of the entire Board of ~~Trustees~~ **Directors** 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 statute or by these Bylaws, the vote of a majority of the Board 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~~ **Officers** present may adjourn the meeting until a quorum is obtained.

2. Board Participation by Other Means. In all events, a quorum of ~~Trustees~~ **Officers** must be present to lawfully conduct a Board Meeting of the School. To the extent that, pursuant to Section 143-318.13(a) of the Open Meetings Law, the board provides a location and means whereby members of the public may listen to the meeting, ~~Trustees~~ **Officers** may participate in the meeting by use of conference telephone or other electronic means, provided that all ~~Trustees~~ **Officers** participating in such meeting can hear one another. **If Board members cannot hear one another, quorum may be affected.**

### **C. Committees.**

1. Appointment of Committees. The Board may create committees for any purpose, and the Chairman of the Board shall appoint members to and designate the chairs of such committees. A Board Committee will consist of not fewer than three ~~Trustees~~ **Officers**, who shall serve at the pleasure of the President of the Board, except that any executive committee of the Board shall comprise not fewer than five ~~trustees~~ **Officers**.

2. Standing Committee. The Board shall have a standing Finance Committee, chaired by the Treasurer. Additional members of the Finance Committee will be appointed by the President of the Board. **The Board shall have a Personnel Committee chaired by the President of the Board who will also appoint additional members. The Board shall have a Facility Committee chaired by the Vice Chair of the Board with additional members of the committee appointed by the President of the Board.**

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

- a. The election of ~~Trustees~~ **Officers**;
- 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.

4. Procedures of Committees. The Board may prescribe the manner in which the proceedings of any Board Committee are to be conducted. In the absence of such prescription, a Board Committee may prescribe the manner of conducting its proceedings, except that the regular and special meetings of the 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~~ **Officer** shall perform all duties of a Trustee, including duties on any Board Committee, 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~~ **an Officer**, a ~~Trustee~~ **an Officer** 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~~ **Officers** 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 Board Committee on which the ~~Trustee~~ **Officer** 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 Officer believes the Committee merits confidence and the Trustee Officer acts in good faith, and with that degree of care specified in Paragraph D.1. 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. 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. The Board may delegate its investment powers to others, provided that those powers are exercised within the ultimate direction of the Board.

E. Rights of Inspection. Every Trustee Officer has the right to inspect and copy all books, records and documents of every kind and to inspect the physical properties of the Corporation, provided that such inspection is conducted at a reasonable time after reasonable notice, and provided that such right of inspection and copying is subject to the obligation to maintain the confidentiality of the reviewed information, in addition to any obligations imposed by any applicable federal, state or local law.

F. Participation in Discussions and Voting. Every Trustee Officer has the right to participate in the discussion and vote on all issues before the Board or any Board Committee, except that any Trustee Officer shall be excused from the discussion (other than to present factual information or to respond to questions prior to the discussion) and vote on any matter involving such Trustee Officer relating to: (a) a self-dealing transaction; (b) a conflict of interest; (c) indemnification of that Trustee Officer uniquely; or (d) any other matter at the discretion of a majority of the Trustees Officers then present.

G. Duty to Maintain Board Confidences. Every Trustee Officer 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 and votes which take place at any closed session of the Board. Any Trustee Officer violating this confidence may be removed from the Board.

## **ARTICLE VII: OFFICERS**

A. Officers. The Officers of the Corporation consist of a Chairman (hereinafter "Chairman"), Vice Chairman (hereinafter "Vice Chairman"), a Secretary and a Chief Financial Officer (hereinafter "Treasurer"). The Corporation also may have such other officers as the Board deems advisable.

1. Chairman . Subject to Board control, the Chairman has general supervision, direction and control of the affairs of the Corporation, and such other powers and duties as the Board may prescribe. If present, the Chairman shall preside at Board meetings. The Chairman will be an authorized joint signer of all checks.

2. Vice Chairman . If the Chairman is absent or disabled, the Vice Chairman shall perform all the Chairman's duties and, when so acting, shall have all the Chairman's powers and be subject to the same restrictions. The Vice Chairman shall have other such powers and perform such other duties as the Board may prescribe.

3. 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 Board Committees, 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.

4. 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~~ **Officer**; (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 Chairman 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; (g) serve as Chairperson of the Finance Committee; and (h) have such other powers and perform such other duties as the Board may prescribe. The Treasurer will be authorized to sign checks.

## **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~~ **An Officer** may hold any number of offices, except that neither the Secretary nor Treasurer may serve concurrently as the Chairman.

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: NON-LIABILITY OF TRUSTEES OFFICERS**

~~The Trustees shall not be personally liable for the Corporation's debts, liabilities or other obligations.~~

### **Liability of Directors and Officers.**

1. A member of the Board and any Officer shall be subject to the liabilities imposed by law upon them.

2. All Board members who vote for or assent to any distribution of assets of the Corporation contrary to any restrictions imposed by the Nonprofit Corporation Act of North Carolina, the articles of incorporation, or bylaws, shall be jointly and severally liable to the Corporation for the amount of such distribution.

3. All Officers shall stand in a fiduciary relationship to the Corporation and shall discharge the duties of their respective positions in good faith, and with the diligence and care which a reasonably prudent person would exercise in similar circumstances and like positions.

## **ARTICLE IX: INDEMNIFICATION OF CORPORATE AGENTS**

The Corporation shall, to the fullest extent now or hereafter permitted by and in accordance with standards and procedures provided by the North Carolina Nonprofit Corporation Act and any amendments thereto, indemnify any person made, or threatened to be made, a party to any action or proceeding by reason of the fact that he, his testate or intestate was a Director, Officer, employee or agent of the Corporation, against judgments, fines, amounts paid in settlement and reasonable expenses, including attorneys' fees.

## **ARTICLE X: CONFLICT OF INTEREST AND NEPOTISM POLICY**

Any ~~Trustee~~, **Officer**, or Committee member having an interest in a contract, other transaction or program presented to or discussed by the Board or Board Committee for authorization, approval, or ratification shall make a prompt, full and frank disclosure of his or her interest to the Board or Committee prior to its acting on such contract or transaction. Such disclosure shall include all relevant and material facts known to such person about the contract or transaction that may reasonably be construed to be averse to the Corporation's interest. The body to which such disclosure

is made shall thereupon determine, by majority vote, whether the disclosure shows that a conflict of interest exists or can reasonably be construed to exist. If a conflict is deemed to exist, such person shall not vote on, nor use his or her personal influence on, nor be present during the discussion or deliberations with respect to, such contract or transaction (other than to present factual information or to respond to questions prior to the discussion). The minutes of the meeting shall reflect proceedings, including the disclosure made, the vote thereon and, where applicable, the abstention from voting and participation. The Board may adopt formal policies requiring:

1. Regular annual statements from ~~Trustees~~, **Officers** and key employees to disclose existing and potential conflicts of interest; and
2. Corrective and disciplinary actions with respect to transgressions of such policies. For the purpose of this section, a person shall be deemed to have an "interest" in a contract or other transaction if he or she is the party (or one of the parties) contracting or dealing with the Corporation, or is a Director, ~~Trustee~~ or **Officer** of, or has a significant financial or influential interest in the entity contracting or dealing with the Corporation.

Prior to employing any immediate family, as defined in G.S. 115C-12.2, of any member of the board of directors or a charter school employee with supervisory authority shall be employed or engaged as an employee, independent contractor, or otherwise by the board of directors, such proposed employment or engagement shall be:

1. disclosed to the board of directors and
2. approved by the board of directors in a duly called open session meeting.

The burden of disclosure of such a conflict of interest shall be on the applicable board member or employee with supervisory authority. If the requirements of this subsection are complied with, the charter school may employ immediate family of any member of the board of directors or a charter school employee with supervisory authority.

## **ARTICLE XI: 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 Chairman of the Board, the Principal/Managing Director, Treasurer, or other ~~Trustee~~ **Officer**. Such items for amounts of \$2,000.00 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 North Carolina Nonprofit Corporation Act 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 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. Dissolution. Upon the dissolution of the Corporation, the Board of Directors shall, after paying or making provision for the payment of all of the liabilities of the Corporation, dispose of all of the assets of the Corporation as required by North Carolina law. Specifically, and only as long as required by state law pursuant to the Charter Act or its successor provisions, all net assets of the Corporation purchased with public funds shall be deemed the property of the local school administrative unit in which the charter school is located. To the extent otherwise allowed by law, all assets shall be distributed for one or more exempt purposes within the meaning of Section 501(c)(3) of the Code, or the corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose. Any such assets not so disposed of shall be disposed of by a court of competent jurisdiction of the county in which the principal office of the Corporation is then located, exclusively for such purposes or to such organizations, as said court shall determine, which are organized and operated exclusively for such purposes.

## **ARTICLE XII: AMENDMENT**

A majority of the ~~Trustees~~ **Officers** may adopt, amend or repeal these Bylaws. Proposed amendments must be submitted to the Secretary to be sent out with regular Board announcements. **Any amendment must be submitted to the Office of Charter Schools through the amendment process.**

## **ARTICLE XIII: AGENT ADDRESS**

The street address and county of the initial registered office of the Corporation is as follows: 5760 Mt Hope Church Road, Salisbury, NC 28146-2339

The mailing address of the initial registered office is  
P.O. Box 182 Faith, North Carolina 28041