

BYLAWS OF THE CORPORATION

ARTICLE 1 CORPORATION NAME

The name of the corporation is: Corporation for Effective Schooling. This corporation shall use no other name at any time to designate the corporation.

ARTICLE 2 CHARITABLE CORPORATION

The corporation shall operate as a charitable corporation as defined in N.C.G.S. Section 55A-140(4): any corporation that is exempt under 501(c)(3) of the Internal Revenue Code of 1986 or any successor section, or that is organized exclusively for one or more of the purposes specified in section 501(c)(3) of the Internal Revenue Code of 1986 or any successor section, and that upon dissolution shall distribute its assets to a charitable or religious corporation, U.S., a state, or an entity that is exempt under section 501(c)(3) of the Internal Revenue Code of 1986 or any successor section.

ARTICLE 3 REGISTERED AGENT

The Board of Directors shall designate a registered agent and cause the registered agent's name and address to be provided to the Secretary of State. The registered agent shall maintain an office within the state of North Carolina for the purpose of receiving service of process on behalf of the Corporation.

ARTICLE 4 PRINCIPAL OFFICE

The principal office is located at:

Corporation for Effective Schooling
4900 Prospectus Drive
Durham, North Carolina 27713

ARTICLE 5 PRINCIPAL OFFICE AND INCORPORATOR

SECTION 1. PRINCIPAL OFFICE, REGISTERED OFFICE, OTHER OFFICES

The principal office and the registered office of the corporation are located in the State of North Carolina. The address of the principal office and of the registered office, if changed at any time after the date of the initial incorporation, shall be submitted in accordance with the law to the State of North Carolina, Department of the Secretary of State, Corporations Division, by the Secretary of this corporation.

The corporation may also have offices at such other places, within or without its

state of incorporation, where it is qualified to do business, as its business and activities may require, and as the board of directors may, from time to time, designate.

SECTION 2. CHANGE OF ADDRESS

The designation of the county of the corporation's principal office may be changed by amendment of these Bylaws, The Board of Directors may change the principal office from one location to another within the state by noting the changed address and effective date below, and such changes of address shall not be deemed, nor require, an amendment of these Bylaws.

4900 PROSPECTUS DRIVE

DURHAM, NORTH CAROLINA 27713 Dated: June 12, 2017

ARTICLE 6 MEMBERSHIP

The corporation shall have no members.

ARTICLE 7 LIMITATIONS ON ACTIVITIES

No substantial part of the activities of this corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation [except as otherwise provided by Section 501 (h) of the Internal Revenue Code], and this 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 provisions of these Bylaws, this corporation shall not carry on any activities not permitted to be carried on (a) by a corporation exempt from federal income tax under Section 501 (c) (3) of the Internal Revenue Code, or (b) by a corporation, contributions to which are deductible under Section 170 (c) (2) of the Internal Revenue Code.

ARTICLE 8 PAYMENTS AND DISSOLUTION PROVISIONS

SECTION 1. PAYMENTS

No part of the net earnings of this corporation shall inure to the benefit of, or be distributable to, its directors, officers, or other private persons, except that this corporation shall be authorized and empowered to pay reasonable compensations for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article Nine.

SECTION 2. DISSOLUTION

Upon dissolution of the charter school or upon the nonrenewal of the charter, all net assets of the charter school purchased with public funds shall be deemed the property of the local school administrative unit in which the charter school is located. All other assets of the corporation remaining after payment, or provision of payment, of all the debts and liabilities of this corporation shall be distributed for one or more exempt purposes within the meaning of Section 501 (c) (3) of the Internal Revenue Code, or shall be distributed to the federal or state or local government, for a public purpose.

ARTICLE 9 NONPROFIT PURPOSES

SECTION 1. IRC SECTION 501 (C) (3) PURPOSES

This corporation is organized exclusively for one or more purposes as specified in Section 501 (c) (3) of the Internal Revenue Code, including for such purposes, distributions to organizations that qualify as exempt organizations under Section 501 (c) (3) of the Internal Revenue Code.

SECTION 2. STATEMENT OF PURPOSE

The organizational purpose of the Corporation for Effective Schooling is to be a public charity which can engage in activities and provide various services that are beneficial to the public interest in the advancement of literacy, numeracy, and education of children in the grade levels K (kindergarten) through 12, and in the lessening of the burdens of government for such education.

SECTION 3. SPECIFIC OBJECTIVES

The specific objectives of this corporation shall be:

- (a) to establish one or more charter schools pursuant to N.C.G.S. Chapter 115C Article 16 Part 6A, commonly known as the Charter Schools Act of 1996;
- (b) to direct the operation of one or more charter schools if and when one or more charter applications of this corporation are approved by the N.C. State Board of Education, such direction to include meeting with the Local Education Agency representatives to create a working contract for cooperation and accountability;
- (c) to work in mutual cooperation with any other nonprofit corporations and associations of individuals in furtherance of the purposes of this corporation;

- (d) to consider additional services that would further the purposes of this corporation, which may include but are not limited to services such as: the offering of courses that use lectures, workshops, classes correspondence by mail, or delivery by media such as television or radio or computer; the publishing of educational newsletters or pamphlets; and the conducting of public forums, panels, or workshops;
- (e) to expand and re-define our charitable educational program from time to time as necessary to meet the continuing challenge of our purposes.

ARTICLE 10 DIRECTORS

SECTION 1. NUMBER OF DIRECTORS

The Corporation shall have at least five (5) and no more than thirteen (13) Directors and collectively shall be known as the Board of Directors. The number of Directors shall be determined annually at a regular meeting in the month of April and from time to time by resolution of the Board of Directors as to the specific need for Directors to accomplish the purposes of the Corporation.

SECTION 2. POWERS OF DIRECTORS

Subject to the provisions of the laws of this state and any limitations in these Bylaws, the activities and affairs of this corporation shall be conducted and all corporate powers shall be exercised by or under the direction of the Board of Directors.

SECTION 3. COMPENSATION OF DIRECTORS

Directors, as such, shall serve on the board without compensation. By resolution of the Board, a reasonable fixed sum for advancement or reimbursement of expenses incurred in the performance of their duties as directors may be allowed.

SECTION 4. QUALIFICATION OF DIRECTORS

Directors shall be at least twenty-one (21) years of age, shall be current residents of North Carolina, and shall hold at least an Associates degree from a nationally accredited community college or junior college. In the event that an individual has education or professional qualifications outside the above criteria, the Board may consider these qualifications in lieu of the degree requirements.

Any such qualified person seeking election to the Board of Directors must submit to a reasonable screening process, including a criminal background check, by the current Board of Directors, which shall include the provision of a personal written

statement, attached to a Board application, that provides the following:

Statement as to personal reason(s) and educational philosophy for wanting to serve on the Board of Directors of this corporation;

Statement as to age, residency, educational and professional qualifications, and diploma or equivalency;

Certification statement of having read and understood the Articles of Incorporation, these Bylaws, including Section Seven (7) covering the Conflict of Interests Statement.

Statement of support for this corporation's purposes;

Statement of attestation of no prior felonies, convictions of moral turpitude or domestic violence.

Statement of personal background, including any talents or experiences that contribute to the function of the corporate Board;

Separate list of references, including the name and address and phone number of each, so at least two board members can verify their personal background.

SECTION 5. ELECTIONS OF DIRECTORS

At the first regular meeting of directors held in the month of June of each year, directors shall be elected. The Secretary of the corporation-and shall include the names of all qualified, screened persons seeking election to the board. The number of directors needed for the corporation shall be determined by a resolution of the board at a meeting held previously in April. Each director shall cast one vote per candidate, and may vote for as many candidates as the number of candidates to be elected to the board. The candidates receiving the highest number of votes up to the number of directors to be elected shall be elected to serve on the board.

SECTION 6. TERM OF OFFICE OF DIRECTORS

Each director shall hold office for a period of at least one (1) year; or in the case of an unexpired term until the first regular meeting of the Board of Directors in the month of June⁷; or until his or her successor is elected and qualifies. Each director can serve for renewal periods of three-year intervals, subject to board resolution. Each director, even if qualified, may not hold office continuously for a period longer than seven (7) years.

The board of directors may, before the elections held in the month of June, determine by a resolution to begin a process of staggered elections in order to ensure continuity of operations of activities of this corporation. Such a resolution and process of staggered elections shall not require amendment to these Bylaws, as long as the

resolution provides a process in which the results shall be that the term of each director is a period no longer than three (3) years, and that no director shall have held office continuously for a period longer than seven (7) years.

SECTION 7. CONFLICTS OF INTEREST STATEMENT

A conflict of interest exists when the personal or professional concerns of a board member or a staff member have the potential to affect his or her ability to put the welfare of the organization before personal benefit. The board of directors shall acknowledge any conflict of interest, perceived or real, which may interfere with or jeopardize their decision-making process while conducting school business. Each board member has a duty to exercise reasonable care when he or she makes a decision as a steward of the organization and must protect against any real or apparent conflicts of interest. Each board member is required to fully disclose to the board prior to the taking of any action by the board for which a conflict of interest may exist, including but not limited to full disclosure of connections to anyone doing business with the organization. A board member should not participate in any discussions or vote on matters that would affect the transactions between the organization and another party that would benefit them or their personal or professional affiliations. Staff members who have an actual or potential conflict should not be involved in decision-making affecting such transactions.

SECTION 8. DUTIES OF DIRECTORS

It shall be the duty of the directors to:

- (a) Register their addresses and phone numbers with the Secretary of the corporation, and notices of meetings mailed, or telephoned, or by electronic delivery, to them at such addresses shall be valid notices;
- (b) Meet at such times and places as required by these Bylaws;
- (c) Appoint and remove, employ and discharge, supervise the duties of, and, except as otherwise provided in these Bylaws, prescribe the duties and fix the compensation, if any, of all officers, agents and employees of the corporation;
- (d) Perform any and all duties imposed on them collectively or individually by law, or by these Bylaws.

SECTION 9. NONLIABILITY OF DIRECTORS

The board of directors shall not be personally liable for the financial debts, financial liabilities, or other obligations of the corporation. Personal liability is covered under Article 13, Section 3.

SECTION 10. REGULAR MEETINGS

Regular meetings of Directors shall be held at least once per month. Regular meetings shall be held on a day and at a time determined by a resolution of the Board of Directors. If such day falls on a legal holiday, then the regular meeting shall be held at the same time and place on the same day of the next week, unless changed by a resolution of the Board of Directors.

Meetings shall be held at the principal office of the corporation unless otherwise provided by the board, or at such other place as may be designated from time to time by resolution of the Board of Directors.

SECTION 11. SPECIAL MEETINGS

Special meetings of the Board of Directors may be called by any officer, or by any two directors, or, by any persons specifically authorized under the laws of this state to call special meetings of the board. Such meetings shall be held at the principal office of the corporation or, if different, at the place designated by the persons calling the special meeting. Calls for special meetings shall specify the time and purpose. No business other than that specified shall be considered.

SECTION 12. NOTICES OF MEETINGS

Unless otherwise provided by these Bylaws, or provisions of law, the following provisions shall govern the giving of notice for meetings of the Board of directors:

(a) Regular Meetings. The board shall establish by resolution annually a schedule of regular meetings, it shall cause a current copy of that schedule, showing the time and place of regular meetings, to be kept on file with the secretary of the board, and on the Web site maintained by the board. If the board changes its schedule of regular meetings, it shall cause the revised schedule to be filed with the secretary and posted on the Web site of the board at least seven calendar days before the day of the first meeting held pursuant to the revised schedule. At least one-week prior notice shall be given by the corporation's Secretary to each director of a regular meeting of the board. Notice may be oral or written, may be given personally, by first class mail, by phone, or by facsimile machine, or by electronic means, and shall state the place, date and time of the meeting.

(b) Special Meetings: At least forty-eight (48) hours prior notice shall be given by the corporation's Secretary to each director of each special meeting of the board. Notice may be oral or written, may be given personally, by first class mail, by phone, or by facsimile machine, or by electronic means, and shall state the place, date and time of the meeting and the matters proposed to be acted upon. In the case of notification by facsimile or first-class mail, or by electronic means, the director to be contacted shall acknowledge personal receipt of the facsimile or mail, or electronic message, notice by a return message or telephone call within twenty-four hours of receipt of the notification.

(c) Waiver of Notice. Whenever any notice of a meeting is required to be given to any director under provisions of these Bylaws, or the law of this state, a waiver of notice in writing signed by the director, whether before or after the time of the meeting, shall be equivalent to the giving of such notice.

(d) If the board holds an official meeting at any time or place other than a time or place shown on the schedule filed pursuant to subsection (a) of this section, it shall give public notice of the time and place of that meeting as provided in this subsection.

(1) If the board recesses a regular, special, or emergency meeting held pursuant to public notice given in compliance with this subsection, and the time and place at which the meeting is to be continued is announced in open session, no further notice shall be required.

(2) For any other meeting, except an emergency meeting, the board shall cause written notice of the meeting stating its purpose (i) to be posted on the principal bulletin board of the board or, if the board has no such bulletin board, at the door of its usual meeting room, and (ii) to be mailed, e-mailed, or delivered to each newspaper, wire service, radio station, and television station that has filed a written request for notice with the secretary of the board or with some other person designated by the board. The board shall also cause notice to be mailed, e-mailed, or delivered to any person, in addition to the representatives of the media listed above, who has filed a written request with the secretary, or other person designated by the board. This notice shall be posted and mailed, e-mailed, or delivered at least 48 hours before the time of the meeting. The notice required to be posted on the principal bulletin board or at the door of its usual meeting room shall be posted on the door of the building or on the building in an area accessible to the public if the building containing the principal bulletin board or usual meeting room is closed to the public continuously for 48 hours before the time of the meeting. The board may require each newspaper, wire service, radio station, and television station submitting a written request for notice to renew the request annually.

(3) For an emergency meeting, the board 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 board or with some other person designated by the board. This notice shall be given either by e-mail, by telephone, or by the same method used to notify the members of the board 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.

(4) For purposes of this section, an "emergency meeting" is one called because of generally unexpected circumstances that require immediate consideration by the board.

SECTION 13. QUORUM FOR MEETINGS

A quorum shall consist of a majority of the voting directors of the Board of Directors. Directors shall be determined to be present if they are physically present in the meeting location or present by telephonic, electronic or other means as approved by the Board of Directors. Except as otherwise provided under these Bylaws, or provisions of law, no business shall be considered by the board 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. Notwithstanding the foregoing, were a quorum is not present the Board may vote on action items that may be ratified in writing after the fact by members not present at the meeting by written and signed communication through electronic mail, U.S. mail, or facsimile received by the Secretary within 48 hours of the meeting.

SECTION 14. MAJORITY ACTION AS BOARD ACTION

Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present is the act of the Board of Directors, unless these Bylaws, or provisions of law require a greater percentage or different voting rules for approval of a matter by the board.

If one or more directors present at a meeting abstain from voting on a particular motion before the board, due to a personal conflict of interest with the subject of the motion, then the remainder of the directors shall still constitute a quorum for that particular vote and a two thirds majority of those voting directors shall be required to approve the motion.

SECTION 15. CLOSED SESSION

All meetings of the Board of Directors involving any discussion, business, or decisions with respect to the operation of a public charter school under the direction of this

corporation shall be open except when the board votes to go into closed session. Upon a motion made and seconded and a majority vote of those present, the board may go into closed session to discuss the following matters: grievances: personnel decisions: real property negotiations: consideration of the validity, settlement, or other disposition of a claim or lawsuit; and to consult with an attorney, to the extent confidentiality is required in order for the attorney to exercise his or her ethical duties as a lawyer. The board shall keep full and accurate minutes of closed sessions held pursuant to G.S. 143-318.11. Such minutes may be in written form or, at the option of the board may be in the form of sound or video and sound recordings. When the board meets in closed session, it shall keep a general account of the closed session so that a person not in attendance would have a reasonable understanding of what transpired. Such minutes and accounts shall be public records within the meaning of the Public Records Law, G.S. 132-1 et seq.; provided, however, that minutes or an account of a closed session conducted in compliance with G.S. 143-318.11 may be withheld from public inspection so long as public inspection would frustrate the purpose of the closed session

SECTION 16. CONDUCT OF MEETINGS

Meetings of the Board of Directors shall be presided over by the Chairperson of the Board, who shall be the President of the corporation unless another officer has been so designated. In the absence of that officer, the Vice President, if there is one, or a Chairperson chosen by a majority of the directors present at the meeting, shall preside over the meeting. The Secretary of the corporation shall act as secretary of all meetings of the board, except that, in his or her absence, the presiding officer shall appoint another person to act as Secretary for that meeting.

Meetings shall be governed by the rules of the presiding officer, and by such procedures as may be approved by the Board of Directors. Such rules and procedures may include Robert's Rules of Order, but shall not be inconsistent with or in conflict with these Bylaws, or with provisions of law.

SECTION 176. VACANCIES OF DIRECTORS

Vacancies on the Board of Directors shall exist: on the death, resignation or removal of any director, or whenever the number of authorized directors is increased. Directors may be removed from office, with cause, as permitted by and in accordance with the laws of this state.

Unless otherwise prohibited by these Bylaws or by provisions of law, vacancies on the board may be filled by approval of the Board of Directors. If the number of

directors then in office is less than a quorum, a vacancy on the board may be filled by approval of a majority of the directors then in office or by a sole remaining director.

A person elected to fill a vacancy on the board shall hold office until the next election of the Board of Directors or until his or her death, resignation or removal from office.

Any director may resign effective upon giving written notice to the President, or the Chairperson of the Board of Directors, unless the notice specifies a later time for the effectiveness of such resignation. No director may resign if the corporation would then be left without a duly elected director or directors in charge of its affairs, except upon notice to the Office of the Attorney General or other appropriate agency of this state.

Directors, who resign, not due to any civil or any criminal misconduct, may re-apply to the Board of Directors after a minimal absence of one (1) year.

ARTICLE 11 OFFICERS

SECTION 1. QUALIFICATIONS, DESIGNATION OF OFFICERS

Any director may serve as officer of this corporation.

The officers of the corporation shall be the President, Vice President, Secretary, Treasurer, and Executive Director.

SECTION 2. ELECTION AND TERM OF OFFICE

Officers shall be elected by the Board of Directors, at any time, and each officer shall hold office for a minimum term of one (1) year, or until he or she resigns or is removed or is otherwise disqualified to serve, or until his or her successor shall be elected and qualified, whichever occurs first. Each officer, even if qualified and elected, may not hold that office continuously for a period longer than three fifteen (3) years.

SECTION 3. COMPENSATION OF OFFICERS

There shall be no compensation provided to officers, except that given for the incurrence of reasonable expenses on behalf of the Corporation or for travel and per diem incurred on behalf of the Corporation and the salary of the Executive Director as established by the Board of Directors.

SECTION 4. REMOVAL AND RESIGNATION OF OFFICERS

Any officer may be removed, with cause, by the Board of Directors, at any time. Any officer may resign at any time by giving written notice to the board or to the President or Secretary of the corporation. Any such resignation shall take effect at the date of receipt of such notice or at any later date specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. Officers and directors, who resign, not due to any civil or any criminal misconduct, may re-apply to the Board of Directors after a minimal absence of one (1) year.

SECTION 5. VACANCIES OF OFFICERS

Any vacancy caused by the death, resignation, removal, disqualification, or otherwise, of any officer shall be filled by the board. In the event of a vacancy in any office other than that of President, such vacancy may be filled temporarily by appointment by the President until such time as the Board shall fill the vacancy. Vacancies occurring in offices of officers other than President, Secretary, and Treasurer, may or may not be filled as the board shall determine.

SECTION 6. DUTIES OF PRESIDENT

The President shall be the chief executive officer of the corporation and shall, subject to the control of the Board of Directors, supervise and control the affairs of the corporation and the activities of the officers. He or she shall perform all duties incident to his or her office and such other duties as may be required by law, or by these Bylaws, or which may be prescribed from time to time by the Board of Directors. Unless another person is specifically appointed as Chairperson of the Board of Directors, the President shall preside at all meetings of the Board of Directors. Except as otherwise expressly provided by law, or by these Bylaws, he or she shall, in the name of the corporation, execute such deeds, mortgages, contracts, bonds, checks, or other instruments which may from time to time be authorized by the Board of Directors. The President shall have the authority to bind the Corporation and execute checks on behalf of the Corporation in an amount not to exceed ten thousand dollars (\$10,000.00). The President and the Treasurer of the Corporation shall execute checks on behalf of the Corporation in excess of ten thousand dollars (\$10,000.00).

SECTION 7. DUTIES OF SECRETARY

The Secretary shall:

Certify and keep at the principal office of the corporation the original, or a copy, of these Bylaws as amended or otherwise altered to date;

See that all notices are duly given in accordance with the provisions of these Bylaws or as required by law;

Keep at the principal office of the corporation or at such other place as the board may determine, a book of minutes of all meetings of the directors, and, if applicable, meetings of committees appointed by the directors, recording therein the time and place of holding, whether regular or special, how called, how notice thereof was given, the names of those present at the meeting, and the proceedings thereof;

Be custodian of the seal of the corporation, if any, and affix the seal, as authorized by law or the provisions of these Bylaws, to duly executed documents of the corporation;

Be custodian of the records of the corporation;

Exhibit at all reasonable times to any director of the corporation, or to his or her agent or attorney, on request therefor, the Bylaws, the directors list, and the minutes of the proceedings of the directors of the corporation;

In general, perform all duties incident to the office of Secretary and such other duties as may be required by law, or by these Bylaws, or which may be assigned to him or her from time to time by the Board of Directors.

SECTION 8. DUTIES OF TREASURER

The Treasurer or his or her designee shall:

Have charge and custody of, and be responsible for, all funds and securities of the corporation, and deposit all such funds in the name of the corporation in such banks, trust companies, or other depositories as shall be selected by the Board of Directors;

Receive, and give receipt for, monies due and payable to the corporation from any source whatsoever;

Disburse, or cause to be disbursed, the funds of the corporation as may be directed by the Board of Directors, taking proper vouchers for such disbursements;

Keep and maintain adequate and correct accounts of the corporation's properties and business transactions, including accounts of its assets, liabilities, receipts, disbursements, gains and losses;

Exhibit at all reasonable times the books of account and financial records to any director of the corporation, or to his or her agent or attorney, on request therefor;

Render to the President and directors, whenever requested, an account of any or all of his or her transactions as Treasurer and of the financial condition of the corporation;

Prepare, or cause to be prepared, and certify, or cause to be certified, the financial statements to be included in any required reports, including the reporting for tax-exempt

purposes;

In general, perform all duties incident to the office of Treasurer and such other duties as may be required by law, or by these Bylaws, or which may be assigned to him or her from time to time by the Board of Directors. .

SECTION 9. DUTIES OF VICE PRESIDENT

In the case that this corporation has an elected Vice President, then in the absence of the President, or in the event of his or her inability or refusal to act, the Vice President shall perform all the duties of the President, and when so acting shall have all the powers of, and be subject to all restrictions on, the President. The Vice President shall have other powers and perform such other duties as may be prescribed by law, or by these Bylaws, or as may be prescribed by the board.

SECTION 10. DUTIES OF THE EXECUTIVE DIRECTOR

The Executive Director shall be hired and terminated by majority vote of the Board of Directors. The Executive Director shall be an officer of the Corporation, shall have the authority to bind the Corporation and execute checks on behalf of the Corporation in an amount not to exceed five thousand dollars (\$5,000.00). The Executive Director may execute checks so designated by the President and Treasurer of the Corporation in excess of five thousand dollars, if and only if said expenses have been designated as regular and recurring expenses pursuant to a contract or agreement properly executed by the Corporation. The Executive Director and the Treasurer of the Corporation may execute checks on behalf of the Corporation in excess of five thousand dollars (\$5,000.00) but not greater than ten thousand dollars (\$10,000.00).

ARTICLE 12 COMMITTEES

SECTION 1. MEETINGS AND ACTION OF COMMITTEES

Meetings and action of committees shall be governed by, noticed, held and taken in accordance with the provisions of these Bylaws concerning meetings of the Board of Directors, with such changes in the context of such Bylaw provisions as necessary to substitute the committee and its members for the board and its members, except that the time for regular and special meetings of committees may be fixed by resolution of the board or by the committee. The Board of Directors may also adopt rules for the conduct of meetings of committees to the extent that they are not inconsistent with the provisions of these Bylaws.

SECTION 2. EXECUTIVE COMMITTEE

The Board of Directors may, by a majority vote of its members, designate an Executive Committee consisting of two (2) or more directors and may delegate to such committee the powers and authority of the board in the management of the business and affairs of the corporation, to the extent permitted, except that the Executive Committee:

- May not dissolve the corporation or plan its merger or consolidation;
- May not change the Bylaws or Articles of Incorporation;
- May not conduct any transaction involving all or substantially all corporate assets or property;
- May not create committees;
- May not fill board vacancies;
- May not alter board resolutions;
- May not act as otherwise restricted by law.

By a majority vote of its members, the board may at any time revoke or modify any or all of the Executive Committee authority so delegated, increase or decrease but not below two (2) the number of members of the Executive Committee, and fill vacancies on the Executive Committee from the members of the board. The Executive Committee shall keep minutes of its proceedings, cause them to be filed with the corporate records, and report the same to the board from time to time as the board may require.

SECTION 3. OTHER COMMITTEES

The corporation shall have other committees as may from time to time be designated by resolution of the board. These committees may consist of persons who are not directors of the board. These committees shall act in an advisory capacity to the board, with no powers to act on behalf of the corporation.

ARTICLE 13

INDEMNIFICATION AND INSURANCE

SECTION 1. INDEMNIFICATION BY CORPORATION

The directors and officers of the corporation shall be indemnified by the corporation to the fullest extent permissible under the laws of this state.

SECTION 2. INSURANCE FOR CORPORATE AGENTS

Except as may be otherwise provided under provisions of law, the Board of Directors may adopt a resolution to authorize the purchase and maintenance of insurance on behalf of any agent of the corporation (including directors, officers, employees or other agents of the corporation) against liabilities asserted against or incurred by the agent in such capacity or arising out of the agent's status as such, whether or not the corporation would have the power to indemnify the agent against the liability under these Bylaws or provisions of law.

SECTION 3. INSURANCE PREMIUM COSTS BORNE BY CORPORATION

Errors and Omission liability insurance (E & O) must be provided (and paid for) annually by the corporation to cover each board member in the amount established by law, legal contract, or by board resolution. Minimal coverage amounts must be sufficient to reasonably protect board members from any potential financial, personal liability. See Article 10, Section 9.

ARTICLE 14 EXECUTION OF INSTRUMENTS, DEPOSITS AND FUNDS

SECTION 1. EXECUTION OF INSTRUMENTS

The Board of Directors, except as otherwise provided in these Bylaws, may by resolution authorize any officer or agent of the corporation to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances. Unless so authorized, no officer, agent, or employee shall have any power or authority to bind the corporation by any contract or engagement or to pledge its credit or to render it liable monetarily for any purpose or in any amount.

SECTION 2. CHECKS, NOTES, AND DEPOSITS

Except as otherwise specifically determined by resolution of the board, or as otherwise required by law, checks, drafts, promissory notes, orders for the payment of money, and other evidence of indebtedness of the corporation shall be signed by the President or Executive Director and countersigned by the Treasurer as described in Article 11. Sections 6 and 10 above.

All funds of the corporation shall be deposited from time to time to the credit of the corporation in such banks, trust companies, or other depositories as the board may select.

SECTION 3. GIFTS

The Board of Directors may accept on behalf of the corporation any contribution, gift, bequest, or devise for the nonprofit purposes of this corporation.

SECTION 4. FISCAL YEAR

For the purposes of accounting and tax reporting, the accounting year of the entire corporation shall be a fiscal year, which begins on the first day of July and ends on

the last day of June of the following year.

SECTION 5. MAINTANENCE OF RECORDS

Records made or received by the corporation pursuant to transaction of the public business of governing operation of a public charter school shall be public records, subject to inspection and copying under G.S. 132, Such public records shall be kept at the principal office of the corporation, or at the offices of the public charter school, or in such buildings in which they are ordinarily used.

The custodian of the public records shall permit their inspection at reasonable times and under reasonable supervision, and shall furnish copies thereof upon payment of minimal fees for the actual cost of reproducing the public information. Notwithstanding the foregoing the corporation shall not be required to disclose information which is defined as confidential or otherwise exempted under G.S. 132.

ARTICLE 15 CORPORATE RECORDS, REPORTS AND SEAL

SECTION 1. MAINTENANCE OF CORPORATE RECORDS

The corporation shall keep at its principal office:

- (a) A copy of the corporation's Articles of Incorporation and these Bylaws as amended to date;
- (b) A record of its directors, indicating their names and addresses and telephone numbers, dates of election to the board, and if applicable, dates of election to office;
- (c) A record of its committees and committee members, including the specific task for which each committee was formed and members' names, addresses and telephone numbers;
- (d) Minutes of all meetings of directors, and of committees of the board, indicating the time and place of such meetings, whether regular or special, how called, the notice given, the names of those present, and the proceedings thereof;
- (e) Adequate and correct books and records of account, including accounts of its properties and business transactions and accounts of its assets, liabilities, receipts, disbursements, gains and losses.

SECTION 2. DIRECTORS' INSPECTION RIGHTS

Every director shall have the absolute right at any reasonable time to inspect and copy all books, records and documents of every kind and to inspect the physical properties of the corporation and shall have such other rights to inspect the books,

records and properties of this corporation as may be required under the Articles of Incorporation, other provisions of these Bylaws, and provisions of law.

Any inspection under the provisions of this Article may be made in person or by agent or attorney and the right to inspection shall include the right to copy and make extracts.

SECTION 3. PERIODIC REPORT

The board shall cause any annual or periodic report required under law to be prepared and delivered to an office of this state or other government agency, to be so prepared and delivered within the time limits set by law.

SECTION 4. CORPORATE SEAL

The Board of Directors may adopt, use, and at will alter a corporate seal. Such seal shall be kept at the principal office of the corporation or with the Secretary of the corporation. Failure to affix the seal to corporate instruments, however, shall not affect the validity of any such instrument.

ARTICLE 16 AMENDMENT AND CONSTRUCTION OF BYLAWS

SECTION 1. AMENDMENT

Except as may otherwise be specified under provisions of law, these Bylaws, or any of them, may be altered, amended, or repealed at any time and new Bylaws adopted by approval of the Board of Directors.

SECTION 2. CONSTRUCTION AND TERMS

All references in these Bylaws to the Articles of Incorporation shall be to the Articles of Incorporation, the founding document of this corporation filed with an office of this state and used to establish the legal existence of this corporation.

All references in these Bylaws to a section or sections of the Internal Revenue Code shall be to such sections of the Internal Revenue Code of 1986 as amended from time to time, or to corresponding provisions of any future federal tax code.

If there is any conflict between the provisions of these Bylaws and the Articles of Incorporation, the provisions of the Articles of Incorporation shall govern.

Should any of the provisions or portions of these Bylaws be held unenforceable or invalid for any reason, the remaining provisions and portions of these Bylaws shall be unaffected by such holding.

ARTICLE 17
KESTREL HEIGHTS PUBLIC CHARTER SCHOOL FOUNDATION

SECTION 1. STATEMENT OF PURPOSE

The corporation's Board of Directors may develop a financial Foundation (created as a separate corporation) at any time, according to the Internal Revenue Code 501 (c) (3) guidelines and in support of Article 2. This Foundation's purpose shall support the corporation's non-profit educational mission and the core values of the school as stated in Article 9, Section 3, subsection (e) and Section 170 (c) (2) of the Internal Revenue Code.

SECTION 2. IRC SECTION 501 (C) (3) NON - PROFIT PURPOSES

This corporation will be organized exclusively for one or more purposes as specified in Section 501 (c) (3) of the Internal Revenue Code, including for such purposes, distributions to boards that qualify as exempt boards under Section 501 (c) (3) of the Internal Revenue Code.

SECTION 3. BOARD OF DIRECTORS

A separate Board of Directors will be formed to manage the receipts of gifts and direct the allocation of said gifts contributed in support of Section 1. The Board of Directors may be formed from the existing corporation's Board of Directors. A minimum of five (5) directors, and no more than eleven (11), are required to form a Board of Directors and must include a Chair (President), Vice - Chair (Vice- President), Secretary, and Treasurer.

SECTION 4. ACCEPTANCE OF GIFTS / OWNERSHIP OF PROPERTY

The Board of Directors may accept, on behalf of the Foundation, any public or private financial contribution, gift, bequest, or devise (real property). The Foundation may own real and personal property as allowed by IRC 501 (c) (3), and other applicable federal, non-exempt tax laws.

SECTION 5. CONFLICTS OF INTEREST STATEMENT

At no time will any gift be accepted that could alter the educational and non-profit purpose of the corporation, the school, or influence the Board of Directors. All Board of Directors of the Foundation shall abide by Article 7, and the Conflicts of Interest Statement located in Article 10, Section 7.

SECTION 6. POWERS OF DIRECTORS

Subject to the provisions of the laws of this state and any limitations in these Bylaws, the activities and affairs of this corporation shall be conducted and all corporate powers shall be exercised by or under the direction of the Board of Directors.

SECTION 7. COMPENSATION OF DIRECTORS

Directors, as such, shall serve on the foundation board without compensation. By resolution of the Board, a reasonable fixed sum for advancement or reimbursement of expenses incurred in the performance of their duties as directors may be allowed.

SECTION 8. QUALIFICATION OF DIRECTORS

Directors shall be at least twenty-one (21) years of age, shall be current residents of North Carolina, and shall hold at least an Associate degree from a nationally accredited community college or junior college. In the event that an individual has education or professional qualifications outside the above criteria, the Board may consider these qualifications in lieu of the degree requirements.

Any such qualified person seeking election to the Board of Directors must submit to a reasonable screening process, including a criminal background check by the current Board of Directors, which shall include the provision of a personal written statement, attached to a Board application, providing the following:

Statement as to personal reason(s) and educational philosophy for their desire to serve on the Board of Directors of this corporation;

Statement as to age, residency, educational (diploma) and professional qualifications;

Certification statement of having read and understood the Articles of Incorporation, these Bylaws, including Section Seven (7) covering the Conflict of Interests;

Statement of support for this corporation's purposes;

Statement of attestation of no prior felonies, convictions of moral turpitude or domestic violence;

Statement of personal background, including any talents or experiences which contribute to the function of the corporate Board;

Separate list of references, including the name and address and phone number of each, allowing a minimum of two board members to verify their personal background.

SECTION 9: ELECTION OF DIRECTORS

At the first regular meeting of directors held in the month of June of each year,

directors shall be elected. Voting shall be by written ballot. The ballots shall be prepared by the Secretary of the corporation, and shall include the names of all qualified, screened persons seeking election to the board. The ballots shall also include the number of directors needed for the corporation as determined by a resolution of the board at a meeting held previously in April. Each director shall cast one vote per candidate, and may vote for as many candidates as the number of candidates to be elected to the board. The candidates receiving the highest number of votes up to the number of directors to be elected shall be elected to serve on the board.

SECTION 10. TERM OF OFFICE OF DIRECTORS

Each director shall hold office for a period of at least one (1) year, or until the first regular meeting of the Board of Directors in the month of June, and until his or her successor is elected and qualifies. [Each director will serve for renewal periods of ~~three~~ five (3~~5~~) year intervals, subject to board resolution. Each director, even if qualified, may not hold office continuously for a period longer than seven (7) years.

The Board of Directors may, before the elections held in the month of June, determine by a resolution to begin a process of staggered elections in order to ensure continuity of operations of activities of this corporation. Such a resolution and process of staggered elections shall not require amendment to these Bylaws, as long as the resolution provides a process in which the results shall be that the term of each director is a period no longer than seven (7) years, and that no director shall have held office continuously for a period longer than seven (7) years.

SECTION 11. INSURANCE PREMIUM COSTS BORNE BY CORPORATION

Errors and Omission liability insurance (E & O) must be provided (and paid for) annually by the corporation to cover each board member in the amount established by law, legal contract, or by board resolution. Minimal coverage amounts must be sufficient to reasonably protect board members from any potential financial, personal liability. See Article 10, Section 9.

SECTION 12. QUORUM FOR MEETINGS

A quorum shall consist of a majority of the directors of the Board of Directors. Except as otherwise provided under these Bylaws, or provisions of law, no business shall be considered by the board 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 13. MAJORITY ACTION AS BOARD ACTION

Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present is the act of the Board of Directors, unless these Bylaws, or provisions of law require a greater percentage or different voting rules for approval of a matter by the board.

If one or more directors present at a meeting abstain from voting on a particular motion before the board, due to a personal conflict of interest with the subject of the motion, then the remainder of the directors shall still constitute a quorum for that particular vote and a two thirds majority of those voting directors shall be required to approve the motion.

SECTION 14. CONDUCT OF MEETINGS

Meetings of the Board of Directors shall be presided over by the Chairperson of the Board, who shall be the President of the corporation unless another officer has been so designated. In the absence of that officer, the Vice President, if there is one, or a Chairperson chosen by a majority of the directors present at the meeting, shall preside over the meeting. The Secretary of the corporation shall act as secretary of all meetings of the board, except that, in his or her absence, the presiding officer shall appoint another person to act as Secretary of the Meeting.

Meetings shall be governed by the rules of the presiding officer, and by such procedures as may be approved by the Board of Directors. Such rules and procedures may include Robert's Rules of Order, but shall not be inconsistent with or in conflict with these Bylaws, or with provisions of law.

SECTION 15. VACANCIES OF DIRECTORS

Vacancies on the Board of Directors shall exist: on the death, resignation or removal of any director, or whenever the number of authorized directors is increased. Directors may be removed from office, with or without cause, as permitted by and in accordance with the laws of this state.

Unless otherwise prohibited by these Bylaws or by provisions of law, vacancies on the board may be filled by approval of the Board of Directors. If the number of directors then in office is less than a quorum, a vacancy on the board may be filled by approval of a majority of the directors then in office or by a sole remaining director.

A person elected to fill a vacancy on the board shall hold office until the next election of the Board of Directors or until his or her death, resignation or removal from office.

Any director may resign effective upon giving written notice to the President, or

the Chairperson of the Board of Directors, unless the notice specifies a later time for the effectiveness of such resignation. No director may resign if the corporation would then be left without a duly elected director, or directors in charge of its affairs, except upon notice to the Office of the Secretary of State or other appropriate agency of this state.

SECTION 16. MAINTENANCE OF CORPORATE RECORDS

The corporation shall keep at its principal office:

- (a) A copy of the corporation's Articles of Incorporation and these Bylaws as amended to date;
- (b) A record of its directors, indicating their names and addresses and telephone numbers, dates of election to the board, and if applicable, dates of election to office;
- (c) A record of its committees and committee members, including the specific task for which each committee was formed and members' names, addresses and telephone numbers;
- (d) Minutes of all meetings of directors, and of committees of the board, indicating the time and place of such meetings, whether regular or special, how called, the notice given, the names of those present, and the proceedings thereof;
- (e) Adequate and correct books and records of account, including accounts of its properties and business transactions and accounts of its assets, liabilities, receipts, disbursements, gains and losses.

SECTION 17. DIRECTORS' INSPECTION RIGHTS

Every director shall have the absolute right at any reasonable time to inspect and copy all books, records and documents of every kind and to inspect the physical properties of the corporation and shall have such other rights to inspect the books, records and properties of this corporation as may be required under the Articles of Incorporation, other provisions of these Bylaws, and provisions of law.

Any inspection under the provisions of this Article may be made in person or by agent or attorney and the right to inspection shall include the right to copy and make extracts.

SECTION 18. PERIODIC REPORT

The board shall cause any annual or periodic report required under law to be prepared and delivered to an office of this state or other government agency, to be so prepared and delivered within the time limits set by law.

SECTION 19. CORPORATE SEAL

The Board of Directors may adopt, use, and at will alter a corporate seal. Such seal shall be kept at the principal office of the corporation or with the Secretary of the corporation. Failure to affix the seal to corporate instruments, however, shall not affect the validity of any such instrument.

SECTION 20: PHYSICAL ADDRESS

The physical address of the Foundation will be the same address as stated in Article 5.

SECTION 21. PAYMENTS

No part of the net earnings of this Foundation shall inure to the benefit of, or be distributable to, its directors, officers, or other private persons, except that this corporation shall be authorized and empowered to pay reasonable compensations for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article Nine.

SECTION 22. DISSOLUTION

Upon dissolution (Refer to Article 2) of this Foundation, its assets remaining after payment, or provision of payment, of all the debts and liabilities of this corporation shall be distributed as stated therein.