

BY-LAWS  
FOR THE  
BOARD OF DIRECTORS  
OF  
A PUBLIC SCHOOL OF CHOICE, INC.

Last revised: August 2017

## **ARTICLE I: A PUBLIC SCHOOL OF CHOICE, INC.**

### Section 1: Name

The name of the non-profit corporation is A Public School of Choice, Inc. (the “Corporation”), duly authorized under the statutes of the State of North Carolina.

### Section 2: Principal Office

The principal office of the Corporation is located in the City of Hillsborough, in Orange County, in the State of North Carolina. The street address of the registered office of the Corporation is 1100 NC Highway 57 North, Hillsborough, North Carolina, 27278 and the registered agent at such address is the Executive Director of Eno River Academy.

## **ARTICLE II: Purposes**

### Section 1: Purposes

The purpose of the Corporation is to establish and sustain Eno River Academy (formerly Orange Charter School), a charter school under North Carolina Charter School Statues, and to pursue related educational endeavors.

## **ARTICLE III: Membership in the Corporation**

### Section 1: Membership Qualification

Membership in the Corporation is composed of families with children attending Eno River Academy (“ERA”) and staff members of Eno River Academy, excluding the Executive Director, the Upper School Principal and the Lower School Principal. The Executive Director, the Upper School Principal and the Lower School Principal are referred to hereinafter as the “Senior Administrators”. Each family of the Corporation who has a child attending Eno River Academy shall have the right to cast one vote per family in the annual Board of Director elections. Staff members with children attending Eno River Academy shall cast one vote and one vote only, in the annual Board of Director elections. The remainder of the staff members’ votes may only be counted if at least forty percent (40%) of the families in the membership have cast votes.

## **ARTICLE IV: Board of Directors**

### Section 1: Powers

The activities, affairs and business of the Corporation shall be conducted by or under the direction of the Board of Directors.

### Section 2: Mission

The mission of the Board of Directors is to provide Eno River Academy with *oversight* rather than *day-to-day management* of operations.

### Section 3: Number, Qualifications, Election, and Tenure

- a) The number of persons constituting the Board of Directors shall be ten (10) with seven (7) voting members and three (3) non-voting members. In addition, in certain years there

may be one (1) additional voting member of the Board of Directors serving a one-year term as Past Chairperson as described below:

#### Voting Directors

- Six (6) parents of students attending Eno River Academy (“parents” include legal guardians and grandparents) elected by the Corporation. Parent Directors shall not include spouses, partners or immediate family members of the ERA staff, administrators or other Parent Directors.
- One (1) member of the community, not affiliated with Eno River Academy, elected by the Board of Directors (Community Director)
- If elected by the Board, the one (1) immediately preceding Chairperson of the Board may serve an additional one-year term on the Board. This Past Chairperson seat shall only be available in the year immediately following the expiration of the term of a Board member who served as Chairperson in the final year of their three-year term.

#### Non-Voting Directors

- The three (3) Senior Administrators; the Senior Administrators will have no voting authority.

The three (3) Senior Administrators are members of the Board of Directors, but they do not have any voting authority and they will act in an advisory capacity to the voting members of the Board. On any personnel matter pertaining to a Senior Administrator, the applicable Senior Administrator(s) shall recuse themselves in accordance with the conflict of interest procedures in Section IV.14 below.

- b) A person needs to be at least twenty-one (21) years of age to serve as a Director.
- c) Individuals become voting Directors in the following ways:
  - The six parent Directors are elected by the members of the Corporation.
  - The one non-parent Community Director is nominated to the Board; the individual may then become a Director with, and only with, a majority vote of the Board. The Community Director shall serve on the Board for a period of one year with no term limit.

The one immediately preceding Chairperson Director with, and only with, a majority vote of the Board. This Past Chairperson seat shall only be available in the year immediately following the expiration of the term of a Board member who served as Chairperson in the final year of their three-year term.

Elections are held once per year (in April or May). The non-parent community Director’s nomination and appointment will take place during the same month as the election. If applicable, the Past Chairperson’s nomination and appointment will also take place during the same month as the election.

- d) Each parent Director shall serve on the Board for a period of three (3) years, with a maximum of three (3) consecutive three year terms. Directors shall be elected on a rotating schedule years (Schedule One, Schedule Two, and Schedule Three). The Three-year term schedule shall over-lap as follows:

Schedule One (year one election)	Schedule Two (year two election)	Schedule Three (year three election)
Parent Director A	Parent Director C	Parent Director E
Parent Director B	Parent Director D	Parent Director F
Community Director	Community Director	Community Director
Past Chairperson (if applicable)	Past Chairperson (if applicable)	Past Chairperson (if applicable)

#### Section 4: Duties

- a) Directors shall perform any and all duties imposed on them collectively and individually by law, the Articles of Incorporation or by these by-laws. Directors shall stand in a fiduciary relation to the Corporation and shall discharge the duties of their respective positions in good faith, in the best interests of ERA, and with that diligence and care which reasonably prudent persons would exercise in similar circumstances and like positions.
- b) Directors shall appoint, remove, and employ the Executive Director of the Corporation.
- c) Directors shall meet at such times and places as required by these by-laws. The Board will consider a Director with three consecutive un-excused absences from regular meetings as having resigned.
- d) Directors shall register their address with the Secretary of the Corporation.

#### Section 5: Regular Meetings

Regular meetings shall be held at an Eno River Academy school facility (920 Corporate Dr., Hillsborough, NC or 1100 NC Highway 57 North, Hillsborough, NC) at least eight (8) times per year unless otherwise designated by the Chairperson of the Board of Directors, by written call of a majority of its Directors, or by resolution of the Board. A regular annual meeting of the Board of Directors shall be held with an emphasis on orientation and training of the Board of Directors. Each officer shall be elected by the Board of Directors at the first regular session meeting following the Board elections. The Board shall follow NC Open Meetings Laws.

#### Section 6: Substitute Regular Meetings

If any regular meeting shall not be held as designated in Section 5 above, a substitute meeting may be called by the Chairperson or by two or more of the Directors. This meeting may be designated as a regular meeting. When substituting regular meetings, the Board will follow NC Open Meetings Laws

#### Section 7: Special Meetings

The persons authorized to call Special Meetings of the Board are the Chairperson or at least two other Directors. All Directors must be notified not less than four (4) days in advance of the place

and time of a Special Board Meeting, such notice to be made pursuant to Section 8, below. An emergency meeting can be called by the chair or two other Directors within 24 hours with the notification of all Board of Directors by e-mail and phone. Emergency meetings are closed meetings and do not require public notice, no official vote can take place at an Emergency meeting.

#### Section 8: Notice of Meetings

Notice of any regular meeting shall be given to the public and Directors at least one-week (seven days) prior thereto. Notice of any special meeting of the Board of Directors shall be given at least four (4) days prior thereto. All notices shall be communicated to the Directors and the public by mail, email, fax, newspaper, school website, or other reasonable venues and will be posted at a central location on school grounds.

#### Section 9: Quorum

Two-thirds of the voting Directors of the Board of Directors at a meeting duly assembled shall constitute a quorum for the transaction of business. If less than a quorum is present at the time and place of any meeting, the Directors present may adjourn until a quorum shall be present.

#### Section 10: Voting

Except as otherwise expressly provided by statute, or by the Charter of the Corporation, or by these by-laws, the action of a majority of the Directors present at a meeting in which there is a quorum shall be the action of the Board of Directors. A Director present at a meeting where there is an action on corporate matters, shall be presumed to have assented to the action taken unless a contrary vote is recorded into the minutes of the meeting.

#### Section 11: Resignation of Directors

A Director may resign at any time by giving notice in writing to the Chairperson or Secretary of the Corporation. Such resignation shall take effect at the time specified, or if no time is specified, at the time such resignation is received by the Chairperson or Secretary.

#### Section 12: Vacancies

When a vacancy or vacancies occur, either by death, resignation, removal from office or for any other reason than the end of a term, the remaining Directors will review applications submitted, and elect the applicant(s) seeking to become Directors. Applicants may be elected with less than a quorum present. An application shall include a resume and explanation of why the individual is seeking Directorship. The sitting Directors may conduct interviews with the applicants. If an applicant is approved as a new Director, s/he shall serve out the term of the Director that s/he succeeds.

#### Section 13: Compensation

Directors shall serve without compensation for their services to the Board. However, a person who is a Director may receive compensation for serving in another capacity at ERA for which there should be reasonable compensation, e.g., compensation as a substitute teacher for a short period of time.

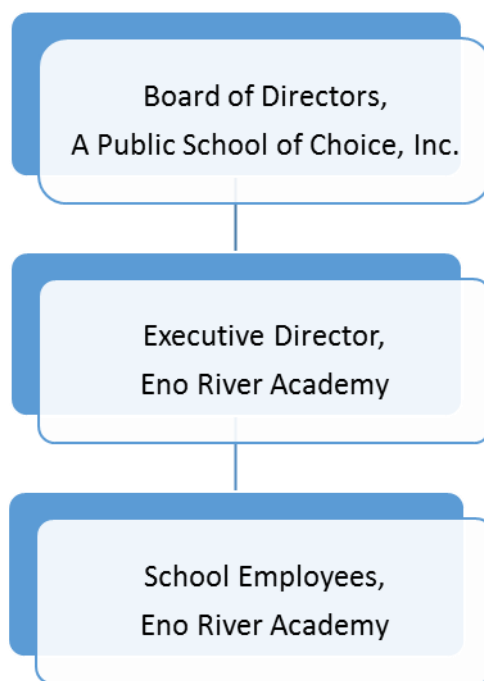
#### Section 14: Director's Conflict of Interest

All Directors shall comply with the requirements in Article VII, Section 5 of these by-laws concerning conflicts of interest.

#### Section 15: Certain Director Liability

A Director shall be subject to the liabilities imposed by law upon Directors. In addition, all Directors who vote for or assent to any distribution of assets of the Corporation contrary to any lawful restrictions in the Non-profit Corporation Act of the State of North Carolina, the corporate Charter, or the by-laws, shall be jointly and severally liable to the Corporation for the amount of such distribution. Furthermore, such liabilities shall not exceed the debts, obligations and liabilities existing at the time of the vote or assent where the Director relied and acted in good faith on financial statements of the Corporation to be correct and to be based on generally accepted principles of sound accounting practice by the Chairperson or the Treasurer, or certified by an independent public accountant or firm of such accountants to fairly reflect the financial condition of the Corporation.

#### Section 16: Organizational Chart of School Governance



### **ARTICLE V: Officers**

#### Section 1: Designation of Officers

The officers of the Board of Directors of this Corporation shall include the: Chairperson, Vice-Chairperson, Secretary and Treasurer. The Past Chairperson position shall be an officer position in the years in which there is a Past Chairperson. The Directors may designate and fill other corporate offices as needed. Any two offices or more may be held by one person, except the

office of Chairperson, Secretary, and Treasurer. No officer shall sign or execute any document in more than one capacity.

#### Section 2: Election, Term of Office and Qualifications

Each officer shall be elected by the Board of Directors at the meeting following the Annual Meeting. These officers shall hold office during the fiscal year after their election. Other officers, as needed, may be appointed in accordance with the provisions of Section 3 of this Article and may be elected by the Board, except as noted in Article VI, Section 13. No full-time employee of the Corporation may be an officer of the board or chair Grievance or Personnel Committees. The same position of office may be maintained by one Director for no more than three (3) consecutive years (not terms).

#### Section 3: Subordinate Officers and Agents

The Board of Directors may appoint other officers or agents to chair committees, each of whom shall hold office for such period, have such authority, and perform such duties as the Board of Directors may determine. The Board of Directors may delegate to any officer or agent the authority to appoint any subordinate officer or agent and to prescribe the respective authorities or duties.

#### Section 4: Duties

Officers shall stand in a fiduciary relation to the Corporation and shall discharge the duties of their respective positions in good faith, in the best interests of ERA, and with that diligence and care which reasonably prudent persons would exercise in similar circumstances and like positions.

#### Section 5: Removal

The officers specifically designated in Section 1 of Article V may be removed either with or without cause, by vote of the majority of the Board of Directors present at any regular meeting; or at a special meeting of the Board called for the purpose. The officers appointed in accordance with the provisions of Section 3 of this article may be removed, either with or without cause, by the Board of Directors, by a majority vote of the Directors present at any meeting. The removal of any person from office shall be done without prejudice to the contract rights, if any, of the person so removed.

#### Section 6: Resignations of Officers

Any officer may resign from their officer position at any time by giving written notice to the Board of Directors or to the Chairperson or Secretary of A PUBLIC SCHOOL OF CHOICE, INC., or if that officer was appointed by an officer or agent in accordance with Section 3 of this Article, by giving written notice to the appointing office or agent. If the resigning officer also wishes to resign from their position as a Director, the procedure described in Section 11 of Article IV is applicable.

#### Section 7: Vacancies

A vacancy in any office because of death, resignation, removal or disqualification, or any other cause, shall be filled for the unexpired portion of the term of such office in the manner prescribed by these by-laws for regular appointments or elections to such offices.

#### Section 8: Executive Director

The Executive Director shall have general charge of the business and affairs of the Corporation and control over its employees, to the extent and scope authorized by the Board of Directors". The Executive Director shall perform such other duties as may be assigned by the Board of Directors, including management of day-to-day operations.

#### Section 9: Chairperson

The Chairperson shall have general charge of the business and affairs of the Board of Directors. The Chairperson has the responsibility for conducting meetings. The Chairperson shall perform such other assigned duties as may be assigned by the Board of Directors.

#### Section 10: Vice-Chairperson

At the request of the Chairperson, or in absence or disability of the Chairperson, the Vice-Chairperson shall perform all the duties of the Chairperson and when so acting, shall have the powers of and be subject to, all the restrictions upon the Chairperson.

#### Section 11: Secretary

The Secretary (or designee) shall keep the minutes of the meetings of the Board of Directors and shall see that all notices are duly given in accordance with the provisions of these by-laws or as required by the law. The Secretary shall be the custodian of the statements, books, records, reports, certificates, and other documents of the Corporation and the seal of the Corporation, and see that the seal is affixed to all documents requiring such seal. The Secretary shall perform all duties and possess all authority incident to the office of Secretary, and such other duties and have such other authority as may be assigned by the Board of Directors. The Secretary (or designee) shall compile a Board history by saving and documenting evidence of significant Board activity. Evidence may exist in the form of documentation, photographs, audio or videotape, a scrapbook, etc. The Secretary shall also orient his/her successor and turn over all material. The Board may direct the Secretary's activities.

#### Section 12: Treasurer

The Treasurer shall have supervision over the funds, receipts, disbursements and securities of the Corporation. The Treasurer shall perform such other duties and have such other authority as may be assigned or granted by the Board of Directors. The Treasurer may be required to give a bond for the faithful performance of the duties of the office in such form and amount as the Board of Directors may determine.

#### Section 13: Duties of Officers May be Delegated

In case of absence of any officer of the Corporation or for any other reason that the Board may deem sufficient, the Board may delegate authority of duties of such officer to any other officer or to any Director provided a majority of the entire Board of Directors concurs therein.

### **ARTICLE VI: Procedures and Restrictions**

#### Section 1: Contracts



Except as otherwise provided in these by-laws, the Board of Directors may authorize any officer or agent to enter into any contract or to execute or deliver any instrument on behalf of the Corporation, and such authority may be general or confined to specific instances.

#### Section 2: Loans

No loans shall be contracted on behalf of the Corporation and no evidences of indebtedness shall be issued in its name, unless and except as authorized by the Board of Directors. Any officer or agent of the Corporation thereunto so authorized may affect loans or advances for the Corporation and for such loans and advances may make, execute, and deliver promissory notes, bonds, or other evidences of indebtedness of the Corporation.

#### Section 3: Deposits

All funds of the Corporation shall be deposited to the credit of the Corporation in such banks or trust companies or with such bankers or other depositories as the Board of Directors may select, or as may be selected by any officer or agent of the Corporation to whom such power may, from time to time, be given by the Board of Directors.

#### Section 4: Checks, Drafts

All notes, drafts, acceptances, checks and endorsements or other evidences of indebtedness shall be signed by the Chairperson or Vice-Chairperson and by the Secretary or the Treasurer, or in such other manner as the Board of Directors may determine. Endorsements for deposit to the credit of the Corporation in any of its duly authorized depositories will be made by the Executive Director or Treasurer or by any officer or agent who may be designated by resolution of the Board of Directors in such manner as such resolution may provide.

#### Section 5: Gifts

The Board of Directors may accept on behalf of the Corporation any contribution, gift, bequest, or devise for the general purposes or for any special or educational purposes of A PUBLIC SCHOOL OF CHOICE, INC.

### **ARTICLE VII: General Provisions**

#### Section 1: Corporate Seal

The Corporate Seal shall be in such form as shall be approved by the Board of Directors.

#### Section 2: Fiscal Year

The fiscal year of the Corporation shall be established by resolution of the Board of Directors.

#### Section 3: Amendments to By-laws

These by-laws may be altered, amended, or repealed, and new by-laws may be adopted at any regular or special meeting upon a minimum of a two-thirds vote of the Directors then in office; provided however, that notice shall be given of the intention to alter, amend, or repeal or adopt new by-laws at such meeting at least ten (10) business days prior to such meeting in writing delivered personally or sent by mail, email, telegram or fax to the address of each Director as shown on the records of the Corporation.

#### Section 4: Books and Records

The Corporation shall keep correct and complete books and records of accounts and shall keep minutes of the proceedings of its Board of Directors.

#### Section 5: Conflicts of Interest

a) No Director, officer, or employee of the Corporation shall obtain any direct or indirect economic stake in any entity participating in the programs of the Corporation, and the Corporation shall not employ any individual who serves as a director or officer of such entity, or an individual who owns a stake in any such entity. It is the policy of the Corporation that no Director, officer, or employee of the Corporation shall receive any personal or private benefit resulting from the activities of the Corporation or from the receipt by the Corporation of funds from the State of North Carolina or from any other source, apart from reasonable compensation for services rendered and reimbursement for reasonable expenses incurred in the conduct of the business of the Corporation. In furtherance of this policy, the Board of Directors shall have the power to make such rules and regulations concerning conflicts of interest as it deems appropriate from time to time.

b) If any Director has a potential monetary or non-monetary conflict of interest in a corporate decision, such Director must make full disclosure to the Board of the potential conflict as soon as such Director knows, or should know of its existence. Upon full disclosure, the Board may approve the transaction only by a good faith vote of a majority of the disinterested Directors at a Board meeting where a quorum is present. A quorum is present for the purpose of taking action under this section if a majority of the Directors who have no direct or indirect interest in the transaction vote to authorize, approve, or ratify the transaction. No such transaction may be approved if it would constitute self-dealing prohibited under sections 4941 of the Internal Revenue Code of 1986, or the corresponding provisions of any later federal tax laws, or if it would result in the imposition of any excise tax under any other provision of Chapter 49A of the Internal Revenue Code of 1986, or the corresponding provisions of any later federal tax laws. On any personnel matter pertaining to a Senior Administrator, the applicable Senior Administrator(s) shall recuse themselves from the Board discussion(s) and vote(s).

c) No voting Director shall be an employee of a for-profit company that provides substantial services to ERA for a fee.

d) (1) Prior to hiring any employee or engaging any independent contractor who is an "immediate family member" of a Director or an ERA employee with supervisory authority, such proposed employment or engagement shall be: (A) disclosed to the Board of Directors, and (B) approved by the Board of Directors in a duly called open session meeting. The term "immediate family member," as defined in G.S. 115C 12.2, means a spouse, parent, child, brother, sister, grandparent, or grandchild. The term includes the step, half, and in-law relationships.

(2) The burden of disclosure of such a conflict of interest shall be on the applicable Director or employee with supervisory authority. If and only if the requirements of this subsection are complied with, ERA may employ the immediate family member or the Director or ERA employee with supervisory authority

e) A person shall not be disqualified from serving as a member of ERA's Board of Directors because of the existence of a conflict of interest, so long as the person's actions comply with:

- (1) ERA's conflict of interest policy as provided in this section; and
- (2) applicable law.

f) No teacher or staff member that is an “immediate family member” (as such term is defined in subsection (d) above) of the Executive Director shall be hired without the Board of Directors evaluating their credentials, establishing a structure to prevent conflicts of interest, and notifying the North Carolina Department of Public Instruction with evidence that this process has occurred.

g) The requirements of Chapter 55A of the General Statutes related to conflicts of interest are incorporated by reference herein.

#### Section 6: Officer and Director Indemnification

The Corporation shall indemnify any Director, officer or former Director or officer of the Corporation or any person who may have served at its request as a Director or officer of another corporation, partnership, joint venture, trust, or other enterprise against liabilities and reasonable litigation expenses, including attorneys’ fees, incurred by the Director in connection with any action, suit or proceeding in which that Director is made or threatened to be made a party by reason of being or having been such Director or officer, except in relation to matters as to which the Director shall be adjudged in such action, suit or proceeding to have acted in bad faith or to have been liable or guilty by reason of willful misconduct in the performance of duty. The indemnification authorized by this Section 6 (a) shall be in addition to that permitted by General Statutes Sections 55A-17.2 or 55A-17.3 or North Carolina General Statutes or as authorized in these by-laws.

The Corporation may purchase and maintain insurance on behalf of any person who is or was a Director, officer, employee or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee, or agent of the Corporation, partnership, joint venture, trust, or other enterprise against any liability asserted against and incurred by the person in such capacity, or arising out of the officer’s status as such, whether or not the Corporation would have the power to indemnify that officer against such liability.

Expenses incurred by a Director, officer, employee or agent in defending a civil or criminal action, suit, or proceeding may be paid by the Corporation in advance of the final disposition of such action, suit or proceeding as authorized by the Board of Directors in the specific case upon receipt of an undertaking by or on behalf of the Director, officer, employee or agent to repay such amount unless it shall be ultimately determined that the person is entitled to be indemnified by the Corporation as authorized in Section 55A-17.2 or 55A-17.3 of North Carolina General Statutes or as authorized in these by-laws.

#### Section 7: Meeting Regulation

All meetings of the Corporation including annual, special, and other shall be governed by Robert’s Rules of Order.

Section 8: Gender

The masculine gender used in these by-laws shall include both the feminine and the masculine persons.

Section 9: Prohibited Activities

The Corporation shall comply with 501(c)3 prohibitions against substantial lobbying and involvement in political campaigns for public candidates. No part of the net earnings of the Corporation shall inure to the benefit of or be distributable to, its Directors or officers.

Notwithstanding any other provisions of these by-laws, the Corporation shall not carry on any other activities not permitted to be carried on (a) by corporations 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 17Q(c)(2) of the Internal Revenue Code.

Section 10: Disposal of Assets

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 the assets of the Corporation as directed pursuant to North Carolina General Statutes.

The undersigned persons certify the foregoing by-laws have been adopted as the revised by-laws of the Corporation, in accordance with the requirement of the Corporation Law.

Date: August 17, 2017

\_\_\_\_\_  
Voting Director (Parent)

\_\_\_\_\_  
Voting Director (Parent)

\_\_\_\_\_  
Voting Director (Parent)

\_\_\_\_\_  
Voting Director (Community Member)

\_\_\_\_\_  
Non-Voting Director (Administrator)

\_\_\_\_\_  
Voting Director (Parent)

\_\_\_\_\_  
Voting Director (Parent)

\_\_\_\_\_  
Voting Director (Parent)

\_\_\_\_\_  
Non-Voting Director (Executive Director)

\_\_\_\_\_  
Non-Voting Director (Administrator)

STATE OF NORTH CAROLINA, COUNTY OF ORANGE