

Bylaws of the Governing School Board of Quality Education Institute of Durham

PREAMBLE

These bylaws are set forth to define the scope of operations for the Governing School Board of the Quality Education Institute of Durham and to delineate the authority exercised over the Governing School Board by the Quality Education Institute Executive Board, the members of which exercise final authority in determining the success, failure, or dissolution of Governing Board based on annual reviews of the Governing Board's performance.

ARTICLE I

Purposes

The purposes for which Quality Education Institute of Durham (the "School") is organized are: to organize and operate a school that encompasses elementary, middle, and high schools in Durham, North Carolina, and to engage in any other activity permissible. The School created and operated pursuant to North Carolina General Statutes Subchapter X, Article 39, as the same may be amended. The Governing School Board represents a private entity and individual members are considered private citizens.

ARTICLE II

Board Members

Section 1: The Governing School Board ("the Board") shall have an odd number of members consisting of at least 9 Members and no more than 15 Members. All Members shall have identical rights and responsibilities.

Section 2: Board members shall be sought who reflect the qualities, qualifications and diversity determined by the Executive Board.

Section 3: The School nominating committee, known as the Committee on Membership, shall present a slate of potential Members for election by the Board Members. This slate shall be presented at the annual meeting of the Board.

Section 4: Except as provided for the initial Members, Members shall serve a term of two (2) years from the date of their appointments, or until their successors are seated. A full two-year term shall be considered to have been served upon the passage of two (2) annual meetings. After election, the term of a Board Member may not be reduced, except for cause as specified in these bylaws. No Board Member shall serve more than two (2) consecutive, two-year terms. Members shall take office on July 1 following the annual meeting at which their appointment is announced. Fulfilling an incomplete term is not considered part of the term limit. Members shall serve staggered terms to balance continuity with new perspective. One half of the initial Members shall serve initial terms of two (2) years; one half shall serve initial terms of one (1) year. Subject to the foregoing provisions, the Chair shall assign the term limits of the initial Members.

Section 5: Any vacancy occurring in the Governing School Board and any position to be filled by reason of an increase in the number of Members may be filled, upon recommendation of a qualified candidate by the Committee on Membership, by the affirmative vote of the majority of the seated Members. A Board Member elected to fill the vacancy shall be elected for the unexpired term of his/her predecessor in office.

Section 6: A Board Member may resign at any time by filing a written resignation with the President of the Board.

Section 7: The Board may remove any Officer or Board Member with or without cause by two-thirds (2/3) vote of the entire Governing School Board at any regular or special meeting of the Board, provided that a statement of the reason or reasons shall have been mailed by Registered Mail to the Officer or Board Member proposed for removal at least thirty (30) days before any final action is taken by the Board. This statement shall be accompanied by a notice of the time when, and the place where, the Board is to take action on the removal. The Officer or Board Member shall be given an opportunity to be heard and the matter considered by the Board at the time and place mentioned in the notice.

Section 8: Members of the Governing School Board:

- (a) Shall receive no payment of honoraria, excepting, subject to applicable law, reimbursement for expenses incurred in performance of voluntary activities on behalf of the School in accordance with the School's policies.
- (b) Shall serve the School with the highest degree of undivided duty, loyalty, and care and shall undertake no enterprise to profit personally from their position with the School.
- (c) Shall have no direct or indirect financial interest in the assets or leases of the School; any Board Member who individually or as part of a business or professional firm is involved in the business transactions or current professional services of the School shall disclose this relationship and shall not participate in any vote taken with respect to such transactions or services.

The Governing School Board holds the Articles of Incorporation from the state and is therefore responsible for ensuring that QEI complies with all applicable laws and regulations, as well as ensuring that the School is an academic success, organizationally viable, faithful to the terms of its Articles of Incorporation.

All participants in Board work shall comply with all laws and regulations, will be bound by the Code of Conduct, Conflict of Interest and Confidentiality policy statements, if any, adopted by the Board. Unless determined to be inadvisable in any given year by vote of the Members, every fiscal year, the Board shall participate in a board training workshop, planned by the Committee on Membership, to evaluate Board progress and enhance Board performance.

Section 9: The Board Members shall:

- (a) Have authority to adopt, amend, or repeal the bylaws, with the approval of the State of North Carolina Department of Administration, Division of Nonpublic Education;

- (b) Amend the material terms of the Articles of Incorporation, with the approval of the School's Executive board;
- (c) Determine general school policies;
- (d) Manage financial affairs;

ARTICLE III
Officers

Section 1: There shall be four (4) elective Officers of the Board: a President, a Vice President, a Secretary, and a Treasurer.

- (a) Board President: Is elected by the Board Members to Chair meetings of the Board Members and to formally communicate positions voted by the Board Members. He or she shall set the agenda for and make regular reports on the status of the School to the Board Members and the Executive Board. The Board President shall nominate Committee Chairs and memberships subject to confirmation votes by the Board Members.
- (b) Vice President: May be elected by the Board Members to exercise all of the duties of the Board President in his or her absence. The Vice President shall undertake such other duties as voted by the Board Members.
- (c) Treasurer: Is elected by the Board Members and is responsible for the general financial affairs of the School and shall keep full and accurate records thereof which shall always be open to inspection by the Board President or other Members. The Treasurer shall render to the Board President or other Members whenever they require it, a statement of the accounts of transactions made as Treasurer and of the financial condition of the School.
- (d) Secretary: Is elected by the Board Members and is responsible for the record of the proceedings of all meetings of the Members and of the Board Members. The Secretary shall notify the Members and Members of all regular meetings in accordance with these by-laws.

Section 2: The Membership Committee shall present a slate of Officers to the Board Members. The nominated Officers shall be drawn from among the members of the Board. The election of Officers initially shall be held at the first public meeting of the School and thereafter at the annual meeting of the Board.

Section 3: The newly elected Officers shall take office on July 1 following the close of the meeting at which they are elected and the term of office shall be one year, or until respective successors assume office. A Board Member may serve more than one (1) term in the same office, but not more than two (2) consecutive terms in the same office.

Section 4: In the event that the office of the Chair becomes vacant, the Vice-Chair shall become Chair for the unexpired portion of the term. In the event that the office of Vice-Chair or Secretary-Treasurer becomes vacant, the Chair shall appoint interim Officers to fill such vacant offices until a scheduled meeting of the Board can be held.

ARTICLE IV
Meetings

Section 1: Notice shall be given of the date, time, and location of all meetings (regular, special, or annual) in accordance with policies set forth by the Governing School Board. The annual meeting of the Board Members shall occur _____. There shall be at least 9 other regular meetings of the Board held on the first Friday of the month. Notice shall be given to each Board Member ten (10) days prior to the date of every regular meeting of the Board and shall include the meeting agenda, the time and place of the meeting and any other information as the Chair may deem appropriate. To the extent required by law, public notice of meetings shall also be given. A record of

every meeting will be kept, including the date, time, and location of the meeting, the members present or absent, and all action taken at the meeting, in compliance with The North Carolina's Nonprofit Corporation Act (North Carolina GS 55A-3-07).

Section 2: Special meetings of the Board Members may be called by the Chair or by a majority of the Board filing a written request for such a meeting with the Chair and stating the object, date, and hour therefore, due notice having been given each Board Member five (5) calendar days prior to the meeting.

Section 3: One-half of the Members then in office shall constitute a quorum for the transaction of business at any regular or special meeting of the Board Members, except where otherwise required by these Bylaws. A majority of those assembled is required to take action.

Section 4: The Board shall conduct its meetings based on Robert's Rules of Order. Any such meeting, whether regular or special, complying with North Carolina GS 55A-8-20 shall constitute a meeting of the Board Members and shall subscribe to the policies, procedures, and rules adopted by the Board.

Section 5: Notice of all regular and special meetings of the Board, an agenda of all items to be discussed at such meetings, and agenda support materials shall be circulated to all Members prior to the meeting. Any Board Member may waive notice of any meeting. The attendance of a Board Member at any meeting also shall constitute a waiver of notice of such meeting, except where a Board Member attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Section 6: Voting by Members by proxies shall not be permitted.

Section 7: An absentee Board member may not designate an alternate to represent him or her at a Board meeting.

ARTICLE V

Staff

The Board Members shall have the discretion to appoint a chief staff person (in conjunction with advice of the School's Executive Board), who shall be responsible for carrying out the work of School in accordance with the policies established from time to time by the Board Members.

ARTICLE VI

Executive Committee

Section 1: There shall be an Executive Committee comprised of the officers of the School Board. The Executive Committee shall be convened by the Chair when it is not possible to convene the Board in a timely fashion, or shall be authorized to act on behalf of the Board by action of the Board. Actions of the Executive Committee shall require ratification by the full Board Members at its next meeting.

Section 2: The Executive Committee shall not serve as an intermediary between the Board and its committees or task forces. The Board Members may delegate to the Executive Committee, to the extent provided in a specific resolution, any of the Board's powers and authority, except with respect to:

- (a) the filling of vacancies on the Board Members or in any committee which has the authority of the Board;
- (b) the amendment or repeal of Bylaws or the adoption of new Bylaws;
- (c) the amendment or repeal of any resolution of the Board Members which provides that such resolution may not be amendable or repealable by the Executive Committee;
- (d) the approval of any self-dealing transactions;
- (e) the sale, transfer, or distribution of all or substantially all of the assets of the School;
- (f) the sale, transfer, or purchase of real property;
- (g) the merger or dissolution of the School;
- (h) the appointment of committees of the Board Members or the members thereof;
- (i) the setting of the budget or approval of audits; and
- (j) any action prohibited by the Articles of Incorporation, these Bylaws, or the laws of the State of North Carolina.

ARTICLE VII

Other Committees and Task Forces

Section 1: The Chair shall appoint all committees or task forces of the Board except the Membership Committee. Committees may be composed of Members and community members. Committees composed of community members must have at least one member who is also a member of the Board Members. The Board may prescribe the responsibilities and the composition of such committees. Except as otherwise provided in Section 3 of this Article VII, the Chair shall appoint the chair of each committee.

Section 2: There shall be four (4) standing committees. These shall include: (1) the Membership Committee; (2) the Finance Committee; (3) the Fundraising Committee, and (4) the Outcomes Committee.

- (a) Membership Committee shall be composed of persons recommended by the Chair and elected by the Board Members at its annual meeting:
 - (i) Review the qualifications of candidates and presentation of a slate of the best qualified nominees for the vacant Board Member positions on the Board;
 - (ii) Recommend candidates to the Board to fill vacancies that arise outside the regular nominating process;
 - (iii) Provide of ongoing orientation to Members;
 - (iv) Oversight of the Board Member assessment process to ensure optimum performance;
 - (v) Create/modify Board Member and Officer position descriptions to be submitted to the Board for approval; and
 - (vi) Make recommendations with respect to the annual retreat of the Board and planning of said retreat consistent with board directives.

- (b) Finance Committee. It is the responsibility of the finance committee to:
 - (i) Conduct preliminary preparations for the annual budget.
 - (ii) Monitor the monthly financial operation of the school.
 - (iii) To recommend tuition and subsidy rates for the year.
 - (iv) To make recommendations regarding delinquent accounts.

- (c) Fundraising Committee. The fund raising committee shall:
 - (i) Understand what federal, state, and private grants are available for accredited and unaccredited private schools.
 - (ii) Write grant proposals as appropriate and assure to fulfill requests for proposals prior to the deadlines set by the granting agencies.
 - (iii) Conduct fund raising activities for school.
 - (iv) Work closely with the Finance Committee to determine the need for fund raising activity.

- (v) Present an oral and written report on committee progress at board meetings
- (d) Outcomes committee. Members of the outcomes committee shall:
 - (i) Review the school's curriculum and academic offerings and make changes to the curriculum in collaboration with the school's lead teacher and principal.
 - (ii) Track outcomes for students as they leave QEI to attend other schools.
 - (iii) Remain knowledgeable of State requirements as they affect private schools in North Carolina and assure dissemination of information regarding changes as they become necessary.
 - (iv) Collect and maintain data about the school's overall performance on nationally standardized tests.

ARTICLE VIII

Fiscal Year

The fiscal year of the School shall begin on July 1st and terminate on June 30th of the following year.

ARTICLE IX

Rules of Order

Except where they may be in conflict with the Articles of Incorporation or Bylaws of the School, the rules of order in the current edition of Robert's Rules of Order shall govern the conduct of all meetings of the School.

ARTICLE X

Indemnification

The School shall, to the extent legally permissible, indemnify each person who may serve or who has served at any time as an Officer or Board Member of the School, against all expenses and liabilities (including counsel fees, judgments, fines, excise taxes, penalties and amounts payable in settlements) reasonably incurred by or imposed upon such person in connection with any threatened, pending or completed action, suit or other proceeding, whether civil, criminal, administrative, or investigative, in which such person may become involved by reason of such person's serving or having served in such capacity (other than a proceeding voluntarily initiated by such person unless such person is successful on the merits, the proceeding was authorized by the School or the proceeding seeks a declaratory judgment regarding such person's own conduct); provided that no indemnification shall be provided for any such person with respect to any matter as to which such person shall have been finally adjudicated in any proceeding as not having acted in good faith in the reasonable belief that his or her action was in the best interests of the School. Further, such indemnification shall extend to any matter disposed of by a compromise payment by such person, pursuant to a consent decree or otherwise, so

long as the payment and indemnification thereof have been approved by the School, which approval shall not unreasonably be withheld, or by a court of competent jurisdiction. Such indemnification shall include payment by the School of expenses incurred in defending a civil or criminal action or proceeding in advance of the final disposition of such action or proceeding, upon receipt of an undertaking by the person indemnified to repay such payment if such person shall be adjudicated to be not entitled to indemnification under this article, which undertaking may be accepted without regard to the financial ability of such person to make repayment.

Where indemnification hereunder requires authorization or approval by the School, such authorization or approval shall be conclusively deemed to have been obtained and each Board Member of the School approving such indemnification shall be wholly protected if:

i) the payment has been approved or ratified (1) by a majority vote of a quorum of the Members consisting of persons who are not at that time parties to the proceeding, (2) by a majority vote of a committee of two or more Members who are not at that time parties to the proceeding and are selected for this purpose by the full Board Members (in which selection Members who are parties may participate), or (3) by a majority vote of a quorum of the Members of the School Community, which quorum shall consist of Members who are not at that time parties to the proceeding; or

ii) the action is taken in reliance upon the opinion or independent legal counsel (who may be counsel to the School) appointed for the purpose by vote of the Members or in the manner specified in clauses (1), (2) or (3) of subparagraph (i); or

iii) the payment is approved by a court of competent jurisdiction; or

iv) the Members have otherwise acted in accordance with the standard of conduct set forth in Chapter 180 of the General Laws of North Carolina.

Any indemnification or advance of expenses under this article shall be paid promptly, and in any event within 30 days, after the receipt by the School of a written request therefore from the person to be indemnified, unless with respect to a claim for indemnification the School shall have determined that the person is not entitled to indemnification. Unless otherwise provided by law, the burden of proving that such person is not entitled to indemnification shall be on the School.

The right to indemnification under this article shall be a contract right inuring to the benefit of the Officers and Members and no amendment or repeal of this article shall adversely affect any right of such Officer or Board Member existing at the time of such amendment or repeal.

The indemnification provided hereunder shall inure to the benefit of the heirs, executors and administrators of an Officer or Board Member.

The School shall maintain adequate insurance to cover the obligation to provide indemnification as enumerated above.

ARTICLE XIII
Amendments

These Bylaws may be amended at a regular meeting by a two-thirds vote of all Members then in office; provided that notice of the proposed amendment, together with a copy thereof, is mailed to each Board Member at least fifteen (15) days prior to the meeting at which the amendment is to be considered. All amendments are subject to the approval of the Executive Board.