

Foundation and Governance of ACA

BY-LAWS OF ASHEVILLE CHRISTIAN ACADEMY

ARTICLE I - NAME

The name of the corporation is -- "Asheville Christian Academy, Inc."

ARTICLE II - BASIS

The basis for this Corporation is the Word of God. In the light of this Word, we in our education program stand committed to the following:

1. The Bible is the Word of God, verbally inspired and inerrant as originally given, and is the supreme and final authority in faith and life.
2. God is Triune - one eternal God existing in three persons: Father, Son, and Holy Spirit. Man is created in His image. Creation and providence are revelatory of Him.
3. Christ is God manifested in the flesh, born of a virgin. He lived a sinless life, suffered, and died in our behalf; and He arose bodily from the grave, ascended, and is coming again in power and glory. Christ is the only mediator between God and man.
4. Regeneration by the Holy Spirit is absolutely fundamental to Christian life and should be basic in all preparation for life. By God's grace only and through faith alone are our children and we saved from sin and its evil consequences.
5. The present ministry of the Holy Spirit is to indwell the Christian, enabling him to live a godly life.
6. There will be a bodily resurrection of both the saved and the lost; they that are saved unto the resurrection of life, and they that are lost unto the resurrection of damnation.
7. The spiritual unity of believers is in our Lord Jesus Christ.
8. Parents are responsible for the education of their children. To bring them up in the Lord, they, through the agency of a Board, employ teachers who give evidence of a born-again life and who manifest ability to educate children morally and intellectually in the light of God's Word.
9. The pupils, being images of God, must be subject to His sovereign rule in their lives. Creation and providence (that which is taught), being God-revealing, must be presented as such. Such teaching makes for God-consciousness without which no Christian teaching is possible.
10. The doctrines stated in the first nine (9) sections of Article II are essential and indisputable. Some other doctrines have been debated by evangelical Christians over the centuries. It is the school's policy that students are not deprived of robust examination of any Biblical text, but it is always to be done with respectful consideration of the various historical interpretations. Additionally, a student raising a question concerning such a doctrine should be referred to his or her parents or pastor.

ARTICLE III - PURPOSE

The purpose of this Corporation shall be to provide the Christian family, in conformity with Article II, instruction of high academic quality so that the pupils may be prepared to take their place in the home, the church, the state, and their vocations or professions in a manner that is God-glorifying. This Corporation is to be a non-profit corporation designed to provide Christian education in a private school for those who qualify for it. In accordance with this purpose, each Corporation member, support staff member, faculty member, administrator, and at least one (1) parent of each enrolled student must be in full agreement with the Biblical doctrines of Article II.

A Christian family is understood to mean a legally married man and woman, and their children, in which at least one (1) parent is in full agreement with the Biblical doctrines of Article II. In single parent homes, a Christian family is understood to mean that the single parent or guardian is in full agreement with the Biblical doctrines of Article II. It is further understood that "Christian family" does not exist where there is cohabitation outside of legal marriage.

The Corporation in the conduct of its activities, including without limitation its educational activities, shall admit students of any race, color, national and ethnic origin in administration of its educational policies, admissions policies and other Corporation administered programs.

ARTICLE IV - MEMBERSHIP

There shall be one (1) class of members of the Corporation. Only members shall have the right to vote, hold elective office, or serve on any committee of the Corporation. Each applicant for membership must meet each of the following membership qualifications:

1. Be of the age of twenty-one (21) years or older.
2. Subscribe annually in writing to the provisions of the BASIS AND PURPOSE of the By Laws (Articles II and III).
3. Publicly professed in a church to being saved by grace through faith (Ephesians 2:8-9), through the atoning work of Christ on the cross (Article II.4), and be a member in good standing of, or in fellowship with, and a regular attender of a local church that holds to the basic doctrines in Article II of these Corporation By-Laws.
4. A member must be either:
 - A. The parent or legal guardian of a child currently enrolled in the school; or
 - B. A member or former member in good standing of the faculty, staff, or Board of Directors of the school; or
 - C. A grandparent or great grandparent of a child currently enrolled in the school; or
 - D. An alumnus, or parent of an alumnus, who graduated from the upper school; or
 - E. A person who shall have donated in cash, property, or services during the previous fiscal year in an amount that reflects the highest annual tuition of a full-time student according to the records of the Corporation. There shall be no more than fifty (50) members under this qualification.

5. Complete the Application for Corporation Membership and submit it to the Board of Directors to become a member of the Corporation.
6. Shall have fulfilled all his or her obligations to the school including payment to this Corporation of the annual tuition fees and any other charges for the education of his or her children.
7. The Board of Directors accepts such request for membership.

The Board of Directors shall determine whether the applicant for membership has met the membership qualifications in its reasonable discretion. Membership applications shall be turned in annually on or before October 15. Families who enroll after October 15 may submit applications for membership no fewer than seven (7) days prior to the Corporation Meeting. If the Board of Directors shall approve the applicant for membership by majority vote, the applicant shall immediately following such vote become a member of the Corporation without further notice. The Board of Directors shall act upon an application for membership within a reasonable time not to exceed ninety days. Applicants shall have the right to appear before the Board of Directors and establish their qualification for membership. The final decision of the Board of Directors to reject an application for membership shall be recorded in writing and filed with the Secretary of the Corporation.

A current record of all members shall be kept by the Secretary of the Corporation and such record shall be the sole and conclusive evidence of membership in this Corporation. Each member in good standing with the Corporation shall be entitled to one (1) vote. The membership rights of a member are personal to the member and shall not be transferable or assignable. Membership shall last until the end of the current fiscal year of the Corporation, after which membership must be re-established as provided above.

The Board of Directors of the Corporation shall have the right to suspend, terminate, or expel a member and otherwise affect the membership rights of such member when a member is found to be out of harmony with the above membership requirements or the member fails continuously to remain qualified as a member under the membership qualifications above. Such action taken by the Board of Directors to terminate the membership of a member shall be in a manner which is fair, reasonable, and carried out in good faith.

Any decision of the Board of Directors to reject an application for membership or to suspend or terminate a membership or expel a member may be challenged by such person by petition submitted in writing to the Board of Directors within thirty (30) days after the decision is made, which shall be the exclusive remedy. The petition shall be referred to binding arbitration by a panel of three (3) current members of the Corporation; one to be selected by the petitioner, one to be selected by the Board of Directors, and the third to be selected by the two arbitrators selected by the petitioner and the Board of Directors. The arbitration panel shall establish its own rules and its decision shall be final, not subject to any further litigation or appeal. Neither the petitioner nor the Board of Directors may bring legal counsel to the arbitration nor be represented by any other person at the arbitration, though the arbitration panel may hear the testimony of witnesses as it sees fit.

ARTICLE V - MEMBERSHIP MEETINGS

1. There shall be one (1) annual meeting of the membership of the Corporation each school calendar year.
2. The annual meeting shall be held on the second Monday of May or as otherwise determined by the Board of Directors. At the annual meeting, (1) the Board of Directors shall report to the membership of the Corporation on the affairs of the school, (2) the annual election of members of the Board of Directors shall take place, and (3) the membership of the Corporation shall transact any other business which is legally before it.
3. Special meetings besides the one (1) annual meeting may be called at any time by the Board of Directors or by the President of the Corporation at the written request of at least ten percent (10%) of the members of the Corporation. The notice of a special meeting shall state the reasons for calling the meeting.
4. Notice of meetings of the membership shall be given by the Secretary of the Corporation to each member of record entitled to vote at such meeting stating the time and place of the meeting and the purpose of the meeting (when required). Such notice shall be delivered by first class mail not less than twenty (20) nor more than sixty (60) days prior to the meeting or delivered personally or by electronic transmission not less than twenty (20) nor more than sixty (60) days prior to the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail with postage prepaid, addressed to the member at his/her address as it appears on the record of members of the Corporation. Notice of meetings may be waived by the signing of a written waiver of notice or by attending the meeting in person or by proxy without objections. At any meeting, one-fifth of the total membership present shall constitute a quorum. When questions of parliamentary procedure are raised, Robert's Rules of Order shall prevail.
5. When a meeting is adjourned to a different date, time or place, notice need not be given of the new date, time, or place if the new date, time or place is announced at the meeting before adjournment. If, however, a new record date for the adjourned meeting is fixed, notice of the adjourned meeting will be given to all members as of the new record date.
6. The record date for determining members entitled to vote at a meeting of members may be fixed by the Board of Directors from time to time, but failing which, whoever is a member in good standing on the date of the meeting is eligible to vote at that meeting.

ARTICLE VI - BOARD OF DIRECTORS

1. The Board of Directors' specific responsibilities shall include but are not limited to:
 - A. Representing the interests of the Corporation.
 - B. Serving the role of trustee of the school for future generations.
 - C. Protecting and preserving the Biblical and membership standards of the school.
 - D. Protecting the Spiritual and Financial Health of the School.
 - E. Recruiting, nominating and training New Board Members to ensure a vital Board is maintained.

- F. Hiring, supervising, evaluating and, if needed, dismissing the Head of the School.
 - G. Establishing the Ends/Strategic Mission for the School.
 - H. Developing Board policies which give the Head of School the guidance to run the school.
2. The Board of Directors of the Corporation shall consist of not more than fifteen (15) members of the Corporation nor less than nine (9). No more than five (5) of the members shall be elected at the annual meeting by the voting membership of the Corporation. (See the Addendum to these By-Laws)
 3. The manner of the Board election shall be as follows: At the annual meeting of the Corporation, those to serve on the Board of Directors for a term of up to three (3) years shall be elected by ballot from the nominees presented by the Board of Directors. Board members shall be eligible to serve two (2) successive terms and shall be eligible for re-nomination after a one (1) year absence from the Board of Directors. The term for newly elected Board members begins on July 1. The final Board of Directors meeting for Board members rotating off is also in June.
 4. The Board of Directors shall elect its own officers at least annually. The officers of the Board of Directors shall be the officers of the Corporation. The officers of the Board of Directors shall be President, Vice-President, Secretary and Treasurer. At all meetings, one-half membership of the Board of Directors shall constitute a quorum.
 5. When requested by one (1) of the Board members at any meeting, the Board of Directors shall be in executive session until the completion of the business for which such has been requested.
 6. The following requirements are necessary for a Corporation member to be eligible for membership on the Board of Directors:
 - A. The screening and recommendation of the Board Governance Committee.
 - B. The passion, giftedness, skills and availability to effectively fulfill the needs of the Board of Directors.
 - C. Active church membership in a church that ascribes fully to Article II of these By-Laws.
 - D. Prior significant volunteer service for the benefit of the Corporation as determined by the Board Governance Committee.
 - E. Satisfactory completion of the Board Training Program.
 - F. Demonstration of a clear Christian testimony that is consistent with the basis of the Corporation as outlined in Article II of these By-Laws.
 - G. Formal commitment of time that will be required for Board member duties.
 7. The following shall not be eligible for membership on the Board of Directors:
 - A. Any employee of the school.
 - B. An immediate family member (e.g., a parent, spouse, sibling, or child) of any employee of the school.
 - C. Any person who is not a member of the Corporation.
 - D. An immediate family member of any current Board member.

8. Regular meetings of the Board of Directors shall be held quarterly or as deemed necessary by the Board of Directors to accomplish its mission. Special meetings of the Board of Directors may be called by or at the request of the President or by any two (2) Directors. Regular meetings of the Board of Directors may be held without notice. The person or persons calling a special meeting of the Board of Directors shall, at least two (2) days before the meeting, give notice thereof by any usual means of communication including mail, email, telephone, and facsimile transmission. Such notice need not specify the purpose for which the meeting is called. Perfect attendance at all Board of Directors meetings is the ideal expected of all Board members save only for illness, calamity, or other extraordinary excuse.
9. A Board Director may be removed from office, with or without cause, by vote of a majority of the Board of Directors fixed by these By-Laws at any regular meeting or duly called special meeting of the Board of Directors. Vacancies on the Board of Directors caused by removal, death, resignation, or other cause may be filled by the remaining members of the Board of Directors to complete the unexpired term of the person or persons causing the vacancy, provided such vacancies do not exceed four (4) in number during the fiscal year. In the event that more than four (4) vacancies occur during the fiscal year, then such additional vacancies shall be filled by special election at a duly convened regular or special meeting of the membership of the Corporation by majority vote. In the event that a replacement chosen by the Board of Directors must be replaced, then such vacancy shall be filled by special election at a duly convened regular or special meeting of the membership of the Corporation by majority vote.

ARTICLE VII - DUTIES OF OFFICERS

1. The President shall preside at all meetings of the Board of Directors and of the Corporation and perform the other duties generally incumbent upon this office.
2. The Vice-President shall perform the duties of President in the latter's absence or disability.
3. The Secretary shall keep the minutes of the Board of Directors and Corporation, oversee the maintenance of the list of Corporation members and perform other duties associated with the office of such person.
4. The Treasurer shall assist the Board in the monitoring of its financial policies. The Treasurer shall present to the Board of Directors an annual financial report showing all income and expenses and significant additions of capital assets. The books of the school shall be audited by a qualified independent third party annually. The audited financial report for the fiscal year ending on the previous June 30 shall be available to Corporation members.
5. The Board of Directors, for the Corporation, shall engage in such activity as is necessary to conduct its work. Any action to acquire or dispose of real estate used by the school in its program must be ratified by a three-quarters vote of the members of the Corporation attending the meeting. However, it is the policy of the school that all gifts of property not useful in the school's program are ordinarily to be liquidated by the Board of Directors as quickly as practicable after they are received without the necessity of ratification by the Corporation.
6. The Head of School shall be designated by a three-fourths vote of the Board of Directors. The Head of School shall be responsible for the operation of the school according to the policies established by the Board of Directors and maintained in a

policy manual. Questions regarding the operation and administration of the school shall be referred to the Head of School.

The Head of School's specific responsibilities shall include but are not limited to the following section found in the Board Policy Manual:

- a. Fulfillment of the Ends Statement(s)
- b. Fulfillment of the Management Limitations

7. Any person who at any time serves or has served as a Director or Officer of the Corporation, or of any Corporation of which the Corporation is a member or sole shareholder, (whether at the request of the Corporation or otherwise), whether for profit or not for profit, shall have the right to be indemnified and shall be indemnified by the Corporation to the fullest extent permitted by law against (a) reasonable expenses, including but not limited to attorney fees, actually and necessarily incurred by such person in connection with the defense of any threatened, pending, or completed action, suit, or proceeding in which such person is made a party by being or having been such Director or Officer, and (b) reasonable payment made by such person in satisfaction of any judgment, money decree, fine, penalty, or proceeding, provided that this right to be indemnified by the Corporation shall in no event exceed that portion of reasonable expense and reasonable payment which is in excess of any and all available insurance proceeds.

The Board of Directors shall take all such action as may be necessary and appropriate to authorize the Corporation to pay the indemnification required by this Section, including without limitation, to the extent needed, making a good faith evaluation of the manner in which the claimant for indemnity acted and of the reasonable amount of indemnity due such person.

Any person who at any time after the adoption of this Section served or has served in any of the aforesaid capacities for or on behalf of the Corporation shall be deemed to be doing or to have done so in reliance upon, and as consideration for, the right of indemnification provided herein. Such right shall inure to the benefit of the legal representatives of any such person and shall not be exclusive of any other rights to which such person may be entitled apart from the provision of this Section, or any article of the By-Laws, agreement, vote of member, or otherwise.

ARTICLE VIII - PERSONNEL

1. The Board of Directors shall appoint the Head of School. The Head of School shall appoint all other staff including faculty and administrators. The Head of School shall be appointed for such a time and under such conditions as the Board of Directors may determine according to the employment agreement.
2. The Head of School, or his/her designated administrator, shall hire all other support staff, such as, but not limited to, custodians, administrative assistants, and instructional aides, and shall be appointed for such time and under such conditions and upon such salary as the Head of School may determine.
3. All members of the faculty and administrative employees must give evidence of a conversion experience by personal testimony, must declare their unconditional agreement with Articles II and III of these By-Laws; and must not be members of any religious or political organization whose official position is contrary to Article II of these By-Laws.

4. All members of the faculty and administrative employees are *in loco parentis* to pupils enrolled in the school of said Corporation within the guidelines of the Professional Standards Handbook.

ARTICLE IX - AMENDMENTS

These By-Laws may be amended by a two-thirds vote of the members of the Corporation present at any legally constituted meeting of the Corporation provided that notice of the proposed amendment shall have been sent to each member at least two weeks previous to the meeting. Articles II and IX (insofar as Article IX refers to Article II) may be amended only by the unanimous vote of all members of a Corporation meeting having a quorum.

ARTICLE X - MISCELLANEOUS

1. The School shall be called - ASHEVILLE CHRISTIAN ACADEMY.
2. Members may vote in person or by proxy in any and every regular or special meeting of the membership of the Corporation, and each member shall be entitled to cast one (1) vote, only, upon any election for any member of the Board of Directors and upon such matter submitted to a vote of the membership of the Corporation. There shall be no "cumulative" voting in elections in the manner referred to in N.C. General Statute. Voting by proxy may be done only through the Secretary of the Corporation and said Secretary will furnish an official ballot which must be notarized by the voter and returned to the Secretary of the Corporation no later than four (4) hours prior to the meeting at which the voting will take place.
3. In the event of dissolution of the Corporation, any net assets of the Corporation remaining after the satisfaction of its liabilities shall be transferred and delivered to one (1) or more qualifying charitable organizations (as herein defined) as shall be selected by the Board of Directors of the Corporation. "Qualifying charitable organizations" shall mean an organization or organizations which are organized and operated exclusively for religious, charitable, scientific, literary or educational purposes as shall at that time qualify as an exempt organization or organizations under Section 501(c)(3) of the Internal Revenue Code ("the Code"), and which shall also then be described in Sections 170 (b)(1)(A), 170(c), 2055(a), and 2522(a), of the Code, and which shall also then be described in Sections 508(a)(1), 509(a)(2), or 509(a)(3) of the Code (or the corresponding provisions of any future United States Internal Revenue Laws).
4. The Corporation will distribute its income for each tax year at such time and in such manner so that it will not become subject to the tax on undistributed income imposed by Section 4942 of the Code (or the corresponding provision of any future United States Internal Revenue Laws). The Corporation will not (a) engage in any act of self-dealing as defined in Section 4941(d) of the Code (or the corresponding provision of any future United States Internal Revenue Laws), (b) retain any excess business holdings as defined in Section 4943(c) of the Code (or the corresponding provision of any future United States Internal Revenue Laws), (c) make any investments in a manner that would subject it to tax under Section 4944 of the Code (or the corresponding provision of any future United States Internal Revenue Laws), or (d)

make any taxable expenditures as defined in Section 4945(d) of the Code (or the corresponding provision of any future United States Internal Revenue Laws).

5. The Corporation is intended to qualify at all times as an organization exempt from federal income tax under Sections 501(a) and 501(c)(3) of the Code (or the corresponding provisions of any further United States Internal Revenue Laws), and that it will at all times, qualify as an organization to which deductible contributions may be made pursuant to Sections 170, 642, 2055, and 2522 of the Code; therefore notwithstanding any other provision of these By-Laws or the Articles of Incorporation, the Corporation shall not engage in any activity except in furtherance of the purposes for which the Corporation is organized, and the Corporation shall not carry on any activities not permitted to be carried on by (i) a corporation exempt from Federal income tax under Sections 501(a) and 501(c)(3) of the Code, (ii) a corporation, contributions to which are deductible under Sections 170, 642, 2055, and 2522 of the Code, and (iii) by a non-profit corporation created under Chapter 55A of the North Carolina General Statutes.
6. No part of the net earnings of the Corporation shall inure to the benefit of or be distributable to its trustees, directors, officers, or other private persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in the Articles of Incorporation and By-Laws of this Corporation.
7. No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in or intervene in (including the publishing and distributions of statements) any political campaign on behalf of any candidate for public office.

ADDENDUM

The history of Board leadership at Asheville Christian Academy is undoubtedly unique. Throughout the history of ACA, the Board of Directors has endeavored to maintain ACA's distinctly Christian foundation and principles which are grounded in the Word of God. Without a focus on maintaining and holding fast to the fundamental principles found in Article II, ACA could fall into an all-too-common category of formerly Christian, now secular, schools. ACA has benefitted from both male and female leadership throughout its history, with the Board of Directors itself having been comprised of men only who served in a fatherly role. With changes in the structure of Board leadership, let us never forget that ACA prospers when both fathers and mothers are passionately committed to leading and serving the school, contributing in unique and consistent ways. Throughout the candidate recruitment process, the Nominating Committee and the Board of Directors shall recognize the importance of preserving the legacy of fatherly leadership in the makeup of the final slate of candidates placed before the Corporation for the annual election. Future Boards of Directors must hold firm and fast to the foundational truths of Article II in order for ACA to continue to fulfill its role of partnering with parents to provide their children with a Christ-centered education.