

**BYLAWS OF  
HEPHZIBAH CHARTER FOUNDATION, INC.  
(A Non-Profit Georgia Corporation)**

**ARTICLE I  
NAME**

**Section 1.1.    Name.** The name of the Corporation shall be HEPHZIBAH CHARTER FOUNDATION, INC. (the “Corporation”).

**ARTICLE II  
ORGANIZATION**

**Section 2.1.    Statement of Purposes.** The purposes of this Corporation, as expressed in its Articles of Incorporation, shall be for the purpose of transacting any or all lawful business for which corporations may be incorporated under the Georgia Non-Profit Corporation Act, to operate within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986 (the "Code"), to assist with the establishment, development and administration of charter schools, and to make grants to further elementary, middle and high school educational programs and facilities and other capital needs for such schools providing elementary, middle and high school educational programs through charter schools, and other charitable activities and to distribute the whole or any part of the income therefrom and the principal thereof exclusively for such purposes, either directly or by contributions to organizations that qualify as exempt organizations under Section 501(c)(3) of the Code issued pursuant thereto, as they now exist or as they may hereafter be amended.

**Section 2.2     Dissolution.** In the event of the dissolution of the Corporation, the Board of Directors (“Board”) shall, after paying or making provision for the payment of all of the liabilities of the Corporation, dispose of all of the remaining assets of the Corporation, exclusively for the purposes of the Corporation in such manner, or to such organization or organizations organized and operated exclusively for charitable, educational, religious or scientific purposes, as shall at the time qualify as an exempt organization or organizations under Section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provisions of any future United States Internal Revenue Law), as the Board shall determine. Any of such assets not so disposed of shall be disposed of by the court having proper jurisdiction in the county where the principal office of the Corporation is then located, exclusively for such purposes or to such organization or organizations, as said court shall determine, which are organized and operated exclusively for such purposes.

**ARTICLE III  
MEMBERSHIP**

**Section 3.1.    Members.** This Corporation is a non-profit, non-stock corporation and has no members. Actions which would otherwise require approval by a majority of all members require only approval by the majority of the Board of Directors (hereinafter “Board”).

**ARTICLE IV  
BOARD OF DIRECTORS**

**Section 4.1.    Management.** All powers of the Corporation shall be exercised by and under the authority of the Board, and the property, business and affairs of the Corporation shall be managed under the Board’s direction.

**Section 4.2. Number of Directors.** The initial Board shall consist of the Directors named in the Articles of Incorporation. The number of Directors may at any time be increased to no more than eleven (11) and decreased to no fewer than three (3) by a two-thirds majority vote of sitting members of the Board. In the event of an increase in the number of Directors, the additional directorships created shall be filled in a manner prescribed herein for the Election of Directors in accordance with Section 4.4.

**Section 4.3. Nomination of Directors.** Not less than one month prior to a regular meeting, the Board may appoint a nomination committee to consist of no fewer than two (2) Board members. The nomination committee will compile and submit to the Board a slate of candidates for the directorships and offices to be filled at the upcoming meeting. These submissions shall be deemed to be nominations of each person named.

**Section 4.4. Election of Directors.** Directors shall be elected by the Board at any meeting when there is an expiring term from a slate of nominees nominated and vetted by the nomination committee.

**Section 4.5. Vacancies.** Vacancies occurring in an elected Directorship, however caused, shall be filled as soon as practicable by election in accordance with Section 4.4 hereinabove. Except for a Director elected due to the natural expiration of his predecessor's one-year term, a Director so elected to fill a vacancy shall hold office of the remainder of his predecessor's term.

**Section 4.6. Resignation or Removal of Directors.** A Director of the Corporation may resign at any time by tendering his resignation in writing to the Corporation, which resignation shall become effective upon the date specified therein, or if no date is specified, upon receipt by the Corporation at its principal place of business. The Board may remove a Director by the vote of a two-thirds majority of the Board at a special meeting called for that purpose, or at a regular meeting, called in accordance with the provisions of the Georgia Open Meetings Act. The Board may remove any Director who:

1. Has been declared of unsound mind by a final order of court;
2. Has been convicted of a felony, or a misdemeanor involving moral turpitude;
3. Has been found by a final order or judgment of any court to have breached any duty imposed by Georgia Law; or
4. For such other good causes as the Board may determine.

**Section 4.7. Compensation of Directors.** Directors will not receive compensation for services rendered in their capacities as Directors and no loans shall be made to any Director.

**Section 4.8. Meetings of the Board.** All meetings of the Board and its committees are subject to the Georgia Open and Public Meetings Law, O.C.G.A. § 50-14-1, and notice of meetings shall be provided as required therein.

**4.8.1 Annual Meetings.** The annual meeting of the Board shall be held without other

notice than this Bylaw in May of each year, unless the Chairman, or the Board by resolution, provide for a different time and place for the holding of such annual meetings. The annual meeting may be held at such other time and place, without other notice than such resolution.

**4.8.2. Special Meetings.** Special meetings of the Board may be called at any time by the Chairman of the Corporation. Further, special meetings of the Board must be called by the Chairman within fourteen (14) days of receipt of a written request of any two (2) or more Directors. Written notice of special meetings shall be given to each Director not less than two (2) days prior to such meeting. The notice shall set forth the time, place and purpose of the meeting. The business to be transacted at any special meeting shall be limited to those items set forth in the notice or waiver thereof.

**4.8.3. Regular Meetings.** The Board shall meet at least ten (10) times each year, including the annual meeting, each such meeting being approximately one(1) month from the date of the previous regular or annual meeting.

**Section 4.9. Quorum and Action of the Board.** A majority of all the Directors must be present in person at a meeting to constitute a quorum for the transaction of business at such meeting. Except as otherwise provided by law, the Articles of Incorporation, or these Bylaws, the affirmative vote of a majority of the Directors present at a meeting at which a quorum is present shall be necessary for an action of the Board. A majority of the Directors present, whether or not a quorum exists, may adjourn any meeting of the Board to another time and place. Notice of any such adjourned meeting shall be given to the Directors who were not present at the time of adjournment.

A two-thirds majority vote of the Directors shall be necessary for all actions by the Board relating to the following:

- 4.9.1.** Appointment of the School Chief Executive Officer, Superintendent, and/or Principal
- 4.9.2.** Approval of the school budget
- 4.9.3.** Financing of the school facility
- 4.9.4.** Removal of a Director
- 4.9.5.** Approval of charitable gifts, transfers, distributions, and grants by the Corporation to other entities;
- 4.9.6.** Adoption of an amendment to the Articles of Incorporation or the Bylaws;
- 4.9.7.** Organization of a subsidiary or affiliate by the Corporation; and
- 4.9.8.** Approval of any merger, consolidation or sale or other transfer of all or a substantial part of the assets of the Corporation.

## **ARTICLE V**

### **OFFICERS**

**Section 5.1. Number.** The Corporation may have a Chairman, Vice Chair, Secretary, and Treasurer, each of whom shall be elected by the Board. Such other officers and assistant officers as may be deemed necessary may be elected or appointed by the Board. Any two (2) or more offices may be held by the same person. Officers need not be United States citizens or residents of the State of Georgia. The failure to elect an officer shall not affect the existence of the Corporation.

**Section 5.2. Election and Term of Office.** All officers of the Corporation shall be elected by a vote of the Board as set forth in Section 5.1 hereinabove at the annual meeting of the Board. A duly elected officer shall hold office for a term of one (1) year, commencing at the close of the annual meeting, and until their earlier death, resignation or removal.

**Section 5.3. Vacancies.** A vacancy in any office because of death, resignation, removal, disqualification or otherwise (including removal in the event an officer is not reelected during his term in office) shall be filled by an election by the Board as set forth in Section 5.1 for the remaining unexpired term of such office.

**Section 5.4. Resignation or Removal of officers.** An officer of the Corporation may resign at any time by tendering his resignation in writing to the Chairman or the Vice-Chairman. Resignations shall become effective upon the date specified therein or, if no date is specified, upon receipt by the Corporation. An officer of the Corporation may be removed at any time, with or without cause, at any meeting of the Board by a vote of the Board as set forth in Section 5.1 hereinabove.

**Section 5.5. Chairman.** The Chairman of the Board shall preside at all meetings of the Board and shall perform such other duties as may be assigned to him by the Board. He shall act as a duly authorized representative of the Board in all matters in which the Board has not formally designated some other person to act. He may sign, deeds, mortgages, bonds, contracts or other instruments which the Board has authority to execute and has approved such execution, except in cases where the signing and execution thereof shall be expressly delegated by the Board or by these Bylaws to some other officer or agent of the Corporation, or shall be required by law to be otherwise signed or executed.

**Section 5.6. Vice-Chairman.** The Vice-Chairman shall act in the place and stead of the Chairman in the event of the Chairman's absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board. The Vice-Chairman shall perform such other duties as may be prescribed by the Board.

**Section 5.7 Secretary.** The Secretary shall: (a) keep or cause to be kept, at the Corporation's principal office, or such other place as the Board may direct a book of minutes of all meetings of the Board and Board Committees, noting the time and place of the meeting, whether it was regular or special (and if special, how authorized), the notice given, the names of those present, and the proceedings; (b) keep or cause to be kept a copy of the Corporation's Articles of Incorporation and Bylaws, with amendments; (c) give or cause to be given notice of the Board and Committee meetings as required by these Bylaws and the Georgia Open Meetings Act; and (d) have such other powers and perform such other duties as the Board may prescribe.

**Section 5.8 Treasurer.** The Treasurer shall: (a) keep or cause to be kept adequate and correct accounts of the Corporation's properties, receipts and disbursements; (b) make the books of account available at all times for inspection by any Director; (c) deposit or cause to be deposited the Corporation's

monies and other valuables in the Corporation's name and to its credit, with the depositories the Board designated; (d) disburse or cause to be disbursed the Corporation's funds as the Board directs; (e) render to the Chair and the Board, as requested but no less frequently than once every fiscal year, an account of the Corporation's financial transactions and financial condition; (f) prepare any reports on financial issues required by an agreement on loans; and (g) have such other powers and perform such other duties as the Board may prescribe.

**Section 5.9. Other Officers.** Other officers elected by the Board shall have such duties and responsibilities as the Board deems advisable.

**Section 5.10. Succession of Officers.** Unless otherwise directed by a vote of the Board, in the event that an officer of the Corporation has not resigned or been removed but is unable to act in such position for a period of one (1) month or more, whether due to disability or other reason, then another officer of the Corporation shall serve in that office until such officer is either removed or is able to perform his services in the following order:

**5.10.1.** The Treasurer shall perform the services of the Vice-Chairman.

**5.10.2.** The Vice-Chair shall perform the services of the Chairman.

**Section 5.11. Salaries.** Officers will not receive compensation for services rendered as officers of the Corporation.

## **ARTICLE VI** **COMMITTEES OF THE BOARD**

**Section 6.1. Committees of the Board.** The Board may, by resolution, establish standing committees and special committees of the Board. Unless otherwise specified by resolution of the Board or these Bylaws, the Chairman shall annually appoint the members and the chairmen of the standing committees and shall fill vacancies on any standing committee. Appointments by the Chairman shall be made at the annual meeting of the Board. In addition, the Chairman may, if so authorized by the Board, appoint the members and chairmen of such special committees as the Board may create, which members and chairmen may include persons who are not members of the Board. All committee appointments and chairmen appointments must be approved by a vote of the Board.

In addition, the Chairman may appoint to any committee such other non-Board members as the Board deems advisable. All members of such committees shall serve at the pleasure of the Board. The delegation of authority to any committee shall not operate to relieve the Board or any Director from any responsibility imposed by law.

**Section 6.2. Standing Committees.** Standing committees shall be created as required by resolution of the Board. The purpose, duties, number of members and reporting requirements of each standing committee shall be specified in the resolution creating the committee.

**Section 6.3. Special Committees.** Special committees shall be created as required by resolution of the Board. The purpose, duties, number of members and reporting requirements of each special committee shall be specified in the resolution creating the committee.

**Section 6.4. Committee Members' Term of Office.** Unless otherwise specified by resolution of the Board, members of each committee shall continue in office until the next annual meeting of the Board and until their successors are appointed, unless the committee of which they are members shall be sooner terminated by resolution of the Board or until their earlier death, resignation or removal as committee members.

**Section 6.5. Committee Meetings.** Meetings of any committee may be called by the chairman of such committee or upon the written request of one-third (1/3) of the committee members. The call for any meeting shall be by giving notice of such meeting to each member which sets forth its time and place and is delivered via first class or electronic mail at least two (2) days prior to such meeting. Notice shall also be provided to the public in accordance with any applicable provisions of Georgia's Open and Public Meetings Law, O.C.G.A. §§ 50-14-1 et seq. Unless otherwise provided in these Bylaws, a majority of the members of any committee shall constitute a quorum for the transaction of business. After a quorum has been established at a committee meeting, the subsequent withdrawal of committee members from the meeting so as to reduce the number of committee members present to fewer than the number required for a quorum shall not affect the validity of any action taken at the meeting. Each committee shall keep minutes of its meetings and report to the Board as necessary with recommendations.

**Section 6.6. Resignation or Removal of Committee Members.** A member of any committee may resign at any time by tendering his resignation in writing to the Chairman of the Board. The Board, by a vote, may remove, with or without cause, any member from a committee and specifically, but not by way of limitation, may remove any member from a committee for failing to attend three (3) consecutive meetings of the committee.

## **ARTICLE VII** **INDEMNIFICATION OF DIRECTORS AND OFFICERS**

**Section 7.1. Indemnification.** The Corporation shall indemnify to the fullest extent permitted by law each of its officers, Directors, whether or not then in office (and his executor, administrator and/or heirs) 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 as well as the executor, administrator and heirs of any of them against all reasonable expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and necessarily incurred by him in connection with any threatened, pending or completed action, suit, proceeding or arbitration, whether civil or criminal, administrative or investigative (including any appeal thereof), to which he is or is threatened to be made a party because he is or was a Director, officer, employee or agent of this Corporation, or such other corporation, partnership, joint venture, trust or other enterprise. He shall have no right to reimbursement, however, in relation to matters as to which he has been adjudged liable to the Corporation for gross negligence or willful misconduct in the performance of his duties to the Corporation. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such Director, officer, employee or agent may be entitled.

**Section 7.2. Insurance.** 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 who is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity or arising out of his status as such, whether or not the Corporation would have the power to indemnify him against such liability under the provisions of this Article.

**ARTICLE VIII**  
**CONTRACTS, CHECKS, DEPOSIT BOOKS AND RECORDS**

**Section 8.1. Contracts.** The Board may authorize any officer or officers, agent or agents, 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.

**Section 8.2. Loans.** No loans shall be contracted on behalf of the Corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board, which authority may be general or confined to specific instances.

**Section 8.3. Checks, Drafts, Etc.** All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation shall be signed by such officer or officers, agent or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board.

**Section 8.4. Deposits.** All funds of the Corporation not otherwise employed 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 8.5. Gifts.** The Board may accept, on behalf of the Corporation, any contributions, gifts, bequests or devises.

**Section 8.6. Books and Records.** The Corporation shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its Board and committees of the Board and in compliance with the Georgia Open and Public Meetings Law, O.C.G.A § 50-14-1 et seq. Any books, records and minutes may be in written form or in any other form capable of being converted into written form within a reasonable time.

**Section 8.7. Financial Statements.** Not later than two (2) months after the close of each fiscal year, the Corporation shall prepare a balance sheet showing in reasonable detail the financial condition of the Corporation as of the close of its fiscal year, a profit and loss statement showing the results of the operations of the Corporation during its fiscal year, and any other financial statements as may be required by a resolution of the Board. The balance sheets and profit and loss statements shall be filed in the principal office of the Corporation, shall be kept for at least five (5) years, and shall be subject to inspection during business hours by any Board member.

**ARTICLE IX**  
**[INTENTIONALLY OMITTED]**

**ARTICLE X**  
**FISCAL YEAR**

**Section 10.1. Fiscal Year.** The fiscal year of the Corporation shall end on June 30 of each year.

**ARTICLE XI**  
**CORPORATE SEAL**

**Section 11.1. Corporate Seal.** The Board shall provide a corporate seal which shall be circular in form and shall have inscribed thereon the name of the Corporation and the state of incorporation and the words “Corporate Seal”.

## **ARTICLE XII** **NOTICE**

**Section 12.1. General.** Whenever, under the provisions of any statute, the Articles of Incorporation or these Bylaws, notice is required to be given to any Director or officer, it shall not be construed to require personal notice; rather, such notice may be given, unless otherwise required by these Bylaws, either (1) personally, (2) by depositing the same in a post office box in a prepaid envelope, or (3) by electronic mail; in the case of electronic or first class mail, the notice shall be addressed to such Director or officer at his proper address as the same appears in the records of the Corporation; and three days after the same shall be so mailed or emailed shall be deemed to be the time of the giving of such notice.

**Section 12.2. Waiver.** Whenever by law, the Articles of Incorporation or these Bylaws notice is required or permitted to be given to any Director or officer, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened. The business to be transacted and the purpose of any special meeting of the Board shall be specified in any written waiver of notice thereof.

## **ARTICLE XIII** **AMENDMENTS**

**Section 13.1. By Directors.** These Bylaws may be amended or repealed wholly or in part, consistent with any bylaws adopted by the Board, at any meeting at which a quorum is present by an election by the entire Board in accordance with Article IV hereinabove.

## **ARTICLE XIV** **MISCELLANEOUS**

**Section 14.1. Inspection of Bylaws.** The Corporation shall keep in its principal office, the original or a copy of these Bylaws, as amended or otherwise altered to date, certified by the Vice-Chairman, which shall be open to inspection by the Board of Directors at all reasonable times during office hours.

**Section 14.2. Policies and Procedures.** Any action by the Board establishing policy or methods of procedure – administrative, business, academic or otherwise – not contained in these Bylaws shall be known as “Policies and Procedures of the Board.”

**14.2.1.** Policies and Procedures of the Board may be adopted by the Board or may be amended or repealed, in whole or in part, at any meeting of the Board in accordance with the laws of the State of Georgia.

**Section 14.3. Conflicts of Interest**



**14.3.1 Conflict of Interest Policy.** Each Board Member will sign a conflict of interest policy at the beginning of each school year affirming his or her unconflicted loyalty to the interest of Corporation.

**14.3.2 Inquiry into Self-Dealing Transactions.** If the Board or its committees is made aware that a proposed action could constitute a Self-Dealing Transaction, it shall first conduct appropriate inquiry before entering into such action. “Self Dealing Transaction” means any transaction having the School as one party and one or more of the following among the other proposed parties to the transaction:

- (1) Directors, Officers, or employees of the Corporation or school management company, or blood or marital relations of any of them;
- (2) An entity in which a Director, Officer or employee of the Corporation or school management company, or blood or marital relation of any of them, holds a significant ownership or investment interest;
- (3) An entity which employs or otherwise compensates a Director, Officer or employee of the Corporation or school management company, or employs or compensates a blood or marital relation; and/or
- (4) Any entity which has, as a member of its board of directors or trustees, a Director, Officer or employee of the Corporation or school management company, or a blood or marital relation of any of them.

**14.3.3 Approval of Self-Dealing Transactions.** A Self-Dealing Transaction, as defined above, shall be voidable at the sole election of the Corporation unless the following provisions are satisfied:

- (1) The Board shall hold one or more meeting(s) to discuss and vote on the transaction or arrangement resulting in the conflict of interest. An Interested Person may make a presentation to the Board, but after such presentation, shall leave the meeting(s) during the discussion of, and the vote on the conflict of interest transaction.
- (2) The Chair shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest.
- (3) After exercising due diligence to determine whether the Corporation can arrange an alternative transaction more favorable to the school with reasonable efforts, the Board of Directors concludes that it is in the Corporation’s best interests and is fair and reasonable to authorize the Self-Dealing Transaction
- (4) The Board of Directors authorizes, approves, or ratifies the transaction by the affirmative vote of a majority of the disinterested Directors, and with disclosure or knowledge of the material facts concerning the Self-Dealing Transaction.

Interested Directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors (or a committee thereof) that authorizes, approves, or ratifies such contract or transaction.

ADOPTED this \_\_\_\_\_ day of April, 2015, I certify that the foregoing Bylaws of Hephzibah Charter Foundation, Inc. were approved and adopted by and on behalf of the Corporation by its Board of Directors, and are currently in effect.

By: \_\_\_\_\_

Title: Board Chair, Hephzibah Charter Foundation