

## Appendix N – Articles of Incorporation and Corporation by-laws



### EIN Assistant

Your Progress:    1. Identity ✓    2. Authenticate ✓    3. Addresses ✓    4. Details ✓    5. EIN Confirmation

**Congratulations! The EIN has been successfully assigned.**

EIN Assigned: **45-3987769**

Legal Name: **MONTGOMERY FLEX CHARTER SCHOOL**

The confirmation letter will be mailed to the applicant. This letter will be the applicant's official IRS notice and will contain important information regarding the EIN. Allow up to 4 weeks for the letter to arrive by mail.

Entity #: 4070852  
Date Filed: 12/02/2011  
Carol Aichele  
Secretary of the Commonwealth

**M. BURR KEIM COMPANY  
COUNTER PICK-UP**

## ARTICLES OF INCORPORATION-DOMESTIC NONPROFIT CORPORATION

DSCB: 15-5306 (Rev 81)

In compliance with the requirements of 15 Pa.C.S. § 5306 (relating to articles of incorporation), the undersigned desiring to incorporate a nonprofit corporation, hereby state(s) that:

1. The name of the corporation is:

MONTGOMERY FLEX CHARTER SCHOOL

2. The address of this corporation's initial registered office in this Commonwealth is:

200 Montgomery Avenue  
Erdenheim, PA 19038 County of Montgomery

3. The corporation is incorporated under the Nonprofit Corporation Law of 1988 for the following purpose or purposes:

To educate Pennsylvania residents enrolled in grades 7-12.

The corporation is organized exclusively for charitable, literary, scientific, religious and educational purposes provided for under Section 501(c)(3) of the Internal Revenue Code of 1986 and does not contemplate pecuniary gain or profit, incidental or otherwise.

No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to, its members, trustees, 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 its purposes. 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 preparation or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office. The corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Law) or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Law).

Commonwealth of Pennsylvania  
ARTICLES OF INCORPORATION-NON-PROFIT 3 Page(s)



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PA DEPT OF STATE

Upon the dissolution of the corporation, assets shall be distributed for one or more exempt purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose. Any such assets not so disposed of shall be disposed of by a Court of Competent Jurisdiction of the county in which 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.

4. The corporation is organized upon a nonstock basis.
5. The corporation shall have no members.
6. The name and address, including street and number, if any, of each incorporator is:

Timothy Sager  
200 Montgomery Avenue  
Erdenheim, PA 19038

Date: December 1, 2011

  
\_\_\_\_\_  
Timothy Sager

**BY-LAWS**  
**OF**  
*Montgomery Flex Charter School*

# Montgomery Flex Charter School

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## ARTICLE I

### **Name, Registered Address and Principal Place of Business**

The name of this Corporation is *Montgomery Flex Charter School*. The registered address of the Corporation shall be maintained in Pennsylvania. The Corporation may have any number of other offices at such locations as the Corporation's Board of Trustees ("Board") may determine. The Corporation's principal place of business shall be located in Montgomery County, Pennsylvania.

## ARTICLE II

### **Goals and Objectives**

The mission of the Montgomery Flex Charter School is to provide an innovative, intense academic preparation that inspires and educates students to achieve the highest levels of academic knowledge and skills. Through a combination of computer-supported curriculum, and face-to-face teacher and advisor support, this school provides both the support and independence for students to be fully prepared to be leaders in the 21st Century.

## ARTICLE III

### **Seal and Fiscal Year**

#### **Section 3.1. Seal**

The Corporation may use a Corporate Seal. The Corporate Seal shall bear the name of the Corporation, the year of its incorporation and the words "Corporate Seal, Pennsylvania".

#### **Section 3.2. Fiscal Year**

The fiscal year of the Corporation shall begin on the first day of July of each year, and end on the 30th day of June of the following year.

## ARTICLE IV

### **Members and Board of Trustees**

#### **Section 4.1. No Members**

The Corporation shall have no members entitled to vote on any matter or for any other reason. Whenever corporate action is by statute authorized or required to be approved by action of the members, such action shall be approved by the Board. The voting rights of parents of students attending the Corporation's school set forth in this Article do not confer on the parents any other rights and the parents are non members of the Corporation within the meaning of the Nonprofit Corporation Law of 1988, as amended, 15 Pa. C.S. § 5101 *et seq.* ("NPCL").

#### **Section 4.2. Qualifications of Trustees**

Each trustee shall be an individual at least 18 years of age who need not be a resident of Pennsylvania. Trustees must be willing to accept responsibility for governance including participating actively in Board activities. Three of the seven board positions (one for each expiring year) shall be any eligible parent or legal guardian who has a child currently enrolled in

# Montgomery Flex Charter School

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or graduated from Montgomery Flex Charter School may be elected as a Trustee. Any individual employed by the Corporation in a full or part-time capacity or otherwise retained to provide services to the Corporation and receiving compensation for such employment or services shall be ineligible to serve on the Board.

## **Section 4.3. Power and Authority**

The business and affairs of the Corporation shall be managed under the direction of the Board. The powers of the Corporation shall be exercised by, or under the authority of, the Board except as otherwise provided by statute, the Articles of Incorporation, these Bylaws, a resolution adopted by the Board, or any charter ("Charter") granted to the Corporation under the Charter School Law 24 P.S. § 17-1701-A *et seq* ("CSL"). Without limiting the foregoing and except as otherwise provided in these By-laws or the Charter, the Board shall approve:

- (a) the election or appointment of officers of the Corporation and members and chairs of committees;
- (b) the general policies of the Corporation;
- (c) the priorities of the Corporation in the field of education;
- (d) the level of compensation and all terms and conditions of employment of the staff as may otherwise be provided in the CSL;
- (e) the appointment of the Chief Executive Officer;
- (f) the employment of administrative officers, faculty, staff and representatives to carry out the mission of the Corporation and prescribe such duties as it deems necessary, except to the extent that the Board delegates such authority to the Chief Executive Officer consistent with the CSL; and
- (g) the engagement of any management company for the Corporation.

## **Section 4.4. Number, Nomination, and Election of Trustees**

The Board shall consist of not more than seven individuals. For the Board positions exclusively held by parents of current or graduated students, on or before April 15 of each fiscal year, the Board shall seek nominations for the parent-held Board position that will become vacant in the upcoming fiscal year. At the Corporation's April Board Meeting, nominations will be received from current Board members for any non-parent Board positions. At the May Board meeting, all nominations will be voted on by the current members of the board. The nominees with the highest votes in the parent-held and non-parent held positions will be contacted by the CEO of the corporation to confirm interest in a Board position. If the nominee is not interested in the Board position, the CEO will contact additional nominees in the order of votes received until all positions are filled. All Board positions will be elected at the June board meeting, with terms to commence July 1.

## **Section 4.5. Term of Office**

Each Trustee shall be elected for a term of three years. Except as otherwise provided by resolution of the Board, each Trustee's term begins on July 1 of the year of his or her election or, in the case of a mid-term vacancy, at the time of his or her election. Each Trustee shall hold

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office until (a) the expiration of the term for which he or she was elected and until his or her successor has been elected and qualified, or (b) his or her earlier death, resignation, or removal. No Trustee shall hold office for more than two consecutive three -year terms except that the Chief Executive Officer shall continue for as long as she or he is employed as Chief Executive Officer. A Trustee who is elected to serve a partial term of less than three years may be elected to serve two consecutive full terms in addition to such partial term.

## **Section 4.6. Vacancies**

Mid-term vacancies in the Board, including vacancies resulting from the death, resignation, or removal of a Trustee, shall be filled by a majority vote of the remaining Trustees though less than a quorum. Each individual so elected shall be a Trustee to serve for the balance of the unexpired term.

## **Section 4.7. Resignations**

Any Trustee may resign at any time by giving written notice to the President, the Secretary, or the Chief Executive Officer. The resignation shall be effective upon receipt or at such subsequent time as may be specified in the notice of resignation.

## **Section 4.8. Removal of a Trustee**

Consistent with the CSL, any Trustee convicted of a felony or any crime involving moral turpitude shall cease to serve as a Trustee immediately upon such conviction without regard to appeal rights and without any further action on the part of the Corporation or the Board. In addition, any Trustee may be removed from office for cause by a two-thirds vote of the Board at any meeting of the Board. The Trustee subject to the proposed removal shall not vote and shall not be counted for quorum purposes at the meeting at which the removal is considered. If any Trustee is removed, the resulting vacancy may be filled by the Board at the same meeting. Cause for removal shall include, but shall not be limited to: (a) failure to organize or neglect of duty within the meaning of the CSL; (b) breach of fiduciary duty to the Corporation within the meaning of the NPCL; (c) conduct of business, professional, or other activities that are detrimental to the interests of the Corporation or otherwise tend to discredit the Corporation through association of the Trustee as a representative of the Corporation; (d) disability or other incapacity that renders the Trustee unable to perform the essential duties of the office of Trustee for a period greater than three months; (e) self-dealing or dishonest conduct in the performance of duties as a Trustee or officer; (f) insobriety or unlawful use of a controlled substance while performing duties as a Trustee or officer; (g) gross misconduct or willful violation of the Corporation's policies that results in material and demonstrable injury to the Corporation, monetarily or otherwise; or (h) any act that would result in the Corporation's being held liable for damages under federal, state, or local laws, or court precedent for employment-related discrimination or harassment. Prior to removing a Trustee, the Board shall provide written notice of the proposed removal to all Trustees. The Trustee subject to the proposed removal shall be given the opportunity to be heard and may be accompanied by legal counsel at the Board's hearing on the matter.

## **Section 4.9. Compensation**

The Corporation shall pay no compensation to Trustees for their services as Trustees or committee members or for services in any other capacity. Trustees shall not engage in any business transaction with the Corporation or be employed by the Corporation. Subject to the

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Charter and applicable law, Trustees may be reimbursed for reasonable expenses paid or incurred on behalf of the Corporation, such as expenses for travel outside the Delaware Valley on behalf of the Corporation. Expense reimbursement shall be made only pursuant to a policy adopted by the Board.

## **Section 4.10. Voting Rights**

Each Trustee shall be entitled to one vote.

## **Section 4.11. Honorary Trustees**

The Board may appoint one or more Honorary Trustees who by virtue of their expertise will assist the school in reaching its goals or in recognition of their distinguished service to the Corporation. Honorary Trustees may receive notice of, attend, and participate in, meetings of the Board and of any committee as the Board may determine in its sole discretion. Honorary Trustees shall not have the right to vote on any matters which come before the Board or any committee. Honorary Trustees shall not be counted for quorum or voting requirements of the Board or of any committee. Honorary Trustees shall not be deemed to be Trustees or officers of the Corporation under the CSL or the NPCL or for any other purpose.

## **Section 4.12. Ultimate Responsibility and Accountability**

The Board has the responsibility for the ultimate conduct of the Corporation. Consistent with the CSL, the Board shall be accountable to the parents of the Corporation's students, the public, and the Commonwealth of Pennsylvania. No assignment, referral, or delegation of authority by the Board to anyone shall preclude the Board from exercising the authority required to meet its responsibility for the conduct of the Corporation. The Board has the right to rescind any such assignment, referral, or delegation.

## **ARTICLE V**

### **Meetings of the Board**

#### **Section 5.1. Annual Meeting**

Unless the Board provides otherwise, the annual meeting of the Board shall be held during the month of June at a time and place designated by the Board.

#### **Section 5.2. Regular Meetings**

The Board may hold its regular meetings at such place and time as shall be designated by the Board. The Board shall transact such business as may properly be brought before its meetings. The Secretary shall provide notice of all regular meetings at the beginning of each fiscal year and by announcement at each preceding meeting.

#### **Section 5.3. Special Meetings**

The President or any two Trustees may call special meetings of the Board which shall be held at such time and place as shall be designated in the call for the meeting. Five days' notice of any special meeting shall be given to each Trustee. Such notice shall state the time, place, and general purpose of the special meeting.



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## **Section 5.4. Quorum**

A majority of the Board shall constitute a quorum for the transaction of business. Except as otherwise provided in these Bylaws, the acts of a majority of the Trustees present and voting at a meeting at which a quorum is present shall be the acts of the Board. However, consistent with the NPCL, the Corporation shall make no purchase of real property nor sell, mortgage, lease away or otherwise dispose of its real property, unless authorized by the vote of two-thirds of the Board, except that if there are twenty-one (21) or more Trustees, the vote of a majority of the entire Board shall be sufficient. Notwithstanding the foregoing, an affirmative vote of a majority of the entire Board, duly recorded, showing how each Trustee voted, shall be required to take action on the following subjects:

- (a) Adopting the school calendar;
- (b) Adopting textbooks;
- (c) Appointing or dismissing school administrators;
- (d) Adopting the annual budget;
- (e) Purchasing or selling land (but if the Board has fewer than 21 Trustees, a two-thirds vote is required under the NPCL and these Bylaws);
- (f) Locating new buildings or changing the location of old ones;
- (g) Creating or increasing any indebtedness;
- (h) Adopting courses of study;
- (i) Designating depositories for school funds;
- (j) Entering into contracts of any kind where the amount involved exceeds \$200;
- (k) Fixing salaries or compensation of administrators, teachers, or other employees of the Corporation; and
- (l) Entering into contracts with and making appropriations to an intermediate unit, school district or Area Vocational/Technical School for the Corporation's proportionate share of the cost of services provided or to be provided by the foregoing entities.

## **Section 5.5. Participation in Meetings**

One or more Trustees may participate in a meeting of the Board or a committee thereof by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this Section shall constitute presence in person at the meeting.

## **Section 5.6. Organization**

Every meeting of the Board shall be presided over by the President, or in the absence of the President, the Vice President, or in the absence of the President and the Vice President, a chair chosen by a majority of the Trustees present. The Secretary, or in his or her absence, a person

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appointed by the chair, shall act as secretary. Voting shall be by voice. The conduct of meetings shall be governed by the latest edition of Robert's Rules of Order.

## **Section 5.7. Consent of Trustees in Lieu of Meeting**

Any action which may be taken at a meeting of the Trustees may be taken without a meeting, if a consent or consents in writing, setting forth the action so taken, shall be signed by all Trustees and filed with the Secretary of the Corporation.

## **ARTICLE VI**

### **Officers and Duties**

#### **Section 6.1. Officers**

The officers of the Corporation shall include a President, a Vice President, a Secretary, and a Treasurer. The officers may include such other officers as the Board may determine by resolution. Unless otherwise provided by applicable law, any number of offices may be held by the same person.

#### **Section 6.2. Qualifications of Officers**

The President, Vice President, Secretary, and Treasurer shall be individuals at least 18 years of age who are Trustees. Other officers need not be Trustees.

#### **Section 6.3. Election and Term of Office**

Except as otherwise provided by the Board, the officers of the Corporation shall be elected by the Board at **the** first meeting of the Board after July 1 in each fiscal year. Each officer shall serve for a term of one year and until his or her successor has been elected and qualified, or until his or her earlier death, resignation, or removal.

#### **Section 6.4. Termination or Removal of Officers and Agents**

Unless the Board provides otherwise, termination of an officer's or agent's employment with the Corporation shall terminate the officer's term in office. Any officer or agent may be removed by the Board whenever in its judgment the best interests of the Corporation will be served. Such removal shall be without prejudice to the contract rights, if any, of any person so removed.

#### **Section 6.5. Resignations**

Any officer may resign at any time by giving written notice to the President, the Secretary, or the Chief Executive Officer. The resignation shall be effective upon receipt or at such subsequent time as may be specified in the notice of resignation.

#### **Section 6.6. President**

(a) The President shall have general supervision over the business and operations of the Corporation, subject to the control of the Board. The President shall execute in the name of the Corporation, deeds, mortgages, bonds, contracts, and other instruments authorized by the Board, except in cases where the execution thereof shall be delegated by the Board to some other officer or agent of the Corporation. The President shall preside at meetings of the Board.

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(b) The President shall be an ex-officio voting member of all Standing Committees of the Board.

(c) The President, along with the Chief Executive Officer, shall sign all diplomas issued by the Corporation.

(d) The President shall perform all duties incident to the office of President and such other duties as may be assigned by the Board.

## **Section 6.7. Vice-President**

(a) The Vice-President shall perform the duties and exercise the powers of the President during any absence or disability of the President or as otherwise authorized by the Board.

(b) The Vice President shall perform such other duties as may be assigned by the Board or the President.

## **Section 6.8. Secretary**

(a) The Secretary shall attend all meetings of the Board and shall be responsible for recording the minutes of such proceedings including all votes of the Board. The Secretary shall be the custodian of copies of minutes of all Board meetings and shall transmit a copy of the minutes to the Board after each meeting.

(b) The Secretary shall be the custodian of the Seal of the Corporation and shall have authority to affix this seal to all instruments where its use is required.

(c) The Secretary shall see that required notices of meetings of the Board are given and that all records and reports are properly kept and filed by the Corporation.

(d) In general, the Secretary shall perform all duties incident to the office of Secretary and such other duties as may be assigned by the Board or the President.

(e) In the Secretary's absence, a temporary Secretary may be appointed by the President or the Board.

## **Section 6.9. Treasurer**

(a) The Treasurer shall be responsible for the oversight of the Corporation's financial books and shall make monthly reports to the Board regarding the finances of the Corporation, including all receipts and disbursements.

(b) The Treasurer shall receive all funds, including local, state, federal, and privately donated funds and deposit them in the name of the Corporation in one or more accounts authorized by the Board.

(c) The Treasurer shall make payments from the Corporation's funds on proper orders approved by the Board and signed by the President or Vice President.

(d) The Treasurer may pay out such funds on orders that have been properly signed without the approval of the Board first having been secured for payment of amounts owing under any contracts that have previously been approved by the Board, and by which prompt payment, the Corporation will receive a discount or other advantage.

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(e) The Treasurer shall determine that necessary controls are in place to ensure compliance with the Corporation's financial policies and shall periodically evaluate the Corporation's financial control and accounting system and recommend any appropriate changes.

(f) In general, the Treasurer shall perform all duties incident to the office of Treasurer and such other duties as may be assigned by the Board or the President.

## **Section 6.10. Compensation of Officers**

The Corporation shall pay no compensation to the President, Vice President, Secretary, and Treasurer for their services as Trustees, officers, or committee members or for services in any other capacity. The President, Vice President, Secretary, and Treasurer shall not engage in any business transaction with the Corporation or be employed by the Corporation. Subject to the Charter and applicable law, the President, Vice President, Secretary, and Treasurer may be reimbursed for reasonable expenses paid or incurred on behalf of the Corporation, such as expenses for travel outside the Delaware Valley on behalf of the Corporation. Expense reimbursement shall be made only pursuant to a policy adopted by the Board. The compensation of all other officers shall be fixed by the Board.

## **ARTICLE VI I**

### **Chief Executive Officer**

(a) The Chief Executive Officer of the Corporation shall be appointed by the Board and shall serve at the pleasure of the Board. The Chief Executive Officer shall not be a member of the Board. The Chief Executive Officer may receive notice of, attend, and participate in, meetings of the Board and of any committee, as the Board may determine in its sole discretion.

(b) The Chief Executive Officer shall oversee and manage the operation of the Corporation and shall perform such duties as may be assigned by the Board or the President. The Chief Executive Officer shall be the principal administrative agent of the Board and shall be responsible for the maintenance and preservation of the Corporation's property, for the assignment of duties and responsibilities of the other administrative officers directly responsible to him or her and all employees of the Corporation, and the establishment of academic and non-academic programs. The Chief Executive Officer shall exercise such administrative supervision through the appropriate officers and other agents responsible for these activities. The Chief Executive Officer is responsible directly and indirectly for the administration of the school in all matters, subject to the control of the Board.

(c) The Chief Executive Officer shall develop an appropriate administration for the school and shall submit a line and staff chart annually to the Board.

(d) All official business between the staff and the Board shall be conducted through the Chief Executive Officer.

(e) The Chief Executive Officer, along with the President, shall sign all diplomas issued by the Corporation.

(f) The Chief Executive Officer shall execute in the name of the Corporation, deeds, mortgages, bonds, contracts, and other instruments authorized by the Board, except in cases where the

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execution thereof shall be delegated by the Board to some other officer or agent of the Corporation.

(g) The Chief Executive Officer shall preside at appropriate academic occasions and shall represent the Corporation before the public.

(h) Upon the death, disability, resignation, or removal of the Chief Executive Officer, the Board shall name an interim Chief Executive Officer who shall discharge the duties of the Chief Executive Officer until such time as the Board at a meeting duly called may elect a successor.

(i) Subject to review by the Treasurer and the procedures regarding disbursements provided in these Bylaws, the Chief Executive Officer shall cause to be paid the salaries of the Corporation's employees. The Chief Executive Officer shall cause employees to be reimbursed for expenses paid or incurred on behalf of the Corporation. Expense reimbursement shall be made only pursuant to a policy adopted by the Board. The Chief Executive Officer shall maintain a petty cash fund not to exceed two hundred dollars which amount may be used to reimburse small cash expenditures for which proper documentation is provided.

## **ARTICLE VIII**

### **Finance – Auditor, Authorized Investments, and Annual Reports**

#### **Section 8.1. Auditor**

(a) In consultation with the Chief Executive Officer, the Board shall engage the services of a certified public accountant to serve as the Corporation's Auditor on a fee-for-service basis.

(b) The Auditor shall annually audit the books and records of the Corporation and report the same to the Board. The Board or a committee of the Board shall meet privately with the Auditor at least once each year and shall receive and review the management letter from the Auditor.

(c) The Auditor shall present the audited financial statements to the Board within a reasonable period of time after the close of the Corporation's fiscal year.

#### **Section 8.2. Authorized Investments**

The Board shall authorize the Corporation's investments consistent with sound business practice and applicable law. Examples of authorized types of investments permitted under the CSL at the time of adoption of these Bylaws included:

(a) United States Treasury bills;

(b) Short term obligations of the United States government or its agencies or instrumentalities;

(c) Deposits in savings accounts, time deposits, or share accounts of institutions insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation or the National Credit Union Share Insurance Fund to the extent that such accounts are so insured, and for any amounts above the insured maximum, provided that approved collateral as provided by law therefor shall be pledged by the depository;

(d) Obligations of the United States of America or any of its agencies or instrumentalities backed by the full faith and credit of the United States of America, the Commonwealth of Pennsylvania

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or any of its agencies or instrumentalities backed by the full faith and credit of the Commonwealth of Pennsylvania, or of any political subdivision of the Commonwealth of Pennsylvania, or any of its agencies or instrumentalities backed by the full faith and credit of the political subdivision;

(e) Shares of an investment company registered under the Investment Company of America Act of 1940 (54 Stat. 789, 15 U.S.C. § 80a-1, *et seq.*) as defined in 24 P.S. § 4-440.1 of the Pennsylvania School Code.

(f) Interest bearing accounts approved by the Board.

## **Section 8.3. Annual Reports.**

In addition to any annual reports required under the CSL, in order to comply with the NPCL, the President and Treasurer shall present the Board at its annual meeting a report, verified by the President and Treasurer or by a majority of the Board, showing in appropriate detail: (a) the assets and liabilities, including the trust funds, of the Corporation as of the end of the fiscal year immediately preceding the date of the report; (b) the principal changes in assets and liabilities, including the trust funds, during the year immediately preceding the date of the report; (c) the revenue or receipts of the Corporation, both unrestricted and restricted to particular purposes, for the year immediately preceding the date of the report, including separate data with respect to each trust fund held by or for the Corporation; and (d) the expenses or disbursements of the Corporation, for both general and restricted purposes, during the year immediately preceding the date of the report, including separate data with respect to each trust fund held by or for the Corporation. The annual report of the Board shall be filed with the minutes of the annual meetings of the Board.

## **ARTICLE IX**

### **Conflicts of Interest**

No Trustee, officer, or management employee shall maintain personal or business interests which conflict or appear to conflict with those of the Corporation. Each Trustee, officer, and management employee shall execute a statement each year setting forth any possible conflicts of interest or stating that no such conflicts exist. A list of all such disclosures shall be prepared and reviewed by the Board annually.

## **ARTICLE X**

### **Nondiscrimination**

#### **Section 10.1. Equal Opportunity Employer**

The Corporation is an equal opportunity employer and does not discriminate in its employment practices on the basis of race, color, sex or gender, age, national or ethnic origin, religion, disability, sexual orientation, Vietnam-era or any other veteran status, political belief or affiliation, or other characteristics protected by law.,

#### **Section 10.2. School Admission and Privileges**

The Corporation admits students who are Pennsylvania residents of any race, color, sex, gender, sexual orientation, national or ethnic origin, religion, disability, or social status to all the

rights, privileges, programs, and activities generally accorded or made available to students of the Corporation's schools. The Corporation does not discriminate on the basis of race, color, sex, gender, sexual orientation, national or ethnic origin, religion, disability, or social status in administration of its educational policies, admissions policies, and athletic and other school-administered programs.

## **ARTICLE XI**

### **Committees**

#### **Section 11.1. Board Committees**

The Board may, by resolution adopted by a majority of the Trustees, establish one or more Board committees to consist of one or more Trustees. The Board may designate one or more Trustees as alternate members of a Board committee. Only voting Trustees may serve on a committee that has been delegated the powers and authority to act on behalf of the Board. The Board may designate any Board committee a Standing Committee, subject to a separate written charter approved by the Board that describes the Standing Committee's duties. Any Board committee, to the extent provided in the resolution of the Board, shall have and may exercise all of the powers and authority of the Board, except that a Board committee shall not have any power or authority as to the following:

- (a) The creation or filling of vacancies in the Board;
- (b) The adoption, amendment or repeal of the Bylaws;
- (c) The amendment or repeal of any resolution of the Board that by its terms is amendable or repealable only by the Board; or
- (d) Action on matters committed by the Bylaws or a resolution of the Board exclusively to another committee of the Board.

#### **Section 11.2. Advisory Committees**

The Board or the President may establish one or more advisory committees to consist of such individuals, and to carry on such activities, as the Board or the President may direct.

#### **Section 11.3. Term**

The Board shall appoint the chairs and members of all Board committees. Standing Committees, if any, shall be appointed at the first meeting of the Board after July 1 in each fiscal year and shall serve for a term of one year. The Board may, by resolution, determine not to constitute a Standing Committee for any year. Advisory committees shall serve at the pleasure of the Board or the President, whichever appointed them.

#### **Section 11.4. Committee Organization**

Except as otherwise provided by the Board, each committee shall be chaired by a Trustee and shall establish its own operating procedures. Each committee shall keep regular minutes of its proceedings and report the same to the Board at each regular meeting. Each committee shall determine its times and places of meetings. The Sections of these Bylaws relating to Trustees'

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quorum and action, participation by teleconference, and action by written consent shall apply to all committees.

## **ARTICLE XII**

### **Limitation of Liability and Standard of Care**

#### **Section 12.1. Limitation of Liability**

A Trustee shall not be personally liable, as such, for monetary damages for any action taken, or any failure to take any action, unless (a) the trustee has breached or failed to perform the duties of the Trustee's office under Subchapter B of Chapter 57 of the NPCL and (b) the breach or failure to perform constitutes self-dealing, willful misconduct, or recklessness. This Section shall not apply to (1) the responsibility or liability of a Trustee pursuant to any criminal statute, or (2) the liability of a Trustee for the payment of taxes pursuant to local, state or federal law. Any repeal or modification of this Section shall be prospective only and shall not increase, but may decrease a Trustee's liability with respect to actions or failures to act occurring prior to such change.

#### **Section 12.2. Standard of Care; Justifiable Reliance.**

A Trustee shall stand in a fiduciary relation to the Corporation and shall perform his or her duties as a Trustee, including duties as a member of any committee of the Board upon which the Trustee may serve, in good faith, in a manner the Trustee reasonably believes to be in the best interests of the Corporation and with such care, including reasonable inquiry, skill and diligence, as a person of ordinary prudence would use under similar circumstances. In performing his or her duties, a Trustee shall be entitled to rely in good faith on information, opinions, reports or statements, including, without limitation, financial statements and other financial data, in each case prepared or presented by any of the following:

- (a) One or more officers or employees of the Corporation whom the Trustee reasonably believes to be reliable and competent in the matters presented;
- (b) Counsel, public accountants or other persons as to matters which the Trustee reasonably believes to be within the professional or expert competence of such person; or
- (c) A committee of the Board upon which the Trustee does not serve, duly designated in accordance with law, as to matters within its designated authority, which committee the Trustee reasonably believes to merit confidence.

A Trustee shall not be considered to be acting in good faith if the Trustee has knowledge concerning the matter in question that would cause his or her reliance to be unwarranted.

#### **Section 12.3. Presumption**

Absent breach of fiduciary duty, lack of good faith, or self-dealing, actions taken by the Board, committees of the Board, or by individual Trustees, or any failure to take any action, shall be presumed to be in the best interests of the Corporation.

#### **Section 12.4. Notation of Dissent**



A Trustee who is present at a meeting of the Board, or of a committee of the Board, at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his or her dissent is entered in the minutes of the meeting or unless the Trustee files a written dissent to the action with the Secretary of the meeting before the adjournment thereof or transmits the dissent in writing to the Secretary immediately after the adjournment of the meeting. The right to dissent shall not apply to a Trustee who voted in favor of the action. Nothing in this Section shall bar a Trustee from asserting that minutes of the meeting incorrectly omitted his or her dissent if, promptly upon receipt of a copy of the minutes, the Trustee notifies the Secretary, in writing, of the asserted omission or inaccuracy.

## **ARTICLE XIII**

### **Transaction of Business**

#### **Section 13.1. Negotiable Instruments**

The Board shall designate one or more officers or agents who shall sign all checks or demands for money and notes of the Corporation.

#### **Section 13.2. Contracts**

The Board may authorize any officer or agent of the Corporation to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation. The authority may be general or confined to specific instances.

#### **Section 13.3. Loans**

The Corporation shall not lend money to or guarantee the obligation of a Trustee or officer of the Corporation. The authorization of the Board is required for any loan contracted on behalf of the Corporation and any evidences of indebtedness issued in the Corporation's name.

#### **Section 13.4. Deposits**

All funds of the Corporation, not otherwise employed, shall be deposited to the credit of the Corporation in one or more banks, financial institutions, or other depositories as the Board shall authorize.

#### **Section 13.5. Securities.**

The President, the Secretary, the Treasurer, or other officers or agents appointed by the Board are authorized to vote, represent, and exercise on behalf of the Corporation all rights incident to all voting securities of any other corporation or proprietary entity standing in the name of the Corporation.

#### **Section 13.6. Bond.**

The Corporation may secure the fidelity of any officer or agent of the Corporation by bond or otherwise.

#### **Section 13.8. Corporate Records**

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The Corporation shall keep (a) minutes of the proceedings of the Board, and (b) appropriate, complete, and accurate books or records of account, at its registered office or the principal place of business or any actual business office of the Corporation.

## **ARTICLE XIV**

### **Community Input**

The Board shall seek continued input from community groups, parents, students, professionals and such other individuals or organizations, as it deems appropriate on issues involving education. As the Board deems appropriate, the Corporation shall participate in meetings with other educational institutions, community organizations, parents, students and such professional groups or organizations.

## **ARTICLE XV**

### **Insurance**

To the extent that such insurance is commercially available, the Corporation shall purchase and maintain insurance on behalf of any person who is or was a Trustee or officer of the Corporation or is or was serving at the request of the Corporation as a trustee, director, or officer of another domestic or foreign corporation for profit or not-for-profit, partnership, joint venture, trust, or other enterprise against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the Corporation would have the power to indemnify him or her against that liability under the NPCL. The Corporation's payment of premiums with respect to such insurance coverage shall be provided primarily for the benefit of the Corporation.

## **ARTICLE XVI**

### **Procedures for Dismissal of an Employee**

#### **Section 16.1. No Fault**

If permitted by applicable law and subject to any contractual obligations of the Corporation, the Corporation may dismiss an employee without cause at any time if the Corporation no longer needs the services of the employee, for example, due to a reduction in student enrollment or lack of sufficient funding to maintain staff.

#### **Section 16.2. Dismissal for Cause**

In cases of dishonesty, corporal punishment, child abuse, unsatisfactory performance, or blatant insubordination, the Corporation may dismiss an employee immediately. In all other cases, an employee who is in violation of the Corporation's policies or the terms of employment will first be given a verbal warning. If the warning does not effect a change, the Corporation will provide the employee a written warning. Suspension without pay or dismissal may result from the employee's continued failure to follow the Corporation's policies or comply with the terms of employment. If the employee disputes the dismissal, a hearing will be provided by the

Board at its next regularly scheduled meeting. The employee may attend the portion of the Board meeting at which his or her case will be discussed and may be accompanied by legal counsel.

## **ARTICLE XVII**

### **Notice, Waiver, and Electronic Transmission**

#### **Section 17.1. Written Notice**

Whenever written notice is required to be given to any person, it may be given to the person, either personally or by sending a copy by first class or express mail, postage prepaid, or by telegram (with messenger service specified) or courier service, charges prepaid, or by facsimile or electronic mail transmission, to his or her address (or to his or her facsimile number or electronic mail address) appearing on the books of the Corporation or, in the case of Trustees, supplied by him or her to the Corporation for the purpose of notice. If the notice is sent by mail, telegraph, or courier service, it shall be deemed to have been given when deposited in the United States mail or with a telegraph office or courier service for delivery to that person or, in the case of facsimile or electronic mail, when receipt has been confirmed. A notice of meeting shall specify the place, day and hour of the meeting and any other information required by applicable law. Except as otherwise provided by applicable law or these Bylaws, when a meeting is adjourned, it shall not be necessary to give any notice of the adjourned meeting, or of the business to be transacted at an adjourned meeting, other than by announcement at the meeting at which such adjournment is taken.

#### **Section 17.2. Waiver by Writing**

Whenever any written notice is required to be given, a waiver in writing, signed by the person or persons entitled to the notice, whether before or after the time stated, shall be deemed equivalent to the giving of the notice. Neither the business to be transacted at, nor the purpose of, a meeting need be specified in the waiver of notice of the meeting.

#### **Section 17.3. Waiver by Attendance**

Attendance of a person at any meeting shall constitute a waiver of notice of the meeting except where a 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 was not lawfully called or convened.

#### **Section 17.4. Facsimile or Electronic Mail**

Any written communication or signature required or permitted by these Bylaws or the NPCL, including a unanimous written consent, shall be valid if sent and received by facsimile or electronic mail transmission.

## **ARTICLE XVIII**

### **Amendments**

The Board may amend or repeal these Bylaws by vote of a majority of the Board at a meeting called for this purpose. The Secretary shall provide each Trustee a copy of any proposed amendment to the Bylaws and at least ten days' prior notice of the meeting at which the vote will be taken.