



Connestee Falls Student Scholarship Program
By-laws
March 17, 2023

SECTION 1

ARTICLES OF THE CONNESTEE FALLS STUDENT SCHOLARSHIP PROGRAM

First: The name of the organization shall be The Connestee Falls Student Scholarship Program.

Second: The place where the principal office of the organization is to be located is the City of Brevard, Transylvania County, NC.

Third: Said program is organized exclusively for charitable educational purposes, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code.

Fourth: The names, addresses, and terms of the persons who are the trustees and Board members of the Program will be captured annually in the meeting minutes of the final calendar meeting of the year to reflect the upcoming year. If any changes occur during the calendar year, they will be documented in the meeting minutes of meeting where the change occurred.

Fifth: No part of the net earnings of the Program shall inure to the benefit of, or be distributable to, its Trustees (Board members) or other private persons, except that the Program 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 Article Third hereof. No substantial part of the activities of the Program shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Program shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office. Notwithstanding any other provision of these articles, the Program shall not carry on any other activities not permitted to be carried on (a) by an organization exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, or (b) by an organization, contributions to which are deductible under section 170(c)(2) of the Internal Revenue Code, or the corresponding section of any future federal tax code.

Sixth: Upon the dissolution of the Program, 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 Program 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.

SECTION 2

BY-LAWS OF THE CONNESTEE FALLS STUDENT SCHOLARSHIP PROGRAM

ARTICLE I

Purpose

The Connestee Falls Student Scholarship Program, a 501(c)(3) organization, exists to raise, manage, and distribute funds collected by means of charitable efforts in the community of Connestee Falls and the County of Transylvania, North Carolina, specifically to:

- Fund college scholarships for students who are Transylvania County residents
- Promote Connestee Falls as a good neighbor in the county and beyond
- Recognize and publicize Sponsors' support for the Scholarship Program events
- Provide an opportunity for Connestee Falls residents to support local college students
- Stimulate interest in the Connestee Falls community and its activities

ARTICLE II

Scholarship Board

2.1 General powers: As steward of the public trust, the Scholarship Board (the "Board") shall be responsible for governance, the ongoing process of due diligence to assure the health and effectiveness of the Program. The Board shall have the power to govern the affairs and property of the Program, in keeping with policies it establishes that define the Board's scope of authority and limitations.

2.2 Number of Board Members: The Board shall consist of at least five and no more than seven members, as determined from time to time, which number shall include the officers (see Art. 3.1). All Board members shall have identical rights and responsibilities except as otherwise specified herein. In addition, the General Manager of the Connestee Falls Property Owners Association shall be an ex-officio member of the Board.

2.3 Tenure: A Board member's term is considered three years from the first of the calendar year following the date of their election. A full three-year term shall be considered to have been served after three calendar years. Board members shall take office at the beginning of the calendar year after the meeting at which they are elected. No Board member shall serve more than two consecutive three-year terms. Filling an incomplete term is not considered part of the term limit. Board members shall serve staggered terms to balance continuity with new perspective.

2.4 Board Members: Members of the Board shall adhere to all policies and procedures established by the Board.

2.5 Composition of the Board: Board members shall be sought who reflect the qualifications and diversity determined by the Board in its policies. The Chair of the Board shall present a slate of members for election to the Board. The newly elected Board members shall take office immediately following the close of the meeting at which they were elected. Any CFPOA member in good standing may be a candidate for the Board.

2.6 Vacancies: Any vacancy occurring on the Board and any position to be filled by reason of an increase in the number of Board members may be filled, upon recommendation of a qualified candidate, by the affirmative vote of the majority of the Board. A Board member elected to fill the vacancy shall be elected for the unexpired term of his/her predecessor in office.

2.7 Resignation: A Board member may resign at any time by filing a written letter of resignation with the Board chair.

2.8 Removal: The Board may remove any Board member for cause by two-thirds (2/3) vote of all Board members then in office, at any regular or special meeting of the Board, provided that a statement of the reason or reasons shall have been mailed by Registered Mail to the Board member proposed for removal at least thirty (30) days before any final action is taken by the Board. This statement shall be accompanied by a notice of the time when, and the place where, the Board is to take action on the removal. The Board member shall be given an opportunity to be heard and the matter considered by the Board at the time and place specified in the notice.

ARTICLE III

Officers of the Board

3.1 Positions: There shall be 4 Officers of the Board:

- Chair
- Vice Chair
- Treasurer
- Secretary

The Chair, the Vice Chair, the Treasurer, and the Secretary shall automatically become Officers of the Program, and the appointments shall be ratified at the final Board meeting of the calendar year to take effect at the beginning of the following calendar year. Notwithstanding

this provision, the Board may remove and replace any officer at any time in accordance with Clause 2.8 above.

3.2 Candidates for each of the positions of Chair, Vice Chair, Treasurer and Secretary will be identified no later than an October Board Meeting, A slate of officers will be presented no later than a November Board Meeting and voted on by the Board during the final Board Meeting of the calendar year.

3.3 Tenure: The term for each Officer shall be for a one-year period commencing at the beginning of the calendar year after the final Board meeting of the year of the previous Officer's term. No single individual may be elected for more than three consecutive one-year terms in any single office, though this provision may be waived by a majority vote of the Board. Each Officer's membership on the Board shall run concurrently with his/her term as an Officer.

3.4 Chair Succession: In cases of temporary absence, the succession shall be Vice Chair and then Treasurer. In the event the elected Chair is unable to fulfill his/her term, the Vice Chair shall become Chair. The person in the Vice Chair position shall typically succeed to the Chair position upon expiration of the Chair's term.

ARTICLE IV

Meetings of the Board

4.1. Meetings: The Board shall meet at least two times per year. Notice shall be given to each Board Member at least fifteen (15) days prior to the date of every meeting of the Board.

4.2. Following each final meeting of the calendar year, the Chair shall make a report to the Board of the Connestee Falls Property Owners Association as to the performance of the Connestee Falls Student Scholarship Program.

4.3. Special Meetings: Special meetings of the Board may be called by the Chair or by a majority of the Board filing a written request for such a meeting with the Chair and stating the object, date, and hour therefore. Due notice of special meetings shall be given seven days prior to such a meeting.

4.4. Quorum: One-half plus one of the Board Members then in office shall constitute a quorum for the transaction of business at any regular or special meeting of the Board, except where otherwise required by these Bylaws. Voting is by majority unless otherwise specified in these Bylaws.

4.5. Meeting Format: The Board shall select its own meeting format in any method allowed by the laws of the state of North Carolina. Any such meeting, whether regular or special, complying with 4.1 or 4.2 shall constitute a meeting of the Board and shall subscribe to the policies, procedures, and rules adopted by the Board.

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

4.7. Action: Any action required by the Board may be taken without a meeting, if all Board Members receive notice of said proposed action in writing or by electronic transmission, and a majority of Board Members consent thereto in writing or by electronic transmission. Response to the information shall constitute a waiver of notice requirements. The writing(s) or electronic transmission(s) shall be filed with the minutes of proceedings of the Board and maintained in the official files. The quorum requirement for any such action shall be as stated in 4.3.

4.8. Proxy and Alternates: Voting by Board Members by proxies shall not be permitted. An absentee Board member may not designate an alternate to represent him or her at a Board meeting.

ARTICLE V

Chair

The Board shall have the responsibility to validate a volunteer candidate for Chair of the Program. Alternatively, in the absence of a volunteer, the Board shall have the responsibility to recruit and appoint such a person.

ARTICLE VI

Committees

6.1. Establishment and Operation of Committees: The Scholarship Board shall establish such committees and task forces as advisable to assist with governance, without compromising the Board's authority and in keeping with the policies established by the Board.

6.2. Finance. The Treasurer and the Chair shall constitute a sub-committee of the Board responsible for financial control, management and due diligence. The Treasurer shall establish processes to ensure collection of all donations from whatever sources, and the deposit of all cash donations into the Scholarship Program bank account. The Treasurer shall maintain financial records using the APLOS application (or other such application as may in future be approved by the Board) and shall make regular reports to the Chair and the Board as may be required.

6.3. Banking. The Finance sub-committee shall maintain a bank account into which all cash donations and receipts are deposited, and from which all disbursements are made. The Chair and the Treasurer of the Program shall be the only authorized signatories for the bank account.

Deposits to the account shall normally be made by the Treasurer. Expense payments of less than \$1000.00 may be written on the account by either of the authorized Officers. Disbursements or expense checks which are \$1000.00 or greater shall be co-signed by both Officers.

6.4. POA Support. The Connestee Falls POA and staff will support the activities of the Program, which may include the receipt and safe-keeping of checks or cash donations pending collection by the Program, and the collection of donations made through the accounts of POA members. A process for this support has been established with the POA General Manager and the Controller, and the Treasurer shall be responsible for ensuring appropriate implementation.

ARTICLE VII

Fiscal Year

The fiscal year of the organization shall begin on January 1 and terminate on December 31.

ARTICLE VIII

Rules of Order

The rules of order in the current edition of Robert's Rules of Order shall govern the conduct of all meetings of the Connestee Falls Student Scholarship Program except where they may be in conflict with the Articles of the Program, these By-laws, or other policies adopted by the Board.

ARTICLE IX

Amendments

These By-laws may be amended at a regular meeting by a two-thirds vote of all Board Members then in office, provided that notice of the proposed amendment, together with a copy thereof, shall be distributed to each Board Member at least fifteen (15) days prior to the meeting at which the amendment is to be considered.

ARTICLE XII

Dissolution

In the event of the dissolution of the Connestee Falls Student Scholarship Program Organization, and after the payment of all debt and return of charitable contributions as appropriate, all assets shall be distributed to an IRS 501(c)(3) organization, selected by the Board, and reflective of the Connestee Falls Student Scholarship Program Articles.