



July 15, 2017

Dear ASCS Family:

The purpose of this letter is to update you on very important developments regarding Atlantic Shores Christian School.

Background

Atlantic Shores Christian School (“the School”) was created in 1985 as a direct ministry of Atlantic Shores Baptist Church (“the Church”). As the School grew and diversified, Church leadership decided that the School should be “carved out” as a separate entity. Accordingly, in 1995 the Church’s founding pastor directed the Church’s counsel to create “Atlantic Shores Christian Schools, Inc.,” a separate entity established under Virginia’s Nonstock Corporation Act. This decision allows the School to operate totally independent of the Church, except that one Board position is reserved for a pastor of the Church. This Board position was created in recognition of the important relationship between the Church and the School, and to make certain that, while the School operated under the direction of its independent Board, the Church would have a “voice” on that Board. Indeed, the School Board has always accepted the Church’s input on important issues like electing board members and hiring the Head of School.

The School has operated under this corporate structure in Christ-centered harmony with the Church for more than 20 years. During this entire time the School has paid the Church for the Elementary School’s use of Church property under a cost sharing arrangement that served both entities well. The School has always paid the Church the full amount they requested from the School.

New Leadership

Under the Church’s new leadership, the relationship between the Church and the School has changed. The Church Elder Body met with the School Board early in 2017 and announced an increase of more than 100% in costs to be paid to the Church by the Elementary School for use of the Church’s facilities. Although this increase places a heavy financial burden on the school, the school had no choice but to accept these demands and hope to maintain a positive working relationship with the Church. The consequences of the increase are significant and limit the School from implementing raises for teachers, employing additional staff, and preventing much needed capital investment in facilities. Although the School has accepted the Church’s financial demands for the coming year, a continuation of these financial demands in future years would be unsustainable for the School. Additionally, the Church Elder Body drafted and submitted proposed bylaws for the School in an attempt to completely alter the relationship between the Church and the School, giving the Church Elder Body ultimate control over the School.

The proposal from the Church Elder Body came as a complete surprise to the School Board, who had exercised independent control over the School for more than 20 years. The School Board

considered, but unanimously rejected, these proposed bylaws after concluding that turning over complete control of the school to the Church Elder Body was not in the School's best interest. Nonetheless, the Elder Body continued to move forward with the position that they could "out vote" the School Board and impose the bylaw changes over the objection of the School Board.

With the Church and School at an impasse, the Church basically gave the School two alternatives:

1. Completely terminate the School's independent existence including all of its corporate documents; relinquish the school board's authority and all of its assets to the church; and submit to the Church Elder Body on all matters governing the school; or
2. Sever all ties with the Church and vacate the premises at the conclusion of the coming school year in June 2018.

Although it was not the school's desire, the School Board had no choice but to fulfill its fiduciary duty and accept the Church's proposal to sever all ties. The purpose of this letter is to share with you the rationale for making this very difficult decision.

The School's Independence under Virginia Law

As a nonstock corporation with no members, the School is governed by Virginia's Nonstock Corporation Act. The law is very clear that the School's Board of Directors, and only the Board of Directors, possesses the authority to conduct corporate business for the school. Under Virginia law, the School Board does not believe it can legally turn over control to the Church Elder Body without violating its fiduciary responsibility as a Board.

The School's Assets

The School's leadership has managed assets wisely, with a focus on Godly stewardship. The School has raised funds from generous donors for the purpose of growing the school's facilities and enhancing programs. The School owns considerable assets at the upper campus, including land recently purchased for future development. Again, this acquisition was made possible by the generous gifts from families who desire to support the school. The vast majority of these donors have no connection to the Church.

If, as the Elder Body has demanded, the School were to be dissolved and become nothing more than another ministry of the Church, all of these assets would immediately become property of the Church, including all funds earmarked for the School's development. The Church could use the School's assets in any way it sees fit, owing the school and its donors nothing in consideration. The School Board concluded that such concessions would violate the trust of so many donors who have supported the school over the years.

The Different Missions of the Church and the School

With new leadership comes differences of opinion with regard to how an entity should operate. Under its current leadership, the Church does not believe that the School should operate as a separate and distinct entity, notwithstanding that it has done so for more than 20 years. While the School certainly respects this change in the Church's position, dissolving the School would make it fall solely under the Baptist Church's ministry and its doctrine. This is contrary to the mission of the School, which strives to be a denominationally diverse Christian institution that draws students from Bible believing families throughout the community regardless of their particular "denomination". The School has always served a much broader and diverse Christian community and benefits from having approximately 100 different churches represented by its students. It is the School's mission to help every student find their unique calling in Christ, whether they are from a Baptist, Methodist,

Presbyterian, or charismatic church in our community. Although the School never has nor ever will deviate from the inerrant Word of God, we recognize and welcome the diversity that exists among Christian denominations. Helping your children to learn and grow in God's Holy Word is a calling that transcends denominational differences.

It was the School's desire to continue the relationship as it has been for the past two decades, one of love and support for each of our unique ministries. The Church did not offer that as an option. Thus, the School Board was compelled to do what was best for the School and so has chosen to maintain the School's existence as an independent entity.

The Elementary School will continue using the Church's facility until June of 2018, having agreed to the Church's demand for a rent increase of over 100%. By that time, the School will have implemented its transition plan to move the Elementary School to another facility commencing in the fall of 2018.

Our Desire Going Forward

We will always honor Atlantic Shores Baptist Church as our founding institution, the "birthplace" of Atlantic Shores Christian School. Although we are extremely disappointed, we must respect the Church's desire to separate itself from the School even though we may not fully understand the reason. As Christians, we will continue to support the Church and pray that God will do a mighty work through its ministry.

As far as the School is concerned, it is business as usual. Teachers and students will return to school next month just as we have planned. We will operate in the same manner we have for decades, working to provide an excellent educational environment that draws from the diverse Christian community in Hampton Roads. The School has great leadership, exceptional teachers, and dedicated families. God has a wonderful plan for Atlantic Shores Christian School and we intend to be obedient to His calling to serve Him and you here at ASCS.

By agreement, the Church and the School will issue a joint public declaration that ASBC and ASCS are organizationally and operationally separate entities whose relationship is nothing more than an arrangement under which ASCS has use of ASBC's property through the end of the upcoming school year. We understand that this announcement will generate other questions that you might have. We will continue to communicate with all of you over the coming days. In the meantime, if anyone has questions or concerns over these recent developments, we are happy to arrange a meeting to discuss the matter. Please join us in prayer as we prepare for the next school year.

In Christ,

Mrs. Amanda Grizzard, Board Member

Pastor Allen McFarland, Board Member

Mr. Mark Russell, Board Member

Mr. Dean Wooten, Board Member

Mrs. Gayle Blachura, Board Member

Mrs. Becky Duenke, Board Member