

**BYLAWS
OF
MOUNTAIN DISCOVERY CHARTER SCHOOL OF SWAIN COUNTY**
*Adopted 8-26-01
Amended 8-12-10, 9-16-10, 11-18-10, 5-19-11*

ARTICLE I - Name of Non-Profit Corporation

Section 1: Name

The name of the non-profit corporation is MOUNTAIN DISCOVERY CHARTER SCHOOL OF SWAIN COUNTY, duly authorized under the statutes of the State of North Carolina.

Section 2: Principle Office

The Principle office of the Corporation is located in the Town of Almond, in Swain County, in the State of North Carolina. The street address of the initial registered office of the Corporation is 69 Laura Lane, Swain County, Almond, North Carolina, 28702 and the name of the initial registered agent at such address is Mary Ellen Hammond.

ARTICLE II - Purposes

Section 1: Purposes

The mission of Mountain Discovery Charter School is as follows:

We believe that empowering our students empowers our community.

The students of Mountain Discovery Charter School are actively engaged in an experientially rich, hands-on course of study developed to maximize each child's potential to become a responsible and respected citizen of the local and global community. Parents, Students, Teachers, and Staff are dedicated to:

- Fostering individual learning styles to reach ambitious academic goals.
- Nurturing and facilitating our children's natural abilities to think creatively and critically.
- Promoting self-confidence through respect for self, others, and the environment.

ARTICLE III - Board of Directors

Section 1: Powers

The activities, affairs and business of the Corporation shall be conducted by or under the direction of the Board of Directors.

Section 2: Number, Qualifications, Election, and Tenure

- a) The number of directors constituting the Board of Directors shall be no less than five(5) and no more than eleven (11).
- b) A person needs to be at least eighteen (18) years old to be qualified as a Director. Paid employees of the Corporation may serve on the Board of Directors only as Non-Voting Members.
- c) Any qualified person seeking to become a Director of the MOUNTAIN DISCOVERY Board will submit an application including a resume and explanation of why he/she is seeking membership to the Board. When a vacancy or vacancies occur, either by death, resignation, removal from office, end of term, tenure limit, and/or for any other reason, the remaining MOUNTAIN DISCOVERY Board Members will review the applications submitted and elect the applicant(s) seeking to become a member of the MOUNTAIN DISCOVERY Board of Directors. The sitting Board Members may conduct interviews with the perspective Board Candidates.
- d) With the exception of the very first planning board, each Director shall hold office for a period of two years. The terms for the initial Board of Directors shall be staggered. One half (1/2) of the members of the first board shall serve a term of two years, and one half (1/2) will serve a term of three years. At the end of these terms, subsequent Directors will serve two-year terms.

Section 3: Ex-Officio Directors

The Chief Executive Officer/School Director of the Corporation shall during his or her respective term serve as an Ex-officio member of the Board of Trustees. In addition, there shall be such other Ex-officio Directors as elected by a vote of the Directors then holding office. Each Ex-officio Director, including the School Director, shall be entitled to enter into all deliberations and to receive notice of all meetings, but he or she shall not vote nor be counted in determining the existence of a quorum.

Section 4: Duties

- a) Directors shall perform any and all duties imposed on them collectively and individually by law, the Articles of Incorporation or by these Bylaws. Directors shall stand in a fiduciary relation to the corporation and shall discharge the duties of the respective positions in good faith, and with that diligence and care which reasonably prudent men and women would exercise in similar circumstances and like positions.
- b) Directors shall appoint, remove, and evaluate the Chief Executive Officer (also known as the School Director) of the Corporation.
- c) Directors shall conduct an annual self-evaluation(s) to ensure their quality of service to the corporation.
- d) Directors shall meet at such times and places as required by these Bylaws. The Board will consider a director with two consecutive un-excused absences from regular meetings as having resigned.
- e) Directors shall register their addresses with the Secretary of MOUNTAIN DISCOVERY CHARTER SCHOOL OF SWAIN COUNTY, Inc.

Section 5: Resignation of Directors

A Director may resign at any time by giving notice in writing to the Chairperson or Secretary of the Corporation. Such resignation shall take effect at the time specified, or if no time is specified, at the time such resignation is received by the Chairperson or Secretary.

Section 6: Vacancies

If a vacancy should occur in the Board of Directors by death, resignation, disqualification, or otherwise, the remaining Directors may continue to conduct the Corporation's business. The vacancy may be filled as provided in Section 2c of this Article III. A Director who is chosen in this manner shall hold office for the unexpired portion of the term of the person whom the newly elected Director succeeds.

Section 7: Compensation

Directors shall serve without compensation for their services to the Board. However, a person who is a Director may receive compensation for serving in another capacity in the Charter School for which there should be reasonable compensation, e.g., compensation as a substitute teacher for a short period of time.

Section 8: Director's Adverse Interest

If any Director has an adverse interest in a corporate transaction, such Director must make full disclosure to the Board of the adverse interest as soon as such Director knows, or should know of its existence. Upon full disclosure, the Board may approve the transaction only by a good faith vote of a majority of the disinterested Directors present. However, no such transaction may be approved if it would constitute self-dealing prohibited under sections 4941 of the Internal Revenue Code of 1986, or the corresponding provisions of any later federal tax laws, or if it would result in the imposition of any excise tax under any other provision of Chapter 49A of the Internal Revenue Code of 1986, or the corresponding provisions of any later federal tax laws.

Section 9: Certain Director Liability

A Director shall be subject to the liabilities imposed by law upon Directors. In addition, all Directors who vote for or assent to any distribution of assets of the Corporation contrary to any lawful restrictions in the Non-profit Corporation Act of the State of North Carolina, the corporate Charter, or the Bylaws, shall be jointly and severally liable to the Corporation for the amount of such distribution. Furthermore, such liabilities shall not exceed the debts, obligations and liabilities existing at the time of the vote or assent where the Director relied and acted in good faith on financial statements of the Corporation to be correct and to be based on generally accepted principles of sound

accounting practice by the Chairperson or the Treasurer, or certified by an independent public accountant or firm of such accountants to fairly reflect the financial condition of the Corporation.

Section 10: Conflict of Interest

Board members shall not be related by birth or marriage to current serving board of members, or to employees of the school. This also applies to potential or current board members sharing the same household or sharing custody of children enrolled at MDCS. Board members shall be completely objective and free of personal conflict when making decisions on the board.

Section 11: Removal

Members of the Board of Directors (Member) as defined by Section 2 of this Article III may be removed with cause in accordance with the Board Handbook, by vote of the Board of Directors present at any regular meeting; or at a special meeting of the Board called for that purpose. The removal of any person from the Board of Directors shall be done without prejudice to the contract rights, if any, of the person so removed.

ARTICLE IV - MEETINGS

Section 1: Regular Meetings

The Board of Directors will meet a minimum of six (6) times per year with the date, time and place being designated by the Chairperson or the Chairperson's designee. One of these meeting shall be the annual meeting (Section 4) of the Board of Directors. The North Carolina open meeting laws will be followed during all meetings of the Board of Directors.

Section 2: Substitute Regular Meetings

If any regular meeting shall not be held as designated in section 4, above, a substitute meeting may be called by the Chairperson or by two or more of the Directors. This meeting may be designated as a regular meeting.

Section 3: Special Meetings

The persons authorized to call Special Meetings of the Board are the Chairperson or at least two Directors. All Board Members must be notified not less than four (4) days in advance of the place and time of a Special Board Meeting, such notice to be made pursuant to Section 4, below.

Section 4: Annual Meeting.

The annual meeting of the Board of Directors shall be held within 3 months after the close of the fiscal year for the purpose of selecting officers, approving financial reports, and to transact any other business as may be specified in the notice of the meeting.

Section 5: Notice of Meetings

Notice of any regular meeting, including the Annual Meeting of the Board of Directors, shall be given to the Board Members at least one-week (seven days) prior thereto. Notice of any special meeting of the Board of Directors shall be given at least four (4) days prior thereto. All notices shall be in writing delivered personally or sent by mail, e-mail, telegram, or fax to the address of each Director as shown on the records of the Corporation.

Section 6: Quorum

The presence of one half (1/2) of the members of the Board of Directors at a meeting duly assembled shall constitute a quorum for the transaction of business. If less than a quorum is present at the time and place of any meeting, the Directors present may adjourn the meeting until a quorum shall be present.

Section 7: Decision Making

Notwithstanding any provision of these Bylaws to the contrary, requiring consensus, unanimity, or any other percentage of votes by members of the Board, including, without limitation, any vote to amend these Bylaws or to elect or replace a director, decisions of the Board shall be by a simple majority vote of the directors present and constituting a quorum. In all cases, in the event of a tie, the vote of the Chairperson shall break the tie. The aforementioned provisions shall apply to all decisions of the Board.

Roll Call Voting Process

The Chair shall inquire, prior to the vote, if any member requests the use of the roll call process. The Chairperson may, at their discretion, ask for Roll Call Vote even if no request is made by other members. If no request is made, the vote may be held immediately.

Should a request for Roll Call Vote be made, each member of the board, in sequence, is asked to voice their summary opinion on the issue. Upon conclusion of the Roll Call, the vote shall be taken.

ARTICLE V - Officers

Section 1: Designation of Officers

The officers of the Board of Directors of this Corporation shall include the Chairperson, Vice- Chairperson, Secretary and Treasurer. . The Directors may designate and fill other corporate officers as needed. Any two offices or more may be held by one person, except the offices of Chairperson, Secretary, and Treasurer. No officer shall sign or execute any document in more than one capacity.

Section 2: Election, Term of Office and Qualifications

Each officer shall be elected by the Board of Directors at the Annual Meeting. These officers shall hold office during the fiscal year after their election. Other officers, as needed, may be appointed in accordance with the provisions of Section 3 of this article and may be elected by the Board at the Annual Meeting.

Section 3: Subordinate Officers and Agents

The Board of Directors may appoint other officers or agents (i.e. Chief Executive Officer/School Director), each of whom shall hold office for such period, have such authority, and perform such duties as the Board of Directors may determine. The Board of Directors may delegate to any officer or agent the authority to appoint any subordinate officer or agent and to prescribe the respective authorities or duties.

Section 4: Duties

Officers shall stand in a fiduciary relation to the Corporation and shall discharge the duties of their respective positions in good faith, and with that diligence and care which reasonably prudent men and women would exercise in similar circumstances and like positions.

Section 5: Removal

The officers specifically designated in Section 1 of this Article V may be removed either with or without cause, by vote of the Board of Directors present at any regular meeting; or at a special meeting of the Board called for that purpose. The officers appointed in accordance with the provisions of Section 3 of this Article may be removed, either with or without cause, by the Board of Directors, by a vote of the Directors present at any meeting. The removal of any person from office shall be done without prejudice to the contract rights, if any, of the person so removed.

Section 6: Resignations

Any officer may resign at any time by giving written notice to the Board of Directors or to the Chairperson or Secretary of MOUNTAIN DISCOVERY CHARTER SCHOOL, or, if that officer was appointed by an officer or agent in accordance with Section 3 of this Article, by giving written notice to the appointing officer or agent.

Section 7: Vacancies

A vacancy in any office because of death, resignation, removal or disqualification, or any other cause, shall be filled for the unexpired portion of the term of such office in the manner prescribed by these Bylaws for regular appointments or elections to such offices.

Section 8: School Director/ Chief Executive Officer

The School Director/Chief Executive Officer shall have general charge of the business and affairs of the corporation and control over its employees. The School Director/Chief Executive Officer shall do and perform such other duties as may be assigned by the Board of Directors, including managing of day-to-day operations. The School Director

shall serve an ex-officio member of the Parent Advisory Committee and the Board of Directors as well as work in partnership with these groups to achieve the mission of the MDCS.

Sections 9: Chairperson

The Chairperson shall have general charge of the business and affairs of the Board of Directors. The Chairperson has the responsibility for conducting meetings. The Chairperson shall perform such other assigned duties as may be assigned by the Board of Directors.

Section 10: Vice-Chairperson

At the request of the Chairperson, or in absence or disability of the Chairperson, the Vice-Chairperson shall perform all the duties of the Chairperson and when so acting shall have all the powers of and be subject to all the restrictions upon the Chairperson.

Section 11: Secretary

The Secretary (or designee) shall keep the minutes of the meetings of the Board of Directors and shall see that all notices are duly given in accordance with the provisions of these Bylaws or as required by the law. The Secretary shall be the custodian of the statements, books, records, reports, certificates, and other documents of the Corporation and the seal of the Corporation, and see that the seal is affixed to all documents requiring such seal. The Secretary shall perform all duties and possess all authority incident to the office of Secretary, and such other duties and have such other authority as may be assigned by the Board of Directors.

Section 12: Treasurer

The Treasurer shall have supervision over the funds, receipts, disbursements and securities of the corporation and shall serve on the Finance Committee. The Treasurer shall perform such other duties and have such other authority as may be assigned or granted by the Board of Directors. The Treasurer may be required to give a bond for the faithful performance of the duties of the office in such form and amount as the Board of Directors may determine.

Section 13: SECTION DELETED

Section 14: Duties of Officers may be Delegated

In case of absence of any officer of the corporation or for any other reason that the Board may deem sufficient, the Board may delegate authority of duties of such officer to any other officer or to any Director provided a majority of the entire Board of Directors concurs therein.

ARTICLE VI - Committees

Section 1: General

The Board shall have two (2) standing committees – Executive and Finance. Committees shall meet and conduct business between board meetings and make reports and recommendations at board meetings. Each Director shall serve on at least one standing committee.

Section 2: Executive Committee

The members of the Executive Committee shall be the Chairperson of the Board, Vice Chairperson, the Secretary, the Treasurer. The Executive Committee shall be vested with the powers of the Board, except as to those matters herein specifically requiring an affirmative vote of the entire Board of Directors. The Executive Committee may exercise its powers when the Board is not in session or in the absence of a quorum thereof. A majority of the members of the Executive Committee shall constitute a quorum thereof.

Section 3: Finance Committee

The Chair of the Board shall nominate and the Board of Directors shall elect a Finance Committee. Membership on this committee will not be restricted to the Board of Directors. The Chairperson of the Board of Directors and the School Director shall serve as Ex-officio members of the Finance Committee. The Finance Committee shall supervise the financial affairs of the School and shall make recommendations from time to time in regard to the operating and capital budgets, salaries, and other business affairs.

Section 4: Parent Advisory Committee.

Parents of MOUNTAIN DISCOVERY students shall form the Parent Advisory Committee and shall nominate and elect the committee's officers. The Chairperson of the Board of Directors and the School Director shall serve as Ex-officio members of the Parent Advisory Committee. The Parent Advisory Committee shall work with the school involving volunteer parental services, fundraising and school performance and shall make recommendations from time to time in regard to said affairs.

Section 5: Additional Committees

The Board of Directors may designate other committees, each of which shall consist of two or more Directors and each of which, to the extent provided in such resolution, shall have and exercise the authority of the Board of Directors in the management of the Corporation, but the designation of such committees and the delegation thereto of authority shall not operate to relieve the Board of Directors or any individual Director of any responsibility or liability imposed upon it or him or her by law. The Chairperson of the Board of Directors and the School Director shall serve as Ex-officio members of such other committees. Membership on such other committees may, but need not be, limited to members of the Board of Directors. Other committees not having and exercising the authority of the Board of Trustees in the management of the Corporation may be designated by the Chairperson of the Board or by resolution adopted by a majority of the Directors present at a meeting at which a quorum is present.

ARTICLE VII - Procedures and Restrictions

Section 1: Contracts

Except as otherwise provided in these Bylaws, the Board of Directors may authorize any officer or agent to enter into any contract or to execute or deliver any instrument on behalf of the Corporation, and such authority may be general or confined to specific instances.

Section 2: Loans

No loans shall be contracted on behalf of the Corporation and no evidences of indebtedness shall be issued in its name, unless and except as authorized by the Board of Directors. Any officer or agent of the Corporation thereunto so authorized may effect loans or advances for the Corporation and for such loans and advances may make, execute, and deliver promissory notes, bonds, or other evidences of indebtedness of the Corporation.

Section 3: Deposits

All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks or trust companies or with such bankers or other depositories as the Board of Directors may select, or as may be selected by any officer or agent of the Corporation to whom such power may from time to time be given by the Board of Directors.

Section 4: Checks, Drafts

All notes, drafts, acceptances, checks and endorsements or other evidences of indebtedness shall be signed by the Chairperson or Vice-Chairperson and by the School Director or the Treasurer, or in such other manner as the Board of Directors may determine. Endorsements for deposit to the credit of the Corporation in any of its duly authorized depositories will be made by the School Director or Treasurer or by any officer or agent who may be designated by resolution of the Board of Directors in such manner as such resolution may provide.

Section 5: Gifts

The Board of Directors may accept on behalf of the Corporation any contribution, gift, bequest, or devise for the general purposes or for any special or educational proposes of Mountain Discovery Charter School of Swain County, Inc.

ARTICLE VIII - General Provisions

Section 1: Corporate Seal

The corporate seal shall be in such form as shall be approved by the Board of Directors.

Section 2: Fiscal Year

The fiscal year of the corporation shall be July 1 through June 30.

Section 3: Amendments to Bylaws

These Bylaws may be altered, amended, or repealed, and new Bylaws may be adopted at any regular or special meeting upon a vote of the Directors then in office provided however, that notice shall be given of the intention to alter, amend, or repeal or to adopt new Bylaws at such meeting at least seven (7) days prior to such meeting in writing delivered personally or sent by mail, e-mail or fax to the address of each Director as shown on the records of the Corporation.

Section 4: Books and Records

The Corporation shall keep correct and complete books and records of accounts and shall keep minutes of the proceedings of its Board of Directors.

Section 5: Meeting Regulation

All meetings of the Corporation including annual, special, and other shall be governed by the following established group agreements: one person speaks at a time; respect diverse opinions; agree to disagree; willingness to let up when its time; listen: sit back, breathe, hear; learn from others: don't simply defend a position, willingness to encourage "thinking out of the box"; strive to find another answer.

Section 6: Officer and Director Indemnification

The Corporation shall indemnify any Director or former Director or officer of the Corporation 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 against liabilities and reasonable litigation expenses, including attorneys' fees, incurred by the Director in connection with any action, suit or proceeding in which that Director is made or threatened to be made a party by reason of being or having been such Director or officer, except in relation to matters as to which the Director shall be adjudged in such action, suit or proceeding to have acted in bad faith or to have been liable or guilty by reason of willful misconduct in the performance of duty. The indemnification authorized by this Section 6 (a) shall be in addition to that permitted by General Statutes Sections 55A-17.2 or 55-17.3 or North Carolina General Statutes or as authorized in these Bylaws.

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 is or was serving at the request of the corporation as a director, officer, employee, or agent of the corporation, partnership, joint venture, trust, or other enterprise against any liability asserted against and incurred by the person in such capacity, or arising out of the officer's status as such, whether or not the corporation would have the power to indemnify that officer against such liability.

Expenses incurred by a Director, officer, employee, or agent in defending a civil or criminal action suit or proceeding may be paid by the corporation in advance of the final disposition of such action, suit or proceeding as authorized by the Board of Directors in the specific case upon receipt of an undertaking by or on behalf of the Director, officer, employee, or agent to repay such amount unless it shall be ultimately determined that the person is entitled to be indemnified by the corporation as authorized in Section 55A-17.2 or 55A-17.3 of North Carolina General Statutes or as authorized in these Bylaws.

Section 7: Conflict of Interest

No Director, officer, or employee of the corporation shall obtain any direct or indirect economic stake in any entity participating in the programs of the corporation, and the corporation shall not employ any individual who serves as a Director or officer of such an entity, or an individual who owns a stake in any such entity. It is the policy of the corporation that no Director, officer, or employee of the corporation shall receive any personal or private benefit resulting from the activities of the Corporation or from the receipt by the Corporation of funds from the State of North Carolina or from any other source, apart from reasonable compensation for services rendered and reimbursement for reasonable expenses incurred in the conduct of the business of the Corporation. In furtherance of

this policy, the Board of Directors shall have the power to make such rules and regulations concerning conflicts of interest as it deems appropriate from time to time.

Section 8: Prohibited Activities

The Corporation shall comply with 501(c)(3) prohibitions against substantial lobbying and involvement in political campaigns for public candidates. No part of the net earnings of the corporation shall inure to the benefit of or be distributable to, its members, Directors, officers, or other private persons.

Notwithstanding any other provisions of these articles, the Corporation shall not carry on any other activities not permitted to be carried on (a) by corporations exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Code.

Section 9: Disposal of Assets

Upon the dissolution of the Corporation, the Board of Directors shall, after paying or making provision for the payment of all of the liabilities of the corporation, dispose of all of the assets of the Corporation as directed pursuant to North Carolina General Statutes.

The undersigned persons certify the foregoing Bylaws have been adopted as the revised Bylaws of the Corporation, in accordance with the requirement of the Corporation Law.

Dated: _____

Director

Director

Director

Director

Director

Director

Director

State of: NORTH CAROLINA
County of: SWAIN