

**BY-LAWS OF
BREVARD ACADEMY: A CHALLENGE FOUNDATION
ACADEMY
(As amended through May 11, 2016)**

ARTICLE I- ORGANIZATION

Name. The name of the corporation is Brevard Academy: A Challenge Foundation Academy (the "Corporation"). The charter school shall operate under the corporation as: Brevard Academy: A Challenge Foundation Academy

Principal Office and Other Offices. The Corporation's principal office, known place of business and place where its records shall be kept is 1110 Hendersonville Highway, Pisgah Forest, North Carolina 28768. The Corporation may change its principal office, or adopt other and additional offices, as the Board may designate from time to time.

Corporate Seal. No instrument executed by or on behalf of the Corporation shall require a corporate seal for validity, but if a corporate seal is used, the Board shall approve its form.

Fiscal Year. The fiscal year of the Corporation shall begin on the first day of July and end on the last day of June next succeeding.

Registered Agent. The name and address of the Corporation's registered agent is Warren Alston, 1110 Hendersonville Highway, Pisgah Forest, North Carolina 28768.

ARTICLE II- PURPOSE

The Corporation is organized for the purpose of being a Charter School under the Charter School Act of 1996, as codified in North Carolina General Statutes 115C-238.29A et seq.

ARTICLE III- MEMBERS

There shall be no members in the Corporation unless provisions for members are later made through an amendment to the Articles of Incorporation.

ARTICLE IV- BOARD OF DIRECTORS

General Powers. All Corporate powers shall be exercised by or under the authority of, and the business and affairs of the Corporation shall be managed under the direction of, the Board of Directors.

Number and Term. The Board of Directors shall consist of a minimum of seven and a maximum of nine Directors. The actual number of Directors shall be determined from time-to-time at the discretion of the Board. Directors shall serve for terms of three years, or until their successors have been named. Board seats shall have staggered terms such that 1/3 of the positions expire each fiscal year.

Composition. Two Board seats shall be reserved for members of the Challenge Foundation/Team CFA. The School Director of the Academy shall serve by designation as an ex officio, non-voting member of the Board of Directors.

Authority. The powers of the Board of Directors shall include, without limitation, the authority to do the following:

Appointments. Appoint, remove, replace and supervise all the Corporation's officers and any of the Corporation's employees;

Investment. Invest and expend Corporation funds in order to carry out all the Corporation's business;

Agents. Employ or discharge agents, employees and independent contractors;

Agreements. Negotiate and enter into necessary agreements, or subcontracts to promote, develop and conduct the Corporation's business and otherwise to carry out the Corporation's intent and purpose;

Insurance. Obtain liability, property and other insurance as necessary to properly protect the Corporation's business and properties and the Corporation's officers, directors, managers, members, and employees;

Litigation. Institute litigation on routine collection matters for payments due to the Corporation for services rendered by or arranged by the Corporation;

Borrowing. Borrow money for Corporation purposes;

Execute Documents. Execute any instruments or documents necessary or convenient to carry on Corporation business;

Establish procedures. Establish operating procedures, requirements, policies and guidelines for the Corporation which shall be implemented

and followed by the Corporation's officers, employees, and independent contractors;

Policies and Procedures. The Board of Directors shall be authorized from time to time to adjust, amend and repeal such policies and procedures as it may deem necessary or appropriate to govern the Corporation's operations.

Action by the Board of Directors. A majority vote is required and sufficient for the Board of Directors to act except in those instances specifically described herein and in the Articles of Incorporation where a super-majority is required in order for the Board of Directors to act or in those designated instances when unanimous consent is required for it to act.

Committees. The Board of Directors may, from time to time and at its discretion, establish committees in order to accomplish the goals and conduct the programs of the Corporation. Committees shall have such responsibilities and powers as the Board of Directors shall specify. Committees may include, but are not limited to: Finance, Academic Excellence, Personnel, Governance, Fundraising, Facility, or others as may be needed. Members of committees may, but need not, be members of the Board of Directors. A committee member appointed by the Board of Directors may be removed by the Board of Directors, with or without cause.

Compensation. Unless otherwise expressly provided by resolution adopted by the Board of Directors, no Director shall receive any compensation for his or her services as a Director. The Board of Directors may at any time and from time to time by resolution provide that Directors shall be paid a fixed sum for attendance at each Board of Directors meeting or a stated salary as Director. In addition, the Board of Directors may at any time and from time to time by resolution provide that Directors shall be paid their actual expenses, if any, of attendance at each Board of Directors meeting. Nothing in this section shall be construed as precluding any Director from serving the Corporation in any other capacity and receiving compensation therefore, but the Board of Directors may by resolution provide that any Director receiving compensation for services to the Corporation in any other capacity shall not receive additional compensation for services as a Director.

Resignations. Any Director may resign at any time by giving written notice of his or her resignation to the Corporation. Any such resignation shall take effect at the time specified therein, or, if the time when it shall become effective is not specified therein, it shall take effect immediately upon its receipt by the Chair or the Secretary; and, unless otherwise

specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Full Time Services Not Required. Nothing in these Bylaws shall be deemed to require that a person serving on the Board of Directors spend his or her full time or any specific amount of time managing the Corporation's business; however, any person serving as a Board of Directors member shall be available at reasonable times to assist in the management of the Corporation's business.

Board of Directors Responsibilities. All board members will be required to demonstrate commitment to the mission of the corporation and to Brevard Academy. Members shall be required to serve on at least one committee and attend meetings of the Board of Directors. Directors absent from three consecutive regular meetings of the Board of Directors or one-half of the regular meetings of the Board of Directors within one fiscal year may be subject to removal.

Vacancies. Any vacancy on the Board of Directors shall be filled by a majority vote of the remaining members of the Board at any meeting.

Removal from the Board of Directors. A Board of Directors member may be removed with or without cause only by a simple majority vote of the Board at any meeting. A member will be considered for dismissal for anyone of the following breaches of integrity: violating the confidentiality of items discussed during Executive Session by disclosing any detail or item of conversation to an individual, group or other organization not otherwise belonging to the Board of Directors; undermining the effectiveness of the Board of Directors and any directives, instructions or other policies promulgated by them; being indicted or convicted of a felony; failing to observe and abide by the terms and conditions stated in the Bylaws of the corporation; any other act that would constitute a breach of integrity in the opinion of the members of the Board of Directors.

ARTICLE V- BOARD OF DIRECTORS MEETINGS

Regular Meetings. The Board of Directors shall meet at least nine times per year, at such times and locations as it may determine suitable and appropriate. An annual meeting shall be held each year. Reasonable notice of all Directors' meetings shall be provided to each Director by mail, telephone, or other means of communication as deemed appropriate by the Chairperson of the Board of Directors. All meetings of the Board of Directors shall comply with the open meetings law, 115C-4, of the North Carolina Public Schools Law.

Special Meetings. The Board of Directors also may hold special meetings called by the Chair or when a majority of the Board of Directors members shall request a meeting. In the event that a Special Meeting is called, each Board of Directors member shall be given 48 hours' notice of that Special Meeting. No other business but that specified in the notice may be transacted without the unanimous consent of all present at such meeting. Any special meeting(s) of the Board of Directors of the Company shall be announced and held in compliance with the open meetings law.

Quorum. The presence of at least one half of the Directors shall constitute a quorum and shall be necessary to conduct the business of the Corporation; however, a lesser number may reschedule a meeting, and the Corporation shall cause a notice of the rescheduled meeting to be given to all Directors who were not present at the originally called meeting. A quorum shall be required at the rescheduled meeting. Except as otherwise provided in these Bylaws or in the Corporation's Articles of Incorporation, the act of a majority of the Directors present at a meeting at which a quorum exists shall be the act of the Board of Directors.

Means of Communication. The Board of Directors, or a committee thereof, may (a) permit a Director or a committee member to participate in a meeting through the use of any means of communication by which all Directors or committee members participating may simultaneously hear each other during the meeting. A Director or a committee member participating in a meeting by such means shall be considered present at the meeting.

Compliance with NC Open Meeting Laws. Notwithstanding any other provision of these Bylaws, the Corporation shall comply in all respects with the North Carolina Public Schools Law, code section 115C-4 and any corresponding provision of subsequent North Carolina Law, in connection with all regular or special meetings of the Board of Directors. Except as otherwise permitted by such Open Meetings Laws:

- ! no quorum of the Board of Directors can meet in private for the purpose of deciding on or deliberating toward a decision on any matter and
- ! no executive session shall be held until the Board of Directors shall have first convened in an open session for which notice shall have been given in accordance with law,
- ! a majority of the Board of Directors at such meeting shall have voted to go into executive session,
- ! and the Chairperson (or other person presiding over the meeting) has cited the purpose of the executive session and has stated whether or not the Board of Directors shall reconvene after the executive session. Executive sessions may be held only purposes permitted by law.

Procedure. All business conducted at the meetings of the Corporation, including meetings of the Board of Directors, shall be conducted pursuant to Robert's Rules of Order or a reasonable, comparable format.

Conflict of Interest. If a matter comes before the Board which places a Director in a conflict of interest between the interests of the Corporation and the interest of the Director, or the Director's family or business, the Director with the conflict shall be prohibited from participating in the discussion and vote on the particular matter. In addition, the Corporation shall comply with the voting and disclosure provisions of the Director Conflict of Interest section of the Non-Profit Corporation Law NCGS 55A-8-31.

ARTICLE VI- OFFICERS

The Corporation's officers shall consist of a Chairperson, any number of Vice Chairs, a Secretary, and a Treasurer and such other officers as determined appropriate by the Board of Directors. Each officer designated by the Board of Directors shall have such authority and perform such duties as the Board of Directors may from time to time determine. The officers shall serve at the pleasure of the Board of Directors. Any number of offices may be held by the same person, other than the offices of Chairperson and Secretary.

Nominating Procedures. The Board of Directors shall appoint a Nominating Committee whose responsibility will be to present a slate of candidates for Officers to the Board of Directors at the annual meeting. The Board of Directors may accept or decline the slate presented by the Nominating Committee. If the slate is declined, nominations for officers may be entertained by the Board Chairperson. Nominations must be seconded and the nominee must accept the nomination in order to be considered a candidate for office. Upon the motion, second and majority vote to close nominations, an election of officers from the list of candidates will be held. All elections for officers will be held using secret ballot. Ballots will be cast by each Director indicating the choice of each director for each office. No ballot may be cast or counted on which more than one candidate is indicated for a single office. The candidate receiving a simple majority of ballots cast in his/her favor will be immediately inaugurated into the office for which they have been elected. In the event of a tied vote, ballots will be recast. In the event of another tie after a recasting of ballots, the office shall be awarded to the candidate with the longest cumulative tenure served on the Board of Directors.

Removal and/or Resignation of Officers. Any officer may be removed with or without cause by the Board of Directors by a unanimous vote of the Board of Directors at any regular or special meeting held by the Board of Directors. The removal of a person as an officer of the Corporation does not automatically prevent the same person from serving on the Board of Directors. Any officer may

resign at any time by giving written notice of resignation to the Corporation. Any such resignation shall take effect at the time specified therein, or, if the time when it shall become effective is not specified therein, it shall take effect immediately upon its receipt by the Corporation; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Duties of the Chairperson. The Chairperson shall preside at all meetings of the Board of Directors of the Corporation and shall be responsible for implementing policies established by the Board of Directors. The Chairperson shall establish the agenda, in consultation with the School Director, for each meeting of the Board of Directors, and have such powers as may be reasonably construed as belonging to the chief executive any corporation. The Chair shall perform such other duties as the Board of Directors may prescribe.

Duties of the Vice Chair. In the absence of the Chair, or in the event of the Chair's inability or refusal to serve, the Vice Chair, as selected by the Board of Directors, shall perform all the duties of the Chair and, when so acting, shall have all the powers and authority of the Chair. Such Chair shall have such other powers and perform such other duties as the Board of Directors or Chair may prescribe.

Duties of the Secretary. The Secretary shall review the minutes of all Board of Directors meetings before presentation to the Board of Directors. The Secretary shall see that minutes of all meetings and all unanimous consents o the Board of Directors, these Bylaws, and all other records as required by law are properly kept. The Secretary shall file any certificate, reports and/or other filings required by any local, federal and/or state statute(s), give and serve all notices to Directors of the Corporation, maintain custody of the records and seal of the Corporation (if any), submit to the Board of Directors any communications which shall be addressed to the Secretary of the Corporation, attend to all correspondence of the Corporation and exercise all duties incident to the office of Secretary. The Secretary will be custodian of the corporate seal, if any, and except as otherwise specified in a Board of Directors' resolution, the Secretary will be a proper officer to impress the Corporation seal, if any, on any instrument signed by the President or any other duly authorized person, and to attest to the same. The Secretary shall perform such other duties as may be assigned, from time to time, by the Chairperson or the Board of Directors.

Duties of the Treasurer. The Treasurer shall be actively engaged in the oversight, custody and management of the monies, assets, property and or securities of the Corporation. The Treasurer shall render or delegate an appointed representative to render, at stated periods as the Board of Directors shall determine a written account of the finances of the Corporation, and shall exercise all duties incident to the office of Treasurer, including but not limited to

the signing of the checks or drafts of the Corporation if so designated by the Directors.

Duties of Other Officers. Each other officer of the Corporation shall perform such duties as the Board of Directors or the Chari may prescribe.

Terms of Officers. Each officer shall hold office for a term of one year or until such time as her or his successor has been elected by the Board of Directors. An officer may serve for more than one term.

Officer Vacancies. Vacancies in any office shall be filled by a vote of the Board of Directors at any regular or special meeting.

ARTICLE VII-SCHOOL DIRECTOR(S)

Selection. The School Director(s) shall be appointed by the Board of Directors. The School Director(s) shall receive such compensation as the Board may direct. The School Director(s) may not serve as an officer of the Corporation.

Duties. The School Director(s) shall carry out the policies established by the Board of Directors and shall be directly responsible to the Board of Directors. The School Director(s) will have general management of the artistic, academic, and administrative operations of the charter school and shall prescribe and direct the course of study, the discipline to be observed, the assessment of student performance, and shall be responsible for all required reporting to the State of North Carolina. The School Director(s) shall prepare an annual budget for submission to the Board of Directors for approval. All personnel actions by the School Director including setting salaries, hiring, discharging, setting duties and terms of staff, shall be reviewed and approved by the Board of Directors.

ARTICLE VIII-INDEMNIFICATION

The Corporation shall indemnify any person who was or is a party, or is threatened to be made a party, to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, including all appeals (other than an action, suit, or proceeding by or in the right of the Corporation) by reason of the fact that he is or was a director, officer, committee member, member, agent, or employee of the Corporation or is or was serving at the request of the Corporation as a member, director, officer, agent or employee of another entity, against expenses including attorneys' fees, judgments, decrees, fines, penalties, and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit, or proceeding if he acted, or failed to act, in good faith and in a manner he reasonably believed to be in or not opposed to the best interest of the Corporation and , with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any

action, suit, or proceeding by judgment, order, settlement, conviction, or on a plea of not contest or its equivalent, shall not, of itself, create a presumption that the person acted or failed to act other than in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Corporation, and with respect to any criminal action or proceeding, had reasonable cause to believe his conduct was unlawful.

ARTICLE IX- CONTRACTS, CHECKS, LOANS, DEPOSITS, AND GIFTS

Contracts. The Board of Directors may authorize one or more officers, agents, or employees of the Corporation to enter into any contract or execute any instrument on its behalf. Such authorization may be general or confined to specific instances. Unless so authorized by the Board of Directors, no officer, agent, or employee shall have any power to bind the Corporation or to render it liable for any purpose or amount.

Negotiable Instruments. All checks, drafts or other orders for the payment of money, notes, or other evidence of an indebtedness issued in the Corporation's name shall bear the signatures of those officers or employees of the Corporation as authorized by resolution. The Board of Directors may require such officers or employees to be bonded in an amount fixed by the Board of Directors.

Gifts. The Board of Directors may accept on behalf of the Corporation any gift, bequest, devise, or other contribution for the purposes of the Corporation on such terms and conditions as the Board of Directors shall determine.

ARTICLE X- AMENDMENTS

The power to make, alter, amend, or repeal the Bylaws is vested in the Board of Directors of the Corporation; provided, however, that any meeting of the Board of Directors at which the Bylaws are amended must be preceded by a notice sent to each directors that sets forth verbatim the existing language to be changed and the proposed new language to be inserted. Amendments require an affirmative vote from two-thirds of the Board of Directors. Material changes to the Bylaws require approval from the North Carolina State Board of Education.