

BY-LAWS
(amended 9/21/2012)

PINE LAKE PREPARATORY, INC.

ARTICLE I

NAME

Section 1: The name of this organization shall be Pine Lake Preparatory, Inc. (hereinafter referred to as PLP).

ARTICLE II

PURPOSE

Section 1: The sole and exclusive purpose of PLP shall be to establish and conduct in the Iredell County, NC a charter school for the instruction of children.

ARTICLE III

MEMBERS

Section 1: The membership of this corporation shall be composed of one class of membership, which shall be known as a general membership. General membership shall be one active voting member from each household which has a student enrolled in the school or PLP board member. In addition, employees of the school who do not have students enrolled at the school shall also be entitled to one vote per household. Membership in the corporation is not transferable.

Section 2: Members shall pay no membership fees.

Section 3: Members of the corporation are limited to parents/guardians who have at least one student currently enrolled in the school, employees of the school without children enrolled at the school, or those persons invited by the Board to serve as board members.

ARTICLE IV

BOARD OF DIRECTORS

Section 1: The business, property and affairs of this corporation shall be managed by a Board of Directors composed no fewer than six (6) persons and no more than nine (9) persons who shall be members of this corporation. Each director shall hold

office for the term for which he is elected and until his successor is elected and qualified.

Section 2: At the first annual meeting of the members, the members of the Board of Directors shall be divided into three groups as close to equal in number as possible. The members of the first group shall hold office for a term of one year; the members of the second group shall hold office for a term of two years, and the members of the third group shall hold office for a term of three years. At all annual elections thereafter, directors shall be elected by the members for a term of two (2) years to succeed the director whose term then expires; provided that, nothing herein shall be construed to prevent the election of a director to succeed himself for one additional full two (2) year term. The number of directors serving at any one time who have students attending the school and are elected by parent vote will not exceed three (3) of which one member will be from the lower school (K-5), one from the middle school (6-8), and one from the upper school (9-12). If one of the schools does not have a candidate come forward, the candidacy will be offered to parents of the other schools in the following order: (a) for the lower school, the candidacy would be offered to a middle school candidate then an upper school candidate; (b) for the middle school, the candidacy would be offered to a lower school candidate then an upper school candidate; (c) for the upper school, the candidacy would be offered to a middle school candidate then a lower school candidate. If an elected seat opens up during the year, the seat will be offered to a candidate from the same school in the order in which they ranked in voting. If an elected seat opens without another candidate from the same school to fill the space, the seat would be offered to candidates from the same school to fill the space, then seat would offered to candidates from other leveled schools following the same order as the candidacy offers. Membership elected members will serve one (1) year terms. If an elected position opens up and the entire candidate slate has been exhausted, the seated directors will appoint a person to fill the position for the remaining term up to one (1) year. The seated directors will appoint persons to fill the remaining unfilled director positions of the Board. At the discretion of the Board, any of these appointments may or may not be parents. No director will serve on the board in any combination of appointed and/or elected seat for more than four (4) consecutive years.

Section 3: Vacancies on the Board of Directors, other than the three positions elected by the membership, shall be filled by appointment made by a majority vote of the remaining directors. Each person so elected to fill a vacancy shall remain a director until he has served the unexpired term.

Section 4: The Board of Directors shall elect a president, a vice-president, a secretary and a treasurer.

Section 5: The Board of Directors shall have power to appoint such other officers and staff members as the Board may deem necessary for the transaction of the business of the corporation.

Section 6: Any officer or staff member may be removed by a majority vote of the Board of Directors whenever, in the judgment of the Board, the business interest and objectives of the corporation will be served thereby.

Section 7: The Board shall have the power to fill any vacancy in any office occurring for any reason whatsoever.

Section 8: The Board of Directors shall have power to appoint, by resolution, an Executive Committee composed of three or more directors who, to the extent provided in such resolution, shall have and exercise the authority of the Board of Directors in the management of the business of the corporation between meetings of the board.

Section 9: The compensation of the directors, officers and staff members shall be fixed by the Board. No voting board member may be an employee of the school. Board members may be reimbursed for the performances of duties seen as beyond the normal expectations of a director. Compensation may include but are not limited to travel, meals, and lodging while performing duties as directed by the Board.

Section 10: Regular meetings of the Board of Directors shall be held monthly at such date and time as the Board of Directors may determine. Said meeting shall be open to the public and will meet the public notice provisions of the public meeting law; however, the Board of Directors shall have the right to call an executive session during any meetings for the purpose of discussing corporation affairs inappropriate to disseminate among the public because of confidentiality rules or otherwise. The decision to go into executive session must be within the guidelines of the NC Open Meetings Law.

Section 11: Special meetings of the Board of Directors may be held from time to time upon the call of the President and proper public notification as per the public meetings law.

Section 12: All meetings of the Board of Directors shall be held in the principal's office of the corporation, and notice thereof shall be mailed to each member of the Board no less than three (3) days prior to such meeting. Any member of the Board may waive notice of such meeting in writing, and the failure of any member of the Board to receive such notice shall not invalidate any action taken at such meeting. All notices shall be authorized by the President or by the Secretary of the corporation.

Section 13: Not less than 50% of the members of the Board shall constitute a quorum at any regular or special meeting. A majority vote of the directors present at any meeting attended by a quorum shall determine any questions presented to the Board at such meeting, unless otherwise specifically provided in these By-Laws.

Section 14: The President of the Corporation shall be the Chairman of the Board of Directors and shall preside at meetings, and the Secretary of the corporation shall be the Secretary of the Board of Directors. In the absence of the Secretary, the presiding officer shall designate a person who shall act as Secretary of the meeting.

Section 15: Members of the Board of Directors shall generally represent a geographical cross section of the catchment area of the student body of PLP. Attendance of members of the Board of Directors at monthly meetings is therefore considered essential. Any member of the Board of Directors who is absent from three (3) consecutive monthly meetings or fifty percent (50%) of the total monthly meetings in any one fiscal year shall be automatically terminated as a Board member unless unusual circumstances regarding the absences are accepted by the Board. A terminated Board member requesting reinstatement shall submit such request for reinstatement to the Board who shall vote whether to accept or reject the reinstatement. In each case of termination, the Secretary shall inform the terminated member and the remaining members of the Board of the automatic removal.

ARTICLE V

OFFICERS

Section 1: The officers of the corporation shall be the President, Vice-President, Secretary and Treasurer. The officers shall be elected by the Board of Directors at the meeting of the Board held in June and shall hold the office for one (1) year or until their successors are duly elected and qualified. Any vacancy occurring in any office by death, resignation or otherwise, shall be filled for the remainder of the unexpired term of such officer by the Board of Directors. The newly elected officers will take office in June.

Section 2: The President shall be a member of and Chairman of the Board of Directors. The duties of the President shall include the duty to preside over all meetings of the members of the corporation and all meetings of the Board of Directors, exercise general supervision over the affairs of the corporation and report thereon to the meetings of the directors and to the meetings of the members of the corporation. The President shall perform such other duties and exercise such other authority as may be assigned to him/her by the Board. The President may appoint special committees, either standing or time limited, with approval by a majority of the voting members of the Board of Directors.

Section 3: The Vice-President shall be a member of and Vice-Chairman of the Board of Directors. He/she shall perform the duties of the President in the absence of the President and shall perform such other duties as the Board of Directors may from time to time assign him/her.

Section 4: The Secretary shall be a member of the Board of Directors. It shall be the duty of the Secretary to prepare and give notice of all meetings of the Board of Directors and of the members of the corporation, to keep minutes of all such meetings, to sign all instruments required by law to be signed by the Secretary, to affix the corporate seal whenever the same is required, to keep in his/her custody or control the records of the corporation, and to perform such other duties as may be imposed upon him/her by the Board of Directors.

Section 5: The Treasurer shall be a member of the Board of Directors. It shall be the duty of the Treasurer to sign all instruments required by law to be signed by the Treasurer. To maintain control over the money and securities of the corporation and to perform such other duties as may be imposed upon him/her by the Board of Directors for the faithful performance of his/her duties.

ARTICLE VI

MEETING OF THE MEMBERS

Section 1: The members of the corporation shall meet annually. The meeting shall be held at such date and time as the Board of Directors may determine.

Section 2: Special meetings of the members of the corporation may be called by the President by written notice stating the date and hour at which such meeting shall be held.

Section 3: Notice of the annual meeting of the members of the corporation and of any special meeting shall be sent by the President or Secretary of the corporation to the last known contact information of each active member of the corporation not less than three days prior to the date of such meeting. The failure of any active member to receive notice of such meeting shall not affect the validity of the meeting or of any action taken. The notice of a special meeting shall state the purpose or purposes for which such meeting is called. Any member of the corporation may waive notice of any meeting in writing.

Section 4: Twenty-five percent (25%) of the members of the corporation voting on a meeting ballot shall constitute a quorum. A vote of by a quorum shall be sufficient to determine any questions properly submitted on a meeting ballot, except for questions as to which the Articles of Incorporation require the affirmative vote of a larger number of the members, in which cases the provisions of the Articles of Incorporation shall control.

Section 5: Any member of the corporation may vote by any secured method deemed appropriate by the board. Voting by proxy shall not be permitted. Each General Membership voting household as described in Article III, Section 1 shall designate one individual as the voting member.

Section 6: The President of the corporation shall preside at all meetings of the members, and the Secretary of the corporation shall act as the Secretary of all such meetings. In the absence of the President, the Vice-President shall preside and in the absence of the Secretary, the presiding officer shall designate the member who shall act as Secretary of the meeting.

ARTICLE VII

EXECUTION ON INSTRUMENTS

Section 1: All checks, drafts and orders for payment of money shall be signed in the name of the corporation and shall be countersigned by such officers or agents as the Board of Directors shall from time to time designate for that purpose.

Section 2: When the execution of any contract, conveyance, or other instrument has been authorized without specification of the executing officers, the president or any vice-president and the secretary may execute the same in the name and behalf of this corporation and may affix the corporate seal thereto. The Board of Directors shall have power to designate the officers and agents who shall have authority to execute any instrument in behalf of this corporation.

ARTICLE VIII

POWER OF BOARD TO BORROW MONEY

The Board of Directors shall have full power and authority to borrow money whenever in the discretion of the Board the exercise of said power is required in the general interest of this corporation, and in such case, the Board of Directors may authorize the proper officers of this corporation to make, execute and deliver in the name and on behalf of this corporation such notes, bonds and other evidence of indebtedness as said Board shall deem proper, and said Board shall have full power to mortgage the property of this corporation, or any part thereof, as security for such indebtedness, and no action on the part of the membership of this corporation shall be requisite to the validity of any such note, bond, evidence of indebtedness or mortgage.

ARTICLE IX

NON-PROFIT NATURE

Section 1: No officer, member or employee of this organization or any other individual shall now or hereafter, receive or be entitled to any part of the net earnings of this corporation, or to any portion of the funds contributed to it, except reasonable compensation for services in effecting one or more of its purposes.

Section 2: Upon the dissolution of this organization for any cause, the properties then in the possession of this organization shall be turned over to the local school district.

ARTICLE X

STATEMENT OF NONDISCRIMINATION

Section 1: The PLP admits students of any race, national or ethnic origin to all the rights, privileges, programs and activities generally accorded or made available to students at the school. It does not discriminate on the basis of race, color, national or ethnic origin in administration of its educational policies, admissions policies, scholarship and loan programs, and athletic or other school-administered programs.

ARTICLE XI

FISCAL YEAR AND FINANCIAL RECORDS

Section 1: The fiscal year of the corporation shall begin on the first day of July and terminate on the thirtieth day of June of each calendar year.

Section 2: All books, documents and records of or relating to the funds, properties, contracts and business affairs of the corporation shall at all times be kept in its principal office except when actually in use elsewhere in the proper performance of the business of the corporation or in connection with the annual audit required by the following Section 3.

Section 3: As soon as practical after the close of each fiscal year, the President shall cause the books of the corporation to be audited by a certified public accountant who is not an officer, director or employee of the corporation. The President shall cause the report of such audit to be presented to the Board of Directors of the corporation at the next regular Board meeting following the receipt by the President of such report.

Section 4: The outgoing President and Treasurer of the corporation shall cause a written operating budget of the corporation for the coming fiscal year to be prepared for submission to the Board of Directors for consideration and approval at the regular March meeting of the Board of Directors. The budget submitted, and any amendments to the budget shall be based upon reasonable projected revenues and expenditures.

ARTICLE XII

INDEMINIFICATION

Section 1: To the extent permitted by law, and in accord with applicable statutory requirements, the PLP may indemnify or agree to 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 other than an action by or in the right of the PLP by reason of the fact that he/she is or was a director, officer, employee or agent of PLP or is or was serving at the request of PLP as a director, officer, employee or agent of another corporation, domestic or foreign, nonprofit or for-profit, partnership, joint venture, trust or other enterprise, against expenses (including attorney's fees), judgments, fines and amounts paid in settlement actually and reasonable incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed or not opposed to the best interests of PLP and with respect to any criminal action or proceeding, had not reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of PLP and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

Any indemnification under this Article, unless ordered by a court, shall be made by PLP only as authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in this Section.

The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under the Articles of Incorporation or any provisions of these by-laws or any agreement, vote of members or disinterested directors, or otherwise, both as to action in his/her official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

PLP shall have the power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of PLP or is or was serving at the request of PLP as a director, officer, employee or agent of another corporation, domestic or foreign, nonprofit or for-profit, partnerships, joint venture, trust or other enterprise, against any liability asserted against him/her and incurred by him/her in any such capacity, or arising out of his status as such, whether or not

PLP would have the power to indemnify him/her against such liability under the provisions of the Article.

ARTICLE XIII

CORPORATE SEAL

The Board of Directors shall provide a suitable corporate seal showing the names of this corporation and the words "Incorporated 2006 North Carolina", or other words indicative of the State of its incorporation, and said seal, when obtained, shall be impressed in the margin of the minute book containing this article of the By-Laws.

ARTICLE XIV

AMENDMENTS

Section 1: Any section of these by-laws must be amended at any regular or special meeting of the members of the corporation, provided that the notice of said meeting shall state that one of the purposes of the meetings is to consider and vote on an amendment to the corporation's by-laws and shall set forth verbatim both the existing language sought to be changed and the language to be inserted. The amendment or amendments to be considered shall be submitted in writing to the members of the Board of Directors in advance of any such meeting at which any amendment is to be considered and shall be approved by a majority of a quorum of members of Directors present.