

**SECOND AMENDED AND RESTATED BYLAWS  
OF  
PALM BAY EDUCATION GROUP, INC.**

ARTICLE I. NAME

The corporation shall be known as PALM BAY EDUCATION GROUP, INC., a Florida not-for-profit corporation.

ARTICLE II. MEMBERSHIP

The corporation shall have no Members.

ARTICLE III. PURPOSES

The purposes for which the corporation is organized are:

In particular, to: establish and operate charter schools as defined in the laws of the State of Florida within the borders of Bay County, Florida. The charter schools shall be organized so that it presents a system of formal instruction of its curriculum to a regularly enrolled student body through its faculty for the benefit of the general public.

In general, to do any and all acts and things, and to exercise any and all powers which now or hereafter are lawful for the corporation to do or exercise under and pursuant to Chapter 617, Florida Statutes.

The purposes for which this corporation is organized shall be limited to those which are strictly charitable. In no event shall this corporation engage in any activity which would be contrary to the purposes and activities: (1) permitted to be engaged in by any organization the activities of which are exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986; or (2) of a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1986, as hereafter amended (the "Code"), and the applicable rules and regulations thereunder. It is the specific intention of the incorporator that the purposes and application of the corporation be as broad as permitted by Section 617.0301 of the Florida Not For Profit Corporation Act, but only to the extent that the corporation qualifies as a tax exempt organization within the meaning of Section 501(c)(3) and Section 170 of the Code.

The corporation shall not be operated for the primary purpose of carrying on an unrelated trade or business as defined in Section 513 of the Code of 1986, and the applicable rules and regulations thereunder.

No benefits shall be solicited or received by, nor shall any compensation be paid to any officer, director, trustee, creator or organizer of the corporation or substantial contributor to it, pursuant to Section 112.313 of the Florida Statutes.

The corporation is organized to serve public interests. Accordingly, it shall not be operated for the benefit of private interests.

## ARTICLE IV. BOARD OF DIRECTORS

SECTION 1. FUNCTION. All corporate powers shall be exercised by or under the authority of the Board of Directors of the corporation, and the business and affairs of the corporation shall be managed by the Board of Directors.

SECTION 2. QUALIFICATIONS. The members of the Board of Directors must be natural persons who are 18 years of age or older, and are to be residents of this state. By two-thirds (2/3rds) vote of the Board of Directors, the Directors may, from time to time, establish additional qualifications and requirements for Directors, by written policy and procedure; such written policies and procedures shall be maintained with the books and records of the corporation.

SECTION 3. COMPENSATION. Directors, as such, shall not receive any compensation for their services as members of the Board of Directors.

SECTION 4. DUTIES OF THE BOARD. The Board of Directors shall transact all business of the corporation, determine the policies of the corporation and in general assume responsibility for the guidance and the affairs of the corporation. The duties of the Board of Directors include, but are not limited to setting policy, establishing procedures, approving budgets, approving selection of the principal and overseeing and managing the financial and administrative management of the School. The Board of Directors shall be responsible for making or executing the School's performance standards, supervising ongoing accounts, overseeing financial reporting and meeting state and district requirements and providing annual programs and accountability reports. A Director shall perform his/her duties in said capacity, including his/her duties as a member of any committee of the Board of Directors upon which he/she may serve, in good faith, in a manner he/she reasonably believes to be in the best interests of the corporation and with such care as an ordinarily prudent person in a like position would use under similar circumstances.

In performing his/her duties, a Director shall be entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by:

(a) the Executive Director, one or more of the officers or employees of the corporation whom the Director reasonably believes to be reliable and competent in the matters presented;

(b) Board counsel, public accountants or other persons as to matters that the Director reasonably believes to be within such person's professional or expert competence; or

(c) a committee of the Board of Directors upon which the Director does not serve, duly designated in accordance with a provision of the Articles of Incorporation or these Bylaws, as to matters within its designated authority, which committee the Director reasonably believes to merit confidence.

A Director shall not be considered to be acting in good faith if he/she has knowledge concerning the matter in question that would cause the reliance described above to be unwarranted.

A person who performs his/her duties in compliance with this section shall have no liability by reason of being or having been a Director of the corporation.

SECTION 5. NUMBER. The corporation shall have at least three (3) Directors but shall not have more than five (5) Directors. The number of Directors may be increased or decreased from time to time by majority vote of the Board of Directors of the corporation; provided, however, that the Board of Directors shall consist of not fewer than three (3) Directors and no decrease in the number of Directors shall have the effect of shortening the term of an incumbent Director.

#### SECTION 6. ELECTION AND TERM.

Members shall hold office until their successors are elected and qualified or until their earlier resignation, removal from office or death. Terms may be set by the Board as deemed appropriate. At each succeeding annual meeting of the corporation, the successors of the Directors will be elected by plurality vote of all votes cast at such meeting. Directors so elected shall hold office for a term expiring at the annual meeting held in the third year following the year of their election. Election of Directors of the corporation need not be by written ballot unless requested by the Chairman or by a majority of the Directors present in person at a meeting at which Directors are to be elected.

SECTION 7. RESIGNATION. The resignation of a Director shall be effective as of the date of delivery of a written notice to the Board of Directors or at a later date, if specified in the written notice. If a Director resigns in the middle of his/her term, a successor for the unexpired term shall be selected by the Board of Directors.

SECTION 8. REMOVAL OF DIRECTORS AND OFFICERS. Any Director or officer may be removed by a majority vote of the Board of Directors whenever, in the judgment of the Board of Directors, the best interests of the corporation will be served thereby.

SECTION 9. VACANCIES. Any vacancy occurring on the Board of Directors, including that created by reason of an increase in the number of Directors, may be filled by appointment of a majority vote of the members of the Board of Directors. A Director elected to fill any vacancy shall hold office only until the next annual meeting of Directors.

SECTION 10. QUORUM AND VOTING. The presence of a majority of all the Directors shall be necessary at any meeting to constitute a quorum to transact business. The act of a majority of Directors present at a meeting when a quorum is present shall be the act of the Board of Directors. Any means of communication by which all Directors participating may simultaneously hear each other and participate in discussions during the meeting, including the use of telephonic and electronic devices (hereafter "Remote Communication"), shall be permitted, provided there is a quorum

physically present at the meeting location. A Director participating in a meeting by Remote Communication is deemed to be present in person and entitled to one (1) vote at such meeting.

(a) The corporation implements reasonable means to verify that each person deemed present and authorized to vote by means of Remote Communication is an active member of the Board of Directors; and:

(b) The corporation implements reasonable measures to provide such members of the Board of Directors with a reasonable opportunity to participate in the meeting and to vote on matters submitted to the Board of Directors, including an opportunity to communicate and to read or hear the proceedings of the meeting substantially concurrent with the proceedings.

If a member of the Board of Directors votes or takes other action by means of Remote Communication, a record of that board member's participation in the meeting must be maintained by the corporation in accordance with Florida Statutes, Section 617.1601.

SECTION 11. PLACE OF MEETINGS. The annual meeting, and any special meeting, of the Board of Directors must be held within Bay County of the State of Florida.

SECTION 12. MEETINGS. The Board of Directors shall meet at least four (4) times each fiscal year (Regular Meetings) at the time and place designated by the Board of Directors of the corporation. The Annual Meeting shall be held during the month of July and shall be the July meeting of the Board of Directors. Notice of the Annual Meeting and all other Regular Meetings shall be given by the Secretary to each Director at least two (2) days before the meeting, unless each Director shall waive notice thereof before, at, or after the meeting.

SECTION 13. SPECIAL MEETINGS. Special Meetings of the Board of Directors shall be held at such other times as shall be determined by the Chairman or by two (2) or more Directors. Notice of any Special Meeting shall be given by the Secretary to each Director at least two (2) days before the meeting unless each Director shall waive notice thereof before, at or after the meeting.

SECTION 14. PRESUMPTION OF ASSENT. A Director of the corporation who is present at a meeting of the Board of Directors at which action on any corporation matter is taken shall be presumed to have assented to the action taken unless the Director votes against such action or abstains from voting in respect thereto because of an asserted conflict of interest.

SECTION 15. PUBLIC MEETINGS OF THE BOARD OF DIRECTORS. Notwithstanding anything to the contrary in these Bylaws, the Board of Directors of the corporation shall conduct its activities and its meetings (regular and special) in accordance with the Florida Open Meetings Laws (also Florida Sunshine Law) as set

forth in Article I, Section 24 of the Florida Constitution as it may exist from time to time and in Florida Statutes Chapter 286.011 as amended or restated from time to time. Notice of all meetings shall be provided as set forth in such laws.

**SECTION 16. DIRECTOR CONFLICTS OF INTEREST.** A Conflict of Interest is described as: “an actual or perceived interest by a member in an action which results or has the appearance of resulting in personal, organizational, or professional gain. This “actual or appearance of a bias” in the decision making process is based upon the dual role of a member, who in addition to serving on the Board of Directors may be affiliated with other organizations, either as an employee(er), a member, or in some other capacity. A conflict of interest shall include, but not be limited to, a violation of Florida Statute §112.313(7) as it applies to members of the Board of Directors. In no event may a member of the Board of Directors have or hold any employment or contractual relationship with any business entity or other entity doing business with the corporation except as provided in Section 112.313(12)(g) of the Florida Statutes concerning qualified banks. In no event may a member of the Board of Directors have or hold any employment or contractual relationship that will create a continuing or frequently recurring conflict between his or her private interests and the performance of his or her duties as a member of the Board of Directors.

The Board of Directors shall adopt such conflict of interest policy and other policy as they deem proper and necessary for the operation of the corporation.

**SECTION 17. COMMITTEES.** The Board of Directors, by resolution adopted by a majority of the full Board of Directors, may designate from among its members one or more other committees each of which, to the extent provided in such resolution, shall have and may exercise all the authority of the Board of Directors, except that no committee shall have the authority to:

- (a) fill vacancies on the Board or any committee thereof, or
- (b) adopt, amend or repeal the Bylaws.

Each committee must have two (2) or more members who serve at the pleasure of the Board of Directors.

**SECTION 18. POWER TO ELECT OFFICERS.** The Board of Directors, at their annual meeting, shall elect a Chairman, Vice-Chairman, Secretary and Treasurer. The Board of Directors shall have the power to appoint such other officers and employees as the Board of Directors may deem necessary for the transaction of the business of the corporation. The Board of Directors shall have the power to fill any vacancy in any office, occurring for any reason whatsoever.

**SECTION 19. DELEGATION OF POWERS.** For any reason deemed sufficient by the Board of Directors, the Board of Directors may delegate any power or duty of any officer or Director to any other officer or Director.

## ARTICLE V. OFFICERS

SECTION 1. OFFICERS. The officers of the corporation shall consist of a Chairman, Vice-Chairman, Secretary and Treasurer, each of whom shall be elected annually by the Board of Directors at the July regular meeting of the Board of Directors, and shall serve until their successors are chosen and qualify. Such other officers and assistant officers and agents as may be deemed necessary may be elected or appointed by the Board of Directors from time to time.

Any two (2) or more offices may be held by the same person. The failure to elect a Chairman, Vice-Chairman, Secretary or Treasurer shall not affect the existence of the corporation.

SECTION 2. CHAIRMAN. The Chairman of the corporation shall:

- (1) preside at all meetings of the Board of Directors;
- (2) be a member ex-officio of all committees;
- (3) perform all other duties usually pertaining to the office of Chairman;

SECTION 3. VICE-CHAIRMAN. The Vice-Chairman of the corporation shall:

- (1) in the absence or on the death, inability or refusal to act of the Chairman, preside at all meetings of the Board of Directors;
- (2) be a member ex-officio of all committees;
- (3) be given those powers and duties determined by the Board of Directors;
- (4) in the absence or on the death, inability or refusal to act of the Chairman, perform all other duties usually pertaining to the office of Chairman.

SECTION 4. SECRETARY.

(a) The Secretary of the corporation shall:

- (1) ensure that minutes at all meetings be taken and approved by the Board;
- (2) ensure that notices of all meetings required by statutes, Bylaws or resolutions is provided;
- (3) perform such other duties as may be delegated to

him or her by the Board of Directors.

(b) Any of the above duties may be delegated to the Executive Director or another appropriate party as allowed by the Board of Directors.

#### SECTION 5. TREASURER.

(a) The Treasurer of the corporation shall:

- (1) be custodian of all funds and securities of the corporation and collect interest thereon;
- (2) keep a record of the accounts of the corporation and report thereon at each regular meeting of the Board of Directors;
- (3) make a report at the annual meeting and special reports when requested;
- (4) deposit all moneys of the corporation in the name of PALM BAY EDUCATION GROUP, INC., in a financial institution selected and designated by the Board of Directors subject to withdrawal for authorized purposes, upon the joint signatures of two (2) of the officers of the corporation, one (1) of whom shall be the Treasurer (or the Secretary in the absence of the Treasurer) and the other of whom shall be the Chairman (or the Vice-Chairman in the absence of the Chairman);
- (5) give bond in such amount as the Board of Directors may require, the corporation to pay the premium for such bond;
- (6) see that all government agency reports and returns are prepared and filed.

(b) Any of the above duties may be delegated to the Executive Director or another appropriate party as allowed by the Board of Directors.

#### ARTICLE VI. CONTRACTS, LOANS, CHECKS AND DEPOSITS

SECTION 1. CONTRACTS. The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and 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 authorized by a resolution of the Board of Directors.

SECTION 3. CHECKS, DRAFTS, ETC. All checks, drafts or other evidences of indebtedness issued in the name of the corporation shall be signed by such officer or officers, agent or agents, of the corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors.

SECTION 4. DEPOSITS. All funds of the corporation not otherwise employed shall be deposited from time to time to the credit of the corporation in such banks, trust companies or other depositories as the Board of Directors may select.

ARTICLE VII. INDEMNIFICATION OF DIRECTORS,  
OFFICERS, EMPLOYEES, AND AGENTS

SECTION 1. ACTION AGAINST PARTY BECAUSE OF CORPORATE POSITION. The corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed claim, action, suit, or proceeding, whether civil, criminal, administrative, or investigative (other than an action by or in the right of the corporation) by reason of the fact that he 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, partner, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, against expenses (including attorneys' fees inclusive of any appeal), judgments, fines, and amounts paid in settlement actually and reasonably incurred by him in connection with such claim, action, suit, or proceeding if he acted in good faith and in a manner 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 no reasonable cause to believe his conduct unlawful. The termination of any claim, 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 the corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

SECTION 2. AUTHORIZATION. Any indemnification under Section 1 of this Article (unless ordered by the Court) shall be made by the corporation 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 Section 1. Such determination shall be made (a) by the Board of Directors by a majority vote of a quorum consisting of Directors who were not parties to such action, suit, or proceeding, or (b) if such a quorum is not obtainable, or, even if obtainable, a quorum of disinterested Directors so directs, or by independent legal counsel in a written opinion.

SECTION 3. ADVANCED REIMBURSEMENT. Expenses incurred 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 ultimately be determined that he is entitled to be indemnified by the corporation as authorized in this Article.

SECTION 4. INDEMNIFICATION NOT EXCLUSIVE. The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any statute, rule of law, provision of Articles of Incorporation, Bylaws, agreement, or otherwise, both as to action in his 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. Where such other provision provides broader rights of indemnification than these Bylaws, said other provision shall control.

SECTION 5. INSURANCE. The corporation shall have power to 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, partner, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the corporation would have the power to indemnify him against such liability under the provisions of this Article.

#### ARTICLE VIII. BOOKS AND RECORDS

SECTION 1. BOOKS AND RECORDS. The corporation shall keep correct and complete books and records of accounts and shall keep minutes of the proceedings of the Board of Directors and committees.

The books, records and minutes of the corporation may be in writing or in any other form capable of being converted into written form within a reasonable time.

#### ARTICLE IX. FISCAL YEAR

The fiscal year of the corporation shall be determined by the Board of Directors.

#### ARTICLE X. AMENDMENTS TO THE BYLAWS

The Bylaws of the corporation shall be initially approved by a majority vote of the Board of Directors, and thereafter may be altered, amended or repealed by a majority vote of the Board of Directors; provided that notice of such proposed amendments shall be hand delivered, mailed, and/or e-mailed to each Board member at the mail or e-mail address provided to the Board by the member at least thirty (30) days prior to the meeting during which the proposed amendments will be considered for approval.

#### ARTICLE XI. DISSOLUTION AND/OR TERMINATION OF CHARTER

When a charter is not renewed or is terminated, any unencumbered public funds, except for capital outlay funds and federal charter school program grant funds, from the

charter school shall revert to the Bay County School Board. Capital outlay funds provided pursuant to Florida Statute §1013.62 (concerning Charter School Capital Outlay Funding) or its successor Statute) and federal charter school program grant funds that are unencumbered shall revert to the Department of Education to be redistributed among eligible charter schools. In the event a charter school is dissolved or is otherwise terminated, all Bay County School Board property and improvements, furnishings, and equipment purchased with public funds shall automatically revert to full ownership by the Bay County School Board, subject to complete satisfaction of any lawful liens or encumbrances. Any unencumbered public funds from the charter school, Bay County School Board property and improvements, furnishings, and equipment purchased with public funds, or financial or other records pertaining to the charter school, in the possession of any person, entity, or holding company, other than the charter school, shall be held in trust upon the Bay County School Board's request, until any appeal status is resolved. Further, upon the liquidation or dissolution of the corporation, its assets, if any, remaining after payment (or provision for payment) of all liabilities of the corporation and the distributions provided for above, shall be distributed to, and only to, an organization qualified as tax exempt under Section 501(c)(3) of the Code engaged in educational activities in the State of Florida. No part of the assets or the net earnings, current or accumulated, of the corporation shall inure to the benefit of a private individual.

THE UNDERSIGNED HEREBY adopts and approves the foregoing Second Amended and Restated Bylaws of PALM BAY EDUCATION GROUP, INC.

Adopted: \_\_\_\_\_.

PALM BAY EDUCATION GROUP, INC.

(CORPORATE SEAL)

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