

BYLAWS
OF
EAST WAKE FIRST CHARTER SCHOOL

(A North Carolina Nonprofit Corporation)

ARTICLE 1

NAME

The Corporation shall be named EAST WAKE FIRST CHARTER SCHOOL (hereinafter referred to as "the Corporation").

ARTICLE II

PURPOSES

This Corporation is organized and formed exclusively for charitable and educational purposes. The objectives of the Corporation shall be:

A. To establish, maintain and operate a charter school as authorized under Part 6A of Chapter 115C of the General Statutes of North Carolina, or the corresponding section of any future act or statute.

B. To do any and all other lawful things and acts the Corporation from time to time, in its discretion, may deem to be for its benefit; and

C. To exercise all powers provided in Chapter 55A of the General Statutes of North Carolina in furtherance of the above-stated purposes.

The Corporation shall continue to have all the powers granted corporations under the laws of the State of North Carolina.

However, notwithstanding any other provision of these Articles, the Corporation shall exercise only such powers as are in furtherance of the exempt purposes of organizations set forth in Section 501(c)(3) of the Internal Revenue Code of 1986 or the corresponding section of any future federal tax code (the "Code"), and the Corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from Federal income tax under section 501(c)(3) of the Code or (b) by a corporation, contributions to which are deductible under section 170(c)(2) of the Code or (c) by a corporation created under Chapter 55A of the General Statutes of North Carolina.

ARTICLE III

OFFICES

Section 1. Principal Office. The principal office of the Corporation shall be located at such place as shall be designated by the Board of Directors.

Section 2. Registered Office. The registered office of the Corporation required by law to be maintained within the State of North Carolina may be, but need not be, identical with the principal office.

Section 3. Other Offices. The Corporation may have offices at such places, either within or outside the State of North Carolina, as the Board of Directors may from time to time determine, or as the affairs of the Corporation may require.

ARTICLE IV

NO MEMBERS, SHAREHOLDERS AND/OR CERTIFICATE HOLDERS

The Corporation shall have no members, certificate holders or shareholders, all functions and affairs of the Corporation being directed entirely by the Directors thereof.

ARTICLE V
DIRECTORS

Section 1. General Powers. The business and affairs of the Corporation shall be managed by the Board of Directors or by such Executive Committees as the Board may establish pursuant to these Bylaws. The Board of Directors shall have the power to make and amend rules and regulations pertaining to the operation of the Corporation, and shall have the responsibility for the entire management of the Corporation, except as may be provided by these Bylaws.

Section 2. Number and Terms. The Board of Directors shall consist of not less than seven (7) nor more than nine (9) Directors, to be elected to serve a term of five (5) years. The Board of Directors may from time to time change the number of Directors or the term of service by amendment of these Bylaws.

Section 3. Election. The eight (8) initial Directors named in the Articles of Incorporation at the organizational meeting shall serve as the initial Board of Directors. In all years thereafter, the existing Board of Directors shall determine the number of Directors and the persons who shall serve as Directors. New Directors shall be elected by majority vote at annual meetings at which a quorum is present. In the event any Director so demands, election of Directors shall be by ballot.

Section 4. Resignation. Directors may resign at any time by giving written notice to the Chairman or the Secretary of the Corporation. Such resignation shall take effect at the time specified therein, or if no time is specified therein, at the time such resignation is received by the Chairman or Secretary of the Corporation, unless it shall be necessary to accept such resignation which shall take effect upon its acceptance by the Board of Directors. Unless otherwise specified therein, the acceptance of any such resignation shall not be necessary to make it effective.

Section 5. Removal. Directors may be removed from office with or without cause by a vote of two-thirds (2/3) of the Directors at the annual meeting or at a special meeting called for that purpose. In the event any Director is so removed a new Director or Directors may be appointed or elected at the same meeting, consistent with § V.3 of these Bylaws.

Section 6. Vacancies. A vacancy occurring in the Board of Directors with respect to any appointed Director shall be filled consistent with § V.3 of these Bylaws to serve the unexpired term of the Director replaced thereby. A vacancy occurring in the Board of Directors with respect to any elected Director may be filled by a majority of the remaining Directors, though less than a quorum, and the Director so elected, consistent with § V.3 of these Bylaws, shall serve the unexpired term of the Director replaced thereby. Any member who shall be absent from five (5) consecutive meetings of the Board, without excuse satisfactory to the Board, shall be deemed to have resigned from the Board, and the vacancy thus created shall be immediately filled as provided herein.

Section 7. No Compensation of Directors Except Reimbursement for Expenses. Although the Directors shall serve without compensation, the Board of Directors may provide for the reimbursement by the Corporation of all expenses incurred by Directors in attending regular and special meetings of the Board.

ARTICLE VI

MEETINGS OF DIRECTORS

Section 1. Chairman. There shall be a Chairman of the Board of Directors elected by the directors from their number at the organizational meeting of the board. The Chairman shall preside at all meetings of the Board of Directors thereafter and perform such other duties as may be directed by the Board.

Section 2. Regular Annual Meetings. Regular annual meetings of the Board of Directors shall be held in July of each year, at a time and place to be designated by the

Executive Director or the Chairman, for the purpose of accepting appointments of Directors and, electing Directors and conducting business as may be properly brought before the Board.

Section 3. Regular Monthly Meetings. In addition to the regular annual meeting, regular meetings of the Board of Directors shall be held at least once during each calendar month, at a time and place to be designated by the Executive Director or Chairman, for the purpose of conducting business as may be properly brought before the Board; provided that the regular annual meeting may be held in lieu of any one regular monthly meeting if called concurrently.

Section 4. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the Chairman or any three (3) Directors.

Section 5. Place of Meetings. All meetings of the Board of Directors shall be held at a time and place to be designated by the Chairman in a proper notice of said meeting, or as designated in a duly executed waiver of notice of such meeting as may be otherwise agreed upon in advance of the meeting by one-third (1/3) of the members of the Board.

Section 6. Notice of Meetings. Regular and special meetings of the Board of Directors shall be called on not less than two (2) days prior notice, by any usual means of communication. Notice of a special meeting need not state the purpose thereof; and such notice shall be directed to each member of the Board at his/her residence or usual place of business by United States mail, telephone, electronic mail, cable, or other similar conveyance, or may be delivered personally. The presence of a member of the Board at a meeting shall constitute a waiver of notice of that meeting, except when such member of the Board attends the meeting solely for the purpose of objecting to the transaction of any business thereat on the ground that the meeting has not been lawfully called, and such member of the Board does not otherwise participate in such meeting.

Section 7. Quorum and Voting. A majority of the number of members fixed by these Bylaws as the number of members of the Board of Directors of the Corporation shall constitute a quorum for the transaction of any business at any meeting of the Board. Except as otherwise expressly provided in this section, the act of a majority of the members of the Board present at a meeting at which a quorum is present shall be the act of the Board.

Section 8. Conflicts of Interest. If any matter should come before the Board of Directors, or any of its committees, in such a way as to give rise to a conflict of interest, any interested party shall make full disclosure of the potential conflict and, if requested, withdraw from the meeting for so long as the matter shall continue under discussion, except to answer any questions that might be asked regarding the situation. If the matter involves an item of business for which a special meeting was called, the interested party shall not be counted to establish a quorum, nor shall the interested party participate in the deliberation or vote on it.

ARTICLE VII COMMITTEES

Section 1. Generally. The Board of Directors may create such committees as are necessary from time to time to assist the Board of Directors.

Section 2. Executive Committee. An executive committee is created which shall consist of: the Chairman, the Vice-Chairman, the Secretary-Treasurer or both the Secretary and the Treasurer (as the case may be). The terms of those serving on the Executive Committee as Chairman, Vice-Chairman, Secretary or Treasurer, shall coincide with the terms of their respective offices, as determined by their election and until their successors are duly elected and qualified. The term of the Director at Large appointed by the Board to serve on the Executive Committee shall extend from the regular annual meeting at which he/she was appointed to the next regular annual meeting and until his/her successor is duly appointed and qualified.

Section 3. Power and Duties. The Executive Committee shall (a) meet with the Board of Directors to carry on the Corporation's business affairs; (b) direct the day-to-day business affairs of the Corporation as authorized by the Board, including the supervision of any entity contracted to manage any health care facilities owned or leased by the Corporation; (b) designate and coordinate special meetings; (c) establish a nominating committee; (d) establish committees as needed to address the affairs, financial or otherwise, of the Corporation; and (e) fill vacancies for elected Directors that occur during the fiscal year.

ARTICLE VIII

OFFICERS

Section 1. Officers. The officers of the Corporation shall consist of a Chief Executive Officer who shall be the Chairman of the Board, a Vice-Chairman of the Board, a Secretary, and a Treasurer, and such Assistant Secretaries, Assistant Treasurers and other officers as may from time to time be appointed by the Board of Directors or otherwise provided in these Bylaws. Any two or more offices may be held simultaneously by the same person, except the office of Chairman and Secretary. The title of any officer may include any additional designation descriptive of such officer's duties as the Board may prescribe.

Section 2. Election and Term. Officers of the Corporation shall be elected annually at the regular annual meeting of the Board of Directors by the Board. The nominating committee will assist the Board in researching for suitable candidates. With the exception of candidates for Chairman of the Board and Vice-Chairman of the Board, it is not required that a candidate for officership be a current member of the Board of Directors. The slate of officers shall be presented to the entire Board for consideration and election of officers at the regular annual meeting.

Section 3. Resignation. Any officer may resign at any time by giving written notice to the Board of Directors or to the Chairman of the Board or the Secretary of the Corporation. Any such resignation shall take effect upon its being accepted by the Board.

Section 4. Removal. The officers specifically designated in Section I of this Article VIII may be removed, either with or without cause, by vote of a majority of the Board of Directors at a special meeting of the Board of Directors called for that purpose. The removal of any person from office shall be without prejudice to the contract rights, if any, of the person so removed.

Section 5. Vacancies. Any vacancy occurring shall be filled by the Board of Directors at a special meeting duly called for such purpose, said substitute officers to serve the remaining term thereof.

Section 6. Chairman of the Board. The Chairman of the Board shall serve without compensation and be the Chief Executive Officer of the Corporation and, subject to control of the Board of Directors, shall supervise the control and management of the Corporation in accordance with these Bylaws. The Chairman shall preside at all meetings of the Board of Directors and shall sign, with the Secretary, any deeds, mortgages, bonds, contracts or other instruments which may be lawfully executed on behalf of the Corporation and generally shall perform all duties customarily assigned to the Office of Chairman or president.

Section 7. Vice-Chairman of the Board. The duties of the Vice-Chairman of the Board shall be the same as those of the Chairman of the Board. The Vice-Chairman shall, in the absence or disability of the Chairman, perform the duties and exercise the powers of that office. In addition, he/she shall perform such other duties and have such other powers as the Board of Directors from time to time shall prescribe.

Section 8. Secretary. The Secretary, who shall serve without compensation, shall keep accurate records of the acts and proceedings of all meetings of the Directors. He/she

shall give all notices required by law and by these Bylaws. He/she shall have general charge of the corporate books and records and of the corporate seal and he/she shall affix the corporate seal to any lawfully executed instrument requiring it. He/she shall sign such documents as may require his/her signature, and, in general, shall perform all duties incident to the office of Secretary and such other duties as may be assigned from time to time by the Chairman or by the Board of Directors.

Section 9. Treasurer. The Treasurer shall have custody of all funds and securities belonging to the Corporation and shall receive, deposit or disburse the same under the direction of the Board of Directors. He/she shall keep full and accurate accounts of the finances of the Corporation in books especially provided for that purpose, and he/she shall cause a true statement of its assets and liabilities as of the close of each fiscal year and of the results of its operations and of changes in surplus for such fiscal year, all in reasonable detail, to be made and filed at the registered or principal office of the Corporation within three months after the end of such fiscal year. The statement so filed shall be kept available for inspection by any Director for a period of 10 years, and the Treasurer shall mail or otherwise deliver a copy of the latest statement to any Director upon his/her written request therefore. The Treasurer shall, in general, perform all duties incident to his/her office and such other duties as may be assigned to him/her from time to time by the Chairman of the Board or by the Board.

ARTICLE IX

CONTRACTS, LOANS, CHECKS, 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 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. Such authority may be general or confined to specific instances. In no event shall loans be made by the Corporation to its Board members or officers.

Section 3. Checks and Drafts. All checks, drafts or other orders for the payment of money 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 depositories as the Board of Directors shall direct.

Section 5. Gifts. The Board may accept on behalf of the Corporation any contribution, gift, bequest, or devise for the general purposes or for any special purpose of the Corporation.

ARTICLE X GENERAL PROVISIONS

Section 1. Corporate Seal. The Corporate seal shall be in such form as shall be approved from time to time by the Board of Directors.

Section 2. Waiver of Notice. Whenever any notice is required to be given to any director under the provisions of the North Carolina Nonprofit Corporation Act or under the provisions of the charter or Bylaws of this Corporation, a waiver thereof in writing signed by the person or person entitled to such notice whether before or after the time stated therein, shall be equivalent to the giving of such notice.

Section 3. Fiscal Year. The fiscal year of the Corporation shall be determined by resolution of the Board of Directors.

Section 4. Amendments. Except as otherwise provided herein or in the Articles of Incorporation or by applicable law, these Bylaws may be amended or repealed and new Bylaws may be adopted by the affirmative vote of a majority of the Directors then holding office at any regular or special meeting of the Board of Directors. It shall be the duty of the Secretary to enter the amendments in the records of the Corporation and mail a copy of such amendment along with notice of this approval to each member of the Board. Notice of any intention to amend the Bylaws of the Corporation shall be mailed to the Board of Directors at least fifteen (15) days before the vote. Such notice shall include the present text of the Bylaws, the proposed text of the Bylaws and an explanation for the change.

No amendment to these Bylaws shall authorize the Corporation to conduct its affairs in any manner or for any purpose contrary to the provisions set forth in Section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding section of any future federal tax code).

Section 5. Indemnity of Officers and Directors. When, because of his/her duties or activities as a member of the Board of Directors or officer of this Corporation, a present or former member of the Board or officer, alone or with others, is prosecuted in a criminal action or is sued in an action not brought by the Corporation nor brought by any party seeking derivatively to enforce a liability of such member of the Board or officer to the Corporation, such officer or member of the Board shall be entitled to indemnification or reimbursement by the Corporation for any expense, including attorney's fees, or any liabilities which he/she may have incurred in consequence of such action as the Board in its discretion may determine.

Section 6. Insurance. The Corporation shall have the power to purchase and maintain insurance on behalf of any person who is or was serving as a Director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as Director, officer, employee, trustee or agent of another nonprofit

corporation against any liability asserted against him and incurred by him in such capacity, or arising out of his/her status as such, whether or not the Corporation would have the power to indemnify him/her against such liability.

ART XI

ELECTION AS A SECTION 501(C)(3) CORPORATION

Section 1. Generally. Said Corporation is organized exclusively for charitable and educational purposes, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code of 1986 or the corresponding provision of any future United States Internal Revenue Law (or; the "Code").

Section 2. Distributions. No part of the net earnings of the Corporation shall inure to the benefit of or be distributable to its members, trustees, officers, or other private persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Paragraph 3 of the Articles of Incorporation. No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provision of these articles, the Corporation shall not carry any other activities not permitted to be carried on (a) by a corporation exempt from federal income tax under Section 501(c)(3) of the Code, or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Code.

Section 3. Dissolution. Upon dissolution of the Corporation, the Board of Directors shall after paying or making provision for the payment of all the liabilities of the Corporation dispose of all the remaining assets of the Corporation exclusively for the purposes of the Corporation, in such manner, or to such organization or organizations

organized and operated exclusively for charitable or educational purposes as shall from time to time qualify as an exempt organization under Section 501(c)(3) of the Code as the Board of Directors shall determine. Any such assets not disposed of shall be disposed of by a court of competent jurisdiction of the county in which the principal office of the Corporation is then located, exclusively for such purposes or to such organization or organizations, as said court shall determine, which are organized and operated exclusively for charitable or educational purposes.

(As amended January 9, 2007)