

BYLAWS
OF
Pensacola Beach Elementary School, Inc.
A FLORIDA NOT-FOR-PROFIT CORPORATION

ARTICLE I

NAME

The name of the corporation shall be the Pensacola Beach Elementary School, Inc. (the “corporation”).

ARTICLE II

PRINCIPAL OFFICE

The principal office of this corporation shall be located at 900 Via de Luna; Pensacola Beach, Florida, 23561.

ARTICLE III

PURPOSES

The purposes for which this corporation is organized are:

- A. The corporation is organized exclusively for educational and charitable purposes, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Law), and, more specifically, to receive and administer funds for such charitable and educational purposes, all for the public, by bequest, devise, gift, purchase, or lease, either absolutely or in trust for such objects and purposes or any of them, any real property, real, personal or mixed,

without limitation as to amount of value, except such limitations, if any, as may be imposed by law; to sell, convey, and dispose of any such property and invest and reinvest the principal thereof, and to deal with and expend the principal and income therefrom for any of the purposes contained herein, without limitation, except such limitations, if any, as may be contained in the instrument under which such property is received; to receive any property, real, personal or mixed, in trust, under the terms of any will, deed of trust, or other trust instrument for the foregoing purposes or any of them, in administering the same to carry out the directions, and exercise the powers contained in the trust instrument under which the property is received, including the expenditure of the principal as well as the income, for one or more of such purposes, if authorized or directed in the trust instrument under which it is received, but no gift, bequest or devise of any such property shall be received and accepted if it be conditioned or limited in such manner as shall require the disposition of the income or its principal to any person or organization other than an "exempt organization" or for other than "exempt purposes" within the meaning of 501(c)(3) of the Internal Revenue Code of 1986, as now in force or later amended, or as shall in the opinion of the Board of Directors, jeopardize the federal income tax exemption of the corporation pursuant to 501(c)(3) of the Internal Revenue Code of 1986, as now in force or later amended; to receive, take title to, hold, and use the proceeds and income of stocks, bonds, obligations, or other securities of any corporation or corporations, domestic or foreign, but only for the foregoing purposes, or some of them; and, in general, to exercise any, all and every power for which a non-profit corporation organized under the applicable provisions of Florida Not-For-Profit

Corporation Act for scientific, educational, and charitable purposes all for the public welfare, can be authorized to exercise, but only to the extent the exercise of such powers are in furtherance of exempt purposes.

- B. Included among the educational and charitable purposes for which the corporation is organized, as qualified and limited by subparagraph (A) of this Article III are to build, equip, support, maintain, staff, and operate a not for profit charter school facility at Pensacola Beach Elementary School, Pensacola Beach, Florida (the "Charter School").
- C. To do all and everything necessary, suitable and proper for the accomplishment of any of the purposes or the attainment of any of the objects or the furtherance of any of the powers earlier set forth, either alone or in the association with other corporations, firms, or individuals, and to do every other act or acts, thing or things, incidental or appurtenant to the growing out of or connected with the aforesaid objects or purposes of any part or parts thereof, provided the same are not inconsistent with the laws under which this corporation is organized.

ARTICLE IV

PROHIBITED ACTIVITIES

- A. No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to its directors, 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 Article III hereof.

- B. Notwithstanding any other provision of these Bylaws, 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 Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Law), or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Law).
- C. Notwithstanding any other provision of these Bylaws, this corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the purposes of this corporation.
- D. The corporation shall distribute its income for each taxable year at such time and in such manner as not to become subject to the tax on undistributed income imposed by Section 4942 of the Internal Revenue Code of 1986, or corresponding provisions of any subsequent federal tax laws.
- E. The corporation shall not engage in any act of self-dealing as defined in Section 4941(d) of the Internal Revenue Code of 1986, or corresponding provisions of any subsequent federal tax laws.
- F. The corporation shall not retain any excess business holdings as defined in Section 4943(c) of the Internal Revenue Code of 1986, or corresponding provisions of any subsequent federal tax laws.

- G. The corporation shall not make any investments in such manner as to subject it to tax under Section 4944 of the Internal Revenue Code of 1986, or corresponding provisions of any subsequent federal tax laws.
- H. The corporation shall not make any taxable expenditures as defined in Section 4945(d) of the Internal Revenue Code of 1986, or corresponding provisions of any subsequent federal tax laws.

ARTICLE V

MEMBERSHIP

There shall not be any members of this corporation.

ARTICLE VI

BOARD OF DIRECTORS

Section 1. General management.

The general management of the affairs of the corporation shall be vested in the Board of Directors.

Section 2. Number of Directors.

The number of directors shall not be less than three (3) nor more than seven (7) which may be changed from time to time by an amendment of these Bylaws in the manner herein provided. The Board of Directors will be comprised of at least 50% members who are not parents of current students at PBES. The director positions will be brought into compliance with this bylaw annually at the first meeting of the academic year.

Section 3. Election of Directors.

The Board of Directors shall be elected by the existing members of the Board of Directors at the first Board of Directors meeting of each academic year. New Board members will be elected by a majority vote of all Directors present at such meeting.

Section 4. Duties, Powers, and Responsibilities of Directors

The Board of Directors shall have authority to:

- a. Hold meetings at times and places as may be deemed proper and necessary;
- b. Appoint committees on particular subjects from members of the Board;
- c. Audit bills and disburse the funds of the corporation;
- d. Print and circulate documents and publish articles;
- e. Carry on correspondence and communicate with other associations with interests similar to the interests of the corporation;
- f. Employee legal, accounting and similar outside professional agents;
- g. Devise and carry into execution such other measures as it deems proper and expedient to promote the objects and to protect the interest and welfare of the corporation.
- h. Remove any and all of the officers of the corporation with due cause prior to the termination date of such office;
- i. Elect substitute directors in the event any director resigns or removed from office prior to the termination date of such office.

In addition, the Board of Directors shall have the responsibility to supervise, establish, review, modify and control all operations, management, affairs and activities of the Charter School. The Board of Directors will be responsible for approving policies and procedures for

the Charter School. They will also have financial responsibility for maintaining and approving expenditures.

Specific responsibilities of the Board of Directors may include, but not be limited to, the following:

- a. Oversight to ensure maintenance of academic excellence;
- b. Assurance of compliance with charter legislation;
- c. Exercise of continuing oversight of Charter School operations;
- d. Filing of legal documents;
- e. Annual adoption and maintenance of operating and capital improvement budgets;
- f. Approval of personnel recommendations and the identification of potential strategies to be used to recruit, hire, train and retain qualified staff;
- g. Creation of a description of procedures to identify various risks and reduce the impact of losses;
- h. Development and implementation of plans to ensure the safety and security of students and staff;
- i. Creation of plans to identify, minimize and protect others from violent or disruptive student behavior;
- j. Determination of student conduct disciplinary appeals and expulsions;
- k. Except as provided in Section 4(f) of these Bylaws, the termination of the contract of any firm, individual or other entity employed by the corporation to perform any and all nature of services to the corporation;
- l. Employee, retain or terminate any employee of the corporation.

Section 5. How a Director shall Perform its Duties.

A director shall perform his/her duties as a director, including their duties as a member of any committee of the Board upon which they 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 ordinary prudent person in a like position would use under similar circumstances.

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

- a. One or more officers or employees of the corporation whom the director reasonably believes to be reliable and competent in the matters presented;
- b. Counsel, public accountants or other persons as to matters which the director reasonably believes to be within such person's professional or expert competence; or
- c. A committee of the board upon which the director does not serve, duly designated in accordance with a provision of the Articles of Incorporation or the 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 questions that would cause such 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.

ARTICLE VII

MEETINGS OF THE BOARD OF DIRECTORS

Section 1. Annual Meetings.

The annual meeting of the Board of Directors shall be the first board meeting of each year and will be held at the principal office of the corporation or at such other place or places as may be determined by the President.

Section 2. Special Meetings.

Special meetings of the Board of Directors may be called by the President or by any two (2) members of the Board of Directors for any specific purpose. Written notice shall be given stating the purpose of such meeting to each member of the Board of Directors .

Section 3. Regular Meetings.

The Board of Directors shall hold regular meetings on a quarterly basis during each year, at minimum. The date, time and place shall be set by the President. Reasonable notice of such meeting shall be communicated to each member of the Board. An agenda of the activities to be conducted will be provided at the meeting. All regular meetings of the Board of Directors will be publicly noticed in compliance with the State of Florida Sunshine Laws.

Section 4. Time, Notice and Call of Meetings

Notice of a meeting of the Board of Directors need not be given to any director who signs a waiver of notice either before or after the meeting. Attendance of a director at a meeting shall constitute a waiver of notice of such meeting and waiver of any and all objections to the place of the meeting, the time of the meeting, or the manner in which it has been called or convened,

except when a director states, at the beginning of the meeting, any objection to the transaction of business because the meeting is not lawfully called or convened.

Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of such meeting.

A majority of the directors present, whether or not a quorum exists, may adjourn any meeting of the Board of Directors to another time and place. Notice of any such adjourned meeting shall be given to the directors who are present at the time of adjournment and, unless the time and place of the adjourned meeting are announced at the time of the adjournment to the other directors.

Meetings of the Board of Directors may be called by the Chairman of the Board, by the President of the Corporation or by a majority of the directors.

Members of the Board of Directors may participate in a meeting of such Board by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time. Participation by such means shall constitute presence in person at a meeting.

Section 5. Quorum, Voting.

A majority of the members of the Board of Directors shall constitute a quorum for the transaction of business. The affirmative vote of a majority of the directors present shall be considered the act of the Board of Directors at any meeting.

Section 6. Absence.

Should any member of the Board of Directors absent his/herself unreasonably from three (3) consecutive meetings of the Board without notifying the President or Secretary of his or her

reason for doing so, and if his or her excuse should not be accepted by the members of the Board, his or her seat on the Board may be declared vacant and the Board may vote to select a substitute director to serve for the remainder of such Director's term.

Section 7. Resignation.

Any director may resign at any time by giving written notice of such resignation to the Board of Directors.

Section 8. Removal, Termination of Office.

Any one or more of the directors may be removed with cause at any time by the Board of Directors in the same manner set forth for voting on any issues hereinabove.

Section 9. Delegation of Authority.

The Board of Directors may delegate authority to any Executive Committee to conduct the business of the corporation in accordance with the policies prescribed by the Board of Directors from time to time.

Section 10. Eligibility for Membership.

Eligibility for membership of the Board of Directors shall be determined from time to time by the existing Board of Directors.

Section 11. Election of Directors.

The Directors will normally be elected for three-year terms, each election taking place at the first Board of Directors meeting of the year. The installation of office of those directors who have been elected in any particular year shall be effective upon approval of the board and completion of background check, training, and other legally required steps. There will be from 3

to 7 available board positions. The term assignment and expiration dates will be posted for each board position on the Pensacola Beach Elementary School website.

Section 12. Voting of Directors.

Each member of the Board of Directors shall be entitled to one (1) vote only at any meetings thereof on any issue or matter of business before such meeting. No member of the Board of Directors shall be entitled to vote at any meeting unless he or she is present at such meeting, as defined in these Bylaws.

Section 13. Presumption of Assent.

A director of the corporation who is present at a meeting of its Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless he votes against such action or abstains from voting in respect thereto because of an assented conflict of interest.

Section 14. Director Conflicts of Interest.

No contract or other transaction between this corporation and one or more of its directors or any other corporation, firm, association or entity in which one or more of the directors are directors or officers or are financially interested, shall be either void or voidable because of such relationship or interest or because such director or directors are present at the meeting of the Board of Directors or a committee thereof which authorizes, approves or ratifies such contract or transaction or because their votes are counted for such purpose, if:

- a. The fact of such relationship or interest is disclosed or known to the Board of Directors or committee which authorizes, approves or ratifies the contract or transaction by a

- vote or consent sufficient for the purpose without counting the votes or consents of such interested directors; or
- b. The contract or transaction is fair and reasonable as to the corporation at the time it is authorized by the Board.

Common or interested directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or a committee thereof which authorizes, approves or ratifies such contract or transaction.

Section 15. Compensation of Directors.

Directors shall be entitled to reasonable compensation and to reimbursement for reasonable out-of-pocket expenses incurred by them in carrying out their duties.

Section 16. Liability.

The directors of the corporation shall not be personally liable for its debts, liabilities or other obligations.

ARTICLE VIII

OFFICERS

Section 1. Number.

The officers of the corporation shall be the President, Vice President, Secretary, Treasurer and such other officers with such powers and duties not inconsistent with these Bylaws.

Section 2. Term in Office.

Officers shall be elected by the Board of Directors at the first meeting of the Board of Directors each year. Officers shall serve for one (1) year.

Section 3. Installation, Commencement of Duties.

The newly elected officers of the board of Directors shall be installed and take office immediately upon election.

Section 4. Consent to Election.

Only those persons who have signified their consent to serve as elected shall be nominated for or elected to such office.

Section 5. Vacancies in Office.

Should the office of the President become vacant by the reason of termination or resignation during the term of office, the Vice President shall succeed to the office for the unexpired term. Vacancies in all other elected offices shall be filled for the unexpired term by the Board of Directors.

Section 6. Duties of Officers.

- a. **President.** It shall be the duty of the President as the Chief Executive Officer to preside at all meetings of the Board of Directors. The President shall have the power to appoint the Chairman of all Committees. The President shall call all regular and special meetings when deemed necessary and when called for. The President shall have the power to sign all contracts and any other obligations on behalf of the corporation approved by the Board of Directors. The President shall be the ex-officio member of all committees. The President shall be authorized to sign checks on the corporation's bank account. In addition, the President shall have and perform such other duties as may be delegated to him or her by the Board of Directors.

- b. ***Vice President.*** The Vice President shall act for the President in his or her absence.

The Vice President shall be empowered to sign checks on the corporation's account in the President's absence, along with the Treasurer. The Vice President shall serve on all committees in the absence of the President in the event of the President's absence or inability to serve.

- c. ***Secretary.*** The secretary shall take and keep the minutes of all meetings of the Board of Directors. The Secretary shall furnish a copy of the minutes to the President after each meeting and shall be custodian of all records and papers of the corporation except those that pertain to a special committee. The Secretary shall receive and file all written reports. The Secretary shall submit copies of the official communications for the President's file. The Secretary shall order and maintain for the corporation supplies, stationary, etc., as may be required from time to time. In the absence of the Secretary, the President may appoint a Temporary Secretary.
- d. ***Compensation.*** The officers of the corporation shall receive no compensation for their services.

ARTICLE IX

BYLAW OR ARTICLE AMMENDMENT

The Bylaws or the Articles of Incorporation of this corporation may be amended, repealed or altered in whole or in part by a majority vote at any duly organized meeting of the Board of Directors at which a quorum shall be present. Notice of the proposed change shall be provided to each Director at least ten (10) days prior to the time and date of the meeting which is to consider and vote on such change or amendment.

The proposed change or amendment to the Bylaws or the Articles of Incorporation shall, prior to notice being given such meeting, be ratified and approved by the Board of Directors by a majority vote of the directors present at such Board of Director's meeting. Only those directors present may cast their vote on the action before the meeting.

ARTICLE X

PARLIAMENTARY AUTHORITY

The Rules contained in Roberts Rules of Order as Revised shall govern the Board of Directors and the Chairman of various committees in all cases to which they are applicable; provided, however, that they do not conflict with the Bylaws of the corporation, or with any laws in effect in the State of Florida.

ARTICLE XI

FISCAL YEAR

The Fiscal Year of the corporation shall commence on the first (1st) day of July, and terminate on the thirtieth (30th) day of June.

ARTICLE XII

INDEMNIFICATION

Section 1. Basic Indemnification. This corporation shall indemnify its directors and officers, and may indemnify its employees and agents, to the fullest extent permitted by the provisions of the Florida Not-For-Profit Corporations Act and the Florida Business Corporation Act from and against any and all of the expenses or liabilities incurred in defending a civil or criminal proceeding, or other matters referred to in or covered by such acts, including advancement of expenses prior to the final disposition of such proceedings and amounts paid in

settlement of such proceedings, and the indemnification provided for herein shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any by-law, agreement, vote of members (if any) or disinterested directors or otherwise, both as to action in his or 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, personal representatives and administrators of such a person, and an adjudication of liability shall not affect the right to indemnification for those indemnified.

Section 2. Insurance of Risk. The corporation's Board of Directors shall have the authority to purchase and maintain insurance on behalf of any and all present and former officers, directors, employees or agents against any liability or settlement based on liability asserted to have been incurred by them by reason of being or having been officers, directors, employees or agents of the corporation.

ARTICLE XIII

CONTRACTS, CHECKS, DEPOSITS

Section 1. Contracts.

The Board of Directors may authorize any officer or agent of the corporation to enter into any contract or to execute and deliver any instrument on behalf of the corporation, which authority may be general or specific.

Section 2. Deposits.

All funds received by the corporation shall be deposited to the credit of the corporation in such banks or other depositories as may be approved and authorized by the Board of Directors.

Section 3. Checks.

All checks, drafts or any authorization for the payment of any notes, sums of money, or other evidence of debt issued in the name of the corporation, shall be signed by such officers or agents as shall from time to time be designated and determined by the Board of Directors.

ARTICLE XIV

RECORDS

The corporation shall maintain correct and proper books and records and shall keep records of all the meetings of the Board of Directors at the principal office of the corporation. All such records may be inspected by any director, or the agent or attorney of same, or any proper person, at any reasonable time.

ARTICLE XV

CORPORATE SEAL

The Board of Directors shall provide a corporate seal which shall be circular in form and shall have inscribed thereon the following:

The Pensacola Beach Elementary School, Inc.

2001

Florida