

Corporate Bylaws

These are the Bylaws of Carland College, Inc., a North Carolina corporation.

Article I: Meetings of Shareholders

1. The annual meeting of Shareholders will be held on the last Saturday of April, or at an earlier date selected by the President or a majority of the Directors and announced by the Secretary or another officer to the Shareholders at least 15 days prior to the meeting. The meeting will begin at 6:00 PM at the principal office of the corporation, or at a place and time selected by the President or a majority of the Directors and announced by the Secretary or another officer to the Shareholders at least 15 days prior to the meeting.
2. A special meeting of Shareholders may be called at any time by the President, a majority of the Directors, or the owners of a majority of the shares outstanding. The Secretary or another officer will announce the date, time and place of the special meeting to the Shareholders.
3. Announcements to the Shareholders must be sent by first-class or priority mail to the official addresses of record on the company books for all Shareholders at the time of the mailing. Announcements must include an agenda of the meeting, as well as details of the meeting date, time and place, and must be mailed at least 15 days prior to the meeting.
4. Shareholders may attend a meeting either in person or by proxy. A proxy must be assigned in writing. Each Shareholder, whether represented in person or by proxy, is entitled to one vote for each share of stock standing in his or her name on the books of the company at the time of the meeting. A quorum of Shareholders will consist of the owners of a majority of the shares outstanding at the time of the meeting, present either in person or by proxy. If a quorum is present the Shareholders present in person or by proxy may adjourn from day to day or to such future time as they see fit. If a quorum is not present, the Shareholders present in person or by proxy must adjourn to such future time as they agree upon, provided that the Secretary or other officer or individual appointed by the Shareholders provides an announcement of the new meeting date in accordance with these by-laws to each Shareholder at least 15 days prior to the new meeting.
5. At the annual meeting or the special meeting, the Shareholders may take any shareholder action permitted by state law, notwithstanding the contents of any agenda. All shareholder actions require the assent of a majority of the corporate shares outstanding on the company

books at the time of the meeting. If state law requires a greater number of votes for a particular action, that law will prevail. At a minimum the Shareholders will evaluate the performance of the Directors, in accordance with these by-laws, and will elect, or re-elect such Directors as may be appropriate to satisfy these bylaws.

6. The Secretary or other officer or individual appointed by the Shareholders will take notes of all actions and votes and prepare minutes of the meeting. These minutes must be provided in writing to all Shareholders, in accordance with the provisions for handling announcements, within 15 days following the meeting.

Article II: Stock

1. Stock certificates must be issued by the Secretary to all owners of stock. Certificates must be signed by the President and Secretary of the corporation.
2. The name and official address of the person owning shares represented by a stock certificate, the number of shares owned, and the date of issue will be entered in the corporation's books. It will be the responsibility of each Shareholder to notify the Secretary of any changes of address. Notices of such changes must be made in writing and must be delivered to the Secretary at least 15 days in advance of any announcements which the Secretary or other officer might make to the Shareholders. Announcements will be considered to have been properly given if mailed to official addresses on file at least 15 days prior to such announcements.
3. All stock certificates transferred by endorsement must be surrendered to the Secretary for cancellation. The Secretary will issue new certificates to the purchaser or assignee, and update the records of stock ownership on the company books.
4. Shares of stock can be transferred only on the books of the corporation and only by the Secretary. The official Shareholders of record for any annual or special meeting will be those whose names have been entered into the company records at least 15 days prior to such meeting.

Article III: Purpose of the Company

1. The purpose of this Company shall be to operate a college/university under the laws and regulations of the State of North Carolina, and in the United States.
2. To achieve its purpose, the Company shall establish programs of study for adult learners, which will be approved by the Board of Directors, develop electronic delivery mechanisms for these programs of study, and deliver them to interested individuals. The Company shall not establish a campus or a residential program.
3. It will be the responsibility of the Board of Directors to ensure that the Company shall always comply with all regulations and requirements of the Board of Governors of the University of North Carolina, the State of North Carolina and the United States regulating the activities of companies and of universities.

Article IV: Board of Directors

1. The legal authority and operating control of this corporation is vested in a Board of Directors, of not less than five members who must be selected to satisfy the requirements of Subsection 2, below. No Shareholder or group of Shareholders of the Company shall have the power to obligate the Company in any fashion. The members of the Board of Directors must be elected by a majority vote of the Shareholders at a regular or special meeting of the Shareholders. Any Shareholder may nominate any individual for election to the Board of Directors. Each member of the Board of Directors will serve for a term of three years, and may be reelected. The Co-Presidents will be ex-officio, non-voting members of the Board.
2. A Member of the Board of Directors may be removed for cause by a majority vote of the Shareholders at a regular or special meeting of the shareholders. Appropriate causes which may be considered for removal of a Board Member include a conflict of interest or conduct which is prejudicial to the company. A Board Member who is being considered for removal must be provided an opportunity to appear before the Shareholders and to present evidence as he or she desires.
3. The Board of Directors is the active policy-making body for the institution. It will exercise all the powers that may be exercised by the Company under the statutes of North Carolina, the United States or these corporate bylaws. The Board is ultimately responsible for ensuring that the financial resources of the institution are adequate to provide a sound

- educational program. The Board must be constituted so that it cannot be controlled by a minority of Board Members or by organizations or interests separate from the Board and it must be free from undue influence from political, religious, or other external bodies. Both the presiding officer of the Board and a majority of other voting members of the Board must be free of any contractual, employment, or personal or familial financial interest in the institution.
4. The Board of Directors will elect from among its members its own presiding officer, who shall be called the Chair of the Board of Directors. The Chair shall serve for a term of one year, and may be elected to subsequent terms of office. The Chair will preside at all meetings of the Directors. The Chair may not be an officer of the Company. The Board shall set its own policies and procedures to determine how it will conduct its business and carry out its responsibilities. At a minimum, these policies must establish standing committees of the Board to deal with financial and ethical issues, and must address how a Member of the Board may be dismissed, and must mandate dismissal of a Director only for appropriate reasons and by a fair process.
 5. The Board of Directors is responsible for:
 - protecting the institution from undue influence from political, religious, or other external bodies;
 - the selection and the periodic evaluation of the Chief Executive Officer of the institution;
 - the approval, periodic evaluation and updating of the institution's mission;
 - the fiscal stability of the institution;
 - the establishment and periodic review of institutional policy, including those concerning related and affiliated corporate entities, auxiliary services, related foundations, or other corporate entities whose purpose is to support the institution or its programs.
 6. The Board of Directors shall establish, periodically review and update policies for the institution which will: require that qualified administrative and academic officers with the experience, competence and capacity to lead the institution are appointed and retained; and which will vest responsibility for the of the administration and implementation of policy in appropriate administrative and academic officers.
 7. A vacancy on the Board of Directors by reason of death, resignation, or other causes may be filled by a vote of the shareholders at a special meeting or at the next annual meeting.

During periods when there is an unfilled vacancy on the Board of Directors, actions taken by the remaining Directors will constitute actions of the Board and the definition of a quorum shall be adjusted to the reduced number of Directors.

8. The Board of Directors will meet at least annually, on the last Friday of February, or at a time to be fixed by agreement of a majority of the Board. The Board may meet at other times or intervals by agreement of a majority of the Board. A special meeting of the Board may be called by any Director by giving 30 days' written notice to all Directors. A notice of a special meeting must be sent by first class mail, and must state the date, time, place, and purpose of the meeting.
9. The Directors will not be compensated for serving as directors. A Director may, however, serve in other capacities with the Company and receive compensation for such service. Directors may be reimbursed for expenses associated with their service.
10. A quorum for any meeting will consist of a majority of the Directors. Directors may meet or participate in meetings by telephone or other electronic means as long as all Directors are continuously able to communicate with one another. If a quorum is present the Directors present may adjourn from day to day or to such future time as they see fit. If a majority of the Directors is not present, the meeting must be adjourned to such future time as the Directors present agree upon, provided that the Secretary or other officer or individual appointed by the Directors provides an announcement of the new meeting date in accordance with these by-laws to each Director at least 15 days prior to the new meeting. Directors may take any action required or permitted by state law or these bylaws at any Directors' meeting.
11. The Board shall have the power and responsibility to appoint, delegate or restrict powers to, discharge, supervise and evaluate all Officers of the Company. It will exercise this and all other powers accorded it by the laws of North Carolina, the United States or these bylaws through a simple majority vote of the Directors present at any meeting.

Article V: Officers

1. The officers of the Company will consist of two Co-Presidents, one of whom will serve as Chief Executive Officer, and one who will serve as Chief Academic Officer, and a Secretary. Other officers include a Vice President for Academic Affairs, a Vice President for Operations, and a Comptroller. Additional officers may be designated by the Board from time to time. Officers may hold more than one office.
2. The Co-Presidents will report to the Board and be responsible to the Board for the conduct of their respective offices. One of these Co-Presidents will be the Chief Executive Officer (CEO) of the Company, will be the senior officer of the Company, will have general charge of the business of the Company, and will be responsible to the Board for the implementation and execution of its policies, and for the overall operation and management of the Company. The other Co-President will be the Chief Academic Officer (CAO) of the Company, and will be the senior academic officer, responsible to the Board for all programs of study, the conduct of the faculty, the management of students, and other academic affairs.
3. In case of the death, disability, or absence of the Chief Executive Officer, the Chief Academic Officer will perform and be vested with all the duties and powers of the CEO.
4. The Vice President for Academic Affairs will be responsible to the CAO for admissions, student services, faculty appointments, review and reappointment, graduation, and such other duties as the CAO may assign.
5. The Vice President for Operations will be responsible to the CEO for operations, the day to day management of the Company, and such other duties as the CEO may assign. The COO will keep accounts of all moneys of the Company received or disbursed, and will deposit all moneys and valuables in the name of the Company in the banks and depositories that the Directors designate. Checks against company accounts will be signed as directed by the Board of Directors.
6. The Comptroller will be responsible to the Vice President for Operations for creating and maintaining accounting systems which incorporate appropriate internal controls to safeguard the assets of the Company, and such other duties as the VPO may assign.
7. The Secretary will be responsible to the CEO for keeping the corporate records, including minutes of Directors' and Shareholders' meetings, and such other duties as the CEO may

assign. The Secretary will give notice, as required in these bylaws, of Directors' and Shareholders' meetings.

8. The salaries of all officers will be fixed by the Board of Directors and may be changed from time to time by the Board of Directors.

Article VI: Faculty

1. The Chief Academic Officer will be responsible for recruiting, appointing, reviewing, retaining, and managing faculty members who are qualified to design and teach courses and programs of study approved by the Board of Directors.
2. Faculty members will report to the Vice President for Academic Affairs and will be responsible for the execution and implementation of programs of study and for student learning.
3. Members of the faculty will organize themselves into a Faculty Senate, and will establish their own rules and procedures. The Faculty Senate will report to the Chief Academic Officer and will be responsible for:

The quality, relevancy, currency, effectiveness, and continuous improvement of all programs of study in the University;

The efficacy, fairness, and continuous improvement of the grading and evaluation systems used to measure student progress and performance;

The adequacy, availability, usefulness, and continuous improvement of the library resources for the University; and,

For supporting the process of faculty participation in the decision-making processes of the University.

4. The Senate will establish procedures to:

Process, review, and approve new courses, new curricula, changes to courses, changes to curricula, and changes to evaluation processes;

Monitor library use, evaluate student experience with the library, evaluate faculty experience with the library, examine the holdings of the library with respect to the support required for the various courses and programs of study, as well as the needs of the faculty, and to ensure continuous improvement in the operations and holdings of the library;

Participate in the annual evaluation of all faculty members; and,
Participate in the annual evaluation of all administrative officers.

Article VII: Fiscal

1. The Company will operate on a voucher system. The Chief Executive Officer will present a budget to the Board of Directors from time to time which will support the operation of the Company and the achievement of the mission of the institution, and ensure effective management of its financial resources. Upon approval by the Board, the Budget will form the basis of the voucher system. Any expenditure which is not a budget item must be presented to the Board for approval prior to the disbursement of funds.
2. The books of the Company will be closed on December 31, of each year. The books will be kept on an accrual basis, although the Company's taxes may be filed on a cash basis at the direction of the CEO.
3. Within 75 days after the Company's fiscal year ends, the Comptroller will provide each Director and each Shareholder with a financial statement for the Company.

Article VIII: Amendments

Any of these bylaws may be amended or repealed by a vote of the majority of the shareholders at any annual meeting or at any special meeting of the shareholders.

These Bylaws were adopted by the Shareholders on February 22, 2008.