

**BYLAWS
OF
SOBRIETY HIGH SCHOOL**

Restated November 15, 2006

ARTICLE 1 - OFFICES

1.1 Principal Office. The principal office of the corporation shall be The Wright Building, Suite 421, 2233 University Avenue, Saint Paul, MN 55114. The principal office may be changed at any time by resolution of the Board of Governors.

1.2) Schools and Other Offices. The corporation may have offices and organize and operate schools at such other places, within or without the State of Minnesota, as the Board of Governors may from time to time designate.

ARTICLE 2 - BOARD OF GOVERNORS

2.1 General Powers. The business and affairs of the corporation shall be managed by or under the direction of a board of directors, which shall be called the Board of Governors. Certain responsibilities are assigned to Campus Boards of Directors, as provided in Article 3 of these Bylaws, and as provided from time to time by resolution of the Board of Governors; provided, however, that the Board of Governors reserves and retains all powers and authority required of the governing body of this corporation under applicable Minnesota law.

2.2 Composition and Election of Board of Governors. The Board of Governors shall have nine voting members and nine non-voting members. At each annual meeting, the Board of Governors shall elect governors as provided in these Bylaws. Vacancies on the Board of Governors for any reason shall be filled in keeping with this Section 2.2 to preserve the composition of the Board, as provided herein.

(a) Five Faculty Representatives (voting). The Board of Governors shall include five representatives chosen from the teaching faculty of the school sites operated by the corporation. Faculty representatives shall be voting members of the Board and shall be chosen as follows:

(i) Four campus representatives, comprised of one faculty representative from each of the four campuses operated by the corporation, shall be elected by the entire faculty and staff of Sobriety High School.

(ii) One "at large" faculty representative shall be elected by the entire faculty and staff of Sobriety High School.

(b) One Foundation Representative (voting). The Board of Governors shall include one representative appointed by and from the Board of Trustees of Sobriety High Foundation (the “Foundation”).

(c) Three Representatives At Large (voting). The Board of Governors shall include three representatives chosen at large by nomination of the Board of Governors’ Nominating Committee and election by the parents/guardians and faculty of active students enrolled in the schools operated by the corporation.

(d) Four Campus Representatives (non-voting). The Board of Governors shall include one representative chosen from the Campus Board of each of the four school sites operated by the corporation.

(e) Four Program Directors (ex officio, non-voting). The Program Directors from all four campuses operated by the corporation shall serve as non-voting governors by virtue of their offices.

(f) Superintendent (ex officio, non-voting). The Superintendent shall serve as a non-voting governor by virtue of his or her office.

2.3 Term. Except for those who serve *ex officio*, governors shall generally serve two-year staggered terms. The members of the initial Board of Governors after adoption of these Restated Bylaws shall be assigned staggered terms, each term ending at either the first or second annual meeting following such adoption. Thereafter, each new governor’s term shall end at the second annual meeting following the date of his or her election and until his or her successor has been duly elected and qualified, or until the earlier death, resignation, removal, or disqualification of such governor. A governor’s renewal terms, if any, shall be for two years each. A governor shall become disqualified when he or she no longer meets the qualifications for his or her position on the Board (*e.g.*, when a faculty representative ceases to be a member in good standing of a school faculty or when a Foundation trustee representative ceases to serve on the Board of Trustees of the Foundation).

ARTICLE 3 - CAMPUS BOARDS OF DIRECTORS

3.1 Designation and Authority. Each school site operated by the corporation shall be overseen by a local governing board, which shall be called a Board of Directors (which may also be called a “Campus Board”). Subject to the powers reserved to the Board of Governors, each Board of Directors shall have advisory responsibility for campus operations and for general oversight of its local campus management. Each Campus Board shall also have such other powers and responsibilities as may from time to time be delegated by the Board of Governors.

3.2 Number and Election of Directors. The Board of Governors shall determine the number and elect directors to the initial Board of Directors for each campus. After a Campus Board is established, directors shall be elected by nomination from the Campus Board and election by the Board of Governors. Within the limits provided herein, each Campus Board may

modify the number of directors and nominate directors for election by the Board of Governors at any time by taking action as provided in these Bylaws. Each Board of Directors shall include the president or other designated representative(s) of the Parent-Teacher Organization (“PTO”) for its campus and, as a non-voting *ex officio* member, the Program Director for its campus.

3.3 Term. Except for *ex officio* members of the Board, directors shall generally serve two-year staggered terms. The members of the initial Board of Directors for each campus shall be assigned staggered terms, each term ending at either the first or second annual meeting following the date of the creation of the Board. Thereafter, each new director’s term shall end at the second annual meeting following the date of his or her election and until his or her successor has been duly elected and qualified (unless the Campus Board does chooses to decrease the number of directors and not to elect a successor), or until the earlier death, resignation, removal, or disqualification of such director. A director’s renewal terms, if any, shall be for two years each. Each PTO representative on a Campus Board shall serve until his or her successor has been elected and qualified by the campus PTO.

ARTICLE 4 - BOARD ADMINISTRATION AND MEETINGS

4.1 Removal. Any governor or director may be removed at any time by a two-thirds (2/3) majority of the other members of his or her board. A director may also be removed at any time by action of the Board of Governors. Removal shall be effective upon the mailing or delivery of a written notice to the governor or director who is removed.

4.2 Resignation. Any board member may resign at any time by giving written notice to the chairperson of his or her board, the Superintendent or the Secretary of the corporation. The resignation shall take effect without acceptance upon receipt of the notice unless a later date is specified in the notice.

4.3 Vacancies. Except for *ex officio* governors, vacancies in the Board of Governors shall be filled by nomination and election by the Board of Governors as provided in these Bylaws, even if the vacancies have reduced the Board to less than a quorum. Except for *ex officio* directors, vacancies in any Campus Board shall be filled by nomination from the remaining members of such Board, even if less than a quorum, and election by the Board of Governors. A person elected to fill a vacancy shall serve for the remainder of the vacant term and until his or her successor has been duly elected and qualified. A board is not required to fill a vacancy, except as necessary to provide a quorum or to comply with the law or these Bylaws, and may instead determine to decrease the number of board members.

4.4 Quorum; Voting. A majority of governors shall constitute a quorum for the transaction of business by the Board of Governors. Each Campus Board may by standing resolution establish its own quorum requirement, provided that (i) the quorum may never be less than one-third of the directors, (ii) a Campus Board may amend its quorum requirement only prospectively (*i.e.*, the amended quorum requirement shall apply only at future meetings), and (iii) in the absence of Board action establishing a different quorum requirement in accordance with this paragraph, a Campus Board’s quorum shall be a majority of the directors. In the

absence of a quorum, a majority of the board members present may adjourn a meeting from time to time until a quorum is present. If a quorum is present when a duly called or held meeting is convened, those board members present may continue to transact business until adjournment even though the withdrawal of a number of board members originally present leaves less than the number otherwise required for a quorum. Except as otherwise required by law, the Articles of Incorporation, or these Bylaws, the acts of a majority of the board members present at a duly held meeting shall be the acts of such board.

4.5 Board Meetings.

(a) Meetings. The Board of Governors shall hold an annual meeting for the purpose of electing governors, directors, officers and transacting any other business coming before it. The Board of Governors shall hold such other meetings as it may from time to time determine in accordance with these Bylaws. Each Board of Directors shall hold such meetings as it may from time to time determine in accordance with these Bylaws. Each board meeting shall be held at any place that such board may designate. Unless another site is designated, meetings of the Board of Governors shall be held at the registered office of the corporation, and meetings of each Campus Board shall be held at its local school campus. The Chair, the Superintendent, or any three governors may call a special meeting of the Board of Governors. The Campus Board Chairperson, any three directors, the Board of Governors, the Chair, the Superintendent may call a special meeting of a Campus Board.

(b) Scheduling and Notice. The Board of Governors and each Board of Directors shall establish a schedule of regular meetings, which shall be kept on file at the primary office of the corporation. When a meeting schedule has been adopted by a board, no additional notice of any such meetings is required. For all other meetings, except emergency meetings or special meetings for which notice requirements are otherwise expressly established by Minnesota statute, notice shall be provided in accordance with the Minnesota Open Meeting Law, Minnesota Statutes Chapter 13D. (The general requirements of the Open Meeting Law require posting notice of the meeting, mail or delivery to any persons with filed written requests for notices of special meetings or, alternatively, publication of notice in accordance with the Open Meeting Law.) Notice of such special meetings, including meetings at a time or place different from the time or place stated in a Board's schedule of regular meetings, shall be provided at least three days before the date of the meeting. If a board member receives actual notice of the meeting at least twenty-four hours before the meeting, such notice shall be sufficient under these Bylaws, regardless of the method of receipt of notice.

(c) Waiver of Notice. A board member may waive notice of any meeting before, at, or after the meeting, in writing, orally, or by attendance. Attendance at a meeting by a board member is a waiver of notice of that meeting unless the board member objects at the beginning of the meeting to the transaction of business because the meeting is not lawfully called or convened and does not participate thereafter in the meeting. All waivers shall be filed with the records of the corporation.

(d) Recessed or Continued Meetings. When a meeting is recessed to be continued later, and the time and place of the continued meeting is established during the previous meeting and recorded in the minutes of that meeting, then no further notice is required.

4.6 Action Without Meeting. An action required or permitted to be taken at a board meeting may be taken by written action signed by all of the board members. Any such written action shall be filed with the minutes of the corporation.

4.7 Compensation. Board members shall receive no compensation for their services as such, but may be reimbursed for reasonable expenses as shall be determined from time to time by resolution of the particular board. Nothing herein shall be construed to preclude any board member from serving this corporation in any other capacity and receiving proper compensation therefor.

ARTICLE 5 - OFFICERS

5.1 Officers.

(a) Corporate Officers. The corporation shall have a Chair, Vice Chair, Superintendent, Secretary, and Treasurer. The Board of Governors may elect or appoint such other officers or agents as it deems necessary, each of whom shall have the power, rights, duties, and responsibilities set forth in these Bylaws or as determined by the Board of Governors. Any of the offices or functions of those offices may be held by the same person. Officers shall receive such compensation for their services and reimbursement for their expenses as determined from time to time by the Board.

(b) Campus Officers. Each Campus Board shall elect a Chairperson, Secretary, Treasurer and such other officers or agents as it deems necessary, each of whom shall have the power, rights, duties and responsibilities set forth in these Bylaws or as determined by the Campus Board. Any of the offices or functions of those offices may be held by the same person.

5.2 Election, Term, and Removal.

(a) Corporate Officers. At the annual meeting of the Board of Governors, the Board shall elect officers, who shall hold office until the next election of officers and until their successors shall have been duly elected and qualified, or until the earlier death, resignation, removal, or disqualification of such officer; provided, however, that any officer may be removed with or without cause by the affirmative vote of a majority of the governors present at any duly held meeting of the Board (without prejudice, however, to any contract rights of such officer).

(b) Campus Officers. On or around the time of the annual meeting of the Board of Governors, each Campus Board shall elect its officers, who shall hold office

until the next election of officers and until their successors have been duly elected and qualified, or until the earlier death, resignation, removal, or disqualification of such officer; provided, however, that any officer may be removed with or without cause by the affirmative vote of a majority of the directors present at any duly held meeting of the Campus Board or by action of the Board of Governors. (Such removal shall be without prejudice to any contract rights of such officer.)

5.3 Resignation. Any officer may resign at any time by giving written notice to the corporation. The resignation is effective without acceptance when notice is given to the corporation, unless a later date is specified in the notice.

5.4 Vacancies. A vacancy that occurs for any reason in any office may be filled, or in the case of a vacancy in the office of Chair, any Campus Board Chairperson, Superintendent or Treasurer, shall be filled for the unexpired part of the term by vote of the Board of Governors.

5.5 Duties of Corporate Officers.

(a) Chair. Unless provided otherwise by a resolution adopted by the Board of Governors, the Chair shall (i) preside at all meetings of the Board and of the Executive Committee (in the event such a Committee is created and authorized by the Board); (ii)†work with the Chief Executive Officer to see that all orders and resolutions of the Board are carried into effect; (iii) in the absence of or as an alternative to the Chief Executive Officer, sign and deliver in the name of the corporation any deeds, mortgages, bonds, contracts, or other instruments pertaining to the business of the corporation, except in cases in which the authority to sign and deliver is required by law to be exercised by another person or is expressly delegated by the Articles, these Bylaws, or the Board to some other officer or agent of the corporation; and (iv) perform such other duties as may from time to time be prescribed by the Board.

(b) Superintendent. Unless provided otherwise by a resolution adopted by the Board of Governors, the Superintendent shall (i) be the chief executive officer of the corporation, and have general active management of the business of the corporation; (ii) see that all orders and resolutions of the Board are carried into effect; (iii) sign and deliver in the name of the corporation any deeds, mortgages, bonds, contracts, or other instruments pertaining to the business of the corporation, except in cases in which the authority to sign and deliver is required by law to be exercised by another person or is expressly delegated by the Articles, these Bylaws or the Board to some other officer or agent of the corporation; (iv) maintain records of and certify proceedings of the Board; and (v) perform such other duties as may from time to time be prescribed by the Board.

(c) Vice Chair. In the absence of the Chair, the Vice Chair shall preside at meetings of the Board and the Executive Committee (in the event such a Committee is created and authorized by the Board). The Vice Chair shall have such powers and perform such duties as may be specified in these Bylaws or prescribed by the Board of Governors. In the event of absence or disability of the Chair, the Board of Governors may designate the Vice Chair to succeed to the power and duties of the Chair.

(d) Treasurer. Unless provided otherwise by a resolution adopted by the Board of Governors, the Treasurer shall (i) keep accurate financial records for the corporation; (ii) deposit all monies, drafts, and checks in the name of and to the credit of the corporation in such banks and depositories as the Board of Governors shall designate from time to time; (iii) endorse for deposit all notes, checks, and drafts received by the corporation as ordered by the Board, making proper vouchers therefor; (iv) disburse corporate funds and issue checks and drafts in the name of the corporation, as ordered by the Board; (v) render to the Chair, the Superintendent, and the Board of Governors, whenever requested, an account of all of his or her transactions as Treasurer and of the financial condition of the corporation; and (vi) perform such other duties as may be prescribed by the Board of Governors or the Superintendent from time to time.

(f) Secretary. The Secretary shall, unless otherwise determined by the Board, be secretary of and attend all meetings of the Board of Governors, and record the proceedings of such meetings in the minute book of the corporation and, whenever necessary, certify such proceedings. The Secretary shall give proper notice of meetings to governors and shall perform such other duties as may be prescribed by the Board of Governors, or the Superintendent from time to time.

5.6 Duties of Campus Officers.

(a) Campus Board Chairperson. Unless provided otherwise by a resolution adopted by the Campus Board or the Board of Governors, the Campus Board Chairperson shall (i) preside at all meetings of the Campus Board and the Campus Executive Committee (in the event such a committee is created and authorized by the Campus Board); (ii) work with the Chief Executive Officer to see that all orders and resolutions of the Campus Board are carried into effect; (iii) work with the program director and other campus staff persons to provide for effective local campus management; and (iv) perform such other duties as may from time to time be prescribed by the Campus Board or the Board of Governors.

(b) Campus Treasurer. The campus Treasurer shall serve as the financial officer for the Campus Board. As such, he or she shall monitor financial operations of the local school campus and shall report to the Campus Board on the financial condition of campus operations. He or she shall also perform such other duties as may be prescribed by the Campus Board or the Board of Governors.

(c) Campus Secretary. The campus Secretary shall, unless otherwise determined by the Campus Board, be secretary of and attend all meetings of the Campus Board, and record minutes of the meetings, and whenever necessary, certify such proceedings. The campus Secretary shall give proper notice of meetings to directors and shall perform such other duties as may be prescribed by the Campus Board or the Board of Governors from time to time.

5.7 Other Officers. Any other officers appointed by the Board of Governors shall perform such duties and be responsible for such functions as the Board of Governors may prescribe.

5.8 Delegation. Unless prohibited by a resolution of the Board of Governors or, as the case may be, a Campus Board, an officer elected or appointed by such board may delegate some or all of the duties and/or, powers of his or her office to other persons.

ARTICLE 6 - COMMITTEES

6.1 Executive Committee. The Board of Governors may, by action of a majority of the entire Board, designate two or more of its members as an Executive Committee which, to the extent determined by the resolution of the Board, shall have and exercise the authority of the Board in the management of the business of the corporation. The Executive Committee shall at all times be subject to the control and direction of the Board. The Executive Committee shall maintain minutes of its meetings.

6.2 Campus Executive Committees. A Campus Board may, by action of a majority of the entire Campus Board, designate two or more of its member as a Campus Executive Committee which, to the extent determined by resolution of the Campus Board, shall have and exercise the authority of such board in the management of the business of the campus. Campus Executive Committee shall at all times be subject to the control and direction of the Campus Board. The Campus Executive Committee shall maintain minutes of its meetings.

6.3 Other Committees. The Board of Governors and each Campus Board may also, from time to time, appoint such other committees as it may deem proper, and may prescribe the functions and membership of such other committees.

ARTICLE 7 - FISCAL YEAR

7.1 Fiscal Year. The fiscal year of the corporation shall be July 1 through June 30.

ARTICLE 8 - INDEMNIFICATION; STANDARD OF CONDUCT

8.1 Indemnification. The corporation shall indemnify such persons, for such expenses and liabilities, in such manner, under such circumstances, and to such extent, as permitted by Minnesota Statutes, Section 317A.521, as now enacted or hereafter amended.

8.2 Conflicts of Interest. The corporation shall not enter into contracts or transactions between the corporation or any related corporation and a governor or director of the corporation or between the corporation and an organization in which a governor or director is a director, officer, or legal representative or has a material financial interest, except in accord with the provisions of Minnesota Statutes, Section 317A.255, as now enacted or hereafter amended.

8.3 Standard of Conduct. Each governor, director and officer shall discharge his or her duties as a governor, director or officer in good faith, in a manner which the governor, director or officer reasonably believes to be in the best interests of the corporation, and with the care an ordinarily prudent person in a like position would exercise under similar circumstances.

ARTICLE 9 - AMENDMENTS

9.1 Amendments. These Bylaws may be amended, restated, or repealed by the affirmative vote of a two-thirds (2/3) majority of the entire Board of Governors at a meeting duly called and held or as a written action taken without a meeting pursuant to these Bylaws.

The undersigned, Secretary, Sobriety High School, hereby certifies that the foregoing restated Bylaws were duly adopted by the Board of Governors as the complete restated Bylaws of the corporation on November 15, 2006.

Lyle Taipale, Secretary