

**BYLAWS
OF
NORTH AMERICAN COUNCIL FOR ONLINE LEARNING, LTD.**

As Revised April 24, 2007

INTRODUCTION

These Bylaws are subject to the Certificate of Incorporation of the North American Council for Online Learning, Ltd. (the "Council"), a corporation formed under the General Corporation Law of the State of Delaware. In the event of any inconsistency between the terms of these Bylaws and the terms of the Certificate of Incorporation, the terms of the Certificate of Incorporation will control.

**ARTICLE I
Offices**

Section 1. Principal Office. The Directors shall fix, and from time to time may change, the location of the principal executive office of the Council at any place within or outside the State of Delaware.

Section 2. Delaware Office. The Directors shall establish a registered office in the State of Delaware and shall appoint as the Council's registered agent for service of process in the State of Delaware an individual who is a resident of the State of Delaware or a State of Delaware corporation or a corporation authorized to transact business in the State of Delaware.

Section 3. Other Offices. The Directors may at any time establish branch or subordinate offices at any place or places within or outside the State of Delaware where the Council intends to do business.

**ARTICLE II
Directors**

Section 1. Powers. The business and affairs of the Council shall be managed and all matters effecting policy issues of the Council shall be exercised by or under the direction of the Directors. The Council shall retain a Chief Executive Officer ("CEO"), who will serve as President of the organization and who will be authorized to exercise powers of the Council as prescribed by the employment agreement which shall be negotiated directly by and between the Chairman of the Board on behalf of the Board and Council and the CEO. The Council shall eventually be governed by seven (7) Directors, any number of which may be outside directors. Vacancies on the Council shall not be filled by election or appointment until such time as the number of Directors is reduced to seven (7). Thereafter, vacancies shall be filled in accordance

with the provisions set forth in this Article II. The President/CEO will be an *ex officio*, non-voting member of the Board of Directors, and the position on the Board will terminate once the person ceases to hold the staff position unless otherwise elected to the Board. All powers of the Board may be exercised by majority vote of an Executive Committee consisting of four (4) members of the Board appointed by Board of Directors' resolution. Any actions of the Executive Committee shall be deemed in all respects to be actions of the entire Board. The Executive Committee may prescribe in its sole discretion rules for scheduling and conduct of meetings as it deems proper.

Section 2. Number and Affiliation of Directors. The number of Directors shall be seven (7) members, all or any number of which may be outside directors. The procedures outlined in Article II, Section 1, shall be followed until such time as the number of Directors is reduced to seven (7).

Section 3. Election of Directors. Annually or as required, new Directors for vacant positions shall be elected by the membership to serve for a term of three (3) years. A Director may serve two (2) or more consecutive terms. The CEO shall designate a Nominating Committee to assist the Board and CEO in recruiting and nominating new board members who represent the growing and changing needs of the Council. The Nominating Committee shall appoint a slate of candidates, with CEO approval, for vacant positions meeting the needs of the Council for election by the membership.

Section 4. Resignations. Any Director may resign at any time. The resignations shall be in writing (unless the requirement of a writing is waived by a majority of the Directors), but the acceptance thereof shall not be necessary to make it effective.

Section 5. Vacancies. Vacancies due to resignation, death, or removal from office may be filled by the remaining Directors. Any such appointed Director shall serve the balance of the unexpired term of the Director leaving office.

Section 6. Place of Meetings and Meetings by Telephone. All meetings of the Directors may be held at any place that has been selected from time to time by the Directors. In the absence of such a selection, regular meetings shall be held at the principal executive office of the Council. Any meeting, regular or special, may be held by conference telephone or similar communication equipment, so long as all Directors participating in the meeting can hear one another and all such Directors shall be deemed to be present in person at the meeting.

Section 7. Annual Meeting. An annual meeting of the Directors shall be held with 30-day notice of such board meeting in order to legally constitute the meeting if a quorum is present.

Section 8. Regular Meetings. Regular meetings of the Directors shall be held at such time as shall from time to time be fixed by the Directors.

Section 9. Special Meetings. Special meetings of the Directors for any purpose or purposes may be called at any time by the Chairperson or Vice Chairperson or the Secretary or any two (2) Directors.

Notice of the time and place of special meetings shall be delivered personally or by telephone to each Director or sent by first-class mail, by telegram, telecopy, e-mail (or similar electronic means) or by nationally recognized overnight courier, charges prepaid, addressed to each Director at that Director's address as it is shown on the records of the Council. If the notice is mailed, it shall be deposited in the United States mail at least seven (7) calendar days before the time of the holding of the meeting. If the notice is delivered personally or by telephone or by telegram, telecopy, e-mail (or similar electronic means), or overnight courier, it shall be given at least forty-eight (48) hours before the time of the holding of the meeting. Any oral notice given personally or by telephone must be communicated only to the Director. The notice must specify the purpose of the meeting and the place of the meeting. Notice of a meeting need not be given to any Director if a written waiver of notice, executed by such Director before or after the meeting, is filed with the records of the meeting, or to any Director who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to such Director.

Section 10. Open Meetings. All meetings of the Directors shall be open to observers unless previously declared closed by the Chairperson.

Section 11. Quorum. One half (1/2) of the authorized number of Directors shall constitute a quorum for the transaction of business, except to adjourn as provided in Section 13 of this Article 11. Every act of decision done or made by a majority of the Directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Directors, subject to the provisions of the Certificate of Incorporation. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of Directors if any action taken is approved by at least a majority of the required quorum for that meeting.

Section 12. Waiver of Notice. Notice of any meeting need not be given to any Director who either before or after the meeting signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. All such waivers, consents, and approvals shall be filed with the records of the Council or made a part of the minutes of the meeting. Notice of a meeting shall also be deemed given to any Director who attends the meeting without protesting, prior to or at its commencement, the lack of notice to that Director.

Section 13. Adjournment. A majority of the Directors present, whether or not constituting a quorum, may adjourn any meeting to another time and place.

Section 14. Notice of Adjournment. Notice of the time and place of holding an adjourned meeting need not be given unless the meeting is adjourned for more than forty-eight (48) hours, in which case notice of the time and place shall be given before the time of the adjourned meeting in the manner specified in Section 9 of this Article II to the Directors who were present at the time of the adjournment.

Section 15. Action Without a Meeting. Any action to be taken by the Directors at a meeting may be taken without such meeting by the written consent of a majority of the Directors then in office. Any such written consent may be executed and given by telecopy or similar electronic

means. Such written consents shall be filed with the minutes of the proceedings of the Directors. If any action is so taken by the Directors by the written consent of less than all of the Directors, prompt notice of the taking of such action shall be furnished to each Director who did not execute such written consent, provided that the effectiveness of such action shall not be impaired by any delay or failure to furnish such notice.

Section 16. Delegation of Power to Other Directors. Any Director may, by notarized power of attorney, delegate his or her power for a period not exceeding one (1) month at any one time to any other Director. Except where applicable law may require a Director to be present in person, a Director represented by another Director, pursuant to such notarized power of attorney, shall be deemed to be present for purpose of establishing a quorum and satisfying the required majority vote.

Section 17. Compensation. No Director shall be entitled to any salary. The Board of Directors or CEO may authorize reimbursement of expenses incurred by Directors for attending meetings of the board, or for any other expense incurred on behalf of the Council as deemed appropriate by the Board or the CEO.

ARTICLE III **Committees**

Section 1. Committee Composition. The CEO may designate and appoint one or more committees to assist the Board and CEO in operation of the Council's business affairs. All committees shall report directly to the CEO who shall possess the power and responsibility to work with any such committees and report activities to the Board of Directors. The CEO shall authorize and direct all activities of the committees, except with respect to:

- (a) the approval of any action which under applicable law requires approval by a majority of the entire authorized number of Directors or certain Directors;
- (b) the filling of vacancies of Directors;
- (c) the amendment or termination of the Certificate of Incorporation or the amendment of the Bylaws or the adoption of new Bylaws;
- (d) the amendment or repeal of any resolution of the Directors which by its express terms is not so amendable or repealable.

Section 2. Meetings and Action of Committees. Meetings and action of committees shall be governed by procedures as established from time to time by the CEO.

Section 3. Committees. The CEO shall be a non-voting member of all committees. Committees shall be designated from time to time by the CEO with suggestions and input from the Board.

Section 4. Substitution of Committee Member. In the absence or disqualification of a member of a committee, the member or members present at any meeting and not disqualified from voting,

whether or not such member or members constitute a quorum, may unanimously appoint another member with the consent of the CEO to fill any such vacancy.

ARTICLE IV

Officers

Section 1. Officers. The Officers of the Board shall be a Chairperson, a Vice Chairperson, a Secretary and a Treasurer.

Section 2. Election of Officers. The Officers of the Board, except for the CEO (which is an *ex officio* position and requires no separate nomination or election) and such Officers as may be appointed in accordance with the provisions of Section 5 of this Article IV, shall be nominated by the Directors, and elected by the members of the Board of Directors. The CEO shall interact with the Board and report to the Board consistent with the terms and conditions of the employment agreement referred to in Article II, Section 1 hereof.

Section 3. Terms of Office. Board Officers shall be elected at each annual meeting of the Board of Directors and shall serve a term of one year. The Vice Chairperson, upon conclusion of a one-year term of office, shall serve as Chairperson for one year. No Director shall be eligible for election to the position of Vice Chairperson within one year of the date the Director's term expires.

Section 4. Removal and Resignation of Officers. Any Officer may be removed for cause by the Directors at any regular or special meeting of the Directors. Any Officer may resign at any time by giving written notice to the Board. Any resignation shall take effect at the date of the receipt of that notice or at any later time specified in that notice; and unless otherwise specified in that notice, the acceptance of the resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any, of the Board under any contract to which the officer is a party.

Section 5. Vacancies in Offices. A vacancy in any office because of death, resignation, removal, disqualification or other cause shall be filled in the manner prescribed in these Bylaws for regular appointment to that office. The Chairperson may make temporary appointments to a vacant office pending action by the Directors.

Section 6. Chairperson. The Chairperson shall preside at meetings of the Directors, and shall exercise and perform such other powers and duties as may be from time to time assigned to him or her by the Directors or prescribed by the Certificate of Incorporation or these Bylaws.

Section 7. Vice Chairperson. In the absence or disability of the Chairperson, the Vice Chairperson shall perform all the duties of the Chairperson and when so acting shall have all powers of and be subject to all the restrictions upon the Chairperson. The Vice Chairperson shall have such other powers and shall perform such other duties as from time to time may be prescribed for him/her by the Directors or the Chairperson or by these Bylaws. The Vice Chairperson shall assist the chairperson in organizational planning, in effectively managing resources and establishing and supervising Officer and Board member transition plans. The Vice

Chairperson shall provide oversight to working committees in accordance with guidance/policy from the Chairperson and Board members, shall report the annual assessment of the organization based upon stated goals to the Chairperson and Board and shall carry out special assignments tasked by the Chairperson.

Section 8. Secretary. The Secretary shall keep or cause to be kept at the principal executive office of the Council, or such other place as the Directors may direct, a book of minutes of all meetings and action of Directors and committees of Directors with the time and place of holding, whether regular or special, and if special, how authorized, the notice given, the names of those present at Directors' meetings or committee meetings, and the proceedings of the meetings.

Section 9. Treasurer. The treasurer shall oversee the financial issues for the Council. The CEO may retain a chief financial officer (CFO) and chief account officer of the Council to keep and maintain or cause to be kept and maintained adequate and correct books and records of accounts of the properties and business transactions of the Council. The books of account shall at all reasonable times be open to inspection by any Director and the CEO.

The CFO shall deposit or cause to be deposited all monies and other valuables in the name and to the credit of the Council with such depositaries as may be designated by the CEO. He or she shall disburse or cause to be disbursed the funds as may be ordered by the CEO and shall render or cause to be rendered to the Chairperson and CEO whenever they request it, an account of all of his or her transactions as chief financial officer. The CFO shall report directly to the CEO.

ARTICLE V

Indemnification of Directors, Officers, Employees and Other Agents

Section 1. Agents, Proceedings, Expenses. For the purpose of this Article, "agent" means any Person who is or was a Director, officer, employee or other agent of the Council or is or was serving at the request of the Council as a Director, director, officer, employee or agent of another organization in which the Council has any interest as a shareholder, creditor or otherwise; "proceeding" means any threatened, pending or completed claim, action, suit or proceeding, whether civil, criminal, administrative or investigative, (including appeals); and "expenses" includes, without limitation, attorneys' fees costs, judgments, amounts paid in settlement, fines, penalties and all other liabilities whatsoever.

Section 2. Indemnification. Subject to the exceptions and limitation contained in Section 3 of this Article V, every agent shall be indemnified by the Council to the fullest extent permitted by law against all liabilities and against all expenses reasonably incurred or paid by him or her in connection with any proceeding in which he or she becomes involved as a party or otherwise by virtue of his or her being or having been an agent.

Section 3. Limitations, Settlements. No indemnification shall be provided hereunder to an agent:

(a) who shall have been adjudicated, by the court or other body before which the proceeding was brought, to be liable to the Council by reason of willful misfeasance, bad faith, gross negligence

or reckless disregard of the duties involved in the conduct of his or her office (collectively, "disabling conduct"); or

(b) with respect to any proceeding disposed of (whether by settlement, pursuant to a consent decree or otherwise) without an adjudication by the court or other body before which the proceeding was brought that such agent was liable to the Council by reason of disabling conduct, unless there has been a determination that such agent did not engage in disabling conduct:

- (i) by the court or other body before which the proceeding was brought;
- (ii) by at least a majority of those Directors who are neither interested persons of the Council nor are parties to the proceeding based on a review of readily available facts (as opposed to a full trial-type inquiry); or
- (iii) by written opinion of independent legal counsel based on a review of readily available facts (as opposed to a full trial-type inquiry);

provided, however, that indemnification shall be provided under these Bylaws to an agent with respect to any proceeding in the event of. (1) a final decision on the merits by the court or other body before which the proceeding was brought that the agent was not liable by reason of disabling conduct; or (2) the dismissal of the proceeding by the court or other body before which it was brought for insufficiency of evidence of any disabling conduct with which such agent has been charged.

Section 4. Insurance, Right Not Exclusive. The rights of indemnification provided in these Bylaws: (a) may be insured against by policies maintained by the Council on behalf of any agent; (b) shall be severable; (c) shall not be exclusive of or affect any other rights to which any agent may now or hereafter be entitled; and (d) shall inure to the benefit of the agent's heirs, executors and administrators.

Section 5. Advance of Expenses. Expenses incurred by an agent in connection with the preparation and presentation of a defense to any proceeding may be paid by the Council from time to time prior to final disposition thereof upon receipt of an undertaking by, or on behalf of, such agent that such amount will be paid over by him or her to the Council if it is ultimately determined that he or she is not entitled to indemnification under this Article V; provided, however, that: (a) such agent shall have provided appropriate security for such undertaking; (b) the Council is insured against losses arising out of any such advance payments; or (c) either a majority of the Directors who are neither interested persons of the Council nor parties to the proceeding, or independent legal counsel in a written opinion, shall have determined, based upon a review of the readily available facts (as opposed to a trial-type inquiry or full investigation), that there is reason to believe that such agent will be found entitled to indemnification under this Article V.

ARTICLE VI
Inspection of Records and Reports

Section 1. Inspection by Directors. Every Director shall have the absolute right at any reasonable time to inspect all books, records, and documents of every kind and the physical properties of the Council. This inspection by a Director may be made in person or by an agent or attorney and the right of inspection includes the right to copy and make extracts of documents.

Section 2. Financial Statements. A copy of any financial statements and any income statements of the Council for each quarterly period of each fiscal year and accompanying financial statements, which include income statement, balance sheet and a financial prospectus including a projection of potential revenues of the Council as the end of each such period that has been prepared by the Council shall be kept on file in the principal executive office of the Council for at least twelve (12) months.

The quarterly income statements and financial statements, which include income statement, balance sheet and a financial prospectus including a projection of potential revenues, referred to in this section shall be accompanied by the report, if any, of any independent accountants engaged by the Council or the certificate of an authorized officer of the Council that the financial statements were prepared without audit from the books and records of the Council.

ARTICLE VII
General Matters

Section 1. Checks, Drafts, Evidence of Indebtedness. All checks, drafts, or other orders for payment of money, notes or other evidences of indebtedness issued in the name of or payable to the Council shall be signed or endorsed in such manner and by such person or persons as shall be designated from time to time in accordance with the resolution of the Board of Directors **or appropriate directive by the CEO.**

Section 2. Contracts and Instruments; How Executed. The Directors, except as otherwise provided in these Bylaws, may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the Council and this authority may be general or confined to specific instances; and unless so authorized or ratified by the Directors or within the agency power of an officer, no officer, agent, or employee shall have any power or authority to bind the Council by any contract or engagement or to pledge its credit or to render it liable for any purpose or for any amount.

Section 3. Fiscal Year. The fiscal year of the Council shall be fixed and refixed or changed from time to time by the Directors.

Section 4. Seal. The seal of the Council, if one is created, shall consist of a flat-faced dye with the name of the Council cut or engraved thereon. However, unless otherwise required by the Directors, the seal shall not be necessary to be placed on, and its absence shall not impair the

validity of, any document, instrument or other paper executed and delivered by or on behalf of the Council.

ARTICLE VIII
Amendments

Section 1. Amendment. Except as otherwise provided by applicable law or by the Certificate of Incorporation, these Bylaws may be restated, amended, supplemented or repealed by a majority vote of the Directors, provided that no restatement, amendment, supplement or repeal hereof shall limit the rights to indemnification or insurance provided in Article V hereof with respect to any acts or omissions of agents (as defined in Article V) of the Council prior to such amendment.