

SECONDTTHIRD** AMENDED AND RESTATED BYLAWS**
OF
CASA ESPERANZA MONTESSORI INCORPORATED

ARTICLE I
OFFICES

1. Principal Office. The principal office of Casa Esperanza Montessori Incorporated (the “**Corporation**”) shall be located in Wake County, North Carolina or such other place as is designated by the Board of Directors.
2. Registered Office. The registered office of the Corporation required by law to be maintained in the State of North Carolina may be, but need not be, identical with the principal office.
3. Other Offices. The Corporation may have offices at such other places, either within or without 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 II
DIRECTORS

1. General Powers. All corporate powers shall be exercised by or under the authority of, and the business and affairs of the Corporation shall be managed by, the Board of Directors or by such committees as the Board of Directors may establish pursuant to these Bylaws. Notwithstanding anything herein to the contrary, and to the fullest extent permissible by law, the Board of Directors has delegated to the Head of School the authority to hire, manage, discipline and terminate employees of the Corporation, subject to approval of the Board of Directors and in accordance with (i) the policies and procedures enumerated in the Hiring Delegation Agreement dated October 20, 2011 and duly adopted by the Board of Directors (the “**Hiring Delegation Agreement**”) and (ii) such other policies and procedures as the Board of Directors may from time to time institute.
2. Number, Term and Qualification. The number of directors shall be not less than one (1) nor more than thirteen (13) as may be fixed or changed from time to time, within the minimum and maximum, by the Board of Directors. A change in the range for the size of the Board of Directors or from a variable-range size Board of Directors to a fixed size Board of Directors shall be made by amendment to these Bylaws. Each director shall hold office until his or her death, resignation, retirement, removal, disqualification or his or her successor is elected and qualifies. Directors need not be residents of the State of North Carolina. The directors shall be divided into three classes, as nearly equal in number as may be, to serve in the first instance for terms of one, two and three years, respectively, and thereafter the successors in each class of directors shall be elected to serve for terms of three years. Nothing herein shall prevent a member of the Board of Directors from succeeding him or herself on the Board of Directors. In the event of any increase or decrease in the number of directors, the additional or eliminated directorships shall be so

classified or chosen that all classes of directors shall remain or become as nearly equal in number as may be possible.

3. Election of Directors. Except as provided in Article II, Section 5, Directors shall be elected at the annual meeting of the Board of Directors; and those persons who receive the highest number of votes at a meeting at which a quorum is present shall be deemed to have been elected.

4. Removal. Directors may be removed from office with or without cause by a vote of a majority of the Directors then in office, provided the notice of the meeting at which such action is to be taken states that a purpose of the meeting is for the removal of the Director. If any Directors are so removed, new Directors may be elected at the same meeting.

5. Vacancies. A vacancy occurring in the Board of Directors, including, without limitation, a vacancy created by an increase in the authorized number of Directors, may be filled by the Board of Directors or, if the Directors remaining in office constitute less than a quorum of the Directors, by the affirmative vote of a majority of all remaining Directors or by the sole remaining Director.

6. Chairperson of the Board. The Chairperson of the Board of Directors, if one is elected by the Board of Directors, shall, if present, preside at meetings of the Board of Directors. The Chairperson of the Board shall, when requested, counsel with and advise the officers of the Corporation and shall perform such other duties as may from time to time be determined by the Board of Directors. In the absence of a Chairperson of the Board of Directors, the Vice-Chairperson of the Board or the President/Head of School shall preside at the meetings of the Board of Directors.

7. Vice-Chairperson of the Board. The Vice-Chairperson of the Board of Directors, if one is elected by the Board of Directors, shall, if present, preside at meetings of the Board of Directors when the Chairperson of the Board is absent from such meetings. The Vice-Chairperson of the Board shall perform such other duties as may from time to time be determined by the Board of Directors.

8. Compensation. The Board of Directors may provide for the compensation of Directors for their services as such and may provide for the payment of any and all expenses incurred by the Directors in connection with such services.

9. Composition. ~~Members of the Board shall be unrelated~~ Directors may be related so long as (i) any conflict of interest or potential conflict of interest is fully disclosed in writing to the Board of Directors prior to the election of any related member(s) and at all times thereafter when a conflict of interest or potential conflict of interest arises, and (ii) the full Board of Directors determines in accordance with Article VII herein that such conflict of interest or potential conflict shall not interfere with the duties and obligations of the related members of the Board of Directors and shall not be in conflict with any other provision of the Bylaws. Employees of the Corporation and contractors employed by the Corporation (and their immediate families) shall not be eligible to serve as a Directors. At least one member of the Board of Directors will be a layperson without formal training in education. At least one

member of the Board of Directors will read, write and speak Spanish fluently. Up to sixty-six percent (66%) of the members of the Board of Directors may be parents of students currently enrolled at the school operated by the Corporation (the “**School**”). At all times the Board of Directors membership should strive to reflect the diversity of the School community.

10. Executive and Other Committees.

(a) The Board of Directors, by resolution adopted by a majority of the number of Directors then in office, may designate from among its members an Executive Committee and one or more other committees, each consisting of two or more Directors and each of which, to the extent authorized by law or provided in the resolution, shall have and may exercise all of the authority of the Board of Directors, except no such committee shall have authority as to the following matters: (1) the authorization of distributions; (2) the dissolution, merger or consolidation of the Corporation, or the sale, lease, pledge or exchange of all or substantially all of the property of the Corporation; (3) the designation of any such committee or the filling of vacancies in the Board of Directors or in any such committee; and (4) the adoption or repeal of the Bylaws or the amendment of the Bylaws or the Articles of Incorporation; and (5) the amendment or repeal of any resolution of the Board of Directors which by its terms shall not be so amendable or repealable.

(b) Any resolutions adopted or other action taken by any such committee within the scope of the authority delegated to it by the Board of Directors shall be deemed for all purposes to be adopted or taken by the Board of Directors. The designation of any committee and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any member thereof, of any responsibility or liability imposed upon it, him or her by law.

(c) Regular meetings of any such committee may be held without notice at such time and place as such committee may fix from time to time by resolution. Special meetings of any such committee may be called by any member thereof upon not less than two (2) days’ notice stating the place, date and hour of such meeting, which notice may be written or oral and if mailed, shall be deemed to be delivered when deposited in the United States mail addressed to any member of the committee at his or her business address. Any member of any committee may in a signed writing waive notice of any meeting and no notice of any meeting need be given to any member thereof who attends in person. The notice of a meeting of any committee need not state the business proposed to be transacted at the meeting.

(d) A majority of the members of any such committee shall constitute a quorum for the transaction of business at any meeting thereof, and actions of such committee must be authorized by the affirmative vote of a majority of the persons who are then members of such committee.

(e) Any member of any such committee may be removed at any time with or without cause by resolution adopted by a majority of the Board of Directors then in office.

(f) Any such committee shall elect a presiding officer from among its members and may fix its own rules of procedure, which shall not be inconsistent with these Bylaws. It shall keep regular minutes of its proceedings and report the same to the Board of Directors for its information at the meeting thereof held next after the proceedings shall have been taken.

ARTICLE III MEETINGS OF DIRECTORS

1. Regular Meetings. Regular meetings of the Board of Directors shall be held at such time and place, either within or without the State of North Carolina, as is determined by the Board of Directors.

2. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the Chairperson of the Board (if one has been duly elected), the President/Head of School or any two Directors. Such meetings may be held either within or without the State of North Carolina.

3. Notice of Meetings.

(a) Regular meetings of the Board of Directors may be held without notice.

(b) The person or persons calling a special meeting of the Board of Directors shall, not less than five (5) days before the meeting, give notice thereof either personally or by telephone, telegraph, teletype or other form of wire or wireless communication or by facsimile transmission, mail or private carrier or by any other means permitted by law. Such notice shall specify the business to be transacted at, or the purpose of, the meeting that is called. Notice of an adjourned meeting need not be given if the time and place are fixed at the meeting adjourning and if the period of adjournment does not exceed ten (10) days in any one adjournment.

(c) A Director, in a signed writing, may waive notice of any meeting before or after the date and time stated in the notice. Attendance by a Director at a meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened and does not vote for or assent to action taken at the meeting.

4. Quorum. A majority of the Directors in office immediately before the meeting shall constitute a quorum for the transaction of business at any meeting of the Board of Directors.

5. Manner of Acting.

(a) Except as otherwise provided in this paragraph, the act of a majority of the Directors then in office shall be the act of the Board of Directors, unless a greater number is required by law, the Articles of Incorporation or a Bylaw adopted by the Directors.

(b) A Director who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless s/he objects at the beginning of the meeting (or promptly upon his or her arrival) to the holding of the meeting or the transaction of business at the meeting, unless his or her contrary vote is recorded or his or her dissent is otherwise entered in the minutes of the meeting or unless s/he shall file his or her written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the Corporation immediately after the adjournment of the meeting. Such right of dissent shall not apply to a Director who voted in favor of such action.

(c) Vacancies in the Board of Directors may be filled as provided in Article II, Section 5 of these Bylaws.

6. Attendance by Telephone. Any one or more Directors or members of a committee may participate in a meeting of the Board of Directors or committee by means of a conference telephone or similar communications device which allows all persons participating in the meeting to hear each other simultaneously, and such participation in the meeting shall be deemed presence in person at such meeting.

ARTICLE IV OFFICERS

1. Number. The officers of the Corporation shall consist of a President/Head of School, a Secretary, a Treasurer and such Vice Presidents/Assistant Heads of School, Assistant Secretaries, Assistant Treasurers and other officers as the Board of Directors may from time to time appoint. Any two or more offices, other than that of President/Head of School and Secretary, may be held by the same person. In no event, however, may an officer act in more than one capacity where action of two or more officers is required.

2. Appointment and Term. The officers of the Corporation shall be appointed by the Board of Directors. Such appointment may be held at any regular or special meeting of the Board of Directors. Each officer shall hold office until his or her death, resignation, retirement, removal, disqualification, or his or her successor is appointed and qualifies.

3. Removal. The President/Head of School may be removed with or without cause only by a vote of two-thirds (2/3) or more of the entire Board of Directors. Any other officer or agent appointed by the Board of Directors may be removed by the Board with or without cause by a majority of members of the Board of Directors present at any meeting. Any removal hereunder shall be without prejudice to the contract rights, if any, of the person so removed.

4. Compensation. The compensation of all officers of the Corporation shall be fixed by the Board of Directors.

5. President/Head of School. The President/Head of School shall be the chief executive officer of the Corporation and, subject to the control of the Board of Directors, shall supervise and control the day-to-day operation of the Corporation in accordance with these Bylaws. S/He shall have general supervision over the academic and administrative operations of the School; direct and prescribe the course of study and discipline to be observed at the School; employ in accordance with the Hiring Delegation Agreement and with the advice and consent of the Board of Directors, recommend the hiring and discharge of personnel, both academic and administrative, and, with the advice and consent of the Board of Directors, prescribe personnel duties, salaries and terms of office. S/He shall be an ex officio non-voting member of the Board of Directors, with rights to attend and participate in all meetings, discussion and debate except any meeting called for the purpose of evaluating him or her. S/He shall, in the absence of a Chairperson of the Board of Directors and Vice-Chairperson of the Board of Directors, preside at all meetings of the Board of Directors. S/He shall sign, with any other proper officer, any deeds, mortgages, bonds, contracts, or other instruments which may be lawfully executed on behalf of

the Corporation, except where required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof shall be delegated by the Board of Directors to some other officer or agent; and, in general, s/he shall perform all duties incident to the office of President/Head of School and such other duties as may be prescribed by the Board of Directors from time to time.

6. Vice Presidents/Assistant Heads of School. The Vice Presidents/Assistant Heads of School, in the order of their appointment, unless otherwise determined by the Board of Directors, shall, in the absence or disability of the President/Head of School, perform the duties and exercise the powers of that office. In addition, they shall perform such other duties and have such other powers as the President/Head of School or the Board of Directors shall prescribe.

7. Secretary. The Secretary shall keep accurate records of the acts and proceedings of all meetings of members, Directors and committees. S/He shall give all notices required by law and by these Bylaws. S/He shall have general charge of the corporate books and records and of the corporate seal, and s/he shall affix the corporate seal to any lawfully executed instrument requiring it. S/He shall sign such instruments as may require his or her signature, and, in general, attest the signature or certify the incumbency or signature of any other officer of the Corporation and shall perform all duties incident to the office of Secretary and such other duties as may be assigned him or her from time to time by the President/Head of School or by the Board of Directors.

8. Treasurer. The Treasurer shall have custody of all funds belonging to the Corporation and shall receive, deposit or disburse the same under the direction of the Board of Directors. S/He shall cause full and accurate accounts of the finances of the Corporation to be kept in books especially provided for that purpose, which may be consolidated or combined statements of the Corporation and one or more of its subsidiaries as appropriate, that include a balance sheet as of the end of the fiscal year, an income statement for that year, and a statement of cash flows for the year unless that information appears elsewhere in the financial statements. If financial statements are prepared for the Corporation on the basis of generally accepted accounting principles, the annual financial statements must also be prepared on that basis. The Treasurer shall, in general, perform all duties incident to his or her office and such other duties as may be assigned to him or her from time to time by the President/Head of School or by the Board of Directors.

9. Assistant Secretaries and Treasurers. The Assistant Secretaries and Assistant Treasurers, if any, shall, in the absence or disability of the Secretary or the Treasurer, perform the respective duties and exercise the respective powers of those offices, and they shall, in general, perform such other duties as shall be assigned to them by the Secretary or the Treasurer, respectively, or by the President/Head of School or by the Board of Directors.

10. Bonds. The Board of Directors, by resolution, may require any or all officers, agents and employees of the Corporation to give bond to the Corporation, with sufficient sureties, conditioned on the faithful performance of the duties of their respective offices or positions, and to comply with such other conditions as may from time to time be required by the Board of Directors.

ARTICLE V
CONTRACTS, LOANS AND DEPOSITS

1. Contracts. The Board of Directors may authorize any officer or officers, or 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.
2. Loans. No loans shall be contracted on behalf of the Corporation and no evidence 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.
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, or 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.
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 depository or depositories as the Board of Directors shall direct.

ARTICLE VI
INDEMNIFICATION AND REIMBURSEMENT OF DIRECTORS AND OFFICERS

1. Indemnification for Expenses and Liabilities.
 - (a) Any person who at any time serves or has served: (1) as a director, officer, employee or agent of the Corporation, (2) at the request of the Corporation as a director, officer, partner, trustee, employee or agent of another foreign or domestic corporation, partnership, joint venture, trust, or other enterprise, or (3) at the request of the Corporation as a trustee or administrator under an employee benefit plan, shall have a right to be indemnified by the Corporation to the fullest extent from time to time permitted by law against Liability and Expenses in any Proceeding (including without limitation a Proceeding brought by or on behalf of the Corporation itself) arising out of his or her status as such or activities in any of the foregoing capacities or which results from his or her being called as a witness at a time when s/he has not been made a named defendant or respondent to any Proceeding.
 - (b) The Board of Directors of the Corporation shall take all such action as may be necessary and appropriate to authorize the Corporation to pay the indemnification required by this provision, including, without limitation, to the extent needed, making a good faith evaluation of the manner in which the claimant for indemnity acted and of the reasonable amount of indemnity due him or her.
 - (c) Any person who at any time serves or has served in any of the aforesaid capacities for or on behalf of the Corporation shall be deemed to be doing or to have done so in reliance upon, and as consideration for, the rights provided for herein. Any repeal or modification of these indemnification provisions shall not affect any rights or obligations existing at the time of such repeal or modification. The rights provided for herein shall inure to the benefit of the legal

representatives of any such person and shall not be exclusive of any other rights to which such person may be entitled apart from this provision.

(d) The rights granted herein shall not be limited by the provisions contained in the North Carolina Nonprofit Corporation Act or any successor to such statutes, except to the extent such provisions explicitly limit the Corporation's ability to indemnify such parties.

2. Advance Payment of Expenses. The Corporation shall (upon receipt of an undertaking by or on behalf of the Director, officer, employee or agent involved to repay the Expenses described herein unless it shall ultimately be determined that s/he is entitled to be indemnified by the Corporation against such Expenses) pay Expenses incurred by such Director, officer, employee or agent in defending a Proceeding or appearing as a witness at a time when s/he has not been named as a defendant or a respondent with respect thereto in advance of the final disposition of such Proceeding.

3. Insurance. The Corporation shall have the power to purchase and maintain insurance on behalf of any person who is or was a Director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, partner, trustee, employee or agent of another domestic or foreign corporation, partnership, joint venture, trust or other enterprise or as a trustee or administrator under an employee benefit plan against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the Corporation would have the power to indemnify him or her against such liability.

4. Definitions. The following terms as used in this Article shall have the following meanings. "Proceeding" means any threatened, pending or completed action, suit, or proceeding and any appeal therein (and any inquiry or investigation that could lead to such action, suit, or proceeding), whether civil, criminal, administrative, investigative or arbitrative and whether formal or informal. "Expenses" means expenses of every kind incurred in defending a Proceeding, including counsel fees. "Liability" means the obligation to pay a judgment, settlement, penalty, fine (including an excise tax assessed with respect to an employee benefit plan), reasonable expenses actually incurred with respect to a Proceeding and all reasonable expenses actually incurred in enforcing the indemnification rights provided herein. "Director," "officer," "employee" and "agent" include the estate or personal representative of a Director, officer, employee or agent. "Corporation" shall include any domestic or foreign predecessor of this Corporation in a merger or other transaction in which the predecessor's existence ceased upon consummation of the transaction.

ARTICLE VII CONFLICT OF INTEREST

1. Disclosure. Full disclosure, by notice in writing, shall be made by the interested parties to the full Board of Directors in all conflicts of interest, including but not limited to the following:

- (a) A director is related to another director.
- (b) A director is related to a staff member.

- (c) A staff member in a supervisory capacity is related to another staff member whom s/he supervises.
- (d) A director or staff member receives payment from the school for any subcontract, goods, or service other than as part of his or her regular job responsibilities or as reimbursement for reasonable expenses incurred as provided in the bylaws and board policy.
- (e) A director or staff member is a member of the governing body of a contributor to the school or nonprofit running the school.
- (f) A director or staff member may have personal, financial, professional, or political gain at the expense of the school or its members.

2. Determination. Following full disclosure of a possible conflict of interest or any condition listed above, the Board of Directors shall determine whether a conflict of interest exists and, if so, the Board shall vote to authorize or reject the transaction and/or condition. Both votes shall be passed by a majority without counting the vote of any interested director, even if the disinterested directors constitute less than a quorum, provided that at least one consenting director is disinterested.

3. Non-Participation. An interested director, officer, associate board member or staff member shall not participate in any discussion or debate of the Board of Directors, or any committee thereof, in which the subject of discussion is a contract, transaction or situation in which there may be a conflict of interest.

4. Procurement. No director, officer, or staff member shall participate in the selection, award or administration of a procurement transaction in which federal, state or local public funds are used, where to his or her knowledge, any of the following has a financial interest in that transaction:

- (a) The staff member, officer or director;
- (b) Any member of his or her immediate family;
- (c) His or her partner;
- (d) An organization in which any of the above is an officer, director or employee;
- (e) A person or organization with whom any of the above is negotiating or is actively being considered for prospective employment.

5. Voidable Transactions. A contract or transaction can be rendered voidable by the Board or Directors if entered without full disclosure of the personal interests of a director, officer or staff members. The existence of any of the above-listed conditions shall likewise render a contract or a transaction void able unless full disclosure of personal interests is made in writing to the Board of Directors and such transaction was approved by the Board in full knowledge of such interest.

6. Sanctions. The disinterested directors are authorized to impose by majority vote or other reasonable sanctions as necessary to recover associated costs against a director, officer, or staff member for failure to disclose a conflict of interest as described in Article VII, Section 1 or for any appearance of conflict.

7. Appeal. Appeal from sanctions imposed pursuant to Article VII, Sections 5 and 6 above shall be prescribed by law in those courts of the State of North Carolina with jurisdiction over both parties and the subject matter of the appeal.

8. Recovery of Expenses. In the event that the Board of Directors has incurred costs or attorney fees as a result of legal action, litigation, or appeal brought by or on behalf of an interested director or staff member due to a conflict of interest or consequent sanctions and in the event that the Board of Directors prevails in such legal action, litigation, or appeal, the Board shall be entitled to recover all of its costs and attorney fees from the unsuccessful party.

9. Distribution and Acceptance. A copy of this policy shall be given to all directors, officers, and staff members upon commencement of such person's relationship with the School. Each Board member, officer, and staff member shall sign and date the policy at the beginning of his or her term of service of employment and each year thereafter. Failure to sign does not nullify the policy.

ARTICLE VIII GUIDING PRINCIPLES AND COMMITMENT TO VOLUNTEERISM

Upon appointment the Board of Directors, each new Board member shall sign the Statement of Guiding Principles attached hereto as Exhibit A and the Commitment to Volunteerism attached hereto as Exhibit B.

ARTICLE IX GENERAL PROVISIONS

1. Distributions. Except as authorized or permitted by the North Carolina Nonprofit Corporation Act, the Corporation shall not make any distributions to its members, directors, officers or to other entities.

2. Seal. The corporate seal shall have the name of the Corporation inscribed thereon and shall be in such form of as may be approved from time to time by the Board of Directors. Such seal may be an impression or stamp and may be used by the officers of the Corporation by causing it, or a facsimile thereof, to be impressed or affixed or in any other manner reproduced. In addition to any form of seal adopted by the Board of Directors, the officers of the Corporation may use as the corporate seal a seal in the form of a circle containing the name of the Corporation and the state of its incorporation (or an abbreviation thereof) on the circumference and the word "Seal" in the center.

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

4. Effective Date of Notice. Notice may be communicated in person, by telephone, telegraph, teletype, or other form of wire or wireless communication, by facsimile transmission, by mail or private carrier, or, if the foregoing forms of personal notice are impracticable as to one or more persons, by publication. Written notice shall be effective at the earliest of the following: (1) when received; (2) five days after its deposit in the United States mail, as evidenced by the postmark, if mailed with postage thereon prepaid and correctly addressed; or

(3) on the date shown on the return receipt, if sent by registered or certified mail, return receipt requested and the receipt is signed by or on behalf of the addressee. Oral notice is effective when actually communicated to the person entitled thereto.

5. Corporate Records. Any records maintained by the Corporation in the regular course of its business, including its books of account and minute books, may be kept on or be in the form of punch cards, magnetic tape, photographs, microphotographs or any other information storage device; provided that the records so kept can be converted into clearly legible form within a reasonable time. The Corporation shall so convert any records so kept upon the request of any person entitled to inspect the same. The Corporation shall maintain at its principal office the following records: (1) Articles of Incorporation and all amendments thereto; (2) Bylaws and all amendments thereto; (3) resolutions by the Board of Directors relating to the number or classification of directors; (4) minutes of all Board of Directors' and committee meetings or action taken without a meeting for the past three years; (5) a list of names and business or home addresses of its current directors and officers; and (6) the Corporation's most recent annual report filed with the North Carolina Secretary of State.

6. Amendments to Bylaws and Articles of Incorporation. Subject to such approval as may be required in the Articles of Incorporation by any person or persons other than the Board of Directors, and to the extent permitted by law, these Bylaws and the Articles of Incorporation may be amended or repealed and new Bylaws and amended Articles of Incorporation may be adopted by the affirmative vote of a majority of the Directors in office at the time of the meeting to consider such amendment, upon five (5) days' written notice of the meeting, which notice shall state that the purpose of the meeting is to consider a proposed amendment and which shall contain, attach a copy of or state the nature of the proposed amendment.

ARTICLE X DISSOLUTION

1. Authorization of Dissolution. Dissolution of the Corporation shall be authorized by approval of a plan of dissolution by a vote of a majority of the Directors of the Corporation then in office. The plan of dissolution shall provide for the distribution of all assets of the Corporation and the payment of all liabilities and obligations of the Corporation in accordance with applicable law.

2. Notice. The person or persons calling a special meeting of the Board of Directors to consider a plan of dissolution shall, not less than five (5) days before the meeting, give notice thereof either personally or by telephone, telegraph, teletype or other form of wire or wireless communication or by facsimile transmission, mail or private carrier or by any other means permitted by law. Such notice shall state that the purpose (or one of the purposes) of the meeting is to consider dissolution of the Corporation and shall contain or be accompanied by a copy or summary of the plan of dissolution.

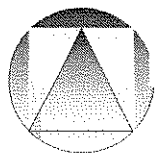
3. Distribution of Assets. In the event the Corporation is formally dissolved in accordance with these bylaws and applicable law, all property, both real and personal, as the Corporation may have shall be first used to pay and discharge all liabilities and obligations of the Corporation, with the remainder to be distributed to such charitable or religious corporation or

other entity exempt under Section 501(c)(3) of the Internal Revenue Code of 1986 or any successor section or to the United States or a State, as the Board of Directors shall in its discretion determine, in accordance with the provisions of the plan of dissolution and subject to applicable law and the Articles of Incorporation in effect as of the date of dissolution.

~~The foregoing Bylaws were adopted by the Board of Directors at a meeting held on July 27, 2004 and ordered attested by the Secretary and filed as part of the minutes of the meeting.~~

Richard P. Statile, Secretary

EXHIBIT A



Casa Esperanza Montessori , Inc. Guiding Principles for Board Operations

I. Mission and Program

Casa Esperanza Montessori is founded for the public good and operates to accomplish a stated purpose through specific program activities. Casa Esperanza Montessori will maintain a well-defined mission, and its programs should effectively and efficiently work toward achieving that mission. Casa Esperanza Montessori has an obligation to ensure program effectiveness and to devote the resources of the organization to achieving its stated purpose.

II. Governing Body

Casa Esperanza Montessori is governed by an elected, volunteer board of directors, which should consist of individuals who are committed to the mission of the organization. The board should be effective by determining the mission of the organization, establishing management policies and procedures, assuring that adequate human resources (volunteer and paid staff) and financial resources (earned income, government contracts and grants, and charitable contributions) are available, and actively monitoring the organization's financial and programmatic performance.

III. Conflict of Interest

Casa Esperanza board and staff members should act in the best interest of the organization, rather than in furtherance of personal interests or the interests of third parties. Casa Esperanza Montessori will have policies in place, and will routinely and systematically implement those policies, to prevent actual, potential, or perceived conflicts of interest.

IV. Human Resources

Casa Esperanza Montessori's relationship to its employees and volunteers is fundamental to its ability to achieve its mission. Volunteers occupy a special place in nonprofit organizations, serving in governance, administrative and programmatic capacities. Casa Esperanza Montessori's human resource policies should address both paid employees and volunteers, and should be fair, establish clear expectations, and provide for meaningful and effective performance evaluation.

V. Financial and Legal

Casa Esperanza Montessori must practice sound financial management and comply with a diverse array of legal and regulatory requirements. Casa Esperanza Montessori's financial system should assure that accurate financial records are kept and that the organization's financial resources are used in furtherance of the organization's charitable purposes. Casa Esperanza Montessori should conduct periodic reviews to address regulatory and liability concerns.

VI. Openness

Casa Esperanza Montessori is a private corporation that operates for public purposes with public support. As such, it should provide the public with information about their mission, program activities, and finances.

Casa Esperanza Montessori should also be accessible and responsive to members of the public who express interest in the affairs of the organization.

VII. Fundraising

Charitable fundraising provides an important source of financial support for Casa Esperanza Montessori. Its fundraising program should be maintained on a foundation of truthfulness and responsible stewardship. Its fundraising practices should be consistent with its mission, compatible with its organizational structure, and respectful of the interests of donors and prospective donors.

VIII. Public Affairs and Public Policy

Casa Esperanza Montessori provides an important vehicle through which individuals organize and work together to improve their community. Casa Esperanza Montessori should represent the interests of the people they serve through public education and public policy advocacy, as well as by encouraging board members, staff, volunteers and constituents to participate in the public affairs of the community.

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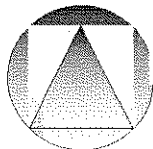
I understand and agree to the above.

Signed

Title

Date

EXHIBIT B



Casa Esperanza Montessori , Inc.
Commitment to Volunteerism

All members of the Casa Esperanza Montessori Board of Directors agree to the following guidelines for general participation in the oversight, management, and life of the school:

- a) attendance at all regularly scheduled monthly Board meetings
- b) attendance at committee meetings of which the director is a member
- c) attendance at general parent group meetings twice a year
- d) observation at the school during the hours of operation twice a year
- e) ten contact hours of education in board leadership and management
- f) an annual cash contribution to the Corporation in whatever amount the member determines.

I understand and agree to the above.

Signed

Title

Date

Summary Report:

**Litera Change-Pro ML WIX 6.5.0.180 Document Comparison done on
9/12/2011 5:51:37 PM**

Style Name: Standard

Original Filename:

Original DMS:dm://RA/3043743/1

Modified Filename:

Modified DMS: dm://RA/3043743/2

Changes:

Add	10
Delete-	8
Move From	1
Move To	1
Table Insert	0
Table Delete	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Total Changes:	20

Hiring Delegation Agreement

This Hiring Delegation Agreement (the “Agreement”) is made and entered into effective this ___ day of _____, 2011 (the “Effective Date”), by and between Casa Esperanza Montessori Inc. (“Casa Esperanza”) and [**Head of School name**] (the “Head of School”).

1. Purpose

This Agreement is intended to set out the relative responsibilities of the Casa Esperanza Board of Directors (the “Board”) and the Head of School with respect to hiring, staff compensation, progressive discipline, employee terminations and other personnel matters.

2. Statutory Mandate

N.C. Gen. Stat. § 115C-238.29E(d) provides that the Board shall decide matters related to the operation of the school, including budgeting, curriculum and operating procedures. Further, N.C. Gen. Stat. § 115C-238.29F(e)(1) provides that the board of directors of a charter school “shall employ and contract with necessary teachers to perform the particular service for which they are employed in the school.” The Board also has the power to hire employees for nonteaching duties and may discharge both teachers and non-teachers. *See* N.C. Gen. Stat. § 115C-238.29F(e)(1).

3. Term

This Agreement shall remain in full force and effect so long as the Head of School remains employed by Casa Esperanza.

4. Policies and Procedures

In accordance with its statutory mandate, the Board has established policies and procedures with respect to hiring, discipline, termination, compensation, performance management and other personnel matters. *See, e.g.*, Hiring Process Agreement, attached as Exhibit A; Standard Employment Agreement, attached as Exhibit B; Job Descriptions, attached as Exhibit C; Salary Matrix and Description, attached as Exhibit D; New employee packet, attached as Exhibit E; progressive discipline policy, attached as Exhibit F. The Board has established a Human Resources subcommittee to review its policies and procedures and to make recommendations to the full Board regarding the same. The Head of School will be expected to work closely with the Human Resources subcommittee to ensure the appropriate implementation of Board directives on human resources matters.

5. Delegation of Hiring Authority

To the fullest extent permissible by law, the Board hereby delegates to the Head of School the authority to hire, manage, discipline and terminate employees of Casa Esperanza, subject to Board approval and in accordance with the policies and procedures enumerated herein and such other policies and procedures as the Board may from time to time institute. The Head of School

may only initiate a hiring process for positions approved in advance by the Board and must submit recommended candidates for consideration and approval by the Board. *See* Hiring Process Agreement, attached as Exhibit A, for detailed process. If the Head of School wishes to create a new position, he/she must submit a recommendation to the Human Resources subcommittee for consideration and Board approval.

6. Employment Agreement

The Board has prepared a standard Employment Agreement that each approved candidate must sign prior to beginning employment with Casa Esperanza. *See* Standard Employment Agreement, attached as Exhibit B. The Head of School will be expected to ensure that an Employment Agreement is fully executed before an employee begins work.

7. Job Descriptions

The Head of School is charged with keeping job descriptions up-to-date and accurate. *See* Exhibit C. If the Head of School wishes to modify a Job Description, she must submit the proposed revisions to the Human Resources subcommittee for review and Board approval.

8. Employee Compensation

Employee compensation is established using the Salary Matrix and Description, attached as Exhibit D. The Head of School is tasked with evaluating market information to ensure that compensation remains appropriate and consistent with compensation paid at comparable schools. The Head of School may submit recommendations for changes in the salary matrix to the Human Resources subcommittee for review and Board approval.

9. New Employee Packet

The Board has established a new employee packet that must be provided to newly hired employees. *See* New Employee Packet, attached as Exhibit E. The Board welcomes suggestions from the Head of School about what should be included in this packet.

10. Progressive Discipline

The Board has issued a Progressive Discipline Policy, *see* Exhibit F, setting out Casa Esperanza's normal approach to managing employee performance and behavior, and the Head of School is expected to implement this policy. Of course, as further explained in the progressive discipline policy, situations will arise where use of progressive discipline may be inappropriate. The Head of School will be expected to provide an annual report on key employment metrics, including but not limited to departures from the progressive discipline policy, to the Human Resources subcommittee. However, any report on discipline of individual employees should be reserved for closed session of the Board.

11. Employee Evaluations

The Head of School is authorized to conduct evaluations of employee performance on an annual basis, or more frequently if necessary. The Head of School will be expected to provide an annual report on key employment metrics, including but not limited to the performance of school personnel, to the Human Resources subcommittee. However, any report on the performance of particular employees should be reserved for closed session of the Board.

12. Terminations

The Head of School shall have the power to recommend employee terminations to the Board for its consideration and approval. The Board expects that in normal circumstances, employees will be given notice of poor performance and the opportunity to correct their performance prior to termination. The Board further wishes and expects that to the maximum degree possible employees will be treated with dignity and respect during the termination process.

13. Amendment

The Board reserves the right to amend the Agreement and/or its policies and procedures without notice as needed in its discretion to satisfy its statutory obligations. When possible, the Board will consult with the Head of School in advance regarding any such changes.

14. No Indebtedness to State

No indebtedness of any kind incurred or created by the charter school shall constitute an indebtedness of the State or its political subdivisions, and no indebtedness of the charter school shall involve or be secured by the faith, credit, or taxing power of the State or its political subdivisions.

15. Governing Law

The validity of this Agreement and of any of its terms or provisions, as well as the rights and duties of the parties to this Agreement, shall be governed by the laws of the State of North Carolina.

15. Waiver

The failure by either party to insist upon strict performance of any of the provisions contained in this Agreement shall in no way constitute a waiver of any of its rights, at law or equity, or a waiver by either party of any other provision or subsequent default by the other in the performance of or compliance with any of the terms and conditions set forth herein.

16. Severability

This Agreement is intended to be performed in accordance with, and only to the extent permitted by, all applicable laws, ordinances, rules and regulations. If any provision of this Agreement (or any portion thereof) shall, for any reason and to any extent, be held to be invalid, illegal, or unenforceable, the validity, legality or enforceability of the remainder of this Agreement shall not in any way be affected or impaired thereby.

17. Counterparts

This Agreement may be executed in multiple counterparts, each of which shall be deemed an original for all purposes and all of which shall be deemed, collectively, one agreement.

18. Entire Agreement

This Agreement, together with any attachments or exhibits, constitutes the entire agreement between the parties with respect to its subject matter and supersedes all prior agreements and communications between the parties.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the day and year first above written.

CASA ESPERANZA MONTESSORI INC.

By: _____

[HEAD OF SCHOOL]

By: _____

INDEX OF APPLICABLE DOCUMENTS

Document	Where Included	File Nomenclature
Hiring Process Outline	To be included as <i>Attachment A</i> in executed Agreement	Casa Hiring Guidelines_07262010_afoley.docx
Standard Employment Agreement	To be included as <i>Attachment B</i> in executed agreement	Template Employment Agreement and (2) Template Exhibit (A).docx
Job Descriptions	Approved templates to be included as <i>Attachment C</i> in executed agreement	(job_descriptions_new_template_2011.pdf) and (old job_descriptions.pdf)
Salary Matrix and Description	To be included as <i>Attachment D</i> in executed agreement	Memos to HR Committee re Salary Scales 2010-2011.pdf
New Employee Packet	To be included as <i>Attachment E</i> in executed agreement	casa_employee_handbook_scanned_122010.pdf
Progressive Discipline Policy	Currently outlined in Employee Handbook (see <i>Attachment E</i> above) or a separate progressive discipline policy to be reviewed/approved and included as <i>Attachment F</i>	
Casa Organizational Chart	Presented to HR committee and Casa Board of Directors annually for approval	Casa Organizational Chart_02102011.pdf (by title and position)
Stipending Policy	To be included as Attachment G	
Annual Salary Scales	For baseline and comparison; presented annually to HR committee and Casa Board of Directors for recommendation and approval	Copy of 2010-2011 Salary Scales.pdf or corresponding acknowledgement of salary methodology