

Casa Esperanza Montessori Charter School PFA

BYLAWS

ARTICLE I DEFINITIONS

In these Bylaws, unless otherwise provided, the following terms shall have the following meanings:

(1) “Act” shall mean the North Carolina Nonprofit Corporation Act as codified in Chapter 55A of the North Carolina General Statutes and as amended from time to time.

(2) “Articles of Incorporation” shall mean the Corporation’s Articles of Incorporation, including amended and restated Articles of Incorporation and Articles of Merger.

(3) “Code” shall mean the United States Internal Revenue Code of 1986, as amended, and references to a section of the “Code” shall also be references to the corresponding provisions of any subsequent United States tax laws.

(4) “Corporation” shall mean Casa Esperanza Montessori Charter School PFA.

(5) “Emergency” shall mean a catastrophic event which prevents a quorum of the Executive Board from being readily assembled.

(6) “Member” shall mean a member of the Corporation.

(7) “School” shall mean Casa Esperanza Montessori Charter School.

Unless the context otherwise requires, any other terms used in these Bylaws shall have the meaning assigned to them in the Act to the extent defined in the Act.

ARTICLE II OFFICES

SECTION 1. Principal Office: The principal office of the Corporation shall be located in Raleigh, North Carolina, or at such other place as may be determined from time to time by the Executive Board.

SECTION 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.

SECTION 3. Other Offices: The Corporation may have offices at such other places, either within or without the State of North Carolina, as the Executive Board may from time to time determine, or as the affairs of the Corporation may require.

ARTICLE III PURPOSES AND POLICIES

SECTION 1. Purpose: The purpose for which the Corporation is formed is to engage in such exclusively charitable, scientific, literary, religious, or educational activities of any kind or nature whatsoever as shall qualify it for exemption from taxation under Section 501(a) of the Code (or the corresponding provisions of any subsequent United States tax laws) as an organization described in Section 501(c)(3) of the Code (or the corresponding provisions of any subsequent United States tax laws) including the sponsorship of, support of, promotion of and engagement in charitable and educational activities intended to assist students, families and faculty with respect to learning in a dual-language environment and to advance educational, social and ethical standards uniting a culturally diverse learning community. The Corporation shall, alone or in cooperation with other persons, organizations, or institutions, conduct any and all other activities and do any and all acts and things which may be necessary, useful, suitable or proper in connection with or for the furtherance, accomplishment or attainment of such purposes as are lawful for a corporation formed under the Act and for a corporation which qualifies for federal tax-exempt status under sections 501(c)(3) and 501(a) of the Code.

The purpose of the Corporation is governed and qualified by the basic policies set forth in Section 2 of this Article III.

SECTION 2. Policies: The fundamental policies of the Corporation are as follows:

- (a) The Corporation shall be noncommercial, nonsectarian and nonpartisan.
- (b) The Corporation shall work with the School to provide quality education for students of the School and shall seek to participate in the decision-making process establishing policies of the School, recognizing that the legal responsibility to make decisions has been delegated to boards of education, state education authorities and local education authorities.
- (c) The organization shall work to promote the health and welfare of students of the School and shall seek to promote collaboration between parents, the School and the community at large.
- (d) No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to, its officers or Members, members of the Executive Board or any committee of the Corporation, or any other private person, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Section 1 of this Article.
- (e) No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not

participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of (or in opposition to) any candidate for public office.

(f) The Corporation shall not carry on any activities not permitted to be carried on by (i) a corporation exempt from federal income tax under sections 501(c)(3) and 501(a) of the Code, or (ii) a corporation contributions to which are deductible under sections 170(c), 2055 and 2522 of the Code.

(g) Upon the dissolution of the Corporation, after paying or adequately providing for the debts and obligations of the Corporation, the remaining assets shall be distributed to one or more nonprofit funds, foundations, or organizations which have established their tax-exempt status under Section 501(c)(3) of the Internal Revenue Code.

(h) At any time when the Corporation is a private foundation as defined in section 509 of the Code:

(i) The Corporation shall distribute such amounts for each taxable year at such time and in such manner as not to subject the Corporation to tax on undistributed income under section 4942 of the Code;

(ii) The Corporation shall not engage in any act of self-dealing as defined in section 4941(d) of the Code;

(iii) The Corporation shall not retain any excess business holdings as defined in section 4943(c) of the Code;

(iv) The Corporation shall not make any investment in such manner as to subject the Corporation to tax under section 4944 of the Code; and

(v) The Corporation shall not make any taxable expenditures as defined in section 4945(d) of the Code.

(i) The Corporation shall not engage in any activities that are not in furtherance of the purpose specified in Section 1 of this Article.

(j) The Corporation or the Members in their official capacities shall not endorse a commercial entity or engage in activities not related to promoting the purpose of the Corporation.

ARTICLE IV MEMBERSHIP

SECTION 1. Admission of Members. The Corporation shall have Members. All parents and legal guardians of one or more children enrolled in the School, and all members of the staff working at the School, shall be Members; provided, however, that no person who does not wish to be a Member shall be a Member.

SECTION 2. No Dues. No person shall be required to pay any fees or dues in order to be admitted as a Member or to maintain his or her status as a Member.

SECTION 3. Meetings and Voting. Regular meetings of the Members shall be held once every month on the dates specified by the Executive Board. The privilege of making motions and voting at meetings of Members shall be limited to Members of the Corporation. Members may vote by proxy, and all forms of appointment of proxies mentioned in N.C. Gen. Stat. § 55A-7-24 shall constitute valid appointments of proxies. Each Member shall be entitled to one vote. Five percent (5%) of the Members shall constitute a quorum for any meeting of the Members, and the affirmative vote of a majority of the Members present and entitled to vote at any meeting of the Members at which a quorum is present shall constitute an act of the Members. The Members shall be entitled to elect the officers of the Corporation, but shall not be entitled to elect the members of the Executive Board.

SECTION 4. Eligibility for Election or Appointment. Any Member may be eligible for election or appointment to office or chairmanship in the Corporation or in any committee.

SECTION 5. Resignation Termination of Membership Status. A Member may resign at any time by providing notice to the secretary of the Corporation of his or her desire to do so. The Member status of a person who is no longer a parent or legal guardian of one or more children enrolled in and attending the School, or a member of the staff working at the School, shall terminate automatically.

ARTICLE V EXECUTIVE BOARD

SECTION 1. Generally: The affairs of the Corporation shall be managed by the Executive Board in the intervals between general membership meetings.

SECTION 2. Eligibility: Only Members of the Corporation may serve on the Executive Board.

SECTION 3. Board Members: The Executive Board shall consist of the officers of the Corporation, the chairmen of the standing committees, and the principal of the School or a representative appointed by him or her.

SECTION 4. Duties. The duties of the Executive Board shall be:

- (a) To transact necessary business in the intervals between general membership meetings and to transact such other business as may be referred to it by the Members;
- (b) To create standing and special committees;
- (c) To approve the plans of work of the standing committees;

- (d) To present a report at the regular meetings of the Corporation;
- (e) To select an auditor or an auditing committee to audit the treasurer's accounts, as needed;
- (f) To prepare and submit to the Corporation for adoption a budget for the year; and
- (g) To approve routine bills within the limit of the budget.

SECTION 5. Meetings and Voting: Regular meetings of the Executive Board shall be held monthly during the year, the time to be fixed by the Executive Board at its first meeting of the year. A majority of the Executive Board members shall constitute a quorum, provided that such majority includes two (2) officers of the Corporation. Special meetings of the Executive Board may be called upon three (3) days' notice by either co-president or by a majority of the members of the Executive Board. Each member of the Executive Board shall have one vote on matters to be decided by the Executive Board. The affirmative vote of a majority of the members of the Executive Board present and entitled to vote at any meeting of the Executive Board at which a quorum is present shall constitute an act of the Executive Board.

SECTION 6. Removal of Board Member: Any member of the Executive Board not performing his or her duties as outlined in these Bylaws may be removed by the affirmative vote of two-thirds (2/3) of the remaining members of the Executive Board present and voting, prior notice of the proposed submission of the issue for vote having been given.

SECTION 7. Removal of Officers: The Executive Committee shall recommend to the Executive Board the removal of any officer not performing duties as outlined in these Bylaws. Any affirmative vote of two-thirds (2/3) of the members of the Executive Board present and voting shall be necessary for removal of an officer, prior notice of the proposed submission of the issue for vote having been given.

ARTICLE VI EXECUTIVE COMMITTEE

SECTION 1. Executive Committee Members: The Executive Committee shall consist of the officers of the Corporation and the principal of the School or his or her representative.

SECTION 2. Duties: The duties of the Executive Committee shall be to transact emergency business in the interval between Executive Board meetings, and to elect the chairman of each standing committee. The Executive Committee shall not take any action which is in conflict with any action taken by the Members or the Executive Board.

SECTION 3. Meetings: The Executive Committee shall meet as soon as the officers have been duly elected and have taken office for the purposes of selecting the chairmen of standing committees and formulating tentative plans for their term of office. Meetings of the Executive Committee may be called by either co-president or a majority of the Executive Committee upon two (2) days' prior notice. Each member of the Executive Committee shall

have one vote on matters to be decided by the Executive Committee. The affirmative vote of a majority of the members of the Executive Committee present and entitled to vote at any meeting of the Executive Committee at which a quorum is present shall constitute an act of the Executive Committee.

ARTICLE VII STANDING AND SPECIAL COMMITTEES

SECTION 1. Eligibility: Only Members of the Corporation shall be eligible to serve in any elective or appointive position.

SECTION 2. Standing Committees: The Executive Board shall create such standing committees as it may deem necessary to promote the purposes and carry on the work of the Corporation. The chairman of each standing committee shall be selected by the Executive Committee, and shall serve for a term of one (1) year.

SECTION 3. Written Plan of Work: The chairman of each standing committee shall present a written plan of work to the Executive Board for approval.

SECTION 4. Consent Required for Committee Work: No work shall be undertaken by any committee without the consent of the Executive Board.

SECTION 5. Special Committees: Special committees and their members shall be formed by the Executive Board or by vote of the Members as needed. A special committee shall automatically cease to exist when the work for which it was created is complete and the final report is received.

SECTION 6. Co-Presidents as Members: The co-presidents shall each be members ex-officio of all committees except the nominating committee and the audit committee (if any).

ARTICLE VIII OFFICERS AND THEIR ELECTION

SECTION 1. Eligibility: Each officer shall be a Member of the Corporation.

SECTION 2. Nominating Committee:

(a) There shall be a nominating committee composed of five (5) Members, three (3) of whom shall be elected by the Executive Board from its body, one (1) of whom shall be appointed by the Executive Board from the Corporation's Members who are not on the Executive Board and one (1) of whom shall be a faculty representative designated by the principal of the School. The nominating committee shall be elected and appointed least one month prior to the election of officers. The committee shall elect its own chairman.

(b) The nominating committee shall nominate an eligible person for each office to be filled and shall report its nominees at the regular general membership meeting of the Corporation

in June, at which time additional nominations may be made from the floor.

(c) Only those persons who have signified their consent to serve if elected shall be nominated for or elected to such office.

(d) Neither the co-presidents nor the principal shall be a member of the Nominating Committee.

SECTION 3. Officers and Their Election:

(a) The officers of the Corporation shall consist of a two co-presidents, two vice-presidents, one secretary and one treasurer; provided, however, that the Executive Board may eliminate one of the offices of co-president as long as such action does not result in the removal of any person from the office of co-president.

(b) Officers shall be elected at a regular meeting of the Members of the Corporation in the month of June. If there is one nominee for an office, election may be by voice vote. However, if there is more than one nominee for any office, election for that office must be by ballot.

(c) An officer shall assume his or her official duties at the beginning of the fiscal year immediately succeeding the fiscal year during which he or she was elected, and shall serve for a term of one (1) year or until his or her successor is elected.

(d) A person may serve only two consecutive terms in the same office.

SECTION 4. Vacancies: A vacancy occurring in any office shall be filled for the unexpired term by a person elected by a majority vote of the remaining members of the Executive Board, notice of such election having been given.

SECTION 5. Initial Officers: Notwithstanding anything else in this Article VIII, the initial officers of the Corporation shall be as appointed by the Corporation's Board of Directors.

ARTICLE IX DUTIES OF OFFICERS

SECTION 1. Co -President: The co-presidents shall:

(a) Preside at all meetings of the Members of the Corporation, the Executive Board, and the Executive Committee;

(b) Be members ex-officio of all committees except the nominating committee and the audit committee (if any);

(c) Coordinate the work of the officers and committees in order that the purposes of the Corporation may be promoted;

(d) Delegate the work of the Corporation to other officers or chairmen as may be appropriate; and

(e) Appoint Members to special committees.

Additionally, each co-president is authorized to co-sign checks for the Corporation, and each co-president may take severally any action permitted to be taken by the co-presidents jointly. In the event that there is only one president, the duties of the co-presidents listed above shall be the duties of the president.

SECTION 2. Vice-Presidents: The vice-presidents shall:

- (a) Serve as aides to the co-presidents;
- (b) Perform the duties of co-presidents in their absence; and
- (c) Perform such other duties as may be delegated.

Additionally, each vice-president is authorized to co-sign checks in the absence of either the treasurer or both co-presidents.

SECTION 3. Secretary: The secretary shall:

- (a) Keep an accurate record in a permanent form of the minutes of all the meetings of the Members and the Executive Board;
- (b) Have a current copy of these Bylaws;
- (c) Conduct the official correspondence of the organization in triplicate, keeping one copy in the permanent file and transmitting the other to the Executive Board; and
- (d) Perform such other duties as may be delegated.

SECTION 4. Treasurer:

(a) All monies collected by the Corporation belong to the Corporation, and shall be used to promote and implement a program of services, projects and other activities approved, adopted and directed by the membership of the Corporation.

(b) The treasurer shall have custody of the funds of the Corporation; shall keep a full and accurate account of receipts and expenditures; and, in accordance with the provisions in the annual budget adopted by the Corporation, shall make disbursements as authorized by either co-president, the Executive Board, or the membership. Checks or vouchers shall be signed by two persons, the treasurer and one other person designated in these Bylaws or by the Executive Board. The treasurer shall present a financial statement at every meeting of the Corporation, if so

requested by the Executive Board, and shall make a full report at the meeting at which new officers officially assume their duties.

(c) The treasurer shall be responsible for filing any required tax forms within five (5) months following the end of the Corporation's fiscal year.

SECTION 5. Duties Common to All Officers: All officers shall:

(a) Perform the duties outlined in these bylaws and those assigned by the Executive Committee, the Executive Board or the Corporation; and

(b) Deliver to their successors all official materials within ten (10) days following the meeting at which their successors take office.

**ARTICLE X
CONTRACTS, LOANS, CHECKS AND DEPOSITS**

SECTION 1. Contracts: The Executive Board may authorize any officer or officers, or any agent or agents, to enter into any contract or to execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

SECTION 2. Loans: No loans shall be contracted on behalf of the Corporation and no evidences of indebtedness shall be issued in its name unless authorized by the Executive Board. Such authority may be general or confined to specific instances.

SECTION 3. Deposits: All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such depositories as may be selected by or under the authority of the Executive Board.

**ARTICLE XI
INDEMNIFICATION**

SECTION 1. Right to Indemnification: Any person who at any time serves or has served as a member of the Executive Board, a member of the Executive Committee or an officer of the Corporation, or at the request of the Corporation is or was serving as an officer, director, agent, partner, trustee, administrator, or employee for any other foreign or domestic corporation, partnership, joint venture, trust, employee benefit plan, or other enterprise, shall have the right to be indemnified by the Corporation to the fullest extent permitted by law in the event he or she is made, or is threatened to be made, a party to any threatened, pending or completed civil, criminal, administrative, investigative or arbitative action, suit or proceeding and any appeal therein (and any inquiry or investigation that could lead to such action, suit or proceeding), whether or not brought by or on behalf of the Corporation, seeking to hold him or her liable by reason of the fact that he or she is or was acting in such capacity. The Corporation shall not, however, indemnify any person against liability or expenses the person may incur on account of his or her activities which were, at the time taken, known or believed by the person to be clearly in conflict with the best interests of the

Corporation, or if the person received an improper personal benefit. In addition, at any time when the Corporation is a private foundation as defined in section 509 of the Code, the Corporation shall not indemnify any person against liability or expenses the person may incur on account of his or her activities if such indemnification would be a taxable expenditure under section 4945 of the Code or constitute an act of self-dealing under section 4941 of the Code. The Executive Board may provide such lawful indemnification for the employees and agents of the Corporation as it deems appropriate and as are consistent with the restrictions expressed in this Section 1 of Article X.

The rights of those receiving indemnification hereunder shall, to the fullest extent from time to time permitted by law, cover (i) reasonable expenses, including without limitation all attorneys' fees actually and necessarily incurred by him or her in connection with any such action, suit or proceeding, (ii) all reasonable payments made by him or her in satisfaction of any judgment, money decree, fine (including an excise tax assessed with respect to an employee benefit plan), penalty, or settlement for which he or she may have become liable in such action, suit or proceeding; and (iii) all reasonable expenses incurred in enforcing the indemnification rights provided herein.

Expenses incurred by anyone entitled to receive indemnification under this Section 1 of Article X in defending a proceeding may be paid by the Corporation in advance of the final disposition of such proceeding as authorized by the Executive Board in the specific case or as authorized or required under any provisions in these Bylaws or by any applicable resolution or contract upon receipt of an undertaking by or on behalf of such person to repay such amount unless it shall ultimately be determined that he or she is entitled to be indemnified by the Corporation against such expenses.

SECTION 2. Payment of Indemnification: The Executive Board 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 Article VIII, including, without limitation, making a determination that indemnification is permissible in the circumstances and 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.

SECTION 3. Binding and Nonexclusive: Any person who at any time after the adoption of this Article X serves or has served in any of the described 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 right of indemnification provided 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 the provisions of this bylaw.

The rights granted herein shall not be limited by the provisions contained in Section 55A-8-51 of the Act (or its successor).

ARTICLE XII GENERAL PROVISIONS

SECTION 1. Seal: The corporate seal of the Corporation shall consist of two concentric

circles between which is the name of the Corporation and in the center of which is inscribed "CORPORATE SEAL" or "SEAL;" and such seal, as impressed or affixed on the margin hereof, is hereby adopted as the corporate seal of the Corporation

SECTION 2. Records and Reports: All of the Corporation's records shall be maintained in written form or in another form capable of conversion into written form within a reasonable time.

The Corporation shall keep as permanent records minutes of all meetings of its Executive Board, a record of all actions taken by the Executive Board without a meeting, and a record of all actions taken on behalf of the Corporation by a committee of the Executive Board in place of the Executive Board. The Corporation shall maintain appropriate accounting records.

The Corporation shall keep a copy of the following records at its principal office: (i) the Articles of Incorporation and all amendments to them currently in effect; (ii) these Bylaws and all amendments to them currently in effect; (iii) resolutions adopted by its Executive Board; (iv) the annual financial statements described below, prepared during the past three years; and (v) a list of the names and business addresses of the current members of the Executive Board.

The Corporation shall prepare, or cause to be prepared, and maintain at least three years annual financial statements for the Corporation that include a balance sheet as of the end of the fiscal year and a statement of operations for that year. The financial statements may be prepared for the Corporation on the basis of generally accepted accounting principles or on such other basis as the treasurer may deem reasonable.

SECTION 3. Fiscal Year: The fiscal year of the Corporation shall begin on July 1 and end on June 30, unless otherwise fixed by the Executive Board.

SECTION 4. Amendments:

(a) These bylaws may be amended at any regular membership meeting by a two-thirds (2/3) vote of the Members present and voting, provided that notice of the proposed amendment shall have been given at least thirty (30) days prior to the meeting at which the amendment is voted upon.

(b) A committee may be appointed to submit a revised set of bylaws as a substitute for the existing bylaws by a majority vote at a meeting of the Corporation, or by a two-thirds (2/3) vote of the Executive Board. The requirements for adoption of a revised set of bylaws shall be the same as in the case of an amendment.

SECTION 5. Emergencies: In anticipation of or during an Emergency, the Executive Board may: (i) modify lines of succession to accommodate the incapacity of any officer, employee, or agent; and (ii) relocate the principal office, designate alternative principal or regional offices, or authorize the officers to do so.

During an Emergency notice of a meeting of the Executive Board need be given only to those members of the Executive Board whom it is practicable to reach and may be given in any practicable manner, including by publication and radio.

SECTION 6. Severability: Should any provision of these Bylaws become ineffective or be declared to be invalid for any reason, such provision shall be severable from the remainder of these Bylaws and all other provisions of these Bylaws shall continue to be in full force and effect.