

**FIRST RESTATED BYLAWS
OF
SUNSTONE MONTESSORI SCHOOL, INC.
(*As amended through June 18, 2013.*)
(Organized Under the Oregon Nonprofit Corporation Act)**

I. OFFICES.

1. PRINCIPAL OFFICE.

The Board of Trustees (“Board”) shall fix the location of the principal office of Sunstone Montessori School, Inc. (“Corporation”) anywhere within or outside of the State of Oregon (“Oregon”).

2. OTHER OFFICES.

The Board may at any time establish branch or subordinate offices anywhere the Board may deem to be advisable.

3. REGISTERED OFFICE AND REGISTERED AGENT.

The Board shall designate for the Corporation and shall continuously maintain in Oregon a registered office and agent. The Board may change the registered office or agent from time to time. For any change of the registered office or agent or any resignation of the registered agent, the Board shall promptly file a statement with the Office of the Oregon Secretary of State notifying it of the change and the successor office or agent.

II. PURPOSE.

The Corporation is organized as a public benefit corporation with no members, in accordance with the Oregon Nonprofit Corporation Act (ORS Chapter 65). The Corporation shall be organized and operated exclusively for charitable, educational, and scientific purposes, including, but not limited to, making of distributions to only those organizations that qualify as exempt organizations under the Internal Revenue Code Section 501(c)(3), as amended. Subject to the limitations stated in the Articles of Incorporation, the purposes of the Corporation shall be to engage in any lawful activities, none of which are for profit, for which corporations may be organized under Chapter 65 of the Oregon Revised Statutes (or its corresponding future provisions) and the Internal Revenue Code Section 501(c)(3), as amended. The Corporation's purpose includes all of the following: (i) to operate a school for children in accordance with the Montessori method; (ii) to encourage the development of each enrolled child to his or her potential; (iii) to aid parents in the education of their child by providing on-going opportunities for parent education that foster a positive relationship between home and school and that promote involvement in school; (iv) to provide a supportive community for parents, children, and staff that is based on an understanding of the child's cognitive, social, emotional, and physical needs; and (v) to have normal functions, operations, programs, and pursuits incidental to a fully recognized and operational nonprofit center for Montessori education.

III. NONMEMBERSHIP.

The Corporation shall have no members.

IV. BOARD OF TRUSTEES.

1. DUTIES.

The affairs of the Corporation shall be managed by the Board of Trustees. They are charged with ensuring the future of the Corporation consistent with the mission and Montessori principles.

2. NUMBER AND QUALIFICATIONS.

The number of trustees shall be at least 3 and not more than 25, until changed by a duly adopted amendment to this bylaw; however, as required by law, the number of trustees shall never be fewer than 3. The number of trustees may be fixed or changed periodically, within the minimum of 3 and the maximum of 25, by the Board. A trustee must be a natural person, but need not be a citizen of the United States, or a resident of Oregon.

The Administrator of the Corporation shall be an ex officio member of the Board. If the Board has three or more members (including the ex officio member), then the Administrator shall have voting privileges. At any time the Board has less than three members, the Administrator automatically becomes a non-voting member of the Board.

The Board will strive for a balance of interests and expertise among its members. The Board should include at least one parent of children enrolled in the school, at least one non-parent, and at least one AMI-trained person.

3. TERM AND ELECTION.

The term of office for trustees shall be three years, as established by the Board at the time of the election. The terms must be staggered, so that approximately 1/3 of the Board members' terms expire at the end of each year. Although a trustee may be reelected without limitation on the number of terms she or he may serve, a six-year limit is encouraged. The Board shall elect its own members, except that a trustee shall not vote on his or her own position.

4. REMOVAL.

Any trustee may be removed, with or without cause, by a vote of 2/3 of the trustees then in office.

5. VACANCIES.

(a) Vacancies in the Board may be filled by a majority vote of the remaining trustees.

(b) Vacancies in the Board shall be deemed to exist on the death, resignation, or removal of a trustee, or if the Board by resolution declares vacant the office of a trustee who has been declared of unsound mind by a court order or has been convicted of a felony, or if the authorized number of trustees is increased.

(c) Any trustee may resign, effective on giving written notice to any trustee, unless the notice specifies a later time for the resignation to become effective. If the resignation is effective at a future time, then the Board may elect a successor to take office when the resignation becomes effective. A resignation is irrevocable unless revocation is permitted by the Board.

(d) No reduction of the authorized number of trustees shall have the effect of removing any trustee before that trustee's term of office expires.

6. QUORUM AND ACTION.

A quorum at a Board meeting shall be a majority of the number of trustees in office immediately before the meeting begins. If a quorum is present, action is taken by a majority vote of the trustees present, except as otherwise provided by these Bylaws. Where the law requires a majority vote of the trustees in office to establish committees to exercise Board functions, to amend the Articles of Incorporation, to sell assets not in the regular course of business, to merge, or to dissolve, or for other matters, such action is taken by that majority as required by law.

7. REGULAR MEETINGS.

Regular meetings of the Board shall be held at the time and place to be determined by the Board. No other notice of the date, time, place, or purpose of these meetings is required. The advance notice to interested persons is encouraged.

8. SPECIAL MEETINGS.

Special meetings of the Board shall be held at the time and place to be determined by the Board. Notice of such meetings, describing the date, time, place, and purpose of the meeting, shall be delivered to each Trustee personally or by telephone, mail or email not less than two days prior to the special meeting. Advance notice to other interested persons is encouraged.

9. MEETING BY TELECOMMUNICATION.

Any regular or special meeting of the Board may be held by telephone or telecommunications in which all trustees participating may hear each other.

10. NO SALARY.

Trustees shall not receive salaries for their Board services, but they may be reimbursed for expenses related to Board service.

11. ACTION WITHOUT MEETING.

Any action by law to be taken at a meeting of the Board, or any action which may be taken at a Board meeting, may be taken without a meeting if a consent in writing, setting forth the action to be taken or so taken, shall be signed by all the trustees, and delivered to the Corporation for inclusion in the corporate records. Any action taken under this Section 12 is effective when the last trustee signs the consent, unless the consent specifies an earlier or later effective date. Such action by written consent shall have the same force and effect as a unanimous vote of the Board. Such written consent has the effect of a meeting vote and may be described as such in any document.

12. WAIVER OF NOTICE.

The transactions of any Board meeting, however called and noticed or wherever held, shall be as valid as though had at a meeting duly held after regular call and notice if (i) a quorum is present, and (ii) each trustee not present signs, either before or after the meeting, a written waiver of notice. Such waiver must specify the meeting for which notice is waived, but need not specify the purpose of the meeting. All such waivers shall be included with the Corporation's records. Notice of a meeting shall also be deemed to have been given to any trustee who attends the meeting without protesting at the beginning of the meeting or promptly upon his or her arrival the lack of notice to that trustee.

13. ADJOURNMENT.

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

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 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 15 of this Article IV, to the trustees who were not present at the time of the adjournment.

V. COMMITTEES.

1. EXECUTIVE COMMITTEES.

The Board may elect an Executive Committee. The Executive Committee shall have the power to make on-going decisions between Board meetings and shall have the power to make financial and budgetary decisions.

2. OTHER COMMITTEES.

The Board may establish such other committees as it deems necessary and desirable. Such committees may exercise functions of the Board or may be advisory committees.

3. COMPOSITION OF COMMITTEES EXERCISING BOARD FUNCTIONS.

Any committee that exercises any function of the Board shall be composed of two or more trustees, elected by the Board by a majority vote of the trustees prescribed by the Board or, if no number is prescribed, by a majority vote of the trustees in office at that time.

4. QUORUM AND ACTION.

A quorum at a committee meeting exercising Board functions shall be a majority of all committee members in office immediately before the meeting begins. If a quorum is present, action is taken by a majority vote of trustees present.

5. LIMITATIONS ON THE POWERS OF COMMITTEES.

No committee may: (i) authorize payment of a dividend or any part of the income or profit of the Corporation to its trustees or officers; (ii) approve dissolution, merger, or the sale, pledge, or transfer of all or substantially all of the Corporation's assets; (iii) elect, appoint, or remove trustees or fill vacancies on the Board or on any of its committees; or (iv) adopt, amend, or repeal the Articles of Incorporation, Bylaws, or any resolution by the Board.

VI. OFFICERS.

1. TITLES.

The officers of the Corporation shall be the President, Vice President, Secretary, Treasurer, and Administrator.

2. ELECTION.

The Board shall elect the officers of President, Vice President, and Treasurer for terms of at least 1 year and not more than 3 years, as established by the Board. An officer may be reelected without limitation on the number of terms the officer may serve. The Board shall appoint an Administrator for such term as the Board determines.

3. VACANCY.

A vacancy of the office of President, Vice President, Secretary, or Treasurer shall be filled not later than the first regular meeting of the Board following such vacancy.

4. OTHER OFFICERS.

The Board may elect or appoint other officers, agents, and employees as it may deem necessary or desirable, and they shall hold their offices for such terms and have such authority and perform such duties, as allowed by law, as determined by the Board.

5. PRESIDENT.

The President shall be the chief executive officer of the Corporation and shall act as the Chair of the Board and shall preside (when present) at Board meetings and shall have all other powers and duties as the Board may prescribe.

6. SECRETARY AND ASSISTANT SECRETARY.

The Secretary shall have overall responsibility for all record keeping. The Secretary shall perform, or cause to be performed, the following duties: (a) official recording of the minutes of all proceedings of the Board meetings and actions; (b) provision for notice of all meetings of the Board; (c) authentication of the records of the Corporation; (d) keeping of full and accurate accounts of all financial records of the Corporation; (e) depositing all money and valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by the Board; (f) disbursing all funds when proper to do so; (g) making financial reports as to the condition of the Corporation to the Board; and (h) any other duties as may be prescribed by the Board.

7. ADMINISTRATOR.

The Administrator shall have the responsibility for the general management of the school and its operations and any other powers and duties as may be prescribed by the Board.

8. TREASURER AND ASSISTANT TREASURER.

The treasurer shall 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 Company, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, retained earnings, and shares. The books of account shall at all reasonable times be open to inspection by any trustee. The treasurer shall (i) deposit all money and other valuables in the name and to the credit of the Company with such depositories as may be designated by the Board, (ii) disburse the funds of the Company as may be ordered by the Board, (iii) render to the president and trustees, whenever they request it, an account of all transactions as treasurer and of the financial condition of the Company, and (iv) shall have other powers and perform such other duties as may be prescribed by the Board or these bylaws.

9. REMOVAL AND RESIGNATION OF OFFICERS.

(a) Subject to any rights of an officer under any contract of employment, the Board at any Board meeting may remove any officer, either with or without cause.

(b) Any officer may resign at any time by giving written notice to the Corporation. Any resignation shall take effect when the Corporation receives such notice or at any

later time specified in such notice; and, unless otherwise specified in such notice, the acceptance of the resignation shall not be necessary to make it effective. Any resignation is without prejudice to any rights of the Corporation under any contract to which the officer is a party.

10. VACANCIES IN OFFICES.

A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled in the manner prescribed in these bylaws for regular appointments to that office; provided, however, that if the vacancy arises because of a resignation effective at a later date and the Board accepts such later date, then the vacancy may be filled before the effective date if the successor does not take office until the effective date.

VII. INDEMNIFICATION.

1. DEFINITIONS.

For purposes of this Article VII, the following definitions shall apply to the following terms (whether or not such terms begin with a capital letter):

(a) "Trustee" means an individual (i) who is or was a trustee of the Corporation, or (ii) who, while a trustee of the Corporation is or was serving at the Corporation's request as a trustee, officer, partner, director, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, employee benefit plan, or other enterprise. A trustee is considered to be serving an employee benefit plan at the Corporation's request if the trustee's duties to the Corporation also impose duties on or otherwise involve services by the trustee to the plan or to participants in or beneficiaries of the plan. "Trustee" also includes, unless the context requires otherwise, the estate or personal representative of a trustee.

(b) "Expenses" means all reasonable expenses, including attorney fees incurred at trial, on appeal, or otherwise.

(c) "Liability" means the obligation to pay a judgment, settlement, penalty, or fine, including an excise tax assessed with respect to an employee benefit plan or reasonable expenses actually incurred with respect to a proceeding.

(d) "Officer" means an individual (i) who is or was an officer of the Corporation, or (ii) an individual who, while an officer of the Corporation, is or was serving at the Corporation's request as a trustee, officer, partner, director, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, employee benefit plan, or other enterprise. An officer is considered to be serving an employee benefit plan at the Corporation's request if the officer's duties to the Corporation also impose duties on or include services by the officer to the employee benefit plan or to participants in or beneficiaries of the plan.

"Officer" also includes, unless the context requires otherwise, the estate or personal representative of an officer.

(e) "Party" includes an individual who was, is, or is threatened to be made a named defendant or respondent in a proceeding.

(f) "Proceeding" means any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, and whether formal or informal.

2. AUTHORITY TO INDEMNIFY.

(a) Except as provided in subsection (d) of this Section 2, the Corporation may indemnify an individual made a party to a proceeding because the individual is or was a trustee against liability incurred in the proceeding if:

(i) The conduct of the individual was in good faith;

(ii) The individual reasonably believed that the individual's conduct was in the best interests of the Corporation, or at least not opposed to its best interests; and

(iii) In the case of any criminal proceeding, the individual had no reasonable cause to believe that the conduct of the individual was unlawful.

(b) A trustee's conduct with respect to an employee benefit plan for a purpose the trustee reasonably believed to be in the interests of the participants in and beneficiaries of the plan is conduct that satisfies the requirements of paragraph (ii) of subsection (a) of this Section 2.

(c) The termination of a proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent is not, of itself, determinative that the trustee did not meet the standard of conduct described in this Section 2.

(d) The Corporation may not indemnify a trustee under this Section 2:

(i) In connection with a proceeding by or in the right of the Corporation in which the trustee was adjudged liable to the Corporation; or

(ii) In connection with any other proceeding charging improper personal benefit to the trustee in which the trustee was adjudged liable on the basis that personal benefit was improperly received by the trustee.

(e) Any indemnification permitted under this Section 2 in connection with a proceeding by or in the right of the Corporation is limited to the expenses incurred in connection with the proceeding.

3. MANDATORY INDEMNIFICATION.

Unless limited by the articles of incorporation, the Corporation shall indemnify a trustee who was wholly successful, on the merits or otherwise, in the defense of any proceeding to which the trustee was a party because of being a trustee of the Corporation against expenses incurred by the trustee in connection with the proceeding.

4. ADVANCE FOR EXPENSES.

(a) The Corporation may pay for or reimburse the expenses incurred by a trustee who is a party to a proceeding in advance of final disposition of the proceeding if:

(i) The trustee furnishes the Corporation a written affirmation of the trustee's good faith belief that the trustee has met the standard of conduct described in Section 2 of this Article VII; and

(ii) The trustee furnishes the Corporation a written undertaking, executed personally or on the trustee's behalf, to repay the advance if it is ultimately determined that the trustee did not meet the standard of conduct.

(b) The undertaking required by subparagraph (ii) of subsection (a) of this Section 4 must be an unlimited general obligation of the trustee but need not be secured and may be accepted without reference to financial ability to make repayment.

(c) Any authorization of payments under this Section 4 may be made by provision in the articles of incorporation, these Bylaws, a resolution of the Board, or a contract.

5. COURT-ORDERED INDEMNIFICATION.

Unless the articles of incorporation provide otherwise, a trustee who is a party to a proceeding may apply for indemnification to the court conducting the proceeding or to another court of competent jurisdiction. On receipt of an application, the court may, after giving any notice that the court may consider to be necessary, order indemnification if it determines:

(i) The trustee is entitled to mandatory indemnification under Section 3 of this Article VII, in which case the court shall also order the Corporation to pay the trustee's expenses incurred in obtaining court-ordered indemnification; or

(ii) The trustee is fairly and reasonably entitled to indemnification in view of all the relevant circumstances, whether or not the trustee met the standard of conduct set forth in Section 2 of this Article VII or was adjudged liable as described in subsection (d) of Section 2 of this Article VII, whether the liability is based on a judgment, settlement, proposed settlement, or otherwise.

6. DETERMINATION AND AUTHORIZATION OF INDEMNIFICATION.

- (a) The Corporation may not indemnify a trustee under Section 2 of this Article VII unless authorized in a specific case after a determination has been made that indemnification of the trustee is permissible under the circumstances because the trustee has met the standard of conduct set forth in Section 2 of this Article VII.
- (b) A determination that indemnification of a trustee is permissible shall be made:
 - (i) By a majority vote of a quorum consisting of trustees not at the time parties to the proceeding;
 - (ii) If a quorum cannot be obtained under paragraph (i) of this subsection (b), by a majority vote of a committee duly designated by the Board consisting solely of at least two (2) trustees, all of whom are not at the time parties to the proceeding (however, trustees who are parties to the proceeding may participate in the designation of such committee); or
 - (iii) By special legal counsel selected by the Board or its committee in the manner prescribed in paragraph (i) or (ii) of this subsection (b), or, if a quorum of the Board cannot be obtained under paragraph (i) of this subsection (b) and a committee cannot be designated under paragraph (ii) of this subsection (b), then the special legal counsel shall be selected by a majority vote of the full Board, including trustees who are parties to the proceeding.
- (c) Authorization of indemnification and evaluation as to the reasonableness of expenses shall be made in the same manner as the determination that indemnification is permissible, except that if the determination is made by special legal counsel, then authorization of indemnification and evaluation as to reasonableness of expenses shall be made by those entitled under subparagraph (iii) of subsection (b) of this Section 6 of this selection to select counsel.
- (d) The Board must notify, in writing, the Attorney General of Oregon (“Attorney General”) of any proposed indemnification of a trustee. A trustee may not be indemnified until twenty (20) days after the effective date of written notice to the Attorney General of the proposed indemnification.

7. INDEMNIFICATION OF OFFICERS, EMPLOYEES, AND AGENTS.

Unless the articles of incorporation provide otherwise:

- (a) An officer of the Corporation is entitled to mandatory indemnification under Section 3 of this Article VII, and is entitled to apply for court-ordered indemnification under Section 5 of this Article VII, in each case to the extent as a trustee under Sections 3 and 5 of this Article VII.

(b) The Corporation may indemnify and advance expenses under Sections 1 to 8 of this Article VII to an officer, employee, or agent of the Corporation to the same extent as to a trustee.

8. INSURANCE.

The Corporation may purchase and maintain insurance on behalf of an individual against liability asserted against or incurred by the individual (i) who is or was a trustee, officer, employee, or agent of the Corporation, or (ii) who, while a trustee, officer, employee, or agent of the Corporation, is or was serving at the request of the Corporation as a trustee, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, employee benefit plan, or other enterprise. The Corporation may purchase and maintain the insurance even if the Corporation has no power to indemnify the individual against the same liability under Sections 2 or 3 of this Article VII.

9. APPLICATION OF THIS ARTICLE.

The indemnification and provisions for advancement of expenses provided by Sections 1 to 8 of this Article VII shall not be exclusive of any other right to which the trustees, officers, employees, or agents may be entitled under the articles of incorporation, these bylaws, any agreement, action of the Board, or otherwise, and shall continue as to a person who has ceased to be a trustee, officer, employee, or agent and shall inure to the benefit of the heirs, executors, and administrators of such person.

VIII. RECORDS AND REPORTS.

1. MAINTENANCE OF CORPORATE RECORDS.

The Corporation shall keep at its registered office or its principal executive office the following:

- (a) The articles of incorporation and all amendments thereto;
- (b) The bylaws and all amendments thereto;
- (c) A list of the names and business addresses of the Corporation's current trustees and officers; and
- (d) The most recent annual report of the Corporation.

2. MAINTENANCE OF OTHER CORPORATE RECORDS.

The accounting books and records and minutes of proceedings of the Board and any committee or committees of the Board not set forth in Section 1 of this Article shall be kept at such place or places designated by the Board, or, in the absence of such designation, at the principal executive office of the Corporation. The minutes shall be kept in written or electronic form and the accounting books and records shall be kept

either in written or electronic form or in any other form capable of being converted into written or electronic form within a reasonable time.

3. INSPECTION BY TRUSTEES.

Every trustee 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 Corporation and of each of any and all of its subsidiary corporations. This inspection by a trustee 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.

IX. AMENDMENTS TO BYLAWS.

These Bylaws may be amended or repealed, and new Bylaws adopted, by the Board by a two thirds vote of trustees then in office. Prior to adoption of the amendment, each trustee shall be given at least two days notice of the date, time, and place of the meeting at which the proposed amendment is to be considered, and the notice shall state that one of the purposes of the meeting is to consider a proposed amendment to the Bylaws and shall contain a copy of the proposed amendment.

XII. MISCELLANEOUS.

Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the Oregon Nonprofit Corporation Act, as amended, shall govern the construction of these bylaws. Without limiting the generality of this provision, (i) any term used in the plural refers to all members of the relevant class, and any term used in the singular refers to any one or more of the members of the relevant class, (ii) "including" means "including, but not limited to," (iii) "or" is not exclusive in its meaning, (iv) "person" includes both any legal entity and a natural person, (v) "shall" means "must," and (vi) "may" is permissive in its meaning. From time to time, and as used in these bylaws, the Corporation's directors may refer to themselves individually as "trustee" and collectively as "trustees"; however, such use of "trustee" or "trustees" (a) is meant to be synonymous with "director" or "directors", as defined under ORS Chapter 65, and (b) is not intended to imply, and must not be construed as, meaning anything other than "director" or "directors" as so defined.

OFFICER CERTIFICATE

The undersigned, as an officer of Sunstone Montessori School, Inc. (“Corporation”), certifies that the First Restated Bylaws were duly adopted by the Corporation’s Board of Trustees and are in full force and effect.

Dated as of June 18, 2013.

/S/
Jerome F. Elliott, Vice President