

Arizona State Board for Charter Schools

Arizona State Board of Education

1700 W. Washington St., Room 164, Phoenix, AZ 85007

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www.asbcs.az.gov

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CHARTER HOLDER STATUS AMENDMENT REQUEST

(Charter Holder Name) AZ Montessori Charter School at Anthem dba Caurus Academy (CTDS) 07-8991

(Charter Holder Mailing Address) 42302 N. Vision Way #110

(City, State) Anthem, AZ. (Zip) 85086

(Charter Representative's Name) Debra Slagle

(Phone Number) 602-864-7731 (Fax Number) 602-841-4260

Failure to submit all required documentation will result in the Amendment Request being returned without being processed. Faxed copies will not be accepted. Please send originals.

Check appropriate box(s)

- Change in legal status of the Charter Holder
- Change in entity name of the Charter Holder
- Change in ownership of the Charter Holder (for-profits only)
- Other (please explain) Amended by-laws

Included are the following:

- Board minutes approving the change (If the body is subject to Open Meeting Law, minutes must comply with ARS §38-431.01)
- Copy of amendment to Articles of Incorporation filed with the Arizona Corporation Commission
- Provide information regarding any payment, benefit or consideration received or to be received by any party in the transition.

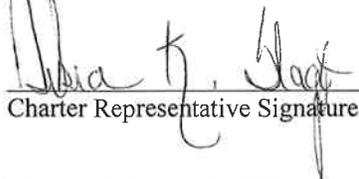
✦ Additional materials may be requested as required by the type of request

The Arizona State Board for Charter Schools and AZ Montessori Charter School at Anthem dba Caurus Academy (Charter Holder), herein agree to amend the terms of the charter contract as follows:

FROM: Original By-Laws

TO: Amended and Restated By-Laws

In witness whereof, Charter Holder has signed this contract amendment as of this 14th day of April, 2010, and the State Board for Charter Schools has signed this contract amendment as of this ____ day of ____, 20__, to take effect at such time as it is signed by both parties.



Charter Representative Signature

Representative Signature for the Arizona State Board for Charter Schools

Checklist for a change of the Charter Holder

Choose type of change occurring:

07/014/09

**AMENDED & RESTATED BYLAWS
OF
ARIZONA MONTESSORI CHARTER
SCHOOL AT ANTHEM DBA CAURUS ACADEMY,
an Arizona Non-Profit Corporation**

**THESE BYLAWS ARE BEING AMENDED AND RESTATED IN ORDER TO CORRECT
CERTAIN ERRORS CONTAINED IN THE AMENDED AND RESTATED BYLAWS DATED
JULY 7, 2005.**

ARTICLE I: NAME, PURPOSES AND DEDICATION

- Section 1. **Name.** The name of this non-profit corporation shall be Arizona Montessori Charter School at Anthem, an Arizona non-profit corporation, (the "Corporation").
- Section 2. **Purposes.** This Corporation is organized and shall be operated as a non-profit corporation under the laws of the State of Arizona, exclusively for charitable and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code, including, but not limited to, the operation of a charter school in the State of Arizona pursuant to A.R.S. § 15-181, et seq. known as Caurus Academy located at 42302 North Vision Way, Anthem, Arizona or at such locations in the State of Arizona as determined by the Board of Directors.
- Section 3. **Not For Profit Corporation; Nonpartisan Activities.** This Corporation has been formed under the Arizona Nonprofit Corporation Act for the purposes described above, and it shall be nonprofit and nonpartisan. The Corporation shall not directly or indirectly perform any act or transaction any business that would jeopardize its status as a public school in the State of Arizona or to jeopardize any tax-exempt status of the Corporation under the Arizona Nonprofit Corporation Act and any Internal Revenue laws, including, the tax-exempt status of a corporation under Section 501(c)(3) of the Internal Revenue Code and its regulations as any of those laws and regulations may exist or may hereafter be amended. No substantial part of the activities of the Corporation shall consist of the publication or dissemination of materials with the purpose of attempting to influence legislation, and the Corporation shall not participate or intervene in any political campaign on behalf of any candidate for public office or for or against any cause or measure being submitted to the people for a vote.
- Section 4. **Dedication of Assets.** This Corporation's assets are irrevocably dedicated to charitable purposes. No part of the net earnings, properties, or assets of the Corporation, on dissolution or otherwise, shall inure to the benefit of any private person or individual, or to any Director or officer of the Corporation. On liquidation or dissolution, all properties and assets remaining after payment, or provision for payment, of all debts and liabilities of the Corporation shall be distributed to entities, trusts, funds, or corporations that are organized and

operated exclusively for charitable purposes and that have established exempt status under Internal Revenue Code Section 501(c)(3).

Section 5. **Prohibition against Private Inurement and Excess Benefit.**

- (1) No Director, officer, employee of the Corporation, member of a committee of the Corporation, or any other private individual shall receive at any time any of the net earnings or pecuniary profit of the Corporation, except that the Corporation can pay reasonable compensation for services rendered in accordance with these Bylaws; provided, however, that compensation shall not be paid if such payment would constitute an unreasonable act of self-dealing or would result in the termination of the Corporation's tax exempt status under Section 501(c)(3) of the Internal Revenue Code.
- (2) No Director, officer, employee of the Corporation, member of a committee of the Corporation, or any other private individual shall be entitled to share in the distribution of any of the corporate assets in the event of the Corporation's dissolution. All Directors shall be deemed to have expressly consented and agreed that upon such dissolution or winding up of the Corporation's affairs, whether voluntary or involuntary, all of the Corporation's assets remaining after all debts have been satisfied shall be distributed exclusively to other tax-exempt corporations operating with similar purposes as the Corporation's purposes provided in the Articles of Incorporation.

Section 6. **Non-Discrimination Policy.** The Corporation, in its operation as a public charter school, that is non-sectarian and publicly funded, shall admit students of any gender, religion, race, color, national and ethnic origin to all the rights, privileges, programs, and activities generally accorded or made available to students at the charter school. The charter school shall not discriminate on the basis of gender, religion, race, color, national and ethnic origin in the charter school's administration of its educational policies, admissions policies, or charter school administered programs.

ARTICLE II: MEMBERS AND OFFICES

Section 1. **Members.** This Corporation shall not have members within the meaning of the Arizona Nonprofit Corporation Act.

Section 2. **Offices.** Offices may be established and maintained at such place or places in the State of Arizona as the Board of Directors may from time to time designate. The Board of Directors shall designate the location of the principal executive office of the Corporation.

ARTICLE III: DIRECTORS

- Section 1. **Number of Directors.** The authorized number of Directors shall be not less than three (3) and not more than seven (7). The exact authorized number of Directors shall be determined from time to time by the Board of Directors of the Corporation. The initial authorized number of Directors shall be three (3).
- Section 2. **Election of Directors.** The Directors of the Corporation shall elect the Directors of the Corporation. Each Director shall be elected to a term of one (1) year until a successor Director has been designated and qualified.
- Section 3. **Duties and Qualification.** The affairs of the Corporation shall be managed by a Board of Directors (the “Board” or the “Board of Directors”). The Board of Directors shall have the duty and power to control, manage and oversee all affairs of the Corporation, including, without limitation, the (i) adoption of the following policies and procedures to be implemented by the Corporation: (A) a financial management policy; (B) a whistle-blower policy; (C) a document integrity, retention and destruction policy; (D) a policy regarding tax-exempt bond compliance; (E) a reimbursement policy, including travel and entertainment expenses; (F) a gift acceptance policy; (G) community benefit policy; (H) charity care policy; and (J) a recruitment policy, (ii) approval and adoption of the annual budget, (iii) direction and supervision all business necessary for the Corporation to carry out its objectives and purposes, including, when required, the ratification of acts to be carried out on behalf of the charter school being operating by the Corporation pursuant to Arizona Charter School Law, A.R.S. § 15-181 et. seq.

The Board of Directors shall adopt a conflict of interest policy (“Conflict of Interest Policy”) to be followed by the members of the Board in executing their duties, and in lieu of any formal policy, shall be bound by the provisions in this Article III, Section 3 and Article VI. The Conflict of Interest Policy must provide for the disclosure of any duality of interest or possible conflict of interest on the part of any Director and such duality of interest or possible conflict must be made a part of the record of the Corporation either through an annual procedure or when the interest becomes a matter requiring Board action and then recorded in the appropriate minutes wherein an action related to this issue is taken. No Director having a duality of interest or possible conflict of interest shall vote or use his or her personal influence on the issue being decided however, the Director may participate in the information gathering and answer appropriate questions related to the issue. The minutes of any meeting where a conflict is present should reflect: (a) that a disclosure of the conflict was made; (b) the Director with the conflict abstained from voting; and (c) any other relevant factors necessary. All Directors shall be informed and advised of the Conflict of Interest Policy prior to entering or assuming the duties of his or her office. The Board shall be allowed to rely on statements and opinions of the Corporation’s legal counsel, accountants, and other experts in making decisions related to the fairness or reasonableness of any transactions where duality of interests exist.

Each member of the Board of Directors must: (a) be over the age of eighteen (18); (b) pass a background check as required by the Department of Education and any appropriate sponsoring board of the Corporation, which will include as a minimum, a fingerprint check showing that there exists no criminal records which could adversely affect the Corporation or its operation as a public school; and (c) establish that each Director possesses significant experience and qualifications to further the Board of Director's commitment to the educational and charitable purposes of the Corporation as set forth herein, including, without limitation, educational, business, managerial and fund-raising skills.

Section 4. **Compensation.** Directors and members of committees may receive such compensation (including all benefits), if any, for their services, and such reimbursement of expenses, as may be determined by resolution of the Board of Directors to be just and reasonable. Nothing herein shall contained shall be construed or interpreted to prevent any person serving as a Director from serving as an officer or employee of the Corporation and receiving a salary or other compensation as a result of such position.

Section 5. **Restriction on Interested Persons as Directors.** No more than forty-nine percent (49%) of the persons serving on the Board of Directors may be an "interested persons". An interested person is: (a) any person compensated by the Corporation for services rendered to it within the previous 12 months, whether as a full-time or part-time employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a Director as Director in accordance with these Bylaws; (b) any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, or father-in-law of such person; and (c) member in a commonly controlled, related or supporting organization. However, any violation of this subsection shall not affect the validity or enforceability of transactions entered into by the Corporation.

Section 6. **Regular Meetings.** The Directors shall meet at least once in each fiscal year for the purpose of the election of Directors, appointment of officers, review and approval of the corporate budget and transaction of other business and may hold such other meetings from time to time at such time and place fixed by the Board of Directors by resolution. An annual meeting of Directors shall be held on the first Friday of June of each year at 6:00 p.m., unless the Board fixes another date or time and so notifies the Directors as provided herein. If the scheduled date falls on a legal holiday, the meeting shall be held on the next full business day. At the meeting, officers shall be appointed and other proper business may be transacted. The call, notice, holding, and conduct of meetings of the Board of Directors shall be as set forth in accordance with Open Meeting Law, as the same may be amended from time to time.

Section 7. **Special Meetings and Executive Sessions.** Special meetings of the Board of Directors for any purpose may be called at any time by the Chairperson, or the President, or the Vice-President (if any), or the Secretary, or any two (2) Directors in accordance with Open Meeting Law. Executive sessions may be called at any

time for the purposes identified in A.R.S. § 38-431.03 and shall to be held in accordance with Open Meeting Law.

Section 8. Notice of Meetings.

(1) Except the time and place of a regular meeting is set by the Board of Directors by resolution in advance as permitted hereunder, notice of the time and place of all meetings shall be given to each Director by one of the following methods: (a) personal delivery of written notice; (b) first-class mail, postage paid; or (c) facsimile, electronic mail (“e-mail”) or other means of electronic transmission if the recipient has consented to accept notices in this manner. All such notices shall be given or sent to the Director’s address, facsimile number or e-mail address as shown on the records of the Corporation.

(2) Notices sent by first-class mail shall be deposited into a United States mail box at least two (2) days before the time set for the meeting. Notices given by personal delivery, facsimile, or e-mail shall be delivered at least twenty-four (24) hours before the time set for said meeting, unless in the case of an actual emergency.

(3) The Board of Directors shall file a statement with the Arizona Secretary of State and any other governmental or quasi-governmental agency setting forth where public notices of meetings shall be posted and shall give additional public notice as is reasonable and practicable as to all meetings.

(4) The notice shall state the time and place for the meeting, except that if the meeting is scheduled to be held at the principal office of the Corporation, the notice shall be valid if no place is specified. The notice shall include an agenda of matters to be discussed or decided at the meeting, unless such meeting is being called as an executive session and as otherwise provided in these Bylaws.

(4) Meetings of the Board of Directors may be held at any place within the State of Arizona that has been designated in the notice of the meeting, or, if not stated in the notice, or, if there is no notice, designated by resolution of the Board of Directors. If the place of a meeting is not designated in the notice or fixed by a resolution of the Board of Directors, it shall be held at the principal office of the Corporation.

(5) The transactions of any meeting of the Board of Directors, however called and noticed or wherever held, shall be valid as though taken at a meeting duly held after regular call and notice if (a) a quorum is present, and (b) either before or after the meeting, each of the Directors who is not present at the meeting signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent does not need to specify the purpose of the meeting. All waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meeting. Also, notice of a meeting is not required to be given to any Director who attends the meeting without

protesting before or at its commencement about the lack of adequate notice. Directors can protest the lack of notice only by presenting a written protest to the Secretary either in person, by first-class mail addressed to the Secretary at the principal office of the Corporation as contained in the records of the Corporation as of the date of the protest, or by facsimile addressed to the facsimile number of the Corporation as contained in the records of the Corporation as of the date of the protest.

Section 9. **Quorum and Action of the Board.**

(1) A majority of the Directors then in office shall constitute a quorum for the transaction of business. Each Director is entitled to one (1) vote.

(2) Every act taken or decision made by a vote of the majority of the Board of Directors present at a meeting duly held at which a quorum is present is the act of the Board, unless a greater number is expressly required by the Arizona Nonprofit Corporation Act, the Articles of Incorporation or these Bylaws. A meeting at which quorum is initially present may continue to transact business, notwithstanding the withdrawal of Directors from the meeting, if any action taken is approved by at least a majority of the required quorum for that meeting.

(3) The following actions shall require a vote by a majority of all Directors then in office to be effective: (a) approval of contracts or transactions in which a Director has a direct or indirect material financial interest, provided that the vote of any interested Director is not counted; (b) creation of, and appointment to, a committee established under Section Article III, Section 10; (c) removal of a Director without cause; and (d) indemnification of Directors as described in Article V.

(4) All actions of the Board of Directors shall comply with A.R.S. Sections 38-431 to 431.09 (the "Open Meeting Law"). In the event that an action is taken in violation of the Open Meeting Law, such action shall be null and void, unless such action has been ratified by the Board of Directors in accordance with A.R.S. Section 38-431.05.

Section 10. **Action without Meetings for the Purposes of an Executive Session.** Any action that the Board of Directors is required or permitted to take may be taken without a meeting if all Directors consent in writing to the action and such meeting is held in accordance with Open Meeting Law; provided, however, that the consent of any Director who has a material financial interest as defined in Article V in a transaction to which the Corporation is a party and who is an "interested director" as defined in A.R.S. § 10-2006 and these Bylaws, shall not be required for approval of that transaction. Such action by written consent shall have the same force and effect as any other validly approved action of the Board of Directors. All such consents shall be filed with the minutes of the proceedings of the Board of Directors.

Section 11. **Creation and Powers of Committees.**

The Board of Directors, by resolution adopted by a majority of the Directors then in office, may create one or more committees, each consisting of two or more Directors and no one who is not a Director, to serve at the pleasure of the Board of Directors. Appointments to committees of the Board shall be by majority vote of the Directors then in office. Any such committee shall have all the authority of the Board of Directors, to the extent provided in the Board of Directors resolution, except that no committee may do the following: (1) fill vacancies on the Board of Directors or any committee of the Board; (2) fix compensation of the Directors for serving on the Board of Directors or on any committee; (3) amend or repeal bylaws or adopt new bylaws; (4) amend or repeal any resolution of the Board of Directors that by its express terms is not so amendable or repealable; (5) create any other committees of the Board of Directors or appoint the members of committees of the Board; or (6) approve a transaction in which a Director has a material financial interest.

The Board of Directors, by resolution adopted by a majority of the Directors then in office, shall create the following committees to serve at the pleasure of the Board of Directors:

- (1) **Nominating Committee.** The nominating committee shall (i) secure candidates for officer positions and shall present a slate of qualified, acceptable candidates to the Board of Directors for approval, and (ii) establish and adopt a policy for nominating candidate and shall ensure that all activities are in compliance.
- (2) **Independent Audit Committee.** The independent audit committee shall consist of disinterested persons, at least one (1) of whom is a financial expert and such committee shall (i) adopt a financial management policy and ensure that the Corporation keeps complete, current, and accurate financial reports, (ii) review the Corporation's financial activities, (iii) adopt a reimbursement policy, including, without limitation, the reimbursement of travel and entertainment expenditures, (iv) ensure that the Corporation's financial statements are compiled and annually reviewed by an independent accountant, audited by an independent accountant and for overseeing such process, (v) adopt a policy whereby financial wrongdoing can be reported to the committee and responded to and/or corrected by the committee; (vi) adopt a tax-exempt bond compliance policy and ensure that all actions taken by the Corporations are in compliance with such policy; and (vii) adopt a debt collection policy.
- (3) **Compensation Committee.** All members of the compensation committee shall be disinterested persons under these Bylaws. The compensation committee shall determine the amount and terms, if applicable, of the compensation to be paid to officers and administrative personnel. Any compensation approved by such committee shall be based on comparable data supporting the amount of

compensation, which data shall be documented in the minutes of the committee meeting establishing same.

(4) **Corporate Compliance Committee.** The corporate compliance committee shall (i) ensure that the Corporation is in compliance with Open Meeting Law, (ii) ensure that the minutes of the meetings and actions taken by written action or by executive session are contemporaneously documented in the corporate records, (iii) ensure that the percentage of interested persons comprising the Board of Directors as set forth in these Bylaws is being adhered to, (iv) evaluate the effectiveness of the Board of Directors as a whole, (v) adopt a whistle-blower policy for handling complaints and for procedures or employees to report suspected fiscal impropriety, (vi) adopt a document integrity, retention and distribution policy, and (v) arrange and implement training sessions and seminars to be held, at a minimum, once per year, which shall be aimed at educating the Board of Directors on corporate issues such as compliance with Open Meeting Law and corporate governance issues.

(5) **Fundraising and Solicitation Committee.** The fundraising committee, at least one (1) member of which shall act as the liaison between the Corporation and community, shall The independent audit committee shall consist of disinterested persons, at least one (1) of whom is a financial expert shall (i) ensure that solicitation materials and other correspondence to prospective donors are accurate and truthful, (ii) ensure that contributions to the Corporation are being used in accordance with the donor's intent, (iii) ensure that donors are being provided with acknowledgement of charitable contributions in accordance with federal tax law, and (iv) adopt gift acceptance, community benefit and charity care policies to determine the situations in which an acceptance of a gift or donation would compromise the ethics, finances, or mission of the Corporation.

Section 12. **Vacancies.**

(1) **Events Causing Vacancy.** A vacancy or vacancies in the Board of Directors shall be deemed to exist on the occurrence of the following: (i) the death, resignation, or removal of any Director, (ii) the declaration by resolution of the Board of Directors of a vacancy of the office of a Director who has been declared of unsound mind by an order of court or convicted of a felony or has been found by final order or judgment of any court to have breached a duty under A.R.S. § 10-2006, and following of the Arizona Nonprofit Corporation Act, or (iii) the increase of the authorized number of Directors.

(2) **Resignations.** Except as provided in this subsection any Director may resign, which resignation shall be effective on giving written notice to the Chairman of the Board, the President, the Secretary, or the Board of Directors, unless the notice specifies a later time for the resignation to become effective. If the resignation of a Director is effective at a future time, the Board of Directors of the Corporation may appoint a successor to

take office when the resignation becomes effective. No Director may resign when the Corporation would then be left without a duly appointed Director or Directors in charge of its affairs.

- (3) **Vacancies Filled.** Any vacancy on the Board of Directors shall be filled by a Director appointed by the Board of Directors of the Corporation.
- (4) **No Vacancy on Reduction of Number of Directors.** No reduction of the authorized number of Directors shall have the effect of removing any Director before that Director's term of office expires.
- (5) **Term.** Any Director or appointed officer shall hold office until the expiration of the term for which appointed and the appointment of his successor is appointed.

Section 13. **Delegation.** The Board may delegate the management of the activities of the Corporation to any person or persons, management company or committee however composed.

ARTICLE IV: OFFICERS

Section 1. **Officers.** The officers of the Corporation shall consist of the President, Secretary, Treasurer, and any such other officers as the Board of Directors may appoint. No person may hold more than one of these offices at one time, except that the offices of Secretary and Treasurer may be held by the same person.

Section 2. **Appointment and Qualification.** The Board of Directors shall appoint all officers of the Corporation for terms of one (1) year, or until their successors are appointed and qualified.

Section 3. **Removal.** Subject to the rights, if any, of the officer under any contract of employment, any officer of the Corporation may be removed with or without cause by the Board of Directors at any time.

Section 4. **Resignation.** Any officer may resign at any time by giving written notice to the Corporation. Any such notice of resignation shall take effect at the date of the receipt of that notice or at any later time specified by that notice and unless otherwise specified in that notice, the acceptance of the resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any, of the Corporation under any contract to which the officer is a party.

Section 5. **President.** The President shall, if present, preside at all meetings of the Board of Directors and exercise and perform such other powers and duties as may be from time to time assigned to him by the Board of Directors or prescribed by the Bylaws.

Section 6. **Treasurer.** The Treasurer shall send or cause to be given to the Directors such financial statements and reports as are required to be given by law, by these

Bylaws, or by the Board. The books of account shall be open to inspection by any Director at all reasonable times. The Treasurer shall: (i) deposit, or cause to be deposited, all money and other valuables in the name and to the credit of the Corporation with such depositories as the Board may designate; (ii) disburse the Corporation's funds as the Board may order; (iii) render to the President and the Board, when requested, an account of all transactions as Treasurer and of the financial condition of the Corporation; and (iv) have such other powers and perform such other duties as the Board or the Bylaws may require. All checks, drafts, notes, bonds, bills of exchange and orders for payment of money of the Corporation from its charter school operations shall be signed by the Treasurer or such other person or persons as the Board of Directors may from time to time designate.

Section 7. **Secretary.** The Secretary shall keep or cause to be kept, at the Corporation's principal office or such other place as the Board may direct, a book of minutes of all meetings, proceedings, and actions of the Board and of committees of the Board. The minutes of meetings shall include the time and place that the meeting was held; whether the meeting was annual, general, or special, and, if special, how authorized; the notice given; the names of persons present at Board and committee meetings. The Secretary shall keep or cause to be kept, at the principal office of the Corporation, a copy of the Articles of Incorporation and Bylaws, as amended to date. The Secretary shall give, or cause to be given, notice of all meetings of the Board, and of committees of the Board that these Bylaws require to be given. The Secretary shall keep the corporate seal, if any, in safe custody and shall have such other powers and perform such other duties as the Board or the Bylaws may require.

Section 8. **Compensation.** An officer may receive such compensation (including all benefits), if any, for their services, and such reimbursement of expenses, as may be determined by resolution of the Board of Directors to be just and reasonable. The Board of Directors shall review such compensation upon their initial hiring, when the term of an officer is renewed or extended, and when their compensation is modified.

Section 9. **Special Corporate Acts.** The Board may, in any instance, designate the Officer and/or agent who shall have the authority to execute any contract, conveyance, mortgage or other instrument on the Corporation's behalf, or may ratify or confirm any such execution. When the execution of any instrument has been authorized without specifying the executing officers or agents, the President, the Secretary or the Treasurer may execute the same in the name and on behalf of the Corporation and may affix the corporate seal, if any, if necessary, thereto.

ARTICLE V: SECTION 1. INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES, AND OTHER AGENTS

Section 1. **Definitions.** For the purpose of this Article V,

“Agent” means any person who is or was a Director, officer, employee, or other agent of the Corporation, or is or was serving at the request of the Corporation as a Director, officer, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, or other enterprise;

“Proceeding” means any threatened, pending, or completed action or proceeding, whether civil, criminal, administrative, or investigative; and

“Expenses” includes, without limitation, all attorneys’ fees, costs, and any other expenses incurred in the defense of any claims or Proceedings against an Agent by reason of his position or relationship as Agent and all attorneys’ fees, costs, and other expenses incurred in establishing a right to indemnification under this Article V.

Section 2. **Successful Defense by Agent.** To the extent that an Agent of the Corporation has been successful on the merits in the defense of any Proceeding referred to in this Article V, or in the defense of any claim, issue, or matter therein, the Agent shall be indemnified against Expenses actually and reasonably incurred by the Agent in connection with the claim. If an Agent either settles any such claim or sustains a judgment rendered against him, then the provisions of Article V, Sections 3 through 5 below shall determine whether the Agent is entitled to indemnification.

Section 3. **Actions Brought by Persons Other than the Corporation.** Subject to the required findings to be made pursuant to Article V, Section 5 below, the Corporation shall indemnify any person who was or is a party, or is threatened to be made a party, to any Proceedings other than an action brought by, or on behalf of, the Corporation, or by an officer, Director or person granted related status by the Attorney General, or by the Attorney General on the ground that the defendant Director was or is engaging in self dealing within the meaning of A.R.S. § 10-2006, or by the Attorney General or a person granted related status by the Attorney General for any breach of duty relating to assets held in charitable trust, by reason of the fact that such person is or was an Agent of the Corporation, for all Expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with the Proceeding.

Section 4. **Action Brought by or on behalf of the Corporation.**

- (1) **Claims Settled Out of Court.** If any Agent settles or otherwise disposes of a threatened or pending action brought by or on behalf of the Corporation, with or without court approval, the Agent shall receive no indemnification for either amounts paid pursuant to the terms of the settlement or other disposition or for any Expenses incurred in defending against the Proceeding.
- (2) **Claims and Suits Awarded Against Agent.** The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action brought by or on

behalf of the Corporation by reason of the fact that the person is or was an Agent of the Corporation, for all Expenses actually and reasonably incurred in connection with the defense of that action, provided that both of the following are met:

- (i) The determination of good faith conduct required by Article V, Section 5, below must be made in the manner provided for in that section; and
- (ii) Upon application, the court in which the action was brought must determine that, in view of all of the circumstances of the case, the Agent should be entitled to indemnity for the Expenses incurred. If the Agent is found to be so entitled, the court shall determine the appropriate amount of Expenses to be reimbursed.

Section 5. **Determination of Agent's Good Faith Conduct.** The indemnification granted to an Agent in Article V, Sections 3 and 4 above is conditioned on the following:

- (1) **Required Standard of Conduct.** The Agent seeking reimbursement must be found, in the manner provided below, that he/she acted in good faith, in a manner he/she believed to be in the best interest of the Corporation, and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use in similar circumstances. The termination of any Proceeding by judgment, order, settlement, conviction, or on a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith or in a manner which he/she reasonably believed to be in the best interest of the Corporation or that he/she had reasonable cause to believe that his conduct was unlawful. In the case of a criminal Proceeding, the person must have had a reasonable cause to believe that his conduct was unlawful.
- (2) **Manner of Determination of Good Faith Conduct.** The determination that the Agent did act in a manner complying with subsection (1) above shall be made by:
 - (i) The Board of Directors by a majority vote of a quorum consisting of Directors who are not parties to the Proceeding; or
 - (ii) The court in which the Proceeding is or was pending. Such determination may be made on application brought by the Corporation or the Agent or the attorney or other person rendering a defense to the Agent, whether or not the application by the Agent, attorney, or other person is opposed by the Corporation.

Section 6. **Limitations.** No indemnification or advance shall be made under this Article, except as provided in Article V, Sections 2 or 5(b)(ii), in any circumstance when it appears:

- (1) That the indemnification or advance would be inconsistent with a provision of the Articles of Incorporation, or an agreement in effect at the time of the accrual of the alleged cause of action asserted in the Proceeding in which the Expenses were incurred or other amounts were paid, which prohibits or otherwise limits indemnification; or
- (2) That the indemnification would be inconsistent with any condition expressly imposed by a court in approving a settlement.

Section 7. **Advance of Expenses.** Expenses incurred in defending any Proceeding may be advanced by the Corporation before the final disposition of the Proceeding on receipt of an undertaking by or on behalf of the Agent to repay the amount of the advance unless it is determined ultimately that the Agent is entitled to be indemnified as authorized in this Article V.

Section 8. **Contractual Rights of Non-Directors and Non-Officers.** Nothing contained in this Article V shall affect any right to indemnification to which persons other than Directors and officers of the Corporation may be entitled by contract or otherwise.

Section 9. **Insurance.** The Board of Directors may adopt a resolution authorizing the purchase and maintenance of insurance on behalf of any Agent of the Corporation against any liability asserted against or incurred by the Agent in such capacity or arising out of the Agent's status as such, whether or not the Corporation would have the power to indemnify the Agent against that liability under the provisions of this Article V.

ARTICLE VI: TRANSACTIONS BETWEEN CORPORATION AND DIRECTORS OR OFFICERS

Section 1. **Transactions with Directors and Officers.** Except as described in Article VI, Section 2, the Corporation shall not be a party to any transaction: (a) in which one or more of its Directors or officers has a material financial interest, or (b) with any corporation, firm, association, or other entity in which one or more Directors or officers has a material financial interest.

Section 2. **Requirements to Authorize Interested Party Transactions.** The Corporation shall not be a party to any transaction described in Article VI, Section 1 unless: (a) the Corporation enters into the transaction for its own benefit; (b) the transaction is fair and reasonable to the Corporation at the time the transaction is entered into; (c) prior to consummating the transaction or any part thereof, the Board of Directors authorizes or approves the transaction in good faith, by a vote of a majority of Directors then in office (without counting the vote of the interested Directors), and with knowledge of the material facts concerning the transaction and the interested Director's or officer's financial interest in the transaction; (d) prior to authorizing or approving the transaction, the Board of Directors considers and in good faith determines after reasonable investigation that the Corporation could not obtain a more advantageous arrangement with

reasonable effort under the circumstances; and (e) the minutes of the Board of Directors meeting at which such action was taken reflect that the Board of Directors considered and made the findings described in subsections (a) through (d) of this Article VI, Section 2. For the purpose of this Section 2, the term “transaction” shall mean and include, without limitation, contracts of sale, leases and licenses, and performance of services.

Section 3. **Material Financial Interest.** A Director or officer shall not be deemed to have a “material financial interest” in a transaction: (a) that fixes the compensation of a Director as a Director or officer; (b) if the contract or transaction is part of a public or charitable program of the Corporation and it (i) is approved or authorized by the Corporation in good faith and without unjustified favoritism, and (ii) results in a benefit to one or more Directors or their families only because they are in the class of persons intended to be benefited by the program; or (c) where the interested Director has no actual knowledge of the transaction and it does not exceed the lesser of one percent of the gross receipts of the corporation for the preceding year or One Hundred Thousand and 00/100 Dollars (\$100,000.00).

Section 4. **Loans to Directors and Officers.** The Corporation shall not make any loan of money or property to or guarantee the obligation of any current or former Director or officer, unless approved by the Attorney General; except that, however, the Corporation may advance money to a current Director or officer for expenses reasonably anticipated to be incurred in the performance of duties of such Director or officer, if in the absence of such advance, such Director or officer would be entitled to be reimbursed for such expenses by the Corporation in accordance with the Corporation’s reimbursement policy. Any loan approved in accordance with this Section 4 must state the following: (i) name of borrower; (ii) purpose of the loan; (iii) original principal amount; (iv) whether there is a written promissory note; (v) whether the principal amount includes salary and/or compensation advances; (vi) whether the loan was approved by the Board of Directors or the appropriate committee, if permitted under these Bylaws; and (vii) the repayment schedule in accordance with approved accounting plan.

Section 5. **Interlocking Directorates.** No contract or other transaction between the Corporation and any corporation, firm or association of which one or more Directors are directors is either void or voidable because such Directors are present at the Board or Committee meeting that authorizes, approves or ratifies the contract or transaction, if: (a) the material facts as to the transaction and as to such Director’s other directorship are fully disclosed or known to the Board or Committee, and the Board or Committee authorizes, approves or ratifies the contract or transaction in good faith by a vote sufficient without counting the vote of the common Director(s) (subject to the quorum provisions of Article III, Section 9); or if (b) the contract or transaction is just and reasonable as to the Corporation at the time it is authorized, approved or ratified.

Section 6. **Duty of Loyalty; Construction with Article XI.** Nothing in this Article VI shall be construed to derogate in any way from the absolute duty of loyalty that every Director and officer owes to the Corporation. Furthermore, nothing in this Article VI shall be construed to override or amend the provisions of Article V. All conflicts between the two articles shall be resolved in favor of Article V.

ARTICLE VII: FISCAL YEAR, FINANCIAL STATEMENTS AND REPORTS

Section 1. **Fiscal Year.** The fiscal year of the Corporation shall be July 1st to June 30th.

Section 2. **Financial Statements.**

- (1) Financial statements shall be prepared as soon as reasonably practicable after the close of the fiscal year. The financial statements shall contain, but not be limited to, the following information in reasonable and appropriate detail:
 - (i) The assets and liabilities of the Corporation as of the end of the fiscal year;
 - (ii) The principal changes in assets and liabilities during the fiscal year;
 - (iii) The revenue or receipts of the Corporation, both unrestricted and restricted to particular purposes, for the fiscal year;
 - (iv) The expenses or disbursements of the Corporation, for both general and restricted purposes during the fiscal year; and
 - (v) Any information required by A.R.S. Section 10-2006.
- (2) Financial statements shall be prepared in accordance with generally accepted accounting principles. Such financial statements shall be accompanied by any report thereon of independent accountants, or, if there is no such report, the certificate of an authorized officer of the Corporation that such statements were prepared without audit from the books and records of the Corporation.
- (3) A report including the financial statements prescribed above shall be furnished annually to all Directors of the Corporation.

Section 3. **Annual Statement of Certain Transactions and Indemnifications.**

As part of the annual report to all Directors, the Corporation shall, within 120 days after the end of the Corporation's fiscal year or as soon as reasonably practicable thereafter, annually prepare and furnish to each Director a statement of any transaction or indemnification of the following kind, if any:

- (1) Any transaction (i) in which the Corporation, or its subsidiary, was a party, (ii) in which an “interested person” had a direct or indirect material financial interest, and (iii) which involved more than Fifty Thousand and 00/100 Dollars (\$50,000) or was one of several transactions with the same interested person involving, in the aggregate, more than Fifty Thousand and 00/100 Dollars (\$50,000). For this purpose, an “interested person” is any Director or officer of the Corporation, its subsidiary (but mere common directorship shall not be considered such an interest).
- (2) The statement shall include a brief description of the transaction, the names of interested persons involved, their relationship to the Corporation, the nature of their interest in the transaction and, if practicable, the amount of that interest, provided that if the transaction was with a partnership in which the interested person is a partner, only the interest of the partnership need be stated.
- (3) Any indemnifications or advances aggregating more than Ten Thousand and 00/100 Dollars (\$10,000) paid during the fiscal year to any officer or Director of the Corporation under Article V of these Bylaws.

Section 4. **Confidential.** Except as otherwise required by these Bylaws, Open Meeting Law or as publicly disclosed, or in order to appropriately conduct the Corporation's business, the records and reports of the Corporation shall be held in confidence by those persons with access to them.

ARTICLE VIII: GIFTS, DONATIONS AND BEQUESTS

Section 1. **General.** Gifts, donations and bequests may be given directly to the Corporation with directions that the income therefrom shall be used to support the purposes of the Corporation. The Directors may accept on behalf of the Corporation any contribution, gift, bequest or devise for the general purposes or for any special purpose of the Corporation as dictated by these Bylaws. The Directors may also decline any gift, bequest or devise or any part thereof, which in their opinion will not be properly available for the Corporation or serve its purposes.

ARTICLE IX: BOOKS OF ACCOUNTS

Section 1. **Right to Inspect.** Every Director of the Corporation shall have the absolute right at any reasonable time to inspect the Corporation's books, records, documents of every kind, physical properties, and the records of each subsidiary. The inspection may be made in person or by the Director's agent or attorney. The right of inspection includes the right to copy and make extracts of documents.

Section 2. **Maintenance and Inspection of Articles and Bylaws.** This Corporation shall keep at its principal Arizona office the original or a copy of the Articles of Incorporation and Bylaws, as amended to the current date, which shall be open to inspection by the Directors at all reasonable times during office hours.

ARTICLE X: CONSTRUCTION AND DEFINITIONS

Section 1. **General.** Unless the context requires otherwise, the general provisions, rules of construction and definitions in the Arizona Nonprofit Corporation Act shall govern the construction of these Bylaws. Without limiting the generality of the above, the masculine gender includes the feminine and neuter, the singular number includes the plural, the plural number includes the singular, and the term "person" includes both the Corporation and a natural person.

ARTICLE XI: AMENDMENTS

Section 1. **General.** These Bylaws may be adopted, amended or repealed by a majority of the Board of Directors.

DATED as of this 14th day of APRIL, 2010.

DIRECTORS:

Rhonda Rides
Name:

[Signature]
Name:

[Signature]
Name:

CERTIFICATION OF ADOPTION OF BYLAWS:

I, Frank Yanes, as Secretary of Arizona Montessori Charter School at Anthem, an Arizona non-profit corporation, hereby certify that the foregoing constitutes this Corporation's bylaws as adopted and in full force and effect on APRIL 14, 2010.

**RESOLUTION OF THE
BOARD OF DIRECTORS OF
ARIZONA MONTESSORI CHARTER SCHOOL AT ANTHEM,
DBA CAURUS ACADEMY
AN ARIZONA NON-PROFIT CORPORATION**

The undersigned, being all of the members of the Board of Directors (the "Board") of Arizona Montessori Charter School at Anthem (the "Corporation"), do hereby resolve to adopt the following as the action of the Board of Directors of the Corporation:

Approval of Amended and Restated Bylaws

WHEREAS, the Board of Directors of the Corporation has adopted and approved the Amended & Restated Bylaws of the Corporation as set forth in Exhibit "A" attached hereto;

WHEREAS, it is deemed by the Officers of the Corporation to be in the best interest of the Corporation that the Bylaws of the Corporation be amended and restated in the manner as adopted and approved by the Board of Directors;

NOW, THEREFORE, BE IT RESOLVED, that the current form of the Corporation's Bylaws is hereby amended and restated, as set forth in the Amended & Restated Bylaws attached hereto as Exhibit "A" and such Amended & Restated Bylaws are hereby adopted and approved; and

RESOLVED FURTHER, that the Secretary of the Corporation be, and hereby is, authorized and directed to certify a copy of the Bylaws, as amended and restated, and to keep that copy at the Corporation's principal executive office where it shall be open to inspection by the Officers at all reasonable times.

IN WITNESS THEREOF, the undersigned Directors have executed these resolutions effective as of April __, 2010.

Rhonda Rides
Printed Name:

FRANK YANEZ
Printed Name:

Debra Slagter
Printed Name: