BYLAWS
OF
GREENHOUSE MONTESSORI SCHOOL, INC.

ARTICLE I
CORPORATE NAME

1.1 **Name**. The name of the corporation is GREENHOUSE MONTESSORI SCHOOL, INC. (the "Corporation").

ARTICLE II
OFFICES

2.1 **Offices**. The principal office of the Corporation is located at 505 South Gilbert Road, Gilbert, Arizona 85296. The Corporation may relocate its principal office and may maintain offices at such other places within or without the State of Arizona (the "State") as the Corporation's Board of Directors may, from time to time, determine.

ARTICLE III
NONPROFIT CORPORATION

3.1 **Purposes**. The Corporation is established as a nonprofit corporation for any lawful purpose permitted under State laws. Initially, the Corporation will establish, market and operate one or more private or public charter schools in accordance with the laws of the State. For purposes of federal laws, the Corporation is organized only for charitable and educational purposes as defined by the Internal Revenue Code of 1986, as amended (the "Code"), Section 501(c)(3), including distributions to organizations that qualify as exempt under Section 501(c)(3) of the Code. The Corporation shall not willfully, directly or indirectly, carry on propaganda, or otherwise attempt to influence legislation, nor shall any of its funds be used to support or oppose any political issue or candidate nor perform any other act or omission that will jeopardize its status as a nonprofit corporation in the State or jeopardize any tax-exempt status of the Corporation provided under the nonprofit corporation laws of the State or the Code, including the tax-exempt status of the Corporation under Section 501(c)(3) of the Code and its regulations as any of those laws and regulations may exist or may hereafter be amended. No part of the assets or net earnings of the Corporation, current or accumulated, shall inure to the benefit of any private individual except for any and all contracts that may be entered into with any individuals as provided and afforded by these Amended and Restated Bylaws (these "Bylaws") and appropriate resolutions of the Board.

ARTICLE IV
MEMBERSHIP

4.1 **Members.** The Corporation shall not have any corporate members.

ARTICLE V
BOARD OF DIRECTORS

5.1 **Name**. The Board of Directors of the Corporation shall be publicly known and described (and hereafter be referred to) as the "Corporate Board." Any individual serving on the Corporate Board shall be referred to as a "Director."

5.2 **General Powers**. The Corporate Board shall have all of the duties and powers required or permitted by applicable law. All corporate powers shall be exercised by or under the authority of, and the business and affairs of the Corporation shall be managed under the direction of, the Corporate Board; including, without limitation, all acts of the School Board (as defined in Article VII of these Bylaws).

5.3 **Number of Directors**. The number of Directors shall be no less than two and no more than nine, provided that said number may be changed by an amendment to these Bylaws, duly adopted by the Corporate Board, subject always to any restrictions of law as to the minimum number of Directors.

5.4 **Election of Directors**. Except as may otherwise be provided in the Articles of Incorporation, Directors shall be elected by a majority vote of the Corporate Board at any regular or special meeting of the Directors. Directors may be removed, replaced or changed as provided in these Bylaws. Directors need not be residents of the State.

5.5 **Term of Office**. Each Director shall hold office for a period of two years from the date he or she is elected and qualified, or until his or her prior death, incapacitation, resignation, replacement or removal. Directors may serve multiple consecutive terms without restriction as to the number of terms permitted.

5.6 **Qualifications**. Directors must be more than 20 years of age. Each Director must pass a background check, or other regulatory inquiries, as required by State law, federal law or other governmental agencies having proper regulatory authority over the affairs of the Corporation or its activities, as amended from time to time, which will include as a minimum, a law-enforcement fingerprint check showing that there exists no criminal record which could adversely affect the Corporation or its operations. Directors must, in the opinion of the Corporate Board, possess experience and qualifications that further the Corporate Board's commitment to the educational and operational purposes of the Corporation.

5.7 **Corporate Board Offices**. The officers of the Corporate Board shall comprise a President of the Board, Secretary of the Board and Treasurer of the Board, which officers shall be elected by majority vote of the Corporate Board; provided, however, that, after the effective date of these Bylaws, Directors nominated and elected for such offices shall have been Directors for a minimum period of six months prior to holding such office. Although Directors shall hold the office of director for two-year terms, Directors elected as officers of the Corporate Board shall serve as officers for a period of one year; provided, however, if so elected, any Director may serve as an officer of the Corporate Board for multiple terms without restriction as to the number of terms permitted.

5.8 **Director Deadlock**. In the event of a voting deadlock on any substantial matter affecting the Corporation or the Corporate Board, the Corporate Board shall, within 15 days after the deadlock vote, appoint a mutually-agreed-upon neutral mediator to aid the Corporate Board in facilitating the decision-making process. If, after appointing the mediator, the event deadlock persists for a period not to exceed 45 days after the original deadlock vote, the Corporate Board shall, within 10 days thereafter, agree upon a neutral, qualified arbitrator who shall have the authority to issue a decision on the issue at deadlock, which decision shall be binding on the Corporate Board and each Director.

5.9 **Vacancies**. Any vacancy on the Corporate Board occurring by reason of an increase in the number of Directors shall be filled by a majority vote of the Directors cast at any regular or special meeting of the Corporate Board. In the event any Director dies, becomes incapacitated, resigns, is disqualified or removed from office, or otherwise vacates his or her office, the unexpired portion of such Director's term of office shall be filled by a majority vote of the remaining Directors at a regular or special meeting of the

Corporate Board. In an election to fill the unexpired portion of any term, where the number of Directors qualified to vote is less than a quorum, the unexpired portion of any term shall be filled by a vote of a majority of the remaining Directors, although less than a quorum, at any regular or special meeting of the Corporate Board.

5.10 **Resignation**. Any Director may resign at any time by giving 30 days prior written notice to the Secretary of the Corporate Board, although the Corporate Board may waive the 30-day period for good cause. Unless a longer period is specified in such written notice, or the Corporate Board waives the 30-day period for good cause, such resignation shall take effect 30 days after the Corporate Board's receipt of such notice, and the acceptance of such resignation shall not be necessary to make it effective.

5.11 **Removal**. Any Director may be removed from the Corporate Board, with or without cause, at any time by the affirmative vote of two-thirds of the Directors entitled to vote who are present at a regular or special meeting. The Director being removed must abstain from voting due to the inherent conflict of interest and may not be used in calculating the two-thirds vote, but may be included when determining a quorum. If a Director who is removed from office has undertaken any personal liability for a debt or other undertaking of the Corporation (e.g., a guaranty of any obligation of the Corporation), the Corporation shall use reasonable efforts to secure a release of such personal liability for the benefit of the removed Director.

5.12 **Directors' Compensation**. No salary shall be paid to Directors for their services in their capacity as Directors. By resolution of the Corporate Board, however, a fixed reasonable sum of expenses of attendance, if any, may be allowed for attendance at such regular or special meetings of the Corporate Board; provided, however, nothing herein contained shall be construed or interpreted to prevent any person serving as a Director from also serving as an Officer, employee or independent contractor of the Corporation and receiving a salary or other compensation in such capacity.

5.13 **Contracts**. No contract or other transaction between the Corporation and any other individual or entity shall be impaired, affected, and/or invalidated, nor shall any Director be liable in any way by reason of the fact that any one or more of the Directors may be interested in any such other entity or may serve as a director, officer or member of any such other entity; provided that such other interests or involvements with such other entities and/or other relevant material facts are disclosed in writing to the Corporate Board, including, without limitation: (i) the nature of such Director's involvement with such other entities; (ii) such Director's ability to influence the action of such other entities; and (iii) any tangible or intangible benefit or profit that may accrue to such Director as a result of any contract or transaction between the Corporation and any other entity, and, notwithstanding the presence of any such interested Director at the meeting at which such action is taken, the Corporate Board authorizes, approves or ratifies such contract or transaction by majority vote of those Directors entitled to vote (not counting the vote of any such interested Director). Although the interested Director cannot vote, the Director may be counted in determining the presence of a quorum at the meeting. In addition to Board approval, the contract or transaction must be fair and reasonable to the Corporation when it is authorized, approved or ratified.

5.14 **Conflicts of Interest**. The Corporate Board shall adopt a conflicts-of-interest policy (the "Conflicts of Interest Policy") to be followed by the Directors of the Corporate Board in executing their duties. The Conflicts 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 at the time the interest becomes a matter requiring Board action. The Conflicts of Interest Policy shall be provided to all Directors. In the event no formal conflicts-of-interest policy is adopted, it shall be deemed that all statutory provisions found in the ARIZONA REVISED STATUTES ("A.R.S.") for nonprofit corporations shall constitute the Conflicts of Interest Policy of the

Corporation. No Director having a duality of interest or possible conflict of interest for a particular issue shall vote or use his or her personal influence relating to such issue but may be included when determining a quorum. The minutes of any meeting where a conflict is present should reflect: (i) that a disclosure of the conflict was made; (ii) that the Director with the conflict abstained from discussion and voting on such matter; and (iii) any other relevant factors deemed necessary by the Corporate Board.

5.15 **Committees**. The Corporate Board, by resolution, may, from time to time, designate from among the Directors an executive committee, and may also designate from among the Directors and nonmembers of the Corporate Board such other committees as the Corporate Board may deem desirable, each consisting of one or more Directors, with such powers and authority (to the extent permitted by law) as may be provided in such a resolution. Each such committee, and committee members, shall serve at the pleasure of the Corporate Board.

5.15.1 The School Board. Notwithstanding the Corporate Board's general discretion in establishing committees, the Corporate Board shall, by resolution, establish a standing committee that shall be named the "School Board." The School board shall have such authority and powers as established in Articles VII and VIII of these Bylaws.

ARTICLE VI
MEETINGS OF THE CORPORATE BOARD

6.1 **Regular Meetings**. The Corporate Board shall meet, at a minimum, annually. The annual meeting of the Corporate Board shall be held on the first Tuesday of May each year, unless another date is established by a resolution of the Corporate Board. The purpose of the annual meeting shall be to elect members of the Corporate Board (as needed), ratify acts of the Corporate Board, the School Board, management and/or school administration and transact such other business as may properly come before the Corporate Board. The Corporate Board may convene and hold monthly or other regularly-scheduled meetings for any purpose that may lawfully come before the Corporate Board.

6.2 **Special Meetings**. Special meetings of the Corporate Board may be called at any time by the President of the Corporate Board and shall be called by the Secretary of the Corporate Board at the written request of that number of Directors comprising 40 percent of the then-serving Directors, or as otherwise required under the provisions of applicable law.

6.3 **Place of Meetings**. All meetings of the Corporate Board shall be held at the place designated in the notice or waiver of notice of such a meeting or meetings, whether within or without the State.

6.4 **Notice of Meetings**. Written notice of any meeting of the Corporate Board, whether a regular or special meeting, stating the place, date and hour of the meeting shall be given to each Director not less than 24 hours nor more than 30 days before the date of the meeting. Such notice shall be delivered personally, by United States postal mail, overnight express mail, electronic mail or facsimile. Such notice shall be directed to each Director at his or her address, email address or facsimile number as it appears on the records of the Corporation, unless the Director shall have previously filed a written request with the Secretary of the Corporation requesting that notices intended for that Director be directed to some other address, email address or facsimile number, in which case it shall be given as so directed. Notice is deemed to have been received upon the date that the notice is personally delivered, mailed, express mailed, electronically mailed or transmitted by facsimile, properly addressed or transmitted. Notice of an adjourned meeting need not be given if the date, time and place of the adjourned meeting are provided at the meeting at which the adjournment is taken and if the adjournment does not exceed 61 days.

6.5 **Waiver of Notice**. Attendance of a Director at a meeting shall constitute a waiver of notice of such meeting, except when such attendance at the meeting is for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Any Director may waive notice of any meeting of the Corporate Board by executing a written waiver of notice before, at or after the time of the meeting.

6.6 **Quorum**. A simple majority of the Directors, present in person or by proxy, shall constitute a quorum at any meeting of the Corporate Board. A Director (including a Director holding a proxy) shall be deemed present at a meeting if the Director attends in person, telephonically or electronically, so long as all Directors can communicate adequately throughout the meeting. Business may be conducted once a quorum is present and may continue until adjournment of the meeting notwithstanding the withdrawal or temporary absence of Directors sufficient to reduce the number present to less than a quorum. If, however, the Directors present are less than required to constitute a quorum, the affirmative vote must be such as would constitute a majority if a quorum were present, and provided further that the affirmative vote of a majority of the Directors then present is sufficient in all cases to adjourn a meeting.

6.7 **Voting**. Subject to Subsection 6.6 of these Bylaws, when a quorum is established at any meeting of the Corporate Board, the affirmative vote of a majority of the Directors present at the meeting shall be the act of the Corporate Board unless the question is one upon which, by express provision of law, the Articles of Incorporation or these Bylaws, a different vote is required, in which case such express provision shall govern and control the decision of such question. Each Director is entitled to one vote.

6.8 **Presiding at Meetings**. At all meetings of the Corporate Board, the President of the Corporate Board shall preside. In the absence of the President, the Secretary of the Corporate Board shall preside. In the absence of the President and the Secretary, an alternate Director appointed in writing by the President, at or prior to the meeting, shall preside until the President returns.

6.9 **Conduct of Meeting**. The proceedings of Corporate Board meetings shall be conducted in accordance with the latest edition of Roberts Rules of Order, as modified by the Corporate Board, in writing, when not in conflict with State law, the Articles of Incorporation or these Bylaws. The Secretary of the Corporate Board, or his or her designee, shall prepare an agenda for each meeting. The meeting shall be conducted substantially in accordance with the agenda. The Director presiding over the meeting shall have the right to limit discussion on any particular item and the right to establish procedures and to provide time limits for any party wishing to speak on any particular item.

6.10 **Meeting Minutes.** A written record of the discussions and decisions reached at each meeting of the Corporate Board in the form of minutes shall be made, and shall, upon approval by the Corporate Board at a duly-called meeting, be made a part of the records of the Corporation.

6.11 **Proxies**. Any Director may appoint another Director (and only another Director) as a proxy to vote or otherwise act for such Director by signing an appointment form, either personally or by the Director's attorney-in-fact, and delivering such appointment form to the Secretary of the Corporate Board. The appointment of a proxy does not relieve such appointing Director of liability for acts or omissions imposed by law on Directors. An appointment of a proxy is effective when received by the Secretary of the Corporate Board and is valid for one month unless a different period is expressly provided in the appointment form. Any appointment of a proxy is revocable by the appointing Director at any time by delivering such revocation to the Secretary of the Corporate Board. The death or incapacity of a Director appointing a proxy does not effect the right of the Corporation to accept the proxy's authority unless written notice of the death or incapacity is received by the Secretary of the Corporate Board before the proxy exercises his or her

authority under the appointment. Subject to any express limitation of the proxy's authority appearing on the face of the appointment form, the Corporation is entitled to accept the proxy's vote or other action as the vote or action of the appointing Director. Any proxy appointment form or revocation of proxy may be delivered to the Secretary of the Corporate Board by personal delivery, express mail, United States mail, facsimile transmission or by electronic mail.

ARTICLE VII
THE SCHOOL BOARD

7.1 **Name**. As required by Article V, Section 5.15.1 of these Bylaws, the Corporate Board shall establish a standing committee of the Corporate Board that shall be named the "School Board." Any individual serving on the School Board shall be referred to as a School Board "Member."

7.2 **Authority**. The School Board shall have all of the duties and authority required by applicable law or as delegated to the School Board by the Corporate Board, but specifically including all of the powers and obligations required or implied by A.R.S. §15-183.E.8. All policies and procedures of any charter schools operated by the Corporation shall be established and exercised by or under the authority of the School Board. The School Board's duties shall include, without limitation, adherence to the core values of the Corporation and the educational philosophy of any charter schools operated by the Corporation.

7.3 **Number of Members**. The number of School Board Members shall be no less than three and no more than seven, provided that said number may be changed by an amendment to these Bylaws, duly adopted by the Corporate Board, subject always to any restrictions of law as to the minimum number of Members.

7.4 **Appointment of Members**. All School Board Members shall be appointed by a majority vote of the Corporate Board at any regular or special meeting of the Directors. Members may be removed, replaced or changed at the discretion of the Corporate Board. Members need not be residents of the State.

7.5 **Term of Office**. Each Member shall hold office for a period of two years from the date he or she is appointed, or until his or her prior death, incapacitation, resignation, replacement or removal. Members may serve multiple consecutive terms without restriction as to the number of terms permitted.

7.6 **Qualifications**. Members must be more than 20 years of age. Each Member must pass a background check, or other regulatory inquiries, as required by State law, federal law or other governmental agencies having proper regulatory authority over the affairs of any charter schools operated by the Corporation, as amended from time to time, which will include as a minimum, a law-enforcement fingerprint check showing that there exists no criminal record which could adversely affect the operations of the Corporation's charter schools. Members must, in the opinion of the Corporate Board, possess experience and qualifications that further the Corporate Board's commitment to the educational and operational purposes of the Corporation.

7.7 **School Board Offices**. The Corporate Board shall appoint a President of the School Board and the Members shall elect a Secretary of the School Board; provided, however, that, excepting only the initial President and Secretary, Members appointed or nominated and elected for such offices shall have been Members for a minimum period of three months prior to holding such office.

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7.8 **Member Deadlock**. In the event of a voting deadlock of the School Board, the School Board shall, within five business days after the deadlock vote, submit the action under consideration, in writing, to the Corporate Board. The Corporate Board shall decide such action under consideration, in its discretion, and deliver its written decision to the School Board within 15 days. The Corporate Board's decision shall be final and binding on the School Board and each Member and, to the extent required by these Bylaws or applicable law, the School Board shall take and document appropriate action as directed by the Corporate Board.

7.9 **Vacancies**. Any vacancy on the School Board occurring by reason of an increase in the number of Members, or the death, incapacity, resignation, disqualification or removal from office of any Member, or any other reason, the unexpired portion of such Member's term of office shall be filled by appointment by the Corporate Board.

7.10 **Resignation**. Any Member may resign at any time by giving 30 days prior written notice to the Secretary of the School Board, although the School Board may waive the 30-day period for good cause. Unless a longer period is specified in such written notice, or the School Board waives the 30-day period for good cause, such resignation shall take effect 30 days after the School Board's receipt of such notice, and the acceptance of such resignation shall not be necessary to make it effective.

7.11 **Removal**. Any Member may be removed from the School Board, with or without cause, at any time by the Corporate Board. If a Member who is removed from office has undertaken any personal liability for a debt or other undertaking of the Corporation (e.g., a guaranty of any obligation of the Corporation), the Corporation shall use reasonable efforts to secure a release of such personal liability for the benefit of the removed Member.

7.12 **Members' Compensation**. No salary shall be paid to Members for their services in their capacity as School Board Members. By resolution of the Corporate Board, however, a fixed reasonable sum of expenses of attendance, if any, may be allowed for attendance at such regular or special meetings of the School Board; provided, however, nothing herein contained shall be construed or interpreted to prevent any person serving as a Member from also serving as an Officer, employee or independent contractor of the Corporation and receiving a salary or other compensation in such capacity.

7.13 **Contracts**. No contract or other transaction between the Corporation and any other individual or entity shall be impaired, affected, and/or invalidated, nor shall any Member be liable in any way by reason of the fact that any one or more of the Members may be interested in any such other entity or may serve as a Member, officer or member of any such other entity; provided that such other interests or involvements with such other entities and/or other relevant material facts are disclosed in writing to the Corporate Board and the School Board, including, without limitation: (i) the nature of such Member's involvement with such other entities; (ii) such Member's ability to influence the action of such other entities; and (iii) any tangible or intangible benefit or profit that may accrue to such Member as a result of any contract or transaction between the Corporation and any other entity, and, notwithstanding the presence of any such interested Member at the meeting at which such action is taken, the School Board and the Corporate Board authorizes, approves or ratifies such contract or transaction by majority vote of those Members and Directors entitled to vote (not counting the vote of any such interested Member). Although the interested Member cannot vote, the Member may be counted in determining the presence of a quorum at the School Board meeting. In addition to Corporate Board and School Board approval, the contract or transaction must be fair and reasonable to the Corporation when it is authorized, approved or ratified.

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7.14 **Conflicts of Interest**. The Conflicts of Interest Policy adopted by the Corporate Board shall apply in every respect to the Members of the School Board. The Conflicts of Interest Policy shall be provided to all Members. No Member having a duality of interest or possible conflict of interest for a particular issue shall vote or use his or her personal influence relating to such issue but may be included when determining a quorum. The minutes of any meeting where a conflict is present should reflect: (i) that a disclosure of the conflict was made; (ii) that the Member with the conflict abstained from discussion and voting on such matter; and (iii) any other relevant factors deemed necessary by the Corporate Board and the School Board.

ARTICLE VIII
MEETINGS OF THE SCHOOL BOARD

8.1 **Regular Meetings**. At a minimum, the School Board shall meet quarterly, as provided in meeting notices properly given. The purpose of these regular meetings shall be to transact such business as may properly come before the School Board. The School Board may convene and hold monthly or other regularly-scheduled meetings for any purpose that may lawfully come before the School Board.

8.2 **Special Meetings**. Special meetings of the School Board may be called at any time by the Corporate Board, the President of the Corporate Board, or the President of the School Board, and shall be called by the Secretary of the School Board at the written request of one third of the then-serving Members, or as otherwise required under the provisions of appropriate laws.

8.3 **Place of Meetings**. All meetings of the School Board shall be held at the place designated in the notice or waiver of notice of such a meeting or meetings, whether within or without the State.

8.4 **Notice of Meetings**. Written notice of any meeting of the School Board, whether a regular or special meeting, stating the place, date and hour of the meeting shall be given to each Member not less than 24 hours nor more than 30 days before the date of the meeting. Such notice shall be delivered personally, by United States postal mail, overnight express mail, electronic mail or facsimile. Such notice shall be directed to each Member at his or her address, email address or facsimile number as it appears on the records of the Corporation, unless the Member shall have previously filed a written request with the Secretary of the School Board requesting that notices intended for that Member be directed to some other address, email address or facsimile number, in which case it shall be given as so directed. Notice is deemed to have been received upon the date that the notice is personally delivered, mailed, express mailed, electronically mailed or transmitted by facsimile, properly addressed or transmitted. Notice of an adjourned meeting need not be given if the date, time and place of the adjourned meeting are provided at the meeting at which the adjournment is taken and if the adjournment does not exceed 61 days.

8.5 **Waiver of Notice**. Attendance of a Member at a meeting shall constitute a waiver of notice of such meeting, except when such attendance at the meeting is for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Any Member may waive notice of any meeting of the School Board by executing a written waiver of notice either before, at or after the time of the meeting.

8.6 **Quorum**. A simple majority of the Members shall constitute a quorum at any meeting of the School Board. A Member shall be deemed present at a meeting if the Member attends in person, telephonically or electronically, so long as all Members can communicate adequately throughout the meeting. Business may be conducted once a quorum is present and may continue until adjournment of the meeting notwithstanding the withdrawal or temporary absence of Members sufficient to reduce the number present

to less than a quorum. If, however, the Members present are less than required to constitute a quorum, the affirmative vote must be such as would constitute a majority if a quorum were present, and provided further that the affirmative vote of a majority of the Members then present is sufficient in all cases to adjourn a meeting.

8.7 **Voting**. Subject to Subsection 8.6 of these Bylaws, when a quorum is established at any meeting of the School Board, the affirmative vote of a majority of the Members present at the meeting shall be the act of the School Board unless the question is one upon which, by express provision of law or these Bylaws, a different vote is required, in which case such express provision shall govern and control the decision of such question. Each Member is entitled to one vote.

8.8 **Presiding at Meetings**. At all meetings of the School Board, the President of the School Board shall preside. In the absence of the President, the Secretary of the School Board shall preside. In the absence of the President and the Secretary, an alternate Member appointed in writing by the President, at or prior to the meeting, shall preside until the President returns.

8.9 **Conduct of Meeting**. All official actions and deliberations of the School Board shall take place in compliance with Section 8.11 of theses Bylaws. The proceedings of School Board meetings shall be conducted in accordance with the latest edition of Roberts Rules of Order, as modified, in writing, by the Corporate Board and when not in conflict with State law, the Articles of Incorporation or these Bylaws. The Secretary of the School Board, or his or her designee, shall prepare an agenda for each meeting. The meeting shall be conducted substantially in accordance with the agenda. The Member presiding over the meeting shall have the right to limit discussion on any particular item and the right to establish procedures and to provide time limits for any party wishing to speak on any particular item.

8.10 **Meeting Minutes.** A written record of the discussions and decisions reached at each meeting of the School Board in the form of minutes shall be made, and shall, upon approval by the School Board at a legally-convened meeting, be made a part of the records of the Corporation.

8.11 **Open Meeting Law**. For so long as the State's open meeting law (A.R.S. §§38-431 through 38-431.09) applies to charter schools, all deliberations and official actions of the School Board shall take place at a meeting open to the public in compliance with State's open-meeting law, except in cases where, and to the extent, executive sessions are authorized by State law. Additionally, for so long as the State's open meeting law applies to charter schools, public notice of all meetings of the School Board, and of all committees and advisory boards authorized by the School Board, shall be given pursuant to and as required by the State's open meeting law and the meeting minutes required by Section 8.10 of this Article VIII shall comply with the requirements set forth in the State's open meeting law.

8.12 **Proxies**. Proxy voting shall not be permitted for any School Board meeting or action.

ARTICLE IX
CORPORATE OFFICERS

9.1 **Corporate Officers Distinguished from Board Offices.** Subsections 5.7 and 7.7 of these Bylaws require the Corporate Board and the School Board to establish certain board-level offices. These offices must be filled by Directors (or School Board Members) and are purely ministerial in nature, dealing solely with the functioning of the Corporate Board and the School Board. These board-level offices are not to be confused with ***corporate Officers*** that are appointed by the Corporate Board to direct and manage the operations of the Corporation's business. Articles V and VII of these Bylaws address board-level offices. This Article IX addresses corporate Officers.

9.2 **Dual Capacity Officers**. By resolution of the Corporate Board (which may be altered or rescinded by the Corporate Board at any time), the Corporate Board may combine the Corporate Board officers and corporate Officers into dual-capacity positions. In such an event, the President of the Board shall also serve as the corporate President, the Secretary of the Board shall also serve as the corporate Secretary and so forth. If the Board resolves to use dual-capacity officers, all of the provisions of Article V and this Article VII shall apply to such dual-capacity officers, and, in the event of a conflict between the two Articles, Article V shall control.

9.3 **Designation of Titles; Appointment**. The Officers of the Corporation shall consist of a corporate President, a corporate Secretary, a corporate Treasurer and such other Officers as the Corporate Board may from time to time deem appropriate. Any two or more offices may be held by the same person. All the Officers of the Corporation shall be appointed by the Corporate Board at a regular or special meeting of the Corporate Board and each Officer shall serve at the pleasure of the Corporate Board and shall hold office until such time as the Corporate Board removes or replaces such Officer, or until his or her death or resignation.

9.4 **Compensation**. Officers' compensation shall be fixed from time to time by the Corporate Board, and no Officer shall be prevented from receiving such compensation by reason of the fact that he or she is also a Director or a School Board Member. The salaries of the Officers or the rate by which salaries are fixed shall be set forth in the minutes of the meetings of the Corporate Board.

9.5 **Resignation**. Any Officer may resign at any time by giving the written notice of resignation required by such Officer's employment agreement or, if not addressed in an employment agreement, 30-days prior written notice of such resignation to the Corporate Board. Unless otherwise specified in such written notice and accepted by the Corporate Board, such resignation shall be effective 30 days after receipt of such notice by the Corporation, and the acceptance of such resignation shall not be necessary to make it effective. Notwithstanding the foregoing, the Corporate Board, in its discretion, may make such resignation effective at any time prior to the expiration of the required notice period.

9.6 **Removal; Termination.** Subject to any effective and enforceable employment agreement between the Corporation and such Officer, any Officer may be removed from office, with or without cause, at any time by a resolution of the Corporate Board.

9.7 **Vacancies**. A vacancy in any Officer position, by reason of death, incapacitation, resignation, termination or any other cause whatsoever, may be immediately filled, at any time, by the Corporate Board at any regular or special meeting of the Corporate Board.

9.8 **Duties of Officers**.

9.8.1 **Corporate President**. The corporate President shall be the chief executive officer of the Corporation, serving at the pleasure of the Corporate Board, and shall act as the operating and directing head of the Corporation, having general charge of the Corporation's business and supervision of its affairs. Subject to policies established by the Corporate Board, he or she shall sign all contracts and agreements requiring execution on behalf of the Corporation and required for the ordinary, day-to-day operations of the Corporation. The President shall keep the Corporate Board fully informed as to the business and operations of the Corporation. In addition to the powers and duties elsewhere provided in these Bylaws, when duly authorized by the Corporate Board to do so, the President shall sign all deeds, liens, guarantees, licenses and other instruments of a special nature. The President shall also have such other powers and duties as are expressly delegated to the President by the Corporate Board in writing.

9.8.2 **Vice President.** There shall be as many corporate vice presidents as shall be determined by the Corporate Board from time to time, and they shall perform such duties as from time to time may be assigned to them by the Corporate Board or the corporate President. Such corporate vice president(s), if any, shall familiarize themselves with the affairs of the Corporation and, as authorized by the Corporate Board, any one of the corporate vice presidents shall have all the powers and perform all the duties of the corporate President in case of the temporary absence of the corporate President or in the case of his or her temporary inability to act. In case of the permanent absence or inability of the corporate President to act, the office shall be declared vacant by the Corporate Board and a successor chosen and appointed by the Corporate Board. The corporate vice president(s) shall have such other powers and duties as are expressly delegated to them by the Corporate Board in writing.

9.8.3 **Corporate Secretary.** The corporate Secretary shall: see that the minutes of all meetings of the Corporate Board and of any standing committees are kept in the corporate records; be the custodian of the corporate seal and shall determine when to affix it to any proper instrument; give or cause to be given required notices of all meetings of the Corporate Board; have charge of all the books and records of the Corporation except the books of account; and in general perform all the duties incident to the office of the secretary of a corporation and such other duties as may be assigned by the corporate President or the Corporate Board. The corporate Secretary shall attest by signature to all instruments duly authorized and requiring the same. The corporate Secretary shall have such other powers and duties as are expressly delegated to him or her by the Corporate Board in writing.

9.8.4 **Treasurer.** The corporate Treasurer shall: have general custody of all the funds and securities of the Corporation, except such as may be required by law or agreement to be deposited with any state official, trustee or escrow officer; see to the deposit of the funds of the Corporation in such bank or banks as the Corporate Board may designate; maintain, or cause to be maintained, direct and supervise regular books of account; render financial statements to the corporate President and the Corporate Board at proper times; and direct and supervise the preparation and filing of such reports, audits, financial statements and returns as may be required by law. The corporate Treasurer shall have such other powers and duties as are expressly delegated to him or her by the Corporate Board in writing.

9.8.5 **Assistant Secretaries; Assistant Treasurers.** The Corporate Board may, from time to time, fix the number of assistant secretaries or assistant treasurers and determine their respective duties and functions.

9.9 **Fidelity Bonds**. If required by the Corporate Board, any Director, Officer, employee or agent of the Corporation shall execute to the Corporation a fidelity bond in such amount, and with such surety or sureties as the Corporate Board may direct, conditioned upon the very faithful performance of his or her duties to the Corporation, including responsibility for negligence and for the accounting for all property, funds or securities of the Corporation which may come into his or her hands or control. The premium for any such fidelity bonds shall be paid by the Corporation as an operating expense.

ARTICLE X
CORPORATE SEAL

10.1 **Form and Use**. The corporate seal, if any, shall be in such form as shall be approved from time to time by the Corporate Board. The corporate seal may be used, but shall not be requisite to the validity of any agreement or instrument executed by or on behalf of the Corporation.

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ARTICLE XI
BOOKS AND RECORDS

11.1 **Requirements**. The Corporation shall keep correct and complete books and records of account as may be required by State law or any regulatory agency having proper jurisdiction over the affairs and activities of the Corporation, and shall also keep minutes of the proceedings of the Corporate Board, the School Board and any committees required to keep minutes. Moreover, for so long as the such law applies to the charter schools operated by the Corporation, and if such charter schools are not otherwise exempt, all books and records applicable to such charter schools shall comply in all material respects with the Records Retention and Disposition for Arizona School Districts and/or State Public Records Law, A.R.S. §§39-121 through 30-122. All books and records of the Corporation may be inspected, for any proper purpose at any reasonable time, by: (i) any Director; (ii) the agent or attorney of such Director, and (iii) as otherwise required by State law.

ARTICLE XII
FISCAL YEAR

12.1 **Designation**. The fiscal year of the Corporation shall begin on July 1 and end on June 30.

ARTICLE XIII
INDEMNIFICATION OF DIRECTORS AND OFFICERS

13.1 **Indemnification**. Upon prior Corporate Board approval and except as otherwise provided in these Bylaws, to the maximum extent permitted by law, the Corporation shall hold harmless and indemnify each of its Directors, School Board Members and Officers (each an "Indemnitee") against any and all liability and expenses incurred by the Indemnitee in connection with any threatened or actual proceeding or legal action resulting from the Indemnitee's service to the Corporation or to another entity at the Corporation's written request.

13.2 **Exclusions**. Except insofar as permitted by law, the Corporation shall not indemnify any Indemnitee under this Article XIII in connection with:

13.2.1 a proceeding by or in the right of the Corporation in which the Indemnitee was adjudged liable to the Corporation;

13.2.2 any other proceeding charging the improper personal benefit to the Indemnitee, whether or not involving action in the Indemnitee's official capacity, in which the Indemnitee was adjudged liable on the basis that personal benefit was improperly received by the Indemnitee; or

13.2.3 any circumstance where the indemnification would adversely affect the tax-exempt status of the Corporation, as determined by the Corporate Board in its sole discretion after consultation with legal counsel.

13.3 **Procedure**. The Indemnitee shall notify the Corporation promptly of the threat or commencement of any proceeding or legal action with respect to which the Indemnitee intends to seek indemnification. The Corporation shall be entitled to assume the Indemnitee's defense with counsel reasonably satisfactory to the Indemnitee, unless the Indemnitee provides the Corporation with an opinion of counsel reasonably concluding that there may be a conflict of interest between the Indemnitee and the

Corporation in the defense of the proceeding or legal action. If the Corporation assumes the defense, the Corporation shall not be liable to the Indemnitee for legal or other expenses subsequently incurred by the Indemnitee.

13.4 **Expense Advances**. The Corporation shall advance expenses, including attorneys fees, incurred or to be incurred by the Indemnitee in defending a proceeding or legal action upon receipt of the following: (i) notice and reasonable proof of the expenses; (ii) a written affirmation of the Indemnitee's good faith belief that the Indemnitee has met the standard of conduct described in the A.R.S. §10-3851 or that the proceeding involves conduct for which liability has been eliminated under a provision of the Corporation's Articles of Incorporation pursuant to A.R.S. §10-3202.B(1); and (iii) a written undertaking, executed personally or on the Indemnitee's behalf, to repay the advance if a final decision (after expiration or exhaustion of any appeal rights) is made that the Indemnitee is not entitled to be indemnified under this Article XIII.

13.5 **Settlement of Claims**. The Corporation shall not be obligated to indemnify the Indemnitee for any amounts incurred in settlement if settlement is made without the Corporation's prior written consent. The Corporation shall not enter into any settlement that would impose any penalty or limitation on the Indemnitee without the Indemnitee's prior written consent. Neither the Corporation nor the Indemnitee shall unreasonably withhold consent to any proposed settlement.

13.6 **Effect of Repeal**. In order that the Indemnitee may rely on the indemnification provided by this Article XIII, no repeal or amendment of this Article XIII shall reduce the right of the Indemnitee to payment of expenses or indemnification for acts of the Indemnitee taken before the date of such repeal or amendment.

ARTICLE XIV
PRIVATE INUREMENT

14.1 **Prohibition Against Private Inurement**. No Director, School Board Member, Officer or employee of the Corporation, member of a committee of the Corporation, nor any other private individual shall: (i) 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; provided, however, that compensation shall not be paid if such payment would constitute an act of self-dealing or would result in the termination of the Corporation's tax exempt status under Section 501(c)(3) of the Code; or (ii) 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, as permitted by applicable law.

ARTICLE XV
NONDISCRIMINATION STATEMENT

15.1 **Prohibition Against Discrimination**. The Corporation and all charter schools operated by the Corporation shall not discriminate on the basis of race, sex, age, national or ethnic origin or religion in the administration of its educational policies, admissions policies, athletic or other school-administered programs or employment policies.

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ARTICLE XVI
AMENDMENTS TO BYLAWS

16.1 **Amendments; Procedure**. The Corporate Board may repeal, alter, amend or restate these Bylaws, at any time, by a two-thirds vote of the Directors at any regular or special meeting of the Corporate Board. Not withstanding the foregoing, no alteration, amendment or restatement of these Bylaws may adversely affect the Corporation's nonprofit status, tax-exempt status under Section 501(c)(3) of the Code or this Article XVI, if such repeal, alteration, amendment or restatement would violate Arizona law, the Articles of Incorporation or any agreement or obligation by which the Corporation is bound. Even if a repeal, alteration, amendment or restatement does not violate Arizona law, the Articles of Incorporation or any agreement or obligation by which the Corporation is bound, no repeal, alteration, amendment or restatement of these Bylaws may adversely affect the Corporation's nonprofit status, tax-exempt status under Section 501(c)(3) of the Code or this Article XVI except upon the unanimous vote of all the Directors.