

Arizona State Board for Charter Schools
Arizona State Board of Education
1700 W. Washington St., Room 164, Phoenix, AZ 85007
(602) 364-3080 Fax (602) 364-3089
www.asbcs.az.gov

RECEIVED

MAY 17 2011

CHARTER HOLDER STATUS AMENDMENT REQUEST

(Charter Holder Name) Legacy Traditional Charter School-Marana (CTDS) _____

(Charter Holder Mailing Address) 17760 N. Regent Drive

(City, State) Maricopa, AZ (Zip) 85138

(Charter Representative's Name) William Gregory

(Phone Number) (520) 423-9999 (Fax Number) (520) 423-9997

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)

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 Legacy Traditional Charter School-Marana (Charter Holder), herein agree to amend the terms of the charter contract as follows:

FROM: Legacy Traditional Charter School-Marana

TO: Legacy Traditional School - Northwest Tucson

In witness whereof, Charter Holder has signed this contract amendment as of this 17th day of MAY, 2011, 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

Legacy Traditional Charter School
 May 13, 2011
 17760 N Regent Dr.
 Maricopa, AZ 85138

Minutes

Members Present

William Gregory
 Steven Hale
 Nathan Schlink
 Cory Theobald

Members Absent

Derek Samuel

Call to order at 5:24 p.m.

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| | Motion |
| Agenda Item 2: Approval of Charter Assignment/Transfer from Legacy Traditional Charter School to Legacy Traditional School-Avondale | Bill Gregory made a motion to approve the Assignment/Transfer from Legacy Traditional Charter School to Legacy Traditional School-Avondale. Steven Ray seconded the motion. Motion Passed unanimously. |
| | Motion |
| Agenda Item 3: Approval of Charter Assignment/Transfer from Legacy Traditional Charter School to Athlos Traditional School | Bill Gregory made a motion to approve the Assignment/Transfer from Legacy Traditional Charter School to Athlos Traditional School Steven Ray seconded the motion Motion Passed unanimously. |
| | Motion |
| Agenda Item 4: Approval of Charter Assignment/Transfer from Legacy Traditional Charter School to Legacy Traditional School-Northwest Tucson | Nathan Schlink made a motion to approve the Assignment/Transfer from Legacy Traditional Charter School to Legacy Traditional School-Northwest Tucson. Bill Gregory seconded the motion. Motion Passed unanimously. |
| | Motion |
| Agenda Item 5: Approval of assigning/transferring all assets, liabilities, facility lease contract, and all miscellaneous documents related to the assignment of the Charter Contract from Legacy Traditional Charter School, to Legacy Traditional School-Avondale | Bill Gregory made a motion to approve the assigning/transferring all assets, liabilities, facility lease contract, and all miscellaneous documents related to the assignment of the Charter Contract from Legacy Traditional Charter School, to Legacy Traditional School-Avondale Steven Ray seconded to motion. Motion passed unanimously. |
| | Motion |
| Agenda Item 6: Approval of assigning/transferring all assets, liabilities, facility lease contract, and all miscellaneous documents related to the assignment of the Charter Contract from Legacy Traditional | Steven Ray made a motion to approve the assigning/transferring all assets, liabilities, facility lease contract, and all miscellaneous documents related to the assignment of the Charter Contract |

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| Charter School, to Legacy Traditional School-Northwest Tucson | from Legacy Traditional Charter School, to Legacy Traditional School-Northwest Tucson Nathan Schlink seconded to motion. Motion passed unanimously. |
| | Motion |
| Agenda Item 7: Approval of assigning/transferring all assets, liabilities, facility lease contract, and all miscellaneous documents related to the assignment of the Charter Contract from Legacy Traditional Charter School, to Athlos Traditional Academy | Steven Ray made a motion to approve the assigning/transferring all assets, liabilities, facility lease contract, and all miscellaneous documents related to the assignment of the Charter Contract from Legacy Traditional Charter School, to Legacy Traditional School-Avondale Bill Gregory seconded to motion. Motion passed unanimously. |
| | Motion |
| Agenda Item 8: Approval of Management Agreement changes with Charter for Excellence | Steven Ray made a motion to approve changes in the Management Agreement with Charter for Excellence Nathan Schlink seconded the motion. Motion passed unanimously. |
| | Motion |
| Agenda Item 9: Discussion and approval of the AOI Amendment | Steven Ray made a motion to approve the AOI amendment. Bill Gregory seconded the motion. Motion passed unanimously. |
| Agenda Item 6: Adjournment Called at 5:47pm | Motion passed unanimously. |

Legacy Traditional School- Northwest Tucson
 May 13, 2011
 17760 N Regent Dr.
 Maricopa, AZ 85138

Minutes

Members Present

William Gregory
 Steven Hale
 Nathan Schlink
 Cory Theobald

Members Absent

Derek Samuel

Call to order at 6:05 p.m.

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| | Motion |
| Agenda Item 2: Election of Officers | Floor opened for nominations. Cory Theobald made a motion to have the Board mirror the original charter Board. President – Corey Theobald Vice President/Secretary- Bill Gregory Treasurer- Aaron Hale. Bill Gregory seconded the motion. Motion Passed unanimously. |
| | Motion |
| Agenda Item 3: Approval of Bylaws | Bill Gregory made a motion to approve the bylaws as written. Nathan Schlink seconded the motion. Motion Passed unanimously. |
| | Motion |
| Agenda Item 4: Approval to accept the Assignment of the Charter Contract from Legacy Traditional Charter School | Steven Ray made a motion to accept the Assignment of the Charter contract from Legacy Traditional School as written. Bill Gregory seconded the motion. Motion Passed unanimously. |
| | Motion |
| Agenda Item 5: Approval to accept the assignment/transfer of all assets, liabilities, facility lease contract, and all miscellaneous documents related to the assignment of the Charter Contract | Steven Ray made a motion to accept assignment/transfer of all assets, liabilities, facility lease contract, and all miscellaneous documents related to the assignment of the Charter Contract. Bill Gregory seconded the motion. Motion passed unanimously. |
| | Motion |
| Agenda Item 6: Approval of Management Agreement with Charter for Excellence | Steven Ray made a motion to approve the Management Agreement with Charter for Excellence as written. Nathan Schlink seconded to motion. Motion passed unanimously. |
| | Motion |

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| <p>Agenda Item 7: Approval of name change from Legacy Traditional Charter School-Avondale to Legacy Traditional School-Avondale</p> | <p>Steven Ray made a motion to approve the name change as written Nathan Schlink seconded the motion. Motion passed unanimously.</p> |
| | <p>Motion</p> |
| <p>Agenda Item 8: Approval of Legacy Traditional School-Avondale Fiscal Policies and Procedures</p> | <p>Steven Ray made a motion to approve Fiscal Policies and Procedures as written Nathan Schlink seconded the motion. Motion passed unanimously.</p> |
| | <p>Motion</p> |
| <p>Agenda Item 9: Approval of Required Board Motions to implement Fiscal Policies & Procedures</p> | <ol style="list-style-type: none"> 1. Motion to authorize the establishment of a General bank account for Legacy Traditional School-Northwest Tucson and a Student Activities Bank. Steven Ray made a motion to approve. Bill Gregory seconded to motion. Motion passed unanimously. 2. Motion to designate Aaron Hale-Treasurer, William Gregory, Vice-President and Aiessa Fullen-Chief Financial Officer for Charter for Excellence as authorized check signers for the Board authorized General bank accounts listed in Motion #1. Steven Ray made a motion to approve. Bill Gregory seconded motion. Motion passed unanimously. 3. Motion to designate Aaron Hale-Treasurer and Aiessa Fullen-Chief Financial Officer for Charter for Excellence as authorized check signers for the Board authorized Student Activities bank account listed in Motion #1. Steven Ray made motion to approve. Bill Gregory seconded the motion. Motion passed unanimously. 4. Motion to designate the School Secretary as the Petty Cash Fund Custodian. Steven Ray made a motion to approve. Bill Gregory seconded the motion. Motion passed unanimously. 5. Motion to designate Aaron Hale- Treasurer and Aiessa Fullen-Chief Financial Officer for Charter for Excellence as authorized signers of Purchase Orders. Steven Ray made a motion to approve. Bill Gregory seconded the motion. Motion passed unanimously. 6. Motion to delegate Federally Funded procurement authority to Aaron Hale-Treasurer for amounts not to exceed |

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| | <p>\$5,000,000 and to Aiessa Fullen-Chief Financial Officer for Charter for Excellence for amounts not to exceed \$25,000.</p> <p>Steven Ray made a motion to approve. Bill Gregory seconded the motion. Motion passed unanimously.</p> <p>7. Motion to appoint Karina Peresich of Charter for Excellence as the Student Activities Treasurer.</p> <p>Steven Ray made a motion to approve. Bill Gregory seconded the motion. Motion passed unanimously.</p> <p>8. Motion to approve a relatively risk-free investment policy for Student Activities funds whereby funds are invested in savings accounts, interest-earning checking accounts, or certificates of deposit for ideal cash when investing is considered appropriate.</p> <p>Steven Ray made a motion to approve. Bill Gregory seconded the motion. Motion passed unanimously.</p> |
| | Motion |
| <p>Agenda Item 10: Approval of Student Council Handbook</p> | <p>Steven Ray made a motion to approve as written Nathan Schlink seconded the motion. Motion passed unanimously.</p> |
| <p>Agenda Item 11: Adjournment Called at 6:09pm</p> | <p>Steven Ray motioned to adjourn Bill Gregory seconded the motion Motion passed unanimously.</p> |

ARTICLES OF INCORPORATION
OF

MAR 16 2011 LEGACY TRADITIONAL SCHOOL – NORTHWEST TUCSON
1007434-2
(an Arizona nonprofit corporation)

Pursuant to Section 10-3202 of the Arizona Revised Statutes, the undersigned incorporator hereby adopts the following Articles of Incorporation:

I. NAME

The name of the corporation is LEGACY TRADITIONAL SCHOOL – NORTHWEST TUCSON.

II. CHARACTER OF AFFAIRS

The corporation is organized and shall be operated exclusively for charitable and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or the corresponding provisions of any future federal tax code (the "Code"). The corporation initially intends to conduct in the State of Arizona the business of **[providing educational and related services to school-aged children and their families]**. The corporation shall have all powers necessary and incidental to carrying out the purposes for which the corporation is formed.

III. LIMITATIONS

No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to its members, directors, officers, or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article II. No substantial part of the activities of the corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate in, or intervene in (including the publishing or distribution of statements,) any political campaign on behalf of any candidate for public office. Notwithstanding any other provision of these Articles, the corporation shall not carry on any other activities not permitted to be carried on: (a) by a corporation exempt from Federal Income Tax under Section 501(c)(3) of the Code or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Code.

IV. DISTRIBUTION OF ASSETS UPON DISSOLUTION

Upon the dissolution of the corporation, the Board of Directors shall, after paying or making provision for the payment of all of the liabilities of the corporation, dispose of all its assets exclusively for the purposes of the corporation in such a manner, or to such organizations organized and operated exclusively for charitable, educational, religious or scientific purpose as shall at the time qualify as an exempt organization or organizations under Section 501(c)(3) of the Code as the Board of Directors shall determine. Any such assets not disposed of shall be disposed of by the Superior Court of the county in which the principal office of the corporation is then located, exclusively for such purpose or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purpose.

V. INITIAL BOARD OF DIRECTORS

The initial Board of Directors shall consist of five directors, who shall serve as directors until their successors are elected and qualified. The names and addresses of the initial directors are:

William Gregory, M.Ed.
36641 N Railway Rd
San Tan Valley, AZ 85140

Steven Ray, M.Ed.
36699 N Railway Rd
San Tan Valley, AZ 85140

Derek Samuel
1498 W. Roosevelt Ave
Coolidge, AZ 85128

Cory Theobald
2012 E Lodge
Tempe, AZ 85283

Nathan Schlink
21116 S 222nd St
Queen Creek, AZ 85142

VI. KNOWN PLACE OF BUSINESS

The street address of the corporation's known place of business in Arizona is 17760 N. Regent Dr., Maricopa, AZ 85138.

VII. STATUTORY AGENT

The name and address of the statutory agent of the corporation is William Gregory, M.Ed., 17760 N. Regent Dr., Maricopa, AZ 85138.

VIII. INCORPORATOR

The name and address of the incorporator is William Gregory, M.Ed., 17760 N. Regent Dr., Maricopa, AZ 85138.

IX. NO MEMBERS

The corporation will not have members.

X. POLICY ON DISCRIMINATION

The corporation shall not practice or permit discrimination on the basis of race, color or national or ethnic origin.

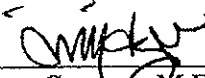
XI. ELIMINATION OF DIRECTOR LIABILITY

To the fullest extent permitted by the Arizona Revised Statutes as the same exist or may be hereafter amended, no director of the corporation shall be liable to the corporation or its shareholders for monetary damages for any action taken or any failure to take any action as a director. No repeal, amendment or modification of this article, whether direct or indirect, shall eliminate or reduce its effect with respect to any act or failure to act of a director of the corporation occurring prior to such repeal, amendment or modification.

XII. INDEMNIFICATION

To the fullest extent permitted by the Arizona Revised Statutes as the same exist or may be hereafter amended, the corporation shall indemnify and advance expenses to any person who incurs expenses or liabilities by reason of the fact he or she is or was an officer or director 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, employee benefit plan or other entity. The foregoing indemnification and advancement of expenses shall be mandatory in all circumstances in which the same are permitted by law. No repeal, amendment or modification of this article, whether direct or indirect, shall eliminate or reduce its effect with respect to any matter giving rise to indemnification and advancement of expenses occurring prior to such repeal, amendment or modification.

IN WITNESS WHEREOF, the undersigned incorporator has executed these Articles of Incorporation this 16th day of March, 2011.



William Gregory, M.Ed.

CONSENT OF STATUTORY AGENT
OF
LEGACY TRADITIONAL SCHOOL – NORTHWEST TUCSON

The undersigned, having been named in the Articles of Incorporation of LEGACY TRADITIONAL SCHOOL - NORTHWEST TUCSON, an Arizona nonprofit corporation, as its statutory agent for the State of Arizona, hereby confirms that he has been notified of the appointment and that he accepts the appointment.

DATED: 3/16, 2011.



William Gregory, M.Ed.

CERTIFICATE OF DISCLOSURE

A.R.S. §10-202(D) (for-profits and financial institutions) or §10-3202(D) (nonprofits)

LEGACY TRADITIONAL SCHOOL - NORTHWEST TUCSON
EXACT CORPORATE NAME

- A. Has any person (i) who is currently an officer, director, trustee, incorporator, or (ii) (for-profits and financial institutions only) who controls or holds over 10% of the issued and outstanding common shares or 10% of any other proprietary, beneficial or membership interest in the corporation been:
1. Convicted of a felony involving a transaction in securities, consumer fraud or antitrust in any state or federal jurisdiction within the seven-year period immediately preceding the execution of this Certificate?
 2. Convicted of a felony, the essential elements of which consisted of fraud, misrepresentation, theft by false pretenses, or restraint of trade or monopoly in any state or federal jurisdiction within the seven-year period immediately preceding the execution of this Certificate?
 3. Subject to an injunction, judgment, decree or permanent order of any state or federal court entered within the seven-year period immediately preceding the execution of this Certificate wherein such injunction, judgment, decree or permanent order:
 - (a) Involved the violation of fraud or registration provisions of the securities laws of that jurisdiction; or
 - (b) Involved the violation of the consumer fraud laws of that jurisdiction; or
 - (c) Involved the violation of the antitrust or restraint of trade laws of that jurisdiction?

Yes _____ No

B. IF YES, the following information **MUST** be attached:

- | | |
|---|--|
| 1. Full name, prior name(s) and aliases, if used. | 6. The nature and description of each conviction or judicial action, including the date and location, the court and public agency involved and file or cause number of case. |
| 2. Full birth name. | |
| 3. Present home address. | |
| 4. Prior addresses (for immediate preceding 7-year period). | |
| 5. Date and location of birth. | |

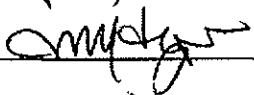
C. Has any person (i) who is currently an officer, director, trustee, incorporator, or (ii) (for-profits and financial institutions only) who controls or holds over twenty per cent of the issued and outstanding common shares or twenty per cent of any other proprietary, beneficial or membership interest in the corporation served in any such capacity or held a twenty per cent interest in any other corporation in any jurisdiction on the bankruptcy or receivership of the other corporation?

Yes _____ No

IF YOUR ANSWER TO THE ABOVE QUESTION IS "YES", YOU MUST ATTACH THE FOLLOWING INFORMATION FOR EACH CORPORATION:

- | | |
|---|--|
| 1. Name and address of the other corporation. | 4. Dates of corporate operation. |
| 2. Full name (including aliases) and address of each person involved. | 5. Case information for bankruptcy or receivership (date, case number, court). |
| 3. State(s) in which the other corporation: <ol style="list-style-type: none"> (a) was incorporated. (b) has transacted business. | |

Under penalties of law, the undersigned incorporator(s)/officer(s)/director(s) declare(s) that I(we) have examined this Certificate, including any attachments, and to the best of my(our) knowledge and belief it is true, correct and complete, and hereby declare as indicated above. THE SIGNATURE(S) MUST BE DATED WITHIN THIRTY (30) DAYS OF THE DELIVERY DATE.

BY  BY _____

PRINT NAME William Gregory PRINT NAME _____

TITLE Vice President DATE 3/16/11 TITLE _____ DATE _____

ARIZONA CORPORATIONS: ALL INCORPORATORS MUST SIGN THE INITIAL CERTIFICATE OF DISCLOSURE. If within sixty days any person becomes an officer, director, trustee or (for-profits or financial institutions) person controlling or holding over 10% of the issued and outstanding shares or 10% of any other proprietary, beneficial, or membership interest in the corporation and the person was not included in this disclosure, the corporation must file a SUPPLEMENTAL certificate signed by at least one duly authorized officer of the corporation.

FOREIGN CORPORATIONS: MUST BE SIGNED BY AT LEAST ONE DULY AUTHORIZED OFFICER OF THE CORPORATION.

FINANCIAL INSTITUTIONS: MUST BE SIGNED BY TWO (2) DULY AUTHORIZED OFFICERS OR DIRECTORS OF THE CORPORATION.

**BYLAWS
OF
LEGACY TRADITIONAL SCHOOL-NORTHWEST TUCSON
(an Arizona Nonprofit Corporation)**

**ARTICLE 1
PURPOSES**

Section 1.1. Purposes of Bylaws and Corporation. These Bylaws are adopted for the governance of Legacy Traditional Charter School, an Arizona nonprofit corporation (herein referred to as the “**Corporation**”). The Corporation shall have the right to do and accomplish all things and engage in all lawful transactions that a nonprofit corporation organized under the laws of the State of Arizona might do, accomplish, or engage in under the Arizona Nonprofit Corporation Act (the “**Nonprofit Act**”), subject to the restrictions, qualifications and limitations set forth in the Corporation’s Articles of Incorporation (the “**Articles**”) and these Bylaws, as they may be amended from time to time. The Corporation is organized and is to be operated exclusively for one or more charitable and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “**Code**”), including those purposes referenced below.

Section 1.2. Specific Objectives and Purposes. Without limiting the generality of the foregoing, the specific objectives and purposes of the Corporation include the following:

- (a) providing educational and related services to school-aged children and their families;
- (b) make distributions to organizations that qualify as exempt organizations under Section 501(c)(3) of the Code.; and
- (c) solicit and receive contributions; purchase, own and sell real and personal property; make contracts; invest and spend corporate funds for corporate purposes; and engage in activity in furtherance of, incidental to, or connected with, any of the foregoing purposes.

**ARTICLE 2
OFFICES**

Section 2.1. Business Offices. The principal office of the Corporation shall initially be located at 17706 North Regent Dr., Maricopa, Arizona 85138. The Corporation’s Board of Directors (the “**Board**”) may change the principal office from time to time. The Corporation may have such other offices, either within or without the State of Arizona, as the Board may designate or as the business of the Corporation may require from time to time.

Section 2.2. Known Place of Business. The Corporation’s known place of business in the State of Arizona may be, but need not be, identical with the principal office in the State of Arizona, and the Board may change the address of the known place of business from time to time. As of the adoption of these Bylaws, the known place of business is the same as the principal office referenced above.

**ARTICLE 3
MEMBERS**

The Corporation shall not have members.

**ARTICLE 4
BOARD OF DIRECTORS**

Section 4.1. Powers. The business and affairs of the Corporation shall be managed under the direction of the Board, which shall be vested with all powers, privileges and rights provided by the Nonprofit Act, will have the duties referenced therein, and will have final authority to establish and resolve all matters and questions of policy.

Section 4.2. Number, Initial Term, Term, Election and Qualification of Directors.

(a) Number. The number of directors to serve on the Board (the “**Directors**”) shall be specified from time to time by resolution of the Board. As of the date of adoption of these Bylaws, and until changed by subsequent action of the Board, the number of Directors has been set at five (5). No decrease in the number of Directors shall have the effect of shortening the term of any incumbent Director.

(b) Initial Term, Election and Term. The initial term (“**Initial Term**”) of each Director will vary, as determined by the Board. Two directors, each as designated by the Board, will each have an Initial Term of six months that shall terminate on November 15, 2009. Two directors, each as designated by the Board, will each have an Initial Term of one year that shall terminate on May 15, 2010. One Director, as designated by the Board, shall have an Initial Term of three years that shall terminate on May 15, 2012. Subsequent to the respective terminations of the applicable Initial Terms, Directors shall be elected by the Board at the annual meeting of the Board (or at any special meeting specifically called for such purpose), to fill the positions on the Board held by those directors whose terms have expired or are expiring. Vacancies on the Board may be filled at any time, as provided below. Unless otherwise determined by the Board, directors shall serve until the election of a successor. The Board may stagger the election of directors, and create different terms and classifications of directors, so that the terms of directors do not all expire at the same time.

(c) Qualifications. All directors to be elected shall meet such qualifications as may be prescribed for such directors from time to time in the Articles, these Bylaws, the Nonprofit Act, or by the Board. Unless otherwise so determined, directors need not be residents of the State of Arizona.

(d) Removal; Resignation. Any director may be removed at any time, with or without cause, by the affirmative vote of a majority of the other Directors then in office at any meeting specifically called for such purpose. Any director may resign at any time by giving written notice to the other members of the Board, or to the Chair of the Board, or to the President of the Corporation. Resignations shall take effect upon delivery or at any subsequent time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

(e) Vacancies. Vacancies on the Board, including vacancies created by an increase in the number of directors or from removal of a director, shall be filled by the affirmative vote of a majority of the directors then serving, at any annual or special meeting of the Board specifically called for such purpose. A director elected to fill a vacancy shall be elected for the unexpired term of such director's predecessor in office (or until the end of the term designated for the position being filled), and must meet the qualifications applicable to such position on the Board.

Section 4.3. Compensation. The Board may by resolution fix the compensation of the directors and members of committees for their services as directors or committee members, provided (i) a majority of the Board has approved the transaction after obtaining sufficient comparability data in order to create a rebuttable presumption of reasonableness under Section 4958 of the Code or the corresponding provision of any future United States internal revenue law and any regulations promulgated thereunder and (ii) such compensation is just and reasonable, is not an amount great enough to jeopardize the Corporation's status as an organization exempt from taxation under Section 501(c)(3) of the Code and any regulations promulgated thereunder, would not result in an "*excess benefit transaction*" under Section 4958(c) of the Code and is otherwise permissible under Section 162(a)(2) of the Code. Directors and committee members shall also be entitled to such reimbursement of expenses as may be determined by resolution of the Board to be (i) just and reasonable and (ii) otherwise permissible under Section 162(a)(2) of the Code. By resolution of the Board, the reasonable expenses of directors incurred in attending meetings of the Board or of any committees of the Board may be reimbursed by the Corporation. Directors shall not be disqualified to receive reasonable compensation for services rendered to or for the benefit of the Corporation in any other capacity, as determined by the Board. No person who is an officer or full-time employee of the Corporation or of a manager or service provider to the Corporation shall receive any additional compensation for serving as a director or member of any committee.

Section 4.4. Chair. A majority of the Directors serving on the Board may elect one of the directors to serve as chair of the Board (the "**Chair**"). Such person shall hold such position until the next annual meeting of the Board and until his or her successor has been duly elected, or until his or her earlier death, resignation or removal. If the election of the Chair is not held at such meeting, or if such meeting is not held, such election may be held at any subsequent meeting of the Board. The Chair shall preside at meetings of the Board, and shall present, or cause to be presented, a report of the condition of the business of the Corporation at the annual meeting of the Board. The Chair shall perform such other duties as are incident to the position, are required by law, or are specified by the Board by resolution.

Section 4.5. Right of Inspection. Every director shall have the right at any reasonable time to inspect all the Corporation's books, records and documents of every kind.

Section 4.6. Committees. The Board may from time to time designate from among the Directors one or more committees, each of which, to the extent provided in any resolution of the Board establishing or defining the responsibility and authority of such committee, shall have and may exercise all of the authority of the Board, except as prohibited or restricted by the Nonprofit Act or these Bylaws. The authority and responsibilities of each committee, as well as its composition, shall be determined from time to time by the Board. The delegation of authority to

any committee shall not operate to relieve the Board or any Director from any responsibility imposed by the Nonprofit Act. Rules governing procedures for meetings of any committee of the Board shall be established by the Board, or in the absence thereof, by the committee itself.

ARTICLE 5 BOARD MEETINGS

Section 5.1. Annual and Regular Meetings. An annual meeting of the Board, and other regular meetings of the Board, shall be held at such time and place as may be determined by the Board.

Section 5.2. Special Meetings. Special meetings of the Board may be called by or at the request of the Chair of the Board or any two directors. The person or persons authorized to call special meetings of the Board may fix any place, date and time for holding any special meeting of the Board called by them.

Section 5.3. Notice. Notice of each meeting of the Board, stating the place, day and hour of the meeting, shall be given to each director at the director's business or home address at least five days prior thereto by mailing a written notice by first class, certified or registered mail, or at least two days prior thereto by personal delivery of written notice or by telephonic, facsimile, or e-mail notice (and the method of notice need not be the same as to each director). If mailed, such notice shall be deemed to be given when deposited in the United States mail, with postage thereon prepaid. If transmitted by facsimile or e-mail, such notice shall be deemed to be given when the transmission is completed. Any director may waive notice of any meeting before, at or after such meeting. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any meeting of the Board need be specified in the notice or waiver of notice of such meeting, unless otherwise required by these Bylaws, the Nonprofit Act or other applicable law.

Section 5.4. Quorum and Voting. A majority of the directors then serving shall constitute a quorum for the transaction of business at any meeting of the Board, and the vote of a majority of the directors present, participating and represented at a meeting at which a quorum is present shall be the act of the Board (subject to any requirements for the vote of a greater percentage of directors, or for the vote of only disinterested directors as may be imposed by the Nonprofit Act, the Articles or these Bylaws). If a quorum is not present at a meeting, a majority of the directors present, participating and represented may adjourn the meeting from time to time without further notice other than an announcement at the meeting, until a quorum shall be present. For purposes of determining a quorum with respect to a particular proposal, and for purposes of casting a vote for or against a particular proposal, a director may be considered to be present at or participating in a meeting and to vote if the director has granted a proxy meeting the requirements of the Section 10-3724 of the Nonprofit Act. At any meeting of the Board, each director present, participating or represented at such meeting shall have one (1) vote on any matter.

Section 5.5. Action Without a Meeting. Any action required or permitted to be taken at a meeting of the Board or any committee of the Board may be taken without a meeting if all directors entitled to vote with respect to the subject matter thereof take action in writing to either (i) vote for the action, or (ii) vote against or abstain from the action, but waive the right to demand that action not be taken without a meeting, in accordance with the requirements of Section 10-3708 of the Nonprofit Act, and provided that the affirmative votes for the action equal or exceed the minimum number of votes that would be necessary to take the action at a meeting at which all of the Directors then in office were present and voted.

Section 5.6. Meetings by Telecommunication. Directors may participate in a meeting of the Board or any committee by means of conference telephone or similar communications equipment by which all persons participating in the meeting can hear each other during the meeting. Such participation shall constitute presence at the meeting.

Section 5.7. Presumption of Assent. A director who is present at a meeting of the Board at which action on any matter is taken shall be presumed to have assented to the action taken unless his or her dissent shall be entered in the minutes of the meeting or unless he or she shall file his or her written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the secretary of the Corporation immediately after the adjournment of the meeting. No director may dissent regarding an action for which the director voted in favor.

ARTICLE 6 OFFICERS

Section 6.1. Designated Officers; Qualifications. The officers of the Corporation (the “**Officers**”) shall be a President and Chief Executive Officer (“**President**”), one or more Vice Presidents, a Secretary and a Treasurer and Chief Financial Officer (“**Treasurer**”), each of whom shall be elected by the Board. The Board may also elect or appoint such other Officers, assistant Officers and agents, including an Executive Director, as the Board may consider necessary or appropriate. One person may simultaneously hold more than one office. Officers may, but need not, be directors.

Section 6.2. Election and Term of Office. Officers shall be elected at each annual meeting of the Board, or at any other meeting of the Board when vacancies exist or occur. Unless otherwise determined by the Board, each Officer shall hold office for a term of one year, and until the Officer’s successor shall have been elected and shall have qualified, or until the Officer’s earlier death, resignation or removal. Election or appointment of an Officer shall not itself create any contract rights with the Corporation.

Section 6.3. Removal. Any Officer or agent may be removed by the Board whenever in its judgment the best interests of the Corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

Section 6.4. Resignation; Vacancies. Any Officer may resign at any time, subject to any rights or obligations under any existing contracts between the Officer and the Corporation, by giving written notice to the Board, the Chair of the Board or the President. An Officer’s

resignation shall take effect at the time specified in such notice, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. A vacancy in any office, however occurring, may be filled by the Board for the unexpired portion of the term.

Section 6.5. Authority and Duties of Officers. The Officers shall have the authority and shall exercise the powers and perform the duties specified below and as may be additionally specified by the Board or these Bylaws, except that in any event each Officer shall exercise such powers and perform such duties as may be required by law.

(a) President and CEO. The President and chief executive officer, if one is elected or appointed, may, but need not, be a member of the Board, and subject to the direction and supervision of the Board, shall: (i) be the chief executive and administrative officer of the Corporation with general responsibility for all day-to-day operations of the Corporation and control of its affairs and business and general supervision of its other Officers, agents and employees; (ii) propose, prepare and present to the Board specific programs and activities that will further the Corporation's purposes; (iii) direct and supervise the implementation of the orders, resolutions, programs and activities approved by the Board; and (iv) perform all other duties and responsibilities as may from time to time be assigned to the President and Chief Executive Officer by the Board. The President may be authorized by the Board to execute contracts on behalf of the Corporation. For periods when the Board does not determine to appoint a President, the Board may designate other Officers to carry out any of the functions and responsibilities that would otherwise be performed by the President.

(b) Vice-Presidents. Any Vice-President will assist the President (or other designated Officer) in the conduct of the business of the Corporation, and shall perform such other duties as may be assigned by the Board or delegated by the President. At the request of the President, or in the President's absence or inability to act, a designated Vice President shall perform the duties of the President.

(c) Secretary. The Secretary shall: (i) keep the minutes of meeting of the Board; (ii) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; (iii) be custodian of the corporate records; and (iv) in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to the Secretary by the President or by the Board.

(d) Treasurer and CFO. The Treasurer and Chief Financial Officer, who may, but need not, be a member of the Board, shall: (i) be the principal financial and accounting officer and fiscal agent of the Corporation and have the care and custody of all its funds, securities, evidences of indebtedness and other personal property and deposit and maintain the same in accordance with instructions of the Board; (ii) receive and give receipts and acquittances for moneys paid on account of the Corporation and pay out of the funds on hand all bills, payrolls and other just debts of the Corporation of whatever nature upon maturity; (iii) keep complete books and records of account, prepare and file all local, state and federal tax returns and related documents, prescribe and maintain an adequate system of internal audit, and prepare and furnish to the presiding Officer and the Board statements of account showing the financial position of the Corporation and the results of its operations; (iv) make such reports to the Board

as the Board may from time to time request; and (v) perform all other duties incident to the office of Treasurer and such other duties as may from time to time be assigned to the Treasurer by the President or the Board. The Board may elect to separate the Treasurer and Chief Financial Officer into two separate Officer positions, and in that event the duties of each of the Treasurer and the Chief Financial Officer shall be determined by the Board.

Section 6.6. Compensation. Officers shall receive compensation for their services as such, as determined by the Board. Officers shall not be disqualified to receive reasonable compensation for services rendered to or for the benefit of the Corporation in any other capacity, including as a Director of the Corporation pursuant to Section 4.3, as determined by the Board.

ARTICLE 7 INDEMNIFICATION

Section 7.1. Indemnification. To the full extent permitted by law, and subject to the requirements of the Nonprofit Act, the Corporation shall indemnify all directors and Officers against all liability incurred by them in connection with the defense of any proceeding in which they are made a party by reason of being or having been a Director or Officer, except in relation to matters as to which they have failed to satisfy the applicable standards of conduct to be eligible for indemnification as set forth in the Nonprofit Act or any other applicable provision of law, and shall make such other indemnification arrangements (including advanced payment of expenses) as shall be authorized by the Board, consistent with the requirements of the Nonprofit Act and any other applicable legal requirements.

Section 7.2. Insurance. By action of the Board, notwithstanding any interest of the Directors in such action, the Corporation may, subject to the provisions of the Nonprofit Act and these Bylaws, purchase and maintain insurance, in such amounts as the Board may deem appropriate, on behalf of any persons indemnified hereunder, against any liability asserted against any such person and incurred by such person in the capacity of or arising out of such person's status as an agent, Officer or director of the Corporation, whether or not the Corporation would have the power to indemnify such person against such liability.

Section 7.3. Limitation of Indemnification. Notwithstanding any other provision of these Bylaws, the Corporation shall neither indemnify any person nor purchase any insurance in any manner or to any extent that would jeopardize or be inconsistent with the qualification of the Corporation as an organization described in Section 501(c)(3) of the Code or would result in liability under Section 4941 of the Code.

ARTICLE 8 PROHIBITION AGAINST SHARING IN CORPORATE EARNINGS

No director, Officer or employee of or person connected with the Corporation, or any other private individual shall receive at any time any of the net earnings or pecuniary profit from the operations of the Corporation, provided that this shall not prevent the payment to any such person of such reasonable compensation for services rendered to or for the Corporation in effecting any of its purposes as shall be fixed by the Board; and no such person or persons shall

be entitled to share in the distribution of any of the corporate assets upon the dissolution of the Corporation. All directors of the Corporation shall be deemed to have expressly consented and agreed that upon such dissolution or winding up of the affairs of the Corporation, whether voluntary or involuntary, the assets of the Corporation, after all debts have been satisfied, then remaining in the hands of the Board shall be distributed, transferred, conveyed, delivered, and paid over, in such amounts as the Board may determine or as may be determined by a court of competent jurisdiction upon application of the Board, exclusively to charitable, religious, scientific, literary, or educational organizations which would then qualify under the provisions of Section 501(c)(3) of the Code and the regulations promulgated thereunder as they now exist or as they may hereafter be amended.

ARTICLE 9 LIMITATION ON LIABILITY

To the fullest extent permitted by the Act or any other applicable law as now in effect or as it may hereafter be amended, a director of this Corporation shall not be personally liable to the Corporation for monetary damages for any acts or omissions in the performance of such person's duties as a director. Neither any amendment to nor repeal of this Article, nor the adoption of any provision in these Articles inconsistent with this Article, shall eliminate or reduce the effect of this Article in respect of any matter occurring, or any cause of action, suit or claim that, but for this Article, would accrue or arise, prior to such amendment, repeal or adoption of an inconsistent provision.

ARTICLE 10 EXEMPT ACTIVITIES

Notwithstanding any other provision of these Bylaws, no Director, Officer, employee, or representative of this Corporation shall take any action or carry on any activity by or on behalf of the Corporation not permitted to be taken or carried on by an organization exempt under Section 501(c)(3) of Code and the regulations promulgated thereunder as they now exist or as they may hereafter be amended, or by an organization contributions to which are deductible under Section 170(c)(2) of the Code and regulations as they now exist or as they may hereafter be amended.

ARTICLE 11 PRIVATE FOUNDATION

For such time as the Corporation is a private foundation, as defined in Section 509 of the Code:

(a) the Corporation will make distributions for each taxable year at such time and in such manner as not to become subject to the tax on undistributed income imposed by Section 4942 of the Code;

(b) the Corporation will not engage in any action of self-dealing as defined in Section 4941(d) of the Code;

(c) the Corporation will not retain any excess business holdings as defined in Section 4943(c) of the Code;

(d) the Corporation will not make any investments in such manner as to subject it to taxation under Section 4944 of the Code; and

(e) the Corporation will not make any taxable expenditure as defined in Section 4945(d) of the Code.

ARTICLE 12 MISCELLANEOUS

Section 12.1. Account Books, Minutes, Etc. The Corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of the Board and committees of the Board.

Section 12.2. Designated Contributions. The Corporation may accept any designated contribution, grant, bequest or devise consistent with its general charitable and tax-exempt purposes, as set forth in the Articles and these Bylaws. As so limited, donor-designated contributions will be accepted for special funds, purposes or uses, and such designations generally will be honored. However, the Corporation shall reserve all right, title and interest in and to and control of such contributions, as well as full discretion as to the ultimate expenditure or distribution thereof in connection with any special fund, purpose or use. Further, the Corporation shall acquire and retain sufficient control over all donated funds (including designated contributions) to assure that such funds will be used to carry out the Corporation's tax-exempt purposes.

Section 12.3. Conflicts of Interest. If any person who is a Director or Officer is aware that the Corporation is about to enter into any business transaction directly or indirectly with such person, any member of that person's family, or any entity in which that person has any legal, equitable or fiduciary interest or position, such person shall (a) immediately inform those charged with approving the transaction on behalf of the Corporation of such person's interest or position, (b) aid the persons charged with making the decision by disclosing any material facts within such person's knowledge that bear on the advisability of such transaction from the standpoint of the Corporation, and (c) not be entitled to vote on the decision to enter into such transaction. The Board will adopt a comprehensive Conflicts of Interest Policy for the Corporation, with a copy to be maintained in the corporate records, and the Board will review that policy on an annual basis.

Section 12.4. Loans to Directors and Officers Prohibited. No loans shall be made by the Corporation to any of its Directors or Officers. Any Director or Officer who assents to or participates in the making of any such loan shall be liable to the Corporation for the amount of such loan until it is repaid.

Section 12.5. References to Code. All references in these Bylaws to provisions of the Code are to the provisions of the Internal Revenue Code of 1986, as amended, and shall include

the corresponding provisions of any subsequent federal tax laws.

Section 12.6. Amendments. The power to alter, amend or repeal these Bylaws and adopt new bylaws shall be vested in the Board

Section 12.7. Conflicts; Construction. Any discrepancies or conflicts between the provisions of the Nonprofit Act, the Articles and these Bylaws shall, unless otherwise provided, be resolved by giving priority first to the Nonprofit Act, second to the Articles and third to the Bylaws.

SECRETARY'S CERTIFICATE

I, _____, being the Secretary of Legacy Traditional School-Northwest Tucson, an Arizona nonprofit corporation, do hereby certify the foregoing to be the Bylaws of such Corporation, as adopted by the Corporation's board of directors, effective as of the ____ day of May, 2011.

William Gregory, M.Ed., Secretary

Governance Structure: Consistency in governance and leadership. Description of the existing corporate and governance structure, and financial and operational process that contributed to the high quality school that is being replicated and the consistency that will be maintained with the replication including:

The role of the corporate principals in the maintenance and operation of the school

Legacy Traditional School is a non-profit, tax-exempt (501c3) corporation that operates the charter schools. The Corporate Board (corporate principals) of Legacy Traditional School is the responsible for corporate policy and for operations of the corporation including the charter schools. The Corporate Board has the general charge of the affairs, property and assets of the corporation. Examples of the Corporate Board responsibilities include:

- a) Developing and maintaining policies and procedures
- b) Overseeing and managing the Corporation's finances, including required audits and reporting
- c) Matters relating to the fiscal, contractual and academic performance of the charter schools
- d) Appointing and reappointing school board members
- e) Authorizing the expansion of operations and the purchase of property
- f) Approve the compensation plan for the principal, teachers and staff of the charter school
- g) The philosophy of the school
- h) The core curriculum and teaching methodology
- i) Curriculum alignment with Arizona State Articulated Standards
- j) School size, class size, and overall student-to-teacher ratio
- k) Revisions of the annually approved school budget
- l) Major financing or financial commitments
- m) Major building or renovation projects
- n) Authorized Representative in all dealings with the State Board of Charter Schools, the Department of Education, and all other outside entities
- o) Hiring and staffing
- p) Evaluate and set appropriate compensation levels, commensurate with experience, education, and abilities
- q) Compliance with all laws, regulations and requirements

The role and makeup of the governing body

Legacy Traditional School governing board for the schools is, pursuant to ARS 15-183, responsible for the policy decisions of the charter schools. The school's governing body will provide knowledgeable oversight of the school's operations, financial matters, and student growth and achievement. In cooperation with the Corporate Board, the school governing board will provide strategic direction for the school, nurture strong school leaders, and ensure the school's financial and legal health. Examples of the school governing board responsibilities include:

- a) Approve the school's budget as a part of the corporation's annual budget process
- b) Review and approve curriculum, textbooks and other instructional media, which shall align with the State of Arizona standards
- c) Approve student disciplinary action involving expulsion in compliance with State statutes
- d) Review and approve the school's annual financial report and other reports required by the department of education and the state board for charter schools
- e) Regularly assess the academic performance of the school using internal and external measures

The School Board shall in all respects be the governing body of the school and shall conduct all of its meetings in accordance with State statutes and, in particular with the Arizona Open Meetings Law (A.R.S. § 38-341, et. Seq., as amended from time to time.

The business and affairs of the Corporation shall be managed under the direction of the Board, which shall be vested with all powers, privileges and rights provided by the Nonprofit Act, will have the duties referenced therein, and will have final authority to establish and resolve all matters and questions of policy.

A majority of the Directors serving on the Board may elect one of the directors to serve as chair of the Board (the “Chair”). Such person shall hold such position until the next annual meeting of the Board and until his or her successor has been duly elected, or until his or her earlier death, resignation or removal. If the election of the Chair is not held at such meeting, or if such meeting is not held, such election may be held at any subsequent meeting of the Board. The Chair shall preside at meetings of the Board, and shall present, or cause to be presented, a report of the condition of the business of the Corporation at the annual meeting of the Board. The Chair shall perform such other duties as are incident to the position, are required by law, or are specified by the Board by resolution.

A majority of the directors then serving shall constitute a quorum for the transaction of business at any meeting of the Board, and the vote of a [majority] of the directors present, participating and represented at a meeting at which a quorum is present shall be the act of the Board (subject to any requirements for the vote of a greater percentage of directors, or for the vote of only disinterested directors as may be imposed by the Nonprofit Act, the Articles or these Bylaws). If a quorum is not present at a meeting, a majority of the directors present, participating and represented may adjourn the meeting from time to time without further notice other than an announcement at the meeting, until a quorum shall be present. For purposes of determining a quorum with respect to a particular proposal, and for purposes of casting a vote for or against a particular proposal, a director may be considered to be present at or participating in a meeting and to vote if the director has granted a proxy meeting the requirements of the Section 10-3724 of the Nonprofit Act. At any meeting of the Board, each director present, participating or represented at such meeting shall have one (1) vote on any matter.

Qualifications of School Board Members

- Have a strong interest in improving the educational environment for their own, and other children
- Are willing to dedicate the time and resources necessary to ensure the success of this charter school
- Represent a cross section of the student body, in terms of the grade levels of their children, as well as socio-economic status, and cultural background
- Provide LTS with a strong base of skills and experience to continue to build our school. Some examples might be; legal expertise, business knowledge, educational experience, fundraising prowess, community relations, and various other skills

The business structure, including the use of contracted services, if any, for financial and operational processes.

Legacy Traditional Charter School is non-profit, tax-exempt 501(c)(3) corporation that operates the charter school. The corporation currently has a five member Corporate Board (corporate principals) which manages the affairs of the corporation with regard to major financial and charter decisions, including setting school policy. In addition, Legacy Traditional Charter School continues to demonstrate understanding of management needs and priorities through the implementation of fiscal management policies and procedures. The corporation may appoint additional members to the Corporate Board, as officers, agents and committees, as it deems necessary, appropriate, or proper. The Corporate Board may establish such rules of the conduct of its business and affairs, consistent with the provisions of Bylaws.

LTCS does contract with educational service providers as needed. All employees will be required to maintain a current Arizona Department of Public Safety Fingerprint Clearance Card as required by law. In addition, employees will be expected to demonstrate a commitment to education and the mission of the school.

