1. Applicant Agreement

Print this sheet, complete and sign the spaces at the bottom, then scan and attach to your application. A Charter Representative of the eligible charter holder must sign the following agreement prior to submitting the application package. Should the agreement be signed by someone other than a Charter Representative, the application package will be deemed Administratively Incomplete.

I certify all information contained in this application is complete and accurate, realizing that any misrepresentation could result in disqualification from the replication application process or revocation after award. I understand that incomplete applications will not be considered.

The Applicant acknowledges that all information presented in the application package, if approved, becomes part of the charter and will be used for accountability purposes throughout the term of the charter, and that the charter may be amended or modified by mutual agreement, in writing, of the parties pursuant to the terms of the charter contract when signed.

The Applicant acknowledges that the Principals have read all Arizona statutes regarding charter schools and that, if approved to operate a charter school, the Applicant is subject to and will ensure compliance with all relevant federal, state and local laws and requirements.

The Applicant acknowledges that the most current academic data will be provided to the Board for its consideration of the application.

The Applicant acknowledges that if approved to operate a charter school, the Applicant must execute a charter contract with the Arizona State Board for Charter Schools within twelve months of the date of approval of the charter by the Arizona State Board for Charter Schools. A charter that is not timely signed expires.

The Applicant acknowledges that if approved to operate a charter school, the Applicant must begin providing educational services within twelve months of execution of the contract or within twenty-four months of approval of the charter, whichever date occurs later.

The Applicant acknowledges that if approved to operate a charter school, the Applicant must provide the number of days of instruction as approved in the application within the State's fiscal year that begins July 1st and ends June 30th.

Chandler Preparatory Academy Name of Current Charter Holder Entity	North Scottsdale Preparatory Academy Name of New Entity (if applicable)
Daniel Scoggin Name of Current Entity Charter Representative *(please print)*	Daniel Scoggin Name of New Entity Authorized Representative *(please print)*
5-12-14 Signature of Charter Representative/Date	5-12-14 Signature of Authorized Representative/Date

2. Current Charter Holder Entity

Name of Charter Holder Entity eligible for Replication ('existing entity'): **Chandler Preparatory Academy**

Name of Replication Model School: Great Hearts Academies--Chandler Prep

In the "Principal Information" section, complete and attach all requested documents for all officers, directors, members, or partners of the existing entity.

3. Replication Charter Holder Entity

In this section you will be providing information regarding the consistency in the corporate structure between the existing entity and the new entity. Answer the following question about the entity that will operate the new school by checking the appropriate box and completing any additional information requested.

Will the replication charter be held by the existing entity?

☐ Yes, the existing entity will hold the replication charter. (Skip Section A and go to Governance Structure.)

☒ No, a new entity will hold the replication charter. (Complete Section A below)

Section A: New Entity and Corporate Principals

☒ *Statement of Consistency:* By checking this box, I understand and agree that the Replication Application process requires the organizational structure of the new entity to be consistent with the organizational structure of the existing entity.

Name of New Entity: North Scottsdale Preparatory Academy

Name of Proposed Charter School: Great Hearts Academies--North Scottsdale Prep

Authorized Representative(s) for New Entity: Daniel Scoggin

Authorized Representative Mailing Address: 3102 N. 56th St., Suite 300

City, State: Phoenix, AZ

Zip: 85018

County of Proposed School: Maricopa

Authorized Representative Email: dscoggin@greatheartsaz.org

Day Time Phone: 602-438-7045

Fax (optional): 602-438-7242

Form of Organization (*check one*):

☒ Corporation

☐ Partnership/LLC

☐ Sole Proprietorship

☐ Government/Tribal Entity

For-Profit/Non-Profit (*check one*):

☐ For-Profit

☒ Non-Profit

Section A: New Entity and Corporate Principals (continued)

Below, list the names and positions of all Principals (officers, members, directors, partners) of the new entity, and their positions. Also list any other current charters in which they act as a corporate principal or charter representative. Add rows as necessary.

Name	Position	Current Charter Affiliations
Jay Heiler	Director	Anthem Preparatory Academy, Central Scottsdale Preparatory Academy (name change to Cicero Preparatory Academy in progress), Chandler Preparatory Academy, Glendale Preparatory Academy, Maryvale Preparatory Academy, Mesa Preparatory Academy, North Phoenix Preparatory Academy, Scottsdale Preparatory Academy, Teleos Preparatory Academy, Trivium Preparatory Academy, Veritas Preparatory Academy, Archway Classical Academy Central Scottsdale (name change to Archway Classical Academy Cicero in progress), Archway Classical Academy Chandler, Archway Classical Academy Glendale, Archway Classical Academy Mesa, Archway Classical Academy North Phoenix, Archway Classical Academy Scottsdale, Archway Classical Academy Trivium, Archway Classical Academy Veritas.
Dan Scoggin	Director	Anthem Preparatory Academy, Central Scottsdale Preparatory Academy (name change to Cicero Preparatory Academy in progress), Chandler Preparatory Academy, Glendale Preparatory Academy, Maryvale Preparatory Academy, Mesa Preparatory Academy, North Phoenix Preparatory Academy, Scottsdale Preparatory Academy, Teleos Preparatory Academy, Trivium Preparatory Academy, Veritas Preparatory Academy, Archway Classical Academy Central Scottsdale (name change to Archway Classical Academy Cicero in progress), Archway Classical Academy Chandler, Archway Classical Academy Glendale, Archway Classical Academy Mesa, Archway Classical Academy North Phoenix, Archway Classical Academy Scottsdale, Archway Classical Academy Trivium, Archway Classical Academy Veritas.

In the "Principal Information" section, complete and attach all requested documents.

Required Exhibits for Section A:

- A copy of Arizona filing required to conduct business in Arizona by the Arizona Corporation Commission or Arizona Secretary of State as per R7-5-201.
- A copy of current Corporate Bylaws/Operating Agreement, as applicable.
- Minutes of the board of the existing entity authorizing application for replication.

4. Principal Information

If the Principal is a current Charter Representative or Principal of an operating charter and you believe current information is already on file with the Charter Board, email the Board office, and attach the confirmation email listing the documents currently on file.

For each Charter Representative, Authorized Representative, or Principal not having confirmed information on file, provide the following documents:

- Copy of VALID Arizona Fingerprint Clearance Card
- Signed and Notarized Affidavit, Disclosure, and Consent for Background and Credit Check
- Background Information Sheet Attachment (2 pages)
- Resume (2 pages max, without personal contact information)
- Verification of Coursework or Degree: if a postsecondary degree is noted on the Background Information Sheet and Resume, the principal must provide scanned copies of school transcripts with official seal or signature from the granting institution, or a watermarked report from the National Student Clearinghouse® (http://www.studentclearinghouse.org).

See attachments for confirmation email.

5. Governance Structure

The **governing body** of a charter school is responsible for the policy decisions of the school (A.R.S. § 15-183.E.8). *In this section you will be providing information regarding the consistency in the governance structure between the existing entity and the new entity.*

☒ *Statement of Consistency:* By checking this box, I understand and agree that the Replication Application process requires the governance structure of the new school to be consistent with the governance structure of the Replication Model School.

Answer the following question by checking the appropriate box and completing any additional information requested.

How will the governance structure of the new school relate to the Replication Model School?

☐ The new school will be operated by the existing entity and have the same governing body as the Replication Model School. (Skip Section B and go to Education Service Providers.)

☐ The new school will be operated by a new entity described in Section A, which will act as the governing body. (Skip Section B and go to Education Service Providers.)

☐ The new school will be operated by the existing entity but with a new, separate governing body which will follow the same membership structure and responsibilities as the current governing body. (Complete Section B)

☒ The new school will be operated by a new entity described in Section A, and have a new, separate governing body which will follow the same membership structure and responsibilities as the current governing body. (Complete Section B)

Section B: New Governing Body

Indicate the make-up of this body below. Add rows as necessary.

Governing Body (Body responsible for the policy decisions of the school.) (A.R.S. § 15-183.E.8)				
Member Type	**Number**	**Name**	**Name**	**Name**
Corporate Principals	2	Daniel Scoggin	TBD	
School Staff	1	TBD		
Parents	2	TBD	TBD	
Community	1	TBD		
Other				

6. Education Service Providers

An **Education Service Provider (ESP)** is an organization that contracts with or has a governance relationship with the Applicant entity to provide comprehensive services. An ESP is considered to have a ***governance relationship*** with the Applicant if the Applicant is a subsidiary of the ESP, the Applicant board has members that are members or employees of the ESP, and/or the ESP has ultimate executive authority over the Applicant, including the power to appoint board members and/or close the school. An ESP is considered to have a ***contractual relationship*** if it will contractually provide operations and management to the Applicant, but the Applicant chooses the affiliation and is independent of the ESP.

In this section you will be providing information regarding the consistency in the Education Service Providers between the existing entity and the new entity. Answer the following questions regarding Education Service Providers (ESP) by checking the appropriate box and completing any additional information requested.

Does the existing entity have a relationship with an ESP?

☐ Yes – Contractual (Complete Section C.1)

☒ Yes – Governance (Complete Section C.2)

☐ No (Skip Section C and go to Target Population of New School)

Section C.1: Education Service Providers – Contractual Relationship

☐ *Statement of Consistency:* By checking this box, I understand and agree the Replication Application process requires that the contractual relationship of the replication charter with an ESP to be consistent with the contractual relationship of the existing entity with an ESP.

What is the name of the ESP?

Required Exhibits:

- Copy of the service agreement as executed between the existing entity and the ESP.

Section C.2: Education Service Providers – Governance Relationship

☒ *Statement of Consistency:* By checking this box, I understand and agree the Replication Application process requires that any governance relationship of the replication charter with an ESP to be consistent with the governance relationship of the existing entity with an ESP.

1. What is the name of the ESP? Great Hearts Academies
2. Describe the nature of the governance relationship.

   Great Hearts Academies is an Arizona non-profit tax-exempt [501(c)(3)] corporation established in December 2004 with a mission to create a network of academically rigorous, liberal arts charter schools in the Phoenix metropolitan area. To better replicate the success of its sister schools, Great Hearts Academies has established a hierarchical charter management organization with authority over the headmasters, all teacher and staff contracts, and the membership of the local school site boards. Great Hearts follows this approach to maintain quality and consistency as the network of schools expands, while preventing parochial governance squabbling that can threaten the sustainability and mission integrity of a high-performing charter school. North Scottsdale Preparatory Academy is a subsidiary corporation to Great Hearts Academies, which is named as the sole corporate board member (parent corporation) in the Articles of Incorporation and Bylaws. The Great Hearts

Academies Board also approves annually the membership of the school's boards. The charter representative for all new schools is the CEO of Great Hearts Academies. The Arizona State Board for Charter Schools is the charter authorizer.

Required Exhibits:

- List of all Arizona schools that the ESP currently manages.

See attachments for list of schools.

7. Target Population and Enrollment of New School

In this section you will be providing information that supports the replication of the existing charter in an identified area or with an identified population.

☒ *Statement of Consistency:* By checking this box, I understand and agree that the Replication Application process requires the target population of the new school may be similar to the population of the Replication Model School, and that differences must be addressed in responses to the questions below.

☒ *Statement of Consistency:* By checking this box, I understand and agree that the Replication Application process requires the enrollment policies of the new school to be consistent with the enrollment policies of the Replication Model School, and that enrollment of students cannot begin until the charter is signed.

Grades Requested for Replication Charter Contract: 6-12

Grades Served in Year 1: 6-9	Projected Enrollment Cap: 375
Grades Served in Year 2: 6-10	Projected Enrollment Cap: 475
Grades Served in Year 3: 6-11	Projected Enrollment Cap: 575

School Calendar Type: Standard (Standard, Extended, or Alternative)

If Alternative, describe in ten words or less: Click here to enter text.

Instructional Days: 178 Target Start Date: July 1, 2015

Attach a clear, specific and concise response about the proposed target population. The expected page length for all five questions is no more than two pages.

7-1. Describe the population of the Replication Model School, including the demographic profile, academic performance of students entering the school, and distance travelled by current students.

The ethnic composition of Great Hearts Academies--Chandler Prep (Chandler Prep) is: 14% Asian, 5% Black, 9% Hispanic, <1% American Indian or Alaskan Native, 69% White, and 3% Two or More Races. Of the total population of 674 students, 5% are eligible for free or reduced-price lunch, <1% are English Language Learners (ELL), and 3% are receiving Special Education (SPED) services. 91% of the students reside within the boundaries of the Chandler Unified, Gilbert Unified, Mesa Unified, and Kyrene Elementary School districts and live/travel within a ten mile radius of Chandler Prep. With respect to the academic performance of students entering the school, 72% of entering students enter in Grade 6, the school's entry level grade, and less than 2% enter in Grades 10 through 12. Because entering students are primarily from the Chandler Unified, Gilbert Unified, Mesa Unified, and Kyrene Elementary attendance areas, information on the academic performance of the 98% who enter in Grades 6 through 9 can be discerned from these districts' prior year Grades 5, 6, 7, and 8 AIMS scores. For example, the districts' average passing scores on the 2013 AIMS tests for the respective grades are: Grade 5 Reading, Math, and Writing: 84, 72, and 67, respectively, which are 6%, 14%, and 20% higher than the corresponding State scores; Grade 6 Reading, Math, and Writing: 86, 73, and 63, respectively, which are 8%, 16%, and 17% higher than the corresponding State scores; Grade 7 Reading, Math, and Writing: 90, 75, and 62, respectively, which are 6%, 15%, and 19% higher than the corresponding State scores; and Grade 8 Reading, Math, and Science: 79, 69, and 77, respectively, which are 22%, 19%, and 17% higher than the corresponding State scores. These data indicate that the academic performance of the 98% of students who enter Chandler Prep in Grades 6-9 is at least 6% higher than that of the overall state population as measured by the 2013 AIMS tests.

7-2. Identify the target population of the proposed school, demonstrating a clear understanding of the students the school intends to serve, including whether the students will be primarily neighborhood or commuter, current levels of academic performance, and a demographic profile.

For its Great Hearts Academies--North Scottsdale Prep (North Scottsdale Prep) campus, Great Hearts will target students within 5 miles of the intersection of E Thompson Peak Parkway and N Pima Road, Scottsdale, AZ 85255. Because the area within this 5 mile radius encompasses parts of the Scottsdale Unified, Paradise Valley Unified, and Cave Creek Unified school districts, we expect the student population of North Scottsdale Prep will likely resemble a composite of the demographic characteristics of all three districts as reflected in the Fall 2013 enrollment census: Ethnicity: 4% Asian, 3% Black, 23% Hispanic, 1% American Indian or Alaskan Native, 66% White, and 2% Two or More Races. 29% of the student population is eligible for free or reduced-price lunch, 4% are English Language Learners, and 11% are receiving SPED services. Similarly, information on the current academic performance of the students entering North Scottsdale Prep in Grades 6-9, the entry level grades for the school in its first year of operation, can be discerned from these districts' prior year Grades 5, 6, 7, and 8 AIMS scores. For example, the districts' average passing scores on the 2013 AIMS tests for the respective grades are: Grade 5 Reading, Math, and Writing: 88, 75, and 72, respectively, which are 11%, 19%, and 29% higher than the corresponding State scores; Grade 6 Reading, Math, and Writing: 88, 74, and 68, respectively, which are 10%, 17%, and 26% higher than the corresponding State scores; Grade 7 Reading, Math, and Writing: 90, 73, and 64, respectively, which are 6%, 12%, and 23% higher than the corresponding State scores; and Grade 8 Reading, Math, and Science: 82, 67, and 78, respectively, which are 14%, 16%, and 18%, higher than the corresponding State scores. Based on these data, the current academic performance of students entering North Scottsdale Prep in Grades 6-9 is expected to be at least 6% higher than that of the overall state population as measured by the 2013 AIMS tests. Because of the districts from which they draw, the data show the target population of North Scottsdale Prep may differ from the population of Chandler Prep in certain demographic characteristics. For example, 4% of the North Scottsdale Prep target population vs 14% of the Chandler Prep population is Asian, 23% of the North Scottsdale Prep target population vs 9% of the Chandler Prep population is Hispanic, 29% of the North Scottsdale Prep target population vs 5% of the Chandler Prep population qualifies for free or reduced-price lunch, and 11% of the North Scottsdale Prep target population vs 3% of the Chandler Prep population receives SPED services. However, while a direct comparison between the performances of students actually enrolled in the two schools cannot be made because no enrolled population for North Scottsdale Prep exists at this time, the performance data for the entering populations of the two schools are closely similar with each being at least 6% higher than that of the overall state population. Additionally, we are successfully educating students of differing backgrounds and abilities throughout our network of schools, including Chandler Prep, using intervention strategies such as math readiness testing, differentiated instruction, and structured tutoring periods during the school day to identify and remediate deficiencies, and will use these at North Scottsdale Prep, as needed, to ensure the success of all students. Based on these data and our experience with our other schools, we expect that any differences that may exist between the populations entering the two schools will have no effect on the populations' subsequent performance, once they are enrolled in their respective Great Hearts schools; both populations will continue to perform above the state average and their performances will likely increase in their similarity. The students will be primarily neighborhood students in that they are expected to live/travel within 5 miles of the school.

7-3. Describe the market analysis that supports the successful enrollment of the projected student count from the target population.

Our market research shows that very few of the schools in the targeted North Scottsdale area are offering a classical liberal arts program, and this is the main reason for Great Hearts to come to the area. To illustrate, Scottsdale Prep, one of our existing Great Hearts prep schools (grades 5-12) lies within the 5 mile radius of the targeted location and its wait list for enrollment shows a demand that far outstrips Great Hearts' current capacity to serve the students in the area. Specifically, Scottsdale Prep is fully enrolled for 2014-2015 with 925 students and has 819 students on its wait list for available seats. Based on historical data, these wait list numbers will continue to grow in 2014-2015 and beyond, thus creating an ever-increasing demand in the area for the education provided by Great Hearts Academies. These numbers show there is a clear need for North Scottsdale Prep in the targeted area and support its successful enrollment.

7-4. Describe the enrollment practices, processes, and policies of the existing school, as per A.R.S. § 15-184.

Like all Great Hearts academies, Chandler Prep employs an open admissions process; the only admissions criterion is the submission of a timely application. If the applications received during the open enrollment cycle exceed the number of available school seats, the school conducts a public, equitable, random, and transparent lottery. Within a month of running the lottery, all applicants are notified of their lottery number. Once all seats are filled via the lottery, remaining students are placed on a wait list in the order of their lottery number. Applications received after open enrollment are processed in the order in which they are received, and behind applications that received a lottery number. As seats become available, students on the wait list are offered enrollment in the order of their wait list number. In all of its application materials and communications, Chandler Prep clarifies that it does not discriminate on the basis of race, color, national origin, gender, income level, religion, disability, athletic performance, or proficiency in the English language. However, the school does, per state statute, grant enrollment preference to enrolled students returning to the school, to siblings of currently enrolled students, to students requesting a transfer from another Great Hearts academy and to children and grandchildren of: employees of the school, employees of the charter holder, members of the governing body of the school, and directors or board members of the charter holder.

7-5. Describe the enrollment timeframe that will be implemented by the proposed school, to be shared with the public.

North Scottsdale Prep, like all Great Hearts schools, will be an open enrollment, public school of choice with no admissions criteria except for the timeliness of a submitted application. If the charter for North Scottsdale Prep is awarded in 2014, within a month of receiving the signed charter the school will announce to the public a two-week open admissions period with a start date and firm submission deadline, during which applications will be taken for the 2015-2016 school year. If, during the open admissions period, there are more completed applications submitted than there are available openings for a particular grade, a random lottery will be held in January/February 2015 to determine the order for offering enrollment. In its second year of operation and every year thereafter, North Scottsdale Prep will implement the standard enrollment timeframe followed by all Great Hearts schools: By September 1, the school administration will announce to the public a two-week open admissions period to be held in November, with a start date and firm submission deadline, during which applications will be accepted for the following academic year. If, during the open admissions period, there are more completed applications submitted than there are available openings for a particular grade, a random lottery will be held in January to determine the order for offering enrollment. After the lottery is held, for the first year and every year thereafter, within a month all applicants are notified of their enrollment status as determined by the lottery. Once all open seats are filled via the lottery process, remaining students are placed on a wait list in the order

of their lottery number. Applications received after open enrollment are processed in the order in which they are received, and behind applications that received a lottery number. As seats become available, students on the wait list are offered enrollment in the order of their wait list number.

8. Facility Acquisition for New School

Answer the following questions regarding facility acquisition by checking the appropriate box and completing any additional information requested.

Has a confirmed facility been acquired for the new school?

☐ Yes (Complete Section D.1)

☒ No (Complete Section D.2)

Section D.1: Confirmed Facility

Address of Confirmed Facility:

Click here to enter text.

Description of Facility Size and Layout:

Enter response here

Required Exhibits:

- Floor Plan or Layout of confirmed facility.

Section D.2: Planned Facility

Attach the following information regarding the proposed location of the new school.

D.2-1. Identify the proposed location of new school by providing cross streets that would be the center of a 2.5 mile radius.

Great Hearts Academies--North Scottsdale Prep will be located within a 2.5 mile radius of the intersection of E Thompson Peak Parkway and N Pima Road, Scottsdale, AZ 85255.

D.2-2. Describe the facility size and layout suitable for implementing the Educational Plan.

To accommodate its full enrollment of 675 students in grades 6-12, Great Hearts Academies--North Scottsdale Prep will build or lease a 50,626+ sq. ft. facility with space for a multipurpose room, gym, science labs, office space, and 27 classrooms.

D.2-3. Describe the timeline for acquiring a suitable facility by the start date identified in Section 7.

A suitable building or site will be identified by October 31, 2014. Architectural drawings will be prepared for build or Tenant Improvements by October 31, 2014. Construction will be completed by June 30, 2015.

9. Educational Plan

To ensure that the charter contract for the Replication charter reflects the current practices of the existing entity and Replication Model School, attach a clear, specific and concise response regarding the existing Educational Plan, as it supports replication. The expected page length for all five questions is no more than two pages.

Provide a statement describing the mission of the new school: The mission of Great Hearts Academies--North Scottsdale Prep is to enable students in Grades 6 through 12 to acquire critical reasoning and communication skills and to explore the cultural and scientific achievements that are at the heart of the liberal arts. The school will prepare its graduates for success in college and to be leaders in creating a more philosophical, humane, and just society.

☒ *Statement of Consistency:* By checking this box, I understand and agree that the Replication Application process requires the Educational Plan of the new entity and school to be consistent with the Educational Plan of the existing entity and Replication Model School.

9-1. Provide a description of the charter holder's philosophical approach to improving pupil achievement. Include how this philosophy has impacted the success of the existing school. If a different population will be served in the new school, how does this philosophical approach apply?

Great Hearts' approach to improving student achievement is embodied in our philosophical pillars. We believe the world is ordered and knowable and that the human intellect can attain knowledge of reality through reason, hard work, and a coherent program of study. We believe education should proceed via shared inquiry and honest discussion; thoughtful depth about t subject is preferable to broad or rapid coverage. We believe the greatest number of students benefit when the intellectual and moral bar is set high in the classroom; students long for order in their lives, and habits of personal order cultivate habits of intellectual order. We believe that in order for students to become culturally literate citizens, they must share certain specific knowledge based in the study of the humanities, the sciences, and the fine arts. While students do learn at different paces, we believe that true education is a matter of development over time and within a stable learning community. We give our students individualized attention, but within a common, compulsory, one track curriculum; we believe that the best education for the best is the best education for all. Children and teenagers have the capacity and desire to be trained in all of the liberal arts and sciences, and they have the ability to participate in seminars on a high level. A Great Hearts preparatory school is characterized not only by an academic rigor and depth of study not often seen at the 6-12 level, but also by a student population that is engaged in a joyful and classical study of the liberal arts. The following features are essential to the Chandler Preparatory Academy model and to all Great Hearts existing and new schools: A core liberal arts curriculum that exceeds the state standards in duration and content and which all students take (there are no electives); an academy ethos that values character and leadership and exhorts students to create a community of scholarship, leadership and service in their classrooms, in extracurricular activities, and in their relationships with peers and teachers; small class size which provides the individual attention that students need to do their best; a professionally diverse and uniquely trained faculty that is fundamentally Socratic in its approach to students and embraces fully the school's vision of community, learning, leadership, and service; visible leadership, exemplified by a Headmaster who oversees all functions of the school, mentors and collaborates with teachers, and is a model of collegiality, fairness, responsibility, and love of learning; and family involvement characterized by parents' participation in the school's academic and ethical vision. The impact of this philosophical approach on the success of the existing school, Chandler Prep, can be seen in the academic performance of its students as reflected in the school's 2013 AIMS scores: Grade 6: Reading – 97, Math – 89, Writing – 83; Grade 7: Reading – 100, Math – 95, Writing – 89; Grade 8: Reading – 97,

Math – 93, Science – 94; Grade 9: Science – 90; Grade 10: Reading – 100; Math – 95, Writing – 99; and in the demand for the school as seen by the 311 students on its wait list for the 2014-2015 school year.

9-2. Describe the existing program of instruction of the current school, including methods of instruction and curriculum for the core academic content areas, which supports this philosophy and aligns to Arizona Academic Standards.

Chandler Prep uses as its main instructional methodology one of the most well-known core curriculum models, which is founded on the belief that to help students attain academic excellence, the curriculum must be: 1) Solid: Although ideas come and go, there is a body of lasting knowledge that is taught to all students. 2) Sequenced: Students learn new knowledge by building on what they already know. 3) Specific: The course frameworks clearly specify what is important in language arts, history/geography, math, science, foreign language, and the fine arts, and present answers to "what our students need to know." 4) Shared: Builds on the belief that cultural literacy depends on shared knowledge. The core curriculum is standard across the Great Hearts Academies network, ensuring that the approach is tested, comprehensive, and reliable. The courses are taught using the Socratic Method, which develops thinking, speaking, and reading skills, and increases student involvement. With the Socratic Method, students are actively involved in discovering truths, rather than being informed through lectures in class or readings in textbooks. The teachers' responsibility is to create the right questions for discussion. Students find the answers within their reading and reflective activities. The main focus of all classes is the Great Books program, where the focus is on shared inquiry and active learning of Great Ideas as expressed in the Western canon. The comprehensive, research-based core curriculum offered at Chandler Prep is balanced between English, history, science, mathematics, foreign language, and fine arts. Great Hearts has proven that using this academic program and culture of achievement generates high academic outcomes, in alignment with the Arizona Standards as verified by students' state test scores, and that this success is scalable. Descriptions of core content areas follow. English: Students in Grades 6-8 study Literature and Composition. At each grade level, the class includes an in-depth study of English grammar and vocabulary, plus development of writing skills and reading of classic literature. Students focus on sentence and paragraph development in 6th and 7th grade Composition before tackling the five paragraph thesis defense paper in grade 8. The middle school Literature program exposes students to great literature and develops their ability to discuss it respectfully, guided by the teacher, to analyze what they read, express their ideas effectively through speaking, listen to others, and evaluate others' ideas with civility. History: Middle school students take one year each of American History, Ancient History, and Medieval History, with Geography integrated at every grade level. Though primarily textbook based, the courses use extensive texts and require Socratic discussion of those texts. Humane Letters: For Grades 9-12, English and History are combined into a unique two-hour high school course called Humane Letters. This class forms the backbone of the curriculum; in it students are trained in the habits of rational thought and discussion about the humanities (history, literature, and philosophy). The focus of each year is: Freshman year – American History with the representative American literature; Sophomore year – English and European literature, history, geography, and philosophy; Junior year – literature, history, and philosophy of Ancient Greece; and Senior year – European literature and philosophy in the transition from Rome, through the Middle Ages and into the Modern Era. There is limited use of textbooks, and a typical day finds students involved in a Socratic discussion of one of more than 70 unabridged classics of the West that comprise the Humane Letters curriculum. Math: Students at Great Hearts preparatory academies take seven years of mathematics: Pre-Algebra in 6th grade, Pre-Algebra/Algebra I in 7th grade, Algebra I/II in 8th grade, Euclidean Geometry in 9th grade, College Algebra/Trigonometry in 10th grade, Calculus I in 11th grade, and Calculus II in 12th grade. The application of mathematics to solving problems is

emphasized at all grade levels. Science: In middle school, students study Physical Science in 6th grade, Life Science in 7th grade, and Earth Science in 8th grade before embarking on four years of laboratory science in Grades 9-12. In high school, students study biology in 9th grade, physics I in 10th grade, physics II in 11th grade, and chemistry in 12th grade. High school textbooks are all collegiate or AP level texts. Foreign Language: All Great Hearts prep academy students take Latin in Grades 6-8. They may then switch to a modern language (French, German, or Spanish) for four years in Grades 9-12, or they may continue their study of Classical language with fourth and fifth year Latin in Grades 9-10 followed by two years of Ancient Greek in Grades 11-12. All modern language classes are full immersion classes and students are required to participate frequently so they can build fluency and interact with classical works of literature in the target language. Fine Arts: Each Great Hearts preparatory academy student takes Fine Arts in each of his/her seven years at the academy, including choral music, instrumental music, studio art, poetry, and drama. Each class includes appreciation and performance components as well as instruction in technique. Senior Thesis: During their final year, students select texts from within and outside the curriculum and, through close textual reading and analysis, form a question of fundamental human importance, which they explore through regular meetings with faculty advisors, the writing of a 15 to 25 page paper, and a thesis defense before a faculty panel and community members. The curriculum is supplemented with experiences outside the classroom that are designed to enhance students' understanding and appreciation for the material covered in the courses. Each grade level has at least one major field trip per year. Please note that where necessary, modifications to the curriculum and instructional methods are made to meet state and federal laws concerning the education of Special Education (SPED) students and English Language Learners (ELL).

9-3. Present an explanation of how the implementation of the existing program of instruction meets the needs of the proposed target population.

The existing program of instruction is the most effective method of teaching for all populations, since through this approach students are primarily responsible for their learning, which proceeds through shared inquiry and thoughtful discussion within a community of learners. Such responsibility both increases student interest in the topics studied and promotes long-term retention of the material covered. Additionally, the core characteristics of the instructional program – solid, sequenced, specific, and shared– continually advance students' knowledge and reasoning skills and propel them to increasingly higher achievement. Though the curriculum and methods of instruction are rigorous and expectations of students high, Great Hearts schools are not directed exclusively at gifted students; rather, we provide an environment that allows every student who wants to learn an opportunity to achieve academically. We hold that every student can learn; as human beings, we are equal in that we all have the capacity to learn and grow. As in all Great Hearts schools, a student's desire to learn, in short, his/her curiosity, is the key to success and fulfillment at North Scottsdale Prep. While some students are more talented than others in different subjects, every student in the proposed target population who has passed the appropriate prerequisites, is genuinely curious, and applies him/herself diligently on a daily basis will succeed at the school. Success is measured as a student's growth in maturity, accomplishment, and understanding over the course of his/her seven years at the Academy and will finally be demonstrated in his or her character as a typical North Scottsdale Prep senior and graduate, a truly impressive, great-hearted young man or woman. North Scottsdale Prep is committed to helping each student achieve as much as he/she can. The existing program of instruction has a proven record of success in educating students throughout the Great Hearts network, as verified by standardized test scores and other measures, and it will be equally successful in educating and meeting the needs of the target population.

9-4. Describe the level of proficiency that students must obtain to demonstrate mastery of academic core content and clear criteria for promotion from one level to the next.

The Great Hearts core curriculum and methods of instruction are set for all students at all grade levels, although appropriate accommodations are made for SPED and ELL students when needed. All skills and abilities taught and assessed at the school are considered mastered when the student demonstrates an 85% or above proficiency level. The emphasis in assessment is to ensure that students have ample opportunity to demonstrate what they know and are able to do. The grade assigned takes into account both the averages for various categories of objective assessment relevant to the individual course (e.g., tests, quizzes, homework, essays), and a narrative assessment by the teacher of the student's class participation, sense of wonder, depth of inquiry, and degree of diligence in applying him/herself. At all Great Hearts prep academies, including the replication school and the proposed school, semester grades are used to determine promotion. In order for students to be promoted to the next grade level, they must demonstrate at least a basic understanding by earning a grade of D (60 – 69%) or higher in all of their classes. Students who fail a class must complete successfully a summer school course or study plan established by the school to be promoted. If a student fails two or more classes at the semester (Humane Letters in the high school counting as two classes), then he/she is not eligible for summer study and must repeat the entire year. Students are allowed to make up one failing semester grade per year through an appropriate offsite course approved by the Headmaster. Like all Great Hearts prep academies, on receipt of an official outside transcript, North Scottsdale Prep will credit a passing grade to the North Scottsdale Prep transcript to meet the graduation requirement increment.

9-5. If your school serves a high school population, identify graduation requirements for the school that will meet State requirements. Describe the process and criteria for awarding course credit.

Official graduation requirements are established in the charter and approved by the governing board of the academy at a legally convened public meeting. According to Arizona Revised Statutes 15-701 "The Governing Board may prescribe the course of study and competency requirements for the graduation of pupils from high school which are in addition to or higher than the course of study and competency requirements which the state board prescribes." The following is a description of the credits, senior thesis, community service, and AIMS requirements for graduation from all Great Hearts preparatory academies, including the replication model school, Chandler Prep, and the proposed school, North Scottsdale Prep. General Provision: Students must pass all of their classes in order to graduate from a Great Hearts preparatory academy. Credits: Great Hearts preparatory academies require the successful completion of 24.5 credits of high school study for graduation from the high school, which is higher than the 22 credits prescribed by the state board. Senior Thesis: Seniors are required to complete a Senior Thesis, an original research project that requires each student to choose an area of investigation and explore it thoroughly, which includes the writing and successful oral defense of a 15-25 page Thesis. Community Service: Students must complete a total of 10 hours of community service per year, other than the senior year. AIMS High School Graduation Requirement: Students must pass each area of the AIMS high school (Reading, Writing, and Math) tests (or successor tests as may be prescribed by statute) by achieving a score in the Meets range or higher in order to graduate from the high school. Specific credit requirements per subject area that students must earn are: 4 credits in English, earned through Humane Letters; 4 credits in Math, including 1 credit of Geometry, 1 credit of College Algebra/Trigonometry, and 2 credits of Calculus; 4 Credits of Science, including 1 credit of Biology, 2 credits of Physics, and 1 credit of Chemistry; 3.5 credits of Social Studies, earned through Humane Letters and including 1 credit of American History (including Arizona History), 1.5 credits of World History/Geography, .5 credit of government (including Arizona government), and .5 credit of Economics; 3.5 credits of Fine Arts; 4 credits of Foreign

Language; 1 credit of Speech, earned through Humane Letters; .25 credits of Community Service; and .25 credits for the Senior Thesis and Defense. The criteria for awarding course credit is the student's demonstrating at least a basic understanding of the course content by earning a grade of D (60 – 69%) or higher in each semester of the course. The process for awarding credit involves the teacher's determination that the student earned a passing grade (D or higher) for the course, which includes a rigorous analysis of all aspects of a student's work, including class participation, attitude, homework, essays, quizzes, and tests. For the first quarter of each semester, teachers produce a half-sheet document for each course for each student that indicates an overall grade and objective breakdown of different evaluative areas along with a narrative summary of the student's progress. At the end of each semester, teachers produce a one-page document for each course for each student that offers a detailed narrative of the student's achievements in categories such as sense of wonder and depth of inquiry, attitude, participation, essays, tests, quizzes, homework, special projects, and presentations. In our community of learners, we believe that the narrative method of evaluation allows us to evaluate the whole student in a meaningful and individual way. Once the teacher determines that the student has earned a passing grade in the course, the appropriate credit is awarded and placed on the student's transcript.

Required Exhibit: (for schools offering high school grades only)

- Menu of course offerings including course titles and brief descriptions.

  See attachments for menu of course offerings and chart of graduation requirements.

10. Operational Plan

Attach a clear, specific and concise response regarding the operational plan for the entity requesting replication. The expected page length for all three questions is no more than one page.

10-1. Describe the organization's strategic growth plan and desired outcomes over the next five years in Arizona. Include: number of schools with grades served including expansion progression, projected opening dates, and projected number of students served.

Great Hearts Academies plans to grow significantly over the next five years, following its pursuit to achieve its goal of improving public education in Metro Phoenix. From its current size of 19 member schools (16 operating in 2013-14 and 3 more opening in 2014-15), Great Hearts will grow to a network of 25 schools by 2017. This strategic growth is planned to ensure that the option of an academically rigorous liberal arts public education will always be available to families throughout the ever-expanding Phoenix metropolitan area. Each new school is established following the proven Great Hearts model of success and is projected to outperform the existing public and private schools with which it competes for student enrollment. New schools will be established after careful research for site placement and a strategic marketing campaign involving both a grassroots and grasstops approach. Prospective families will be drawn to the core curriculum, small school culture, and the impressive record of performance of the network's existing schools. At capacity, Great Hearts Academies will be the largest prep school provider in Arizona, graduating over 900 students each year, and will demonstrate the highest performing results. Specifically: In Fall 2014-2015, Great Hearts will open two elementary schools with capacity to serve 540 students each in Grades K-5, and one prep school with capacity to serve 675 students in Grades 6-12; and in 2015-2016, Great Hearts will open four elementary schools with capacity to serve 540 students each in Grades K-5 and two prep schools with capacity to serve 675 students each in Grades 6-12.

10-2. Summarize the organization's capacity to support the quality and long-term academic and operational success and financial viability of the replication school, and proposed growth of the school over the next three years.

Key to ensuring the quality and long-term academic, operational, and financial success of the replication school is the structure of the Great Hearts organizational model, which distributes administrative functions strategically between the parent organization and its member schools to provide effective and efficient management. The Headmaster of the new school is hired early in the process and thoroughly trained in the Great Hearts school management model, including financial, instructional, and operational processes that are key to the successful administration of the school. Additionally, at the beginning of each school year, all new teachers participate in an intense three-day New Faculty Orientation that provides training in all aspects of the Great Hearts curriculum and instructional methodology, and all Great Hearts faculty and staff participate in an annual Summit focused on the Great Hearts mission and purpose. Further, the curricular unity of all Great Hearts schools, including the replication model and proposed schools, is achieved through the use of the network's curriculum intranet, Athena. All new and continuing faculty receive regular instructional training in its use and are required to build and maintain portfolios of best lessons and practices in conformance with the Great Hearts curriculum model that are shared with their colleagues. Staff development in-services for faculty are also held regularly throughout the year. The Lead Office staff, which consists of 55 professionals with experience and expertise in the areas of finance, human resources, curriculum and instruction, facilities acquisition and management, information technology and systems, fundraising, and development, participates in the training of the Headmaster and provides ongoing support to him/her in the operation of the school. This shared management structure between the Great Hearts Lead Office staff and site administrators, with each having key

responsibilities, is used with every school in the Great Hearts network and ensures the continued operational and financial success of replication schools, especially during the first three years of their existence. The corporate leadership, which has a vision for improving education and creating additional choices for parents in the Greater Phoenix area, created the Great Hearts management model to further the mission of the schools and strategically institutionalize already successful business and academic practices and processes. This type of organization and the distribution of managerial functions between the parent organization and the schools allows for the system to further develop and strengthen its infrastructure for the effective and efficient management of new and existing schools. Evidence that the model works is seen in the 16 Great Hearts schools that have been replicated successfully to date.

10-3. Discuss your operational capacity to open and operate schools successfully, including lessons learned from past expansion, and how you plan to avoid or minimize challenges in the replication school.

From a managerial perspective, Great Hearts is an in-born charter management organization, strategically managing the system of its own schools. From a business development perspective, Great Hearts Academies is a corporation, serving as a strong business incubator in the unique creation and expansion of its system of schools following its own successful replication model. The Board of Directors and the Lead Office are ultimately responsible for the development of new schools as stated in the Great Hearts Strategic Plan. As currently seated, the Board has strong leadership capacity in the areas of corporate and business management, real estate development, academics, banking/financial analysis, and legal counsel. The members include community leaders, political and education leaders, and the corporate/marketing expertise of company presidents and CEOs. These individuals play a key role in setting major strategic milestones for corporate growth and success, in evaluating the corporation's progress in meeting these milestones, and in providing direction to the CEO and leadership team in the Board members' areas of professional expertise. As part of its strategic planning, under the guidance and leadership of its Board, Great Hearts has developed the necessary organizational infrastructure and process to identify and approve new school sites for start-up and successful growth. It is the responsibility of the Lead Office to identify new school sites and bring them forward to the Board of Directors for approval. To ensure sufficient and stable enrollment to sustain the school over time, a proposed site must meet the following criteria to be approved for opening by the Board: A minimum of 150 families recorded on a pre-enrollment interest list; an identified start-up facility that is capable of housing the school for at least the first three years of operation, meets the basic aesthetic and safety requirements to house an elementary or prep school, and includes a plan for where to locate playground and athletic activities; a conservative five-year budget for the site that includes student attrition projections and total facility costs; a Year 0 start-up budget that includes all of the site and staff start-up costs prior to receiving the first state aid payment and any corresponding committed fundraising revenue or loan package to schools from available Great Hearts funds or contacts; and a clear and compelling case for the new school fitting within Great Hearts' strategic plan to serve the Metro Phoenix area, i.e., the school serves a previously underserved community. Most importantly, prior to opening a new school, the Great Hearts leadership undertakes a comprehensive self-assessment to ensure that the Lead Office is properly staffed and able to open the new school by the committed deadline, including the identification and training of a new Headmaster and the recruiting of quality faculty, and maintain the quality support needed to ensure the long-term academic and operational success and financial viability of the replication school. If the bench strength is not present to sustain these operations simultaneously and successfully, the opening of the new school does not proceed. With respect to lessons learned, in the process of opening 19 schools Great Hearts has learned that new facilities must be able to adapt and accommodate accelerated growth. The success of the Great Hearts model in certain valley locations was underestimated in some of the past expansions and the original facilities were insufficient to

accommodate the increased demand. This necessitated relocations or additional tenant improvements to the facilities earlier than planned. By virtue of these past experiences, our facilities acquisition and management team has developed guidelines to use in selecting sites that will allow for accelerated expansion of facilities with minimal impact to the network and existing schools. This lesson learned has been invaluable to the success of our network expansion efforts.

11. Business Plan

The **Financial Performance Framework** gauges both near-term financial health and longer term financial sustainability, and is described in the *Financial Performance Framework and Guidance* document, available on http://asbcs.az.gov. An existing entity that receives one or more "Falls Far Below Standard" and/or two or more "Does Not Meet Standard" does not meet the Board's financial performance expectations and must submit additional information as part of its replication application.

Answer the following questions regarding the financial performance of the existing entity by checking the appropriate box and completing any additional information requested.

Does the financial performance of the existing entity meet the Board's financial performance expectations?

☒ Yes (Skip Section E and go to Principal Information)

☐ No (Complete Section E)

Section E: Business Plan for Expansion

Attach a clear, specific and concise response regarding budgets and finances.

Required Attachments:

- **Financial Performance Information**: As described on page 13 of the *Financial Performance Framework and Guidance* document, address each Financial Performance Framework measure where the existing entity received a "Falls Far Below Standard" or "Does Not Meet Standard."
- **Start-Up Budget**: Provide a budget to cover expenses projected to occur during the start-up period (Until August 1 of the year the school opens).
- **Three Year Operational Budget**: Provide a budget to cover expenses projected to occur during the first three years of operation.
- **Assumptions**: For each budget, provide a separate document describing assumptions for each line item, to include disaggregated costs, and basis for determining for those costs. Demonstrate through the assumptions that the amounts listed are viable and adequate for the start-up period and first three years of operation.

Note: Templates for the Budgets will be provided as separate Excel files and are located at http://asbcs.az.gov/applicant_resources.

12. Checklist for Replication Application

Ensure you have completed all these steps before submitting your application to the ASBCS.

☒ Completed, signed and attached the "Applicant Agreement" form

☒ Completed "Current Charter Holder Entity" section

☒ Completed "Replication Charter Holder Entity" section, with all applicable exhibits

☒ Attached all documents specified in the "Principal Information" section for all Charter Representatives, Authorized Representatives, and Principals

☒ Completed "Governance Structure" section

☒ Completed "Education Service Providers" section, with all applicable exhibits

☒ Completed "Target Population and Enrollment of New School"

☒ Completed "Facility Acquisition for New School" section, with all applicable exhibits

☒ Completed "Educational Plan" section, with all applicable exhibits

☒ Completed "Operational Plan" section

☒ Completed "Business Plan" section, with all applicable attachments

☒ Named all files according to the "Formatting Requirements" described in this application

- ☒ Burned files to a CD-R OR copied files to a flash drive
- ☒ Backed up all files on your computer
- ☒ Delivered the CD-R/flash drive containing application files to the ASBCS office with one paper copy of the complete application package

Attachments

- *Print or copy the following forms as needed.*
- *Refer to the Formatting Requirements when attaching files to the application.*
- *These blank form templates may be deleted from your application file when complete.*

On May 13, 2013, the Board approved the Replication Application, which includes templates and attachments designated by the Board. Templates and attachments must not be altered from the approved content, format and sequence approved on May 13, 2013. A replication application package may be deemed administratively incomplete if it contains modifications to the content, format or sequence of the templates or attachments or if it contains templates or attachments that were approved for use in a prior fiscal year.

AZ CORPORATION COMMISSION
FILED

APR 1 6 2014

FILE NO. 1919528-8

04619399

ARTICLES OF INCORPORATION

OF

NORTH SCOTTSDALE PREPARTORY ACADEMY

(Arizona Non-Profit Corporation)

1. Name: The name of the Corporation is **NORTH SCOTTSDALE PREPARTORY ACADEMY.**

2. Purpose: This Corporation is organized and to be operated as a nonprofit corporation exclusively for charitable, scientific, literary or educational purposes, as a tax-exempt organization under sections 501(a) and 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provisions of any future United States revenue law). In furtherance of its exempt purpose, the Corporation will 1) administer property donated to the Corporation for charitable, scientific, literary or educational purposes; 2) distribute the donated property and the income from the property to or on behalf of qualified organizations and persons for charitable, scientific, literary or educational purposes; and 3) do and perform such acts as may be necessary or appropriate in carrying out the foregoing purposes of the Corporation.

3. Character of Business and Affairs:

The character of affairs of the Corporation will be:

A. To operate a liberal arts public charter school in North Scottsdale, Arizona;

B. To develop each student's academic potential, personal character and leadership qualities through an academically rigorous and content-rich educational program grounded in the classical tradition; and

C. To strive to give every student the education he or she deserves and needs.

4. Prohibited Transactions: No part of the net earnings, gains or assets of the Corporation will inure to the benefit of, or be distributable to, its members, directors, officers or other private persons, or organizations organized and operated for a profit, 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 its exempt purposes. No substantial part of the activities of the Corporation will be the carrying on of propaganda or otherwise attempting to influence legislation, and the Corporation will not participate in or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office. Notwithstanding any other provision of these Articles, the Corporation will not carry on any other activities not permitted to be carried on (1) by a corporation exempt from federal income taxation under section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States revenue law) and/or

04/18/2014 17:16 6025424100 AZ CORP COMMISSION PAGE 04/09

(2) by a corporation, contributions to which are deductible under sections 170(c)(2), 2055(a)(2) and 2522(a)(2) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States revenue law).

5. Dissolution and Liquidation. Upon the dissolution or liquidation of this Corporation, the board of directors will, after paying or making provision for the payment of all the liabilities of the Corporation, distribute all of the assets of the Corporation exclusively for one or more exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue Code (or the corresponding provisions of any future Federal tax code) or will be distributed to the federal government, or to a state or local government, for a public purpose. Any of the assets not so disposed will be disposed of by a court of competent jurisdiction of the county in which located, exclusively for exempt purposes or to such organization or organizations, as the Court may determine, which are organized and operated exclusively for exempt purposes.

6. Liability and Indemnification. The personal liability of any director of the Corporation to the Corporation or its members or to other persons for monetary damages for breach of fiduciary duties as a director is hereby eliminated to the fullest extent allowed under the Arizona Revised Statutes, as amended from time to time. The Corporation will indemnify, to the maximum extent from time to time permitted by applicable law, any person who incurs liability or expense by reason of the person acting as an incorporator, director, officer, employee, or agent of the Corporation. This indemnification will be mandatory in all circumstances in which indemnification is permitted by law.

7. Board of Directors: The initial Board of Directors shall consist of 1 director. The name and address of the person who is to serve as the sole director until the first annual meeting of the Board of Directors, or until his successors are elected and qualified are:

Dr. Daniel P. Scoggin
3106 E. Lexington
Gilbert, AZ 85234

The number of persons to serve on the Board of Directors will be fixed by the Bylaws.

8. Statutory Agent. The name and address of the Statutory Agent of the corporation is US SERVICE CORP., whose address is 1138 North Alma School Road, Suite 101, Mesa, Arizona, 85201, which is an Arizona corporation duly authorized to transact business in the State of Arizona.

9. Incorporator: The name and address of the incorporator is:

Daniel P. Scoggin
3106 E. Lexington
Gilbert, AZ 85234

04/18/2014 17:16 6025424108 AZ CORP COMMISSION PAGE 05/09

All powers, duties and responsibilities of the incorporator shall cease at the time of delivery of these Articles of Incorporation to the Arizona Corporation Commission.

10. Known Place of Business. The street address of the known place of business of the Corporation is 3102 N. 56th Street, Suite 300, Phoenix, AZ 85018

11. Discrimination. The Corporation will not practice or permit discrimination on the basis of sex, age, race, national origin, relation, or physical handicap or disability.

12. Members. The Corporation will have one member. The Corporation's sole member will be Great Hearts Academies, an Arizona nonprofit corporation.

IN WITNESS WHEREOF, the undersigned incorporator has hereunto signed his name this 15 day of April 2014.

Daniel P. Scoggin

ACCEPTANCE BY STATUTORY AGENT

US SERVICE CORP., having been designated to act as Statutory Agent for **NORTH SCOTTSDALE PREPARTORY ACADEMY** hereby consents to act in that capacity until removed or resignation is submitted in accordance with the Arizona Revised Statutes.

US SERVICE CORP.

By _____
Stephen L. West, Vice President

Date: April 14, 2014

4080409.1\April 14, 2014
110998-009

BYLAWS OF
North Scottsdale Preparatory Academy

ARTICLE I

The name of this corporation shall be North Scottsdale Preparatory Academy, an Arizona nonprofit corporation.

ARTICLE II

PURPOSE

North Scottsdale Preparatory Academy ("Academy" or "Corporation") operates a tuition-free charter public school called Great Hearts Academies—North Scottsdale Preparatory Academy that will enable students to acquire critical reasoning and communication skills and to explore the cultural and scientific achievements that are at the heart of the liberal arts and sciences. North Scottsdale Preparatory Academy will promote a curriculum emphasizing personal integrity, creative imagination, community service, and a lifelong quest for learning. The Academy shall not limit admission based on ethnicity, national origin, gender, income level, disabling conditions, or proficiency in the English language.

ARTICLE III

MEMBER

The Corporation shall have one member, Great Hearts Academies, an Arizona nonprofit corporation ("Great Hearts Academies" or "Member"). The Member shall have all the authority set forth in the Articles of Incorporation and these Bylaws. Membership in this Corporation may be assigned or transferred by Great Hearts Academies, with the approval of a majority of the Board of Directors of North Scottsdale Preparatory Academy.

ARTICLE IV

BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors of the North Scottsdale Preparatory Academy, ("Board") shall be responsible for policy for the Academy. Decisions in the following areas must be approved by the Member prior to implementation by the Board:

- The location of the Academy
- The liberal arts philosophy of the Academy
- The core curriculum, grading philosophy/structure, teaching methodology, and graduation requirements
- A revision of the Academy budget in excess of $50,000
- Major financing or financial commitments (in excess of $50,000)
- Major building or renovation projects (in excess of $50,000)

Appointment and contract renewal for the Headmaster of the Academy must be approved annually by the Member.

Section 2. Number and Election Term. There shall be not less than one (1) or more than seven (7) Directors. The number of Directors may be increased or decreased in accordance with Section 3 of this Article, but in no case shall the number of Directors be less than three (3). Each Director shall serve for a one (1) year term and until his or her successor is appointed. A Director whose term has expired may be appointed to succeed him or herself.

Section 3. Additional Directors and Vacancies. The Member shall appoint such additional Directors or replacement Directors as it deems necessary. A person appointed as a Board member to fill an unexpired term on the Board of less than one (1) year shall hold office until the next annual meeting of the Board or until his or her successor is appointed.

Section 3A. Appointment and Removal of Board Members. All Directors must be annually appointed or reappointed by the Member, according to the regulations outlined in Section 3 above. Directors may be removed by the Member according to Section 4 below.

Section 4. Removal and Resignation. Any of the Directors may be removed with or without cause, by decision of the Member. A Director who is removed in accordance with this section shall also be deprived of status as an officer of the Corporation. Any Director who is absent from more than three (3) consecutive meetings of a Board meeting in any fiscal year may be removed automatically, unless the Member acts affirmatively to retain the Director. A Director may resign at any time by written notification to the Corporation at its principal office, or to the Corporation's statutory agent, with a copy to the Member. Unless otherwise specified in the notice, said notice shall be effective upon receipt thereof by the Corporation.

Section 5. Compensation. Directors shall serve without compensation for their services as Directors, although they may be reimbursed for all necessary and reasonable expenses of attending meetings and otherwise performing their duties.

Section 6. Quorum. A quorum shall consist of a majority of the Board members then in office. Unless otherwise specified in these Bylaws or Articles of Incorporation, every act or decision made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board. Each Director shall have one (1) vote.

Section 7. Annual Meeting. The annual meeting of the Board of Directors shall be held in June of each calendar year or such other month as shall be determined by the Board. At the annual meeting, the incumbent Directors shall transact such business as may be properly brought before the meeting. If for any reason an annual meeting is not held on the day set forth above, a deferred annual meeting shall be thereafter called and held in lieu thereof, at which the same proceedings may be conducted.

Section 8. Regular Meetings. Regular meetings of the Board shall be held a minimum of six times annually, on the campus of North Scottsdale Preparatory Academy, or such other time or place as the Board by resolution may determine.

Section 9. Special Meetings. Special meetings of the Board may be held at any time or place upon the call of the President or the Vice President or at the written request of three (3) Directors or the Member.

Section 10. Notice of Meetings to Directors. Not less than 24 hours nor more than thirty (30) days (inclusive of the date of meeting) before the date of any meeting of the Board, the Secretary of the Corporation, or any other officer of the Corporation, shall cause a written notice setting forth the time, place, and general purposes of the meeting to be delivered personally, to be sent by facsimile, or by e-mail, or to be deposited in the mail, with class or airmail postage prepaid, addressed to each Director of record at his or her last address (including e-mail) or facsimile number as it appears in the Corporation's records. Notice that is mailed to a Director must be deposited in the mail no less than three (3) days (exclusive of the date of the meeting) before the date of the meeting. Such notice shall also be given to the Member in the same manner as notice to the

Directors.

Section 11. **Public Notice of Meetings.** Public notice of all meetings of the Board, of the Executive Committee, and of all committees authorized by the Board shall be given pursuant to and as required by the Arizona Open Meeting Law, A. R. S. Sections 38-431through 38-431.09 (hereinafter referred to as the "Open Meeting Law"), for so long as the Open Meeting Law applies to charter schools.

Section 12. **Open Meeting Law.** The Corporation and the Board shall comply in all respects with the Open Meeting Law, for so long as the Open Meeting Law applies to charter schools.

Section 13. **Governing Rules.** The Directors may adopt, from time to time, rules to govern the conduct of their meetings. Such rules shall be binding, unless and until changed by a majority vote.

Section 14. **Minutes.** A written record of the discussions and decisions reached at each meeting of the Board in the form of minutes shall be made, and shall, upon approval by the Board at a legally-convened public meeting, be made a part of the records of the Corporation. The minutes shall comply with the requirements set forth in the Open Meeting Law, for so long as the Open Meeting Law applies to charter schools.

ARTICLE V

OFFICERS

Section 1. **Designation of Titles.** The officers of the Corporation shall be a President, a Vice President, and a Secretary and such other officers, including Assistant Secretary, as from time to time, may be determined by the Board. The election of any officer of the Corporation shall not of itself create contract rights in the office.

Section 2. **Election and Term.** The officers shall be elected by the Board at the annual meeting of the Board of Directors, and each office shall serve for a one (1) year term and until his or her successor is elected. Any officer may be elected to succeed him or herself.

Section 3. **Removal of Officers.** Any officer elected by the Board may be removed, with or without cause, at any time by the affirmative vote of two-thirds (2/3) of the voting Directors then in office. The officer in question shall not vote on the question of removal, but may be present at the meeting and may be counted in determining the presence of a quorum. Such removal shall not prejudice the contract rights, if any, of the person so removed.

Section 4. **Vacancies.** Any vacancy occurring in any office of the Corporation may be filled for the unexpired duration of the term by the Board.

Section 5. **President.** The President, subject to the direction of the Board, shall have general charge of the business affairs and property of the Corporation and general supervision of its officers and agents. In general, he or she shall perform all duties incident to the office of President, shall see that all orders and resolutions of the Board and the Member are carried into effect, and shall preside at meetings of the Board.

Section 6. **Vice President.** The Vice President, subject to the direction of the Board, shall act for the President in his or her absence or incapacity and shall have such other duties as may be assigned to him or her by the Board.

Section 7. **Secretary.** The Secretary shall attend all meetings of the Board and record all votes and proceedings of the Board in a book to be kept for that purpose, and shall perform like duties for all committees of the Board, as necessary. He or she shall give, or cause to be given, notice of the meetings to Directors and the Member and shall perform such other duties as may, from time to time, be prescribed by the Board or the President, under whose supervision he or she shall act. He or she shall have custody of the seal of the Corporation, and authority to affix the same to any instrument requiring it, and, when affixed, the seal may be attested by his or her signature. The Board may give general authority to any officer to affix the seal of the Corporation and to attest the affixing thereof by his or her signature.

Section 8. **Other Officers.** The President shall recommend to the Board for its approval such additional corporate officers as may be necessary to the business of the Corporation, who shall perform such duties and responsibilities as may be prescribed by the President.

ARTICLE VI

COMMITTEES

Section 1. Standing Committees. The Board may, in its discretion, authorize such standing committees and advisory boards as it deems appropriate. Membership on standing committees and advisory boards shall be determined by the Board. The principal matters relating to that committee's or advisory board's areas of responsibility are for the purpose of making recommendations to the Board. Another purpose is to advise and make recommendations to the Board on any matters pertaining to the policy of the Academy that may be requested from the Board. The chairmanship of each standing committee or advisory board shall be determined by the Board. It shall be the responsibility of the chairmen of standing committees and advisory boards to notify members of meetings. Chairmen of standing committees and advisory boards shall appoint a member of their committee to be Secretary to take minutes of the discussions and decisions reached at each meeting of the committee. The minutes shall comply with the requirements set forth in the Open Meeting Law, for so long as the Open Meeting Law applies to charter schools, including standing committees and advisory boards. The President shall be an ex- officio member of all standing committees and advisory boards, except committees or advisory boards where he or she is specifically designated as a voting member by the Board.

Section 2. **Special Committees.** Special committees may be appointed and discharged by the Board for such special tasks as circumstances warrant. A special committee shall be limited to the accomplishment of the task for which it was created and shall have no power to act except as specifically conferred by the Board. Upon the completion of the task for which appointed, such special committee shall be discharged. Special committees shall follow the same procedures as set forth in Section
1 above.

Section 3. **Extent of Authority.** No committee may exercise the authority of the Board in filling vacancies on any committee of the Board.

ARTICLE VII

SOLICITATION AND ACCEPTANCE OF FUNDS

Section 1. **Solicitation and Borrowing of Funds.** The Corporation may solicit contributions or borrow funds from any persons or corporations, upon such terms and conditions consistent with the provisions of the Articles of Incorporation of the Corporation and subject to the provisions of Section 2 below, as the Directors shall deem appropriate. All such solicitation or borrowing of funds must be approved in writing by the Member.

Section 2. **Acceptance of Funds.** The Corporation may accept contributions, grants, gifts, and borrowed funds from any persons, partnerships, corporations, government entities, or other entities upon such terms and conditions consistent with the provisions of the Articles of Incorporation of the Corporation, as the Directors shall deem appropriate and as approved by the Member.

Section 3. **Investment of Funds.** Consistent with the provisions of the Articles of Incorporation of the Corporation, the Corporation may retain or dispose of any investments and other assets contributed to it pursuant to Sections 1 and 2 above and may invest and reinvest in such notes, certificates of deposit, and other securities as the Directors shall deem appropriate and as allowed by law. Any disposal of investments or assets must be approved in writing by the Member.

ARTICLE VIII

INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS

Section 1. **Non-Liability for Debts.** The private property of the Directors and Officers shall be exempt from execution or the liability of any debts of the Corporation, and no Director or Officer shall be liable or responsible for any debts or liabilities of the Corporation.

Section 2. **Indemnification.** Each Director, Officer, employee, and agent of the Corporation shall be indemnified by the Corporation to the fullest extent permitted by law, as provided in the Articles of Incorporation.

ARTICLE IX

FISCAL YEAR

The fiscal year of the Corporation shall commence on July 1of each year and end on June 30.

ARTICLE X

REPEAL, ALTERATION OR AMENDMENT

The Bylaws and the Articles of Incorporation may be added to, repealed, altered or amended, or substitute Bylaws or Articles of Incorporation may be adopted by the Member.

ARTICLE XI

CONFLICT OF INTEREST

Section 1. Definitions.

(a) "Conflict of Interest" -A conflict of interest occurs when a Director places himself or herself in a position where his or her personal financial interests or those of his or her family are or may be antagonistic to his or her fiduciary duty to the Corporation.

(b) "Family" - Includes, but is not limited to, grandparents, parents, spouses, partners, children, aunts, uncles, siblings, in-laws, and other relatives of a similar degree of closeness.

Section 2. Reporting and Disqualifications. Directors shall report possible conflicts of interest to the President, or if the President is the interested individual, to a Vice-President. The President (or Vice-President) shall make a full report to the Board prior to any action on the transaction by the Corporation. Upon report of a possible conflict, the Board shall conduct an investigation and determine whether a conflict of interest does exist and whether it is substantial. If the Board determines that a substantial conflict of interest exists, the interested individual shall not vote on the transaction presenting the conflict. The interested individual may vote only if the Board determines that no conflict exists or the conflict is not substantial. No investigation or determination by the Board shall be required if the interested individual voluntarily agrees to refrain from voting on the transaction presenting the potential conflict of interest. The interested individual may be counted in determining the presence of a quorum.

Section 3. Valid Transactions. Any transaction undertaken by the Corporation in which a Director or member of his or her family has a financial interest, shall be valid, notwithstanding the presence of the interested person at any meeting at which the transaction is acted upon, if the procedures outlined in Section 2 of this Article have been complied with prior to the meeting.

ARTICLE XII

MISCELLANEOUS

Section 1. The Corporation may establish categories of support so that persons who regularly contribute may receive due recognition for the continuing support of the Corporation.

Section 2. It shall be the policy of the Corporation to cooperate with other individuals, agencies, and organizations sharing its goals in whole or substantial part so as to avoid needless duplication of effort and to make maximum use of limited resources.

Section 3. **Prohibition Regarding Lending.** The Corporation shall specifically not lend money or use its credit to assist its Directors, whether or not employees or officers.

Section 4. These Bylaws of the Corporation shall supplement the Articles of Incorporation, and shall provide for and govern the basic operation of the Corporation.

Section 5. The Corporation shall not be authorized to issue memberships.

Section 6. The Corporation shall comply in all respects with the Arizona Public Records Law, A.R.S. Sections 39-121 through 30-122, for so long as the Public Records Law applies to charter schools.

GREAT HEARTS ACADEMIES—North Scottsdale Preparatory Academy

By:_____ Date: 4/23/14

CHANDLER PREPARATORY ACADEMY

Board of Directors Minutes

Date: 22 April 2014

Time: 5:15 p.m.

Location: Chandler Preparatory Academy

A meeting of the Great Hearts Academies-Chandler Preparatory Academy Board of Directors was held at Chandler Preparatory Academy, 1951 N. Alma School Road, Chandler, AZ 85224 pursuant to A.R.S. 38-431.02, notice having been duly given.

I. Call to Order

Mr. Porter called the meeting to order at 5:16 p.m. The following directors/administrators were present/absent:

Directors	**Office**	**Present**	**Absent**	**Notes**
Reed Porter	President	x		
Henry Stein	Vice President	x		
Darrel Barger	Secretary	x		
Andrew Ellison	Director	x		Left at 5:53 p.m.
Helen Hayes	Director	x		
Sabrina Porter	Director	x		
Robert Wagner	Director	x		
Administration				
Daniel Sullivan	Headmaster, CPA	x		
Wayne Porter	Head of Middle School, CPA	x		
Ramsey Margison	Staff Accountant, GH	x		
Vivian Solis	Staff Accountant, GH	x		
Christina Staring	Director of Academy Giving, CPA	x		

II. Call to the Pubic

Mr. Porter made a call to the public at 5:16 p.m. There was no public present.

III. Approval of Consent Agenda

IV. Approval of the Application for Replication of Chandler Preparatory Academy/Great Hearts Academies--Chandler Prep to create North Scottsdale Preparatory Academy/Great Hearts Academies--North Scottsdale Prep

Mr. Ellison explained that Great Hearts can apply for a new charter under the replication protocol, making it slightly easier to obtain a new charter. Approval will mean approval of the process leading to the submission of an application.

Mr. Stein made a motion that the board approves Application for Replication of Chandler Preparatory Academy/Great Hearts Academies--Chandler Prep to create North Scottsdale Preparatory Academy/Great Hearts Academies--North Scottsdale Prep. Mr. Ellison seconded, all in favor, none opposed, the motion carried at 5:23 p.m.

V. Approval of the Application for replication of Chandler Preparatory Academy/Great Hearts Academies—Chandler Prep to create South Gilbert Preparatory Academy/Great Hearts Academies—South Gilbert Prep

Mr. Ellison explained that Great Hearts can apply for a new charter under the replication protocol, making it slightly easier to obtain a new charter. Approval will mean approval of the process leading to the submission of an application.

Mr. Stein made a motion that the board approves Application for Replication of Chandler Preparatory Academy/Great Hearts Academies--Chandler Prep to create South Gilbert

Preparatory Academy/Great Hearts Academies--South Gilbert Prep. Mr. Ellison seconded, all in favor, none opposed, the motion carried at 5:23 p.m.

VI. Review and Possible Approval of the SY 2014-15 Calendar

VII. Review and Possible Approval of the SY 2014-15 Extracurricular and Field Trip Fee Schedule

VIII. Headmaster's Report

IX. Financial Report

IX. Possible Executive Session

N/A.

X. Leave Executive Session

N/A.

X. Possible Motions from Executive Session

N/A.

XI. Announcements/Adjournment

a. Next Board Meeting: 11 a.m. Monday, June 23, 2014 at Great Hearts.

Mr. Wagner made a motion that the board adjourns. Ms. Porter seconded, all in favor, none opposed, the motion carried at 6:07 p.m.

Submitted by Darrel Barger, Secretary
-Allison Harmon, Scribe-

List of Great Hearts Schools

Great Hearts Academies--Anthem Prep
Great Hearts Academies--Chandler Prep
Great Hearts Academies --Cicero Prep
Great Hearts Academies--Glendale Prep
Great Hearts Academies--Maryvale Prep
Great Hearts Academies--Mesa Prep
Great Hearts Academies--North Phoenix Prep
Great Hearts Academies--Scottsdale Prep
Great Hearts Academies--Teleos Prep
Great Hearts Academies--Trivium Prep
Great Hearts Academies--Veritas Prep
Great Hearts Academies--Archway Chandler
Great Hearts Academies--Archway Cicero
Great Hearts Academies--Archway Glendale
Great Hearts Academies--Archway Mesa
Great Hearts Academies--Archway North Phoenix
Great Hearts Academies--Archway Scottsdale
Great Hearts Academies--Archway Trivium
Great Hearts Academies--Archway Veritas