SENECA PREPARATORY ACADEMY FOUNDATION

Bylaws

ARTICLE 1

OFFICES

Section 1. Principal Office

The principal office of the corporation is located in Pima County, Arizona.

Section 2. Change of Address

The designation of the county or state of the corporation's principal office may be changed by amendment of these bylaws. The Board of Directors may change the principal office from one location to another within the named county, and such changes of address shall not be deemed, nor require, an amendment of these bylaws.

ARTICLE 2

NON-PROFIT PURPOSES

Section 1. IRC Section 501(c) (3) Purposes.

This corporation is organized exclusively for one or more of the purposes as specified in Section 501(c)(3) of the Internal Revenue Code, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code.

Section 2. Specific Objectives and Purposes.

The specific objectives and purposes of this corporation shall be:

a. to create, develop and operate a charter school or a school district pursuant to Section 15-183, et seq. of the Arizona Revised Statutes, or the corresponding sections of any future Arizona Corporation Code;

b. to maintain a regularly enrolled student body, an established curriculum, and a full-time faculty;

c. to participate in federal and state educational grants and financial incentive programs; and

d. to have the normal functions, operations, programs, and pursuits incidental to a fully recognized and operational nonprofit charter school or public school district.

ARTICLE 3

MEMBERS

Section 1. Membership in the Corporation.

The Corporation shall have one member ("the Member").

Section 2. Identity.

The Member shall be:

Seneca Preparatory Academy Community Foundation

Tucson, Arizona

Section 3. Interest.

Membership interest in the Corporation does not represent an economic or proprietary interest, directly or indirectly, in the assets or the profits of the Corporation.

Section 4. Appointing.

The sole Member shall have the exclusive right to appoint individuals to the Board of Directors. The Board of Directors shall have the right to appoint representatives to the School Governing Board also referred to as the School Governing Body. The School Governing Board shall be responsible for the policy decisions of the school, to the extent required by A.R.S Section 15-183.E.8. The Board of Directors may remove a member of the School Governing Board with or without cause. The Board of Directors shall have the exclusive right to vote on all other matters.

Section 5. Meetings.

The Corporation shall not be required to hold meetings of the Member.

Section 6. **Annual Dues.**

The Member shall not be required to pay any dues to the Corporation

ARTICLE 4

BOARD OF DIRECTORS

Section 1. Number and Term

The Board of Directors ("Corporate Directors") shall have a minimum of two (2) and a maximum of seven (7) Directors. Each Director shall hold office for a term of one (1) year. A Director may serve more than one term.

The initial Board of Directors are the Founding Directors:

- Jean-Claude Abougou, President and Chairman of the Board.
- Donka Dyer-Abougou, Vice President,
- Bitaya Mulato, Director

Section 2. General Powers

Subject to the provisions of the laws of the state of Arizona and any limitations in the articles of incorporation and these bylaws relating to action required or permitted to be taken or approved by the member(s), if any, of this corporation, the activities and affairs of this corporation shall be conducted and all corporate powers shall be exercised by or under the direction of the Board of Directors.

Section 3. Duties

It shall be the duty of the Board of Directors to:

- Perform any and all duties imposed on them collectively or individually by law, by the articles of incorporation, or by these bylaws;
- Formulate the Corporation's vision and/or modify the educational vision expressed in *The Right Educational (RE) System;*
- Formulate and implement Seneca Preparatory Academy Adult Learning Program.
- Supervise all financial activities involving the Corporation;
- Appoint and remove, employ and discharge, and, except as otherwise provided in these bylaws, prescribe the duties and fix the compensation, if any, of all officers, agents, and employees of the corporation;
- Supervise all officers, agents, and employees of the corporation to assure that their duties are performed properly;
- Meet at such times and places as required by these bylaws

Section 4. Specific Activities

It shall be the duty of the Board of Directors to:

- Work with the School Board to ensure the successful implementation of *The Right Educational (RE) System*.
- Nominate and appoint new School Board Members or approve the membership renewal of incumbent ones.

Policy decisions that shall produce a basic structural change to the following areas shall be within the powers of the Board of Directors:

- Activities and interaction with the charter sponsoring institution and/or major stake holders such as Tucson, Amphitheater, Sunnyside, Palo Verde and Vail Unified School District;
- Corporation's vision and/or mission statement;
- Location, relocation or expansion of a school;

- School structures and major logistic changes such as school and/or classroom size, and student-to-teacher ratio;
- School activity involving a transaction of $25,000 or more and financial matter related to the Corporation and its entities.

Section 5. Restriction on Board of Directors Authority.

- The Board shall not, without the prior written approval of the Member, authorize or direct any officer of the corporation to perform or commit any of the following acts:
- Borrow money in the name of the corporation for corporate purposes in excess of twenty-five thousand dollars ($25,000) or utilize property (real or personal) owned by the corporation as security for loans in excess of twenty-five thousand dollars ($25,000). Assign, transfer, pledge, compromise or release any of the claims of or debts to the corporation except on payment in full, or arbitrate or consent to the arbitration of any dispute or controversy of the corporation;
- Make, execute or deliver any assignment for the benefit of creditors, or any bond, confession of judgment, chattel mortgage, security agreement, deed, guaranty, indemnity bond, surety bond, or contract to sell or bill of sale of the property of the corporation;
- Acquire, purchase, develop, improve, sell, lease or mortgage any corporate real estate or any interest therein or enter into any contract for any such purposes;
- Make any loan or investment of any assets of the corporation, or enter into any contract or incur any liabilities on behalf of the corporation other than for fair consideration or in the ordinary course of business relating to its normal daily operation;
- Make any non-budgeted expenditure in excess of twenty-five thousand dollars ($25,000);
- Appoint the Chief Executive Officer of the corporation;
- Approve the sale, lease, conveyance, exchange, transfer, or other disposition of all or substantially all of the assets of the corporation;
- Approve the principal terms of a merger of the corporation with another organization;
- Approve the filing of a petition for the involuntary dissolution of the corporation if statutory grounds for such a dissolution exist; or
- Approve the voluntary dissolution of the corporation or the revocation of such an election to dissolve it.

Section 6. Action by the Board of Directors.

A majority vote is required and is sufficient for the Board of Directors to act except in those instances specifically described in these bylaws or in the articles of incorporation where a super-majority is required in order for the Board of Directors to act.

Section 7. Regular Meetings.

Regular meetings of the Board of Directors shall be held at least four times a year at the principal office of the Corporation unless otherwise provided by the Board of Directors or at such other place as may be designated from time to time by resolution of the Board of Directors.

Any action may be adopted by unanimous written consent or in special circumstances by verbal consent of the Board of Directors in lieu of holding a meeting. The Board of Directors may conduct its meetings by phone so long as all members participating are able to speak to and hear one another.

Section 8. Compensation.

Corporate Directors shall serve without compensation except that a reasonable fee may be paid to Board of Directors for attending regular and special meetings of the board. In addition, they shall be allowed reasonable advancement or reimbursement of expenses incurred in the performance of their duties. Nothing in this section shall be construed as precluding any Board of Director from serving Seneca Preparatory Academy in any other capacity and receiving compensation. Any payments to Directors shall be approved in advance in accordance with this Corporation's conflict of interest policy, as set forth in Article 10 of these bylaws.

Section 9. Resignations.

Any Director may resign at any time by giving written notice of his or her resignation to the Corporation. Any such resignation shall take effect at the time specified therein, or, if the time when it shall become effective is not specified therein, it shall take effect immediately upon its receipt by the President or the Secretary; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 10. No Requirement for Full Time Services.

Nothing in these bylaws shall be deemed to require that a person serving on the Board of Directors spend his or her full time or any specific amount of time managing the Corporation's business. However, any person serving as a Board of Directors member shall be available at reasonable times to assist in the management of the Corporation's business.

Section 11. Vacancies.

Any vacancy on the Board of Directors shall be filled by the Member.

Section 12. Removal from the Board of Directors.

A Board of Directors may be removed with or without cause by the Member. The removal of a person as a Board of Directors member does not automatically prevent the same person from serving as an officer.

ARTICLE 5

OFFICERS

Section 1. Designation of Officers

The officers of the Corporation shall be a President, any number of Vice Presidents, a Secretary, and a Treasurer. Each officer designated by the Board of Directors shall have such authority and perform such duties as the Board of Directors may from time to time determine. Any number of offices may be held by the same person, other than the offices of President and Secretary.

Section 2. Nominating Procedures

Any Board of Directors may present to the Board of Directors at the annual meeting one or more nominees for each office for the following calendar year.

Section 3. Removal and / or Resignation of Officers

Any officer may be removed with or without cause by the Board of Directors, by a unanimous vote of the Board of Directors at any regular or special meeting held by the Board of Directors; or anytime by the Member. The removal of a person as an officer of the Corporation does not automatically prevent the same person from serving on the Board of Directors. Any officer may resign at any time by giving written notice of resignation to the Corporation. Any such resignation shall take effect at the time specified therein, or, if the time when it shall become effective is not specified therein, it shall take effect immediately upon its receipt by the Corporation; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 4. Duties of the President

The President shall be the Corporation's Chief Executive Officer and shall supervise the Corporation's business and affairs. The President may employ such persons necessary for the development of the Corporation's objectives. The employees hired by the President shall be compensated as determined by the President, pursuant to policies established from time to time by the Board of Directors. The President shall also serve as the Board Chair.

Section 5. Duties of Vice President

In the absence of the president, or in the event of his or her inability, the vice president shall perform all the duties of the president, and when so acting shall have all the powers of, and be subject to all the restrictions on, the president. The vice president shall have other powers and perform such other duties as may be prescribed by law, by the articles of incorporation, or by these bylaws, or as may be prescribed by the board of directors.

Section 6. Duties of the Secretary.

The Secretary shall cause minutes of all Board of Directors meetings to be kept, and review such minutes before presentation to the Board of Directors. The Secretary shall see that minutes of all meetings and all unanimous consents of the Board of Directors, these Bylaws, and all other-records as required by law are properly kept. The Secretary will be custodian of the corporate seal, if any, and, except as otherwise specified in a Board of Directors resolution, the Secretary will be a proper officer to impress the Corporation seal, if any, on any instrument signed by the President or any other duly authorized person, and to attest to the same. The Secretary shall perform such other duties as may be assigned, from time to time, by the President or the Board of Directors.

Section 7. Terms of Officers

Each officer shall hold office for a term of one year or until such time as his successor has been nominated by the Member. An officer may serve for more than one term.

ARTICLE 6

SCHOOL GOVERNING BOARD

Section 1. Number and Composition

The Board of Directors shall appoint School Governing Members, which may include members of the Board of Directors, to serve on the School Governing Board.

The School Governing Board shall have a minimum of seven (7) and a maximum of eleven (11) members.

Three (3) of the School Governing Board seats shall be permanent seats held by Seneca Preparatory Academy's Board of Directors. The remaining eight (8) seats shall be allocated as following:

- Maximum of one (1) seat allocated to the Head of the Parent Advisory Board.
- Maximum of seven (7) seats allocated to community members with skills and experience in law, finance, academic oversight, fundraising, real estate, construction engineering, and human resources and/or with other unique skills and experience that might be beneficial to Seneca Preparatory Academy (SPA).
- No more than three (3) seats shall be held anytime by Seneca Preparatory Academy Foundation's Board of Directors.

Section 2. Term of Office

A School Governing Board Member shall hold office for a period of one (1) year and/or until his or her successor is nominated. A School Governing Board Member can be re-nominated more than once.

Section 3. Authority.

The School Governing Board shall be responsible for the policy decisions of Seneca Preparatory Academy (SPA) as recommended by A.R.S 15-183 E8 in general; and specifically as related to academic excellence and fund raising.

The School Governing Board has no authority on the policy making decision that involves the whole Corporation.

Section 4. Duties

It shall be the duty of the School Governing Board to:

- Monitor the implementation of The Right Educational (RE) System; and if necessary adjust it to meet Seneca Preparatory Academy needs.
- Approve Seneca Preparatory Academy (SPA) short and long-term academic objectives; and monitor the results of the Performance Management Plan or school yearlong academic plan.
- Work in partnership with the School's Principals on the development and successful implementation of SPA Fund Raising Program.

- Work in partnership with the School's Principals on promoting Seneca Preparatory Academy (SPA) to the local community and to local stakeholders.
- Carry all duties imposed on them collectively or individually by the articles of incorporation or by the bylaws.

Section 5. Regular Meetings

Regular meetings of the School Governing Board shall be held on the third Thursday of the month starting in July, at a place and time designed by the School Governing Board, unless such day falls on a legal holiday, in which event the regular meeting shall be held at the on the next business day.

Section 6. Notice of Meetings

Unless otherwise provided by the articles of incorporation, or these bylaws, the following provisions shall govern the giving of notice for meetings of the School Governing Group:

Regular Meetings**.** No notice need be given of any regular meeting of the School Governing Group Members.

Special Meetings**.** At least 72 hours prior notice shall be given by the Secretary of the School Governing Body to each member of each special meeting of the School Governing Body.

Section 7. Special Meetings

Special meetings of the School Governing Group may be called by the President of the School Governing Board, the Vice President, the Secretary, or by any 2 School Governing Members. Such meetings shall be held at a place designated by the Secretary of the School Governing Board.

Unless otherwise provided by law or the charter, members of the School Governing Board may participate in a meeting by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time, and participation by such means shall constitute presence in person at a meeting.

Section 8. Quorum for Meetings

A quorum shall consist of the majority of the members of the School Governing Body. No business shall be considered by the School Governing Board at any meeting at which the required quorum is not present, and the only motion, which the President or his replacement shall entertain at such meeting, is a motion to adjourn.

Section 9. Majority Action as School Governing Body Action

Every act or decision done or made by a majority of the School Officers present at a meeting duly held at which a quorum is present is the act of the School Governing Board.

Section 10. Conduct of Meetings

Meetings of the School Governing Body shall be conducted by the President of the School Governing Body, or in his or her absence, by the Vice President, or by a School Governing Board Member chosen by a majority of the School Governing Board Members present at the meeting. The Secretary shall act as secretary of all meetings of the School Governing Board. In

his or her absence, he or she or the presiding officer shall appoint another person to act as secretary of the meeting.

Section 11. Compliance with Arizona Open Meeting Law

The School Governing Board shall comply with the Arizona Open Meeting Law by:

- Having all School Governing Board Members receive full training on the requirements of the Open Meeting Laws;
- Having all meetings of the School Governing Board open to the public;
- Conspicuously posting a disclosure statement identifying the physical and electronic locations where public notices of meetings will be displayed;
- Posting a copy of the public meeting notice on SPA website as well as at the location identified in the disclosure statement.

Section 12. Vacancies

Any School Governing Board Member may resign effective upon giving written notice to the School Governing Body. School Governing Board Members may be removed from office, with or without cause, by a majority vote of the Board of Directors. Vacancies on the School Governing Body shall be filled by new members nominated by the Corporate Board of Directors.

Section 13. Compensation

The salaries of members of the School Governing Body, if any, shall be fixed from time to time by resolution of Seneca Preparatory Academy's Board of Directors. In all cases, any salaries received by officers of this corporation shall be reasonable and given in return for services actually rendered to or for the corporation. All officer salaries shall be approved in advance in accordance with this corporation's conflict of interest policy, as set forth in Article 10 of these bylaws.

ARTICLE 7

SCHOOL PRINCIPALS/DIRECTORS

Section 1. Selection.

The School Principals/Directors shall be appointed by the School Board of Directors working in partnership with the Corporate Board of Directors; and the appointment shall be approved by the Corporate Board of Directors.

The School Principals also referred to as School Directors, shall receive such compensation as the Corporate and School Board may direct.

Section 2. Duties.

- The School Principal/Director shall carry out the academic and fund raising policies established by the School Governing Board and shall be directly responsible to the School Governing Board.
- The School Principal/Director shall have general management of the artistic, academic, and

administrative operations of the charter schools and shall prescribe and direct the course of study, the discipline to be observed, the assessment of student performance, and shall be responsible for all required reporting to the State of Arizona.

- The School Principal/Director shall prepare an annual budget for submission to the School Board.
- The School Principal/Director shall hire and discharge school personnel, prescribe their duties and terms of office, shall set their salaries within the minimum and maximum limits established by the School Board, and shall conduct annual reviews of all personnel.

ARTICLE 8

GENERAL PROVISIONS

Section 1. Non-liability of Directors

The Directors shall not be personally liable for the debts, liabilities, or other obligations of the corporation.

Section 2. Indemnification by Corporation of Directors and Officers

The Directors and Officers of the Corporation shall be indemnified by the Corporation fully permissible under the laws of this state.

Section 3. Insurance for Corporate Agents

Except as may be otherwise provided under provisions of law, the Board of Directors may adopt a resolution authorizing the purchase and maintenance of insurance on behalf of any agent of the corporation (including a director, officer, employee, or other agent of the corporation) against liabilities asserted against or incurred by the agent in such capacity or arising out of the agent's status as such, whether or not the Corporation would have the power to indemnify the agent against such liability under the articles of incorporation, these bylaws, or provisions of law.

ARTICLE 9

IRS 501(C) (3) TAX EXEMPTION PROVISIONS

Section 1. Limitations on Activities

No substantial part of the activities of this corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation (except as otherwise provided by Section 501(h) of the IRS Code), and this corporation shall 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 provisions of these bylaws, this corporation shall not carry on any activities not permitted to be carried on (a) by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code.

Section 2. Prohibition against Private Inurement

No part of the net earnings of this corporation shall inure to the benefit of, or be distributable to, its members, directors or trustees, 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 of this corporation.

Section 3. Distribution of Assets

Upon the dissolution of this corporation, its assets remaining after payment, or provision for payment, of all debts and liabilities of this corporation, shall be distributed for one or more exempt purposes within the meaning of Section 501(c) (3) of the Internal Revenue Code or shall be distributed to the federal government, or to a state or local government, for a public purpose. Such distribution shall be made in accordance with all applicable provisions of the laws of this state.

Section 4. Private Foundation Requirements and Restrictions

In any taxable year in which this corporation is a private foundation as described in Section 509(a) of the Internal Revenue Code, the corporation 1) shall distribute its income for said period at such time and manner as not to subject it to tax under Section 4942 of the Internal Revenue Code; 2) shall not engage in any act of self-dealing as defined in Section 4941(d) of the Internal Revenue Code; 3) shall not retain any excess business holdings as defined in Section 4943(c) of the Internal Revenue Code; 4) shall not make any investments in such manner as to subject the corporation to tax under Section 4944 of the Internal Revenue Code; and 5) shall not make any taxable expenditures as defined in Section 4945(d) of the Internal Revenue Code.

ARTICLE 10

CONFLICT OF INTEREST AND COMPENSATION APPROVAL POLICIES

Section 1. Conflict of Interest Policy

Duty to Disclose.

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest to corporation directors and officers considering the proposed transaction or arrangement. He/she shall leave the governing body meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

Procedures for Addressing the Conflict of Interest.

The President of the Corporation shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board of Directors shall determine by a majority vote of the disinterested directors or officers whether the transaction or arrangement is in the corporation's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.

Section 2. Compensation Approval Policies

- A voting member of the Board of Directors or Governing School Body who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.
- No members of the board or compensation committee who approve compensation arrangements must have a conflict of interest with respect to the compensation arrangement. Should a perceive conflict of interest arises, the Procedures for Addressing the Conflict of Interest, as formulated above, shall be conducted. As a precautionary measure and regardless of the outcome of the investigation, the corporation agent concerned shall be precluded from voting on matters related to the perceived conflict of interest.
- The board or compensation committee shall obtain and rely upon appropriate data as to comparability prior to approving the terms of compensation. Appropriate data may include the following: (1) compensation levels paid by similarly situated organizations, both taxable and tax-exempt, for functionally comparable positions. "Similarly situated" organizations are those of a similar size, purpose, and with similar resources, (2) current compensation surveys compiled by independent firms, (3) actual written offers from similar institutions competing for the services of the person who is the subject of the compensation arrangement.

ARTICLE 11

CONSTRUCTION AND TERMS

Should any of the provisions or portions of these bylaws be held unenforceable or invalid for any reason, the remaining provisions and portions of these bylaws shall be unaffected by such holding.

All references in these bylaws to a section or sections of the Internal Revenue Code shall be to such sections of the Internal Revenue Code of 1986 as amended from time to time, or to corresponding provisions of any future federal tax code.

ARTICLE 12

AMENDMENT OF BYLAWS

Section 1. Amendment

Subject to the power of Board of Directors, of this corporation to adopt, amend, or repeal the bylaws of this corporation and except as may otherwise be specified under provisions of law, these bylaws, or any of them, may be altered, amended, or repealed and new bylaws adopted by a super-majority of 75% vote of the Board of Directors.