

Charter Holder Status Amendment Request

Charterholder Info

Charter Holder

Name:
Valley Academy, Inc.

CTDS:
00-00-00-000

Mailing Address:
1520 W. Rose Garden Lane
Phoenix, AZ 85027
> [View detailed info](#)

Representative

Name:
Heidi Mitchell

Phone Number:
623-516-7747

Fax Number:
623-516-2703

Downloads

 [Download all files](#)

Status Type

Type of status change

Change in ownership of the Charter Holder

Description of Changes

Change From:
Valley Academy, Inc.

Change To:
Reid Traditional Schools' Painted Rock Academy, Inc.

Attachments

Board Minutes —  [Download File](#)

Copy of amendment to Articles of Incorporation filed with the Arizona Corporation Commission —  [Download File](#)

Provide information regarding any payment, benefit or consideration received or to be received by any party in the transition —  [Download File](#)

Additional Information*

No documents were uploaded.

Signature

Charter Representative Signature
Heidi Mitchell 02/01/2012

Minutes
Reid Traditional Schools' Painted Rock Academy
Board of Directors – Special Meeting
January 12, 2012
At 6:30 P.M.

The Board reserves the right to change the order of items on the agenda. Items not noted as "possible action items" are presented for review and/or discussion. Items presented for review and/or discussion may result in action taken.

Call to Order: 7:53 P. M.

Roll Call: C. Reid, M. Mettes, L. Warner, 0 A. Fischer, K. Whitchurch

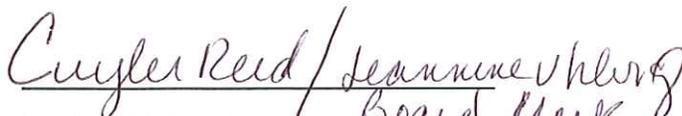
Pledge of Allegiance

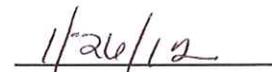
Public Comments – No Comments

BOARD REPORTS

1. **Bond Financing** – Mrs. Reid moved and Mrs. Whitchurch seconded the motion to approve scenario B financing for the New School and authorizing the bond resolution as amended. The motion carried unanimously.
2. **Reimbursements from bond proceeds** – Mrs. Reid moved and Mrs. Warner seconded the motion to approve the reimbursements as presented. The motion carried unanimously.
3. **Treasurer Direction Letter** – Mrs. Reid moved and Mrs. Whitchurch seconded the motion to approve the treasurer direction letter, certificate of resolution, offering statement, purchase agreement and Employing professionals. The motion carried unanimously. The board previously authorized Ms. Mitchell and the replication committee to finalize purchase agreement.
4. **Assignment of Charter Contract** – Mrs. Warner moved and Mrs. Reid seconded the motion to accept the assignment of the Charter Contract from Valley Academy and direct Ms. Mitchell to make any Charter amendments necessary to put the Charter Contract in Painted Rock's name. The motion carried unanimously.
5. **Exemption to USFRC** – Mrs. Reid moved and Mrs. Warner seconded the motion to approve requesting waiver from the sponsor to exempt the school from the USFRCs and direct Ms. Mitchell to submit amendment. The motion carried unanimously.
6. **Adoption of Accounting Policy** – Mrs. Whitchurch moved and Mrs. Reid seconded the motion to accept the policy as presented. The motion carried unanimously.
7. **Exemption to Procurement Rules** – Mrs. Reid moved and Mrs. Whitchurch seconded the motion to approve requesting a waiver from the sponsor to exempt the school from the Procurement Rules and direct Ms. Mitchell to submit an amendment. The motion carried unanimously.
8. **Adoption of Procurement Policy** – Mrs. Warner moved and Mrs. Reid seconded the motion to adopt the Procurement Policy as stated. The motion carried unanimously.

Meeting adjourned at 8:09 pm


Cuyler Reid, Secretary


Date

Minutes
Valley Academy Board of Directors – Special Meeting
January 12, 2012
At 6:00 p.m.

The Board reserves the right to change the order of items on the agenda. Items not noted as "possible action items" are presented for review and/or discussion. Items presented for review and/or discussion may result in action taken.

Call to Order: 6:08 P. M.

Roll Call: C. Reid, M. Mettes, L. Warner, A. Fischer, K. Whitchurch

Pledge of Allegiance

Public Comments – No Comments

On the advice of counsel Mr. Mettes moved and Mrs. Warner seconded the motion to adjourn to Executive Session at 6:10 pm. The motion carried unanimously. The Board invited Ms. Mitchell and Megan Wiendand with RBC to join the meeting.

The meeting reconvened at 7:09 pm

BOARD REPORTS

1. **Authorize guarantying the bond and related grant of security for the guaranty** – Based on the information that was received in the Executive Session, Mrs. Whitchurch moved and Mrs. Warner seconded the motion to approve scenario B guarantee and certification of resolution as provided to the board. The motion carried unanimously.
Note: This approval automatically approved agenda items three and four.
2. **Authorize the loan (and/or other benefit) to Painted Rock** – Mr. Mettes moved and Mrs. Whitchurch seconded the motion that Valley Academy loan Painted Rock Academy an additional amount not to exceed scenario B limits and to take the form of promissory notes of purchase bonds. The motion carried unanimously.
3. **Authorize the preparation, use and publication of the bond offering statement** - This is part of the grant of security or note under #1 that this approval automatically approved agenda items 3 and 4.
4. **Authorize any "intercept" mechanism for Valley's guarantee funds** – This is part of the grant of security or note under #1 that this approval automatically approved agenda items 3 & 4.
5. **Assignment of Charter Contract** – Mrs. Whitchurch moved and Mr. Mettes seconded the motion that Valley Academy assign the Charter Contract to Reid Traditional Schools' Painted Rock Academy. Painted Rock will be the Charter holder. The motion carried unanimously. The board directed the CEO to prepare any amendments needed.

The meeting recessed at 7:35 pm and reconvened at 7:37

Time permitted President's comments. The Board Secretary, acting in place of the President, led a brief discussion on Board membership.

The meeting adjourned at 7:45 pm.

Cuyler Reid
Cuyler Reid, Secretary

*Seamus
upling
Board Clerk*

1/26/12
Date

AZ CORPORATION COMMISSION
FILED

NOV 30 2011

FILE NO. -17156048

ARTICLES OF AMENDMENT TO THE
ARTICLES OF INCORPORATION
OF
NORTE ACADEMY, INC.

1. The name of the Corporation is "Norte Academy, Inc."
2. The Corporation hereby adopts the following amendments to its Articles of Incorporation:

A. Article I of the Articles of Incorporation shall be amended to provide as follows:

"ARTICLE I - NAME

The name of the Corporation is Reid Traditional Schools' Painted Rock Academy, Inc."

B. In all other respects, the Articles of Incorporation shall remain unchanged.

3. The amendment set forth in these Articles of Amendment were recommended to the corporate member and duly adopted by the Board of Directors on November 2, 2011.

4. The amendment set forth in these Articles of Amendment were duly adopted by act of the Board of Directors of the Corporation and approved by majority vote of the board of directors of Reid Traditional Schools, Inc, the corporate member. No other approvals are required by the Corporation's Articles of Incorporation.

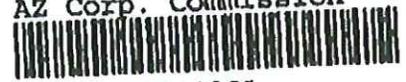
DATED as of the 25th day of November 2011.

NORTE ACADEMY, INC., an Arizona nonprofit corporation .

By: Mark Mettes
Mark Mettes, its President

APPROVED BY:
REID TRADITIONAL SCHOOLS, INC., an Arizona nonprofit corporation, its corporate member

By: Mark Mettes
Mark Mettes, its President

AZ CORPORATION COMMISSION
FILED

ARTICLES OF INCORPORATION

OCT 21 2011

OF

FILE NO. 17156048

NORTE ACADEMY, INC.

ARTICLE I - NAME

The name of the Corporation shall be Norte Academy, Inc.

ARTICLE II - PURPOSE

2.1. The Corporation is formed to operate exclusively for charitable, scientific and educational purposes as defined in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended ("the Code"), and to conduct any and all lawful business for which nonprofit corporations may be incorporated under the laws of Arizona, as amended from time to time, including distributions to organizations that qualify as exempt under Section 501(c)(3) of the Code. The specific purpose for which the Corporation is formed is to organize and operate public charter schools within the State of Arizona and under Arizona law, to conduct other educational or similar activities and all acts incidental thereto. Regardless of other provisions of these Articles of Incorporation, the Corporation shall not carry on any activities not permitted for a corporation exempt from federal income tax under Section 501(c)(3) of the Code, or for a corporation, contributions to which are deductible under Section 170(c)(2) of the Code, or the corresponding section of any future federal tax code.

2.2. No substantial part of the Corporation's activities shall be to carry on propaganda or attempt to influence legislation, nor shall the Corporation participate in any political campaign for any candidate for public office, including the publishing or distribution of statements.

2.3. The Corporation shall not be for profit or pecuniary gain and shall have no capital stock or shares; and no part of any earnings of the Corporation shall inure to the benefit of, or be distributable to, any officer or director of the Corporation, any private individual or be appropriated for any purposes other than the purposes of the Corporation as set forth herein; provided, however, 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 the Corporation set forth herein.

ARTICLE III - BOARD OF DIRECTORS

The initial Board of Directors shall consist of five directors. The names and addresses of the persons serving as directors until the first meeting of the Board of Directors, or until their successors are appointed and qualified are:

Cuyler Reid; 1520 West Rose Garden Lane, Phoenix, Arizona 85027;
Mark Mettes, 1520 West Rose Garden Lane, Phoenix, Arizona 85027;

Angela Fischer, 1520 West Rose Garden Lane, Phoenix, Arizona 85027;
Letha Warner; 1520 West Rose Garden Lane, Phoenix, Arizona 85027; and
Katie Whitchurch, 1520 West Rose Garden Lane, Phoenix, Arizona 85027.

After the first meeting of the Board of Directors, the number of directors to serve on the Board of Directors shall be established by the Corporation's Bylaws.

ARTICLE IV – STATUTORY AGENT

The name and address of the statutory agent of the Corporation are: Warren & Banker, PLC, 4300 North Miller Road, Suite 141, Scottsdale, Arizona 85251.

ARTICLE V – PRINCIPAL OFFICE

The address of the principal office of the Corporation is: 1520 West Rose Garden Lane, Phoenix, Arizona 85027.

ARTICLE VI – INCORPORATOR

The name and address of the incorporator are: Heidi Mitchell, 1520 West Rose Garden Lane, Phoenix, Arizona 85027.

ARTICLE VII – MEMBERS

The Corporation shall have one member. The name and address of the member are: Reid Traditional Schools, Inc., an Arizona nonprofit corporation (the "Member"), 1520 West Rose Garden Lane, Phoenix, Arizona 85027.

ARTICLE VIII – DURATION

The duration of the Corporation shall be perpetual.

ARTICLE IX – DISSOLUTION

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

ARTICLE X – PRIVATE PROPERTY

The private property of the directors, governing board members, committee members and officers of the Corporation shall be forever exempt from the debts, obligations and liabilities of the Corporation.

ARTICLE XI – INDEMNIFICATION

The Corporation shall indemnify its directors, governing board members, committee members and officers, in all circumstances and to the maximum extent permitted by Arizona law then in effect, against any costs or expenses, including, without limitation, attorneys' fees, judgments, fines, penalties, taxes, interest, and amounts paid in settlement, actually incurred by reason of the fact that he or she is or was a director, governing board member, committee member or officer of the Corporation, or is or was serving at the request of the Corporation as a director, governing board member, officer, committee member or agent of another corporation, partnership, company, joint venture, trust or other entity or organization.

ARTICLE XII – DIRECTOR LIABILITY

A director, governing board member or committee member of the Corporation shall not be personally liable to the Corporation for breach of his or her fiduciary duty as a director, governing board member or committee member, nor for any action taken or failure to take any action in his or her corporate capacity. This Article shall eliminate the liability of directors, governing board members and committee members to the maximum extent permitted by Arizona law then in effect, but shall not eliminate or limit the liability of a director, governing board member or committee member for the acts or omissions specified in Arizona Revised Statutes Section 10-3202.B.1 (or the corresponding section of any future statute). Any repeal or modification of this Article shall not increase the liability of a director, governing board member or committee member of the Corporation arising out of acts or omissions occurring before the repeal or modification becomes effective.

ARTICLE XIII – AMENDMENT

These Articles of Incorporation may not be amended or restated without the written approval of the Member. The Member is hereby expressly permitted to propose restatement or amendment to these Articles of Incorporation, and, if so proposed, and after 10 days' prior written notice of such proposed amendment to each of the Member's board of directors and the Corporation's Board of Directors, the Member may adopt such restatement or amendment by majority vote of the Member's board of directors at a duly-called meeting of the Member's board of directors pursuant to the Member's Bylaws and in accordance with Arizona Revised Statutes Section 10-11003. As provided by Arizona law and by majority vote of the Corporation's Board of Directors, the Corporation's Board of Directors may recommend restatement or amendment of these Articles of Incorporation to the Member. In such case, the Member's board of directors shall either approve, modify or reject such recommendation by majority vote of the Member's board of directors. Notwithstanding the foregoing, these Articles of Incorporation may not be amended or restated so as to cause a

determination that the Corporation is no longer an organization qualifying under Section 501(c)(3) of the Code, or the corresponding section of any future federal tax code, without the unanimous vote of the board of directors of the Member.

ARTICLE XIV – DISCRIMINATION PROHIBITED

In rendering its functions and in exercising its purposes, the Corporation shall not practice or permit unlawful discrimination on the basis of race, color, religion, sex, national origin, age or disability.

EXECUTED this 19th day of October 2011.

Incorporator:



Heidi Mitchell

ACCEPTANCE OF APPOINTMENT BY STATUTORY AGENT

The undersigned acknowledges and accepts appointment as statutory agent of Norte Academy, Inc., this 19th day of October 2011.

WARREN & BANKER, PLC, an Arizona
professional limited liability company

By: Terry D. Warren
Terry D. Warren, its Member

BYLAWS
OF
REID TRADITIONAL SCHOOLS'
PAINTED ROCK ACADEMY, INC.

ARTICLE I
OFFICES

1.1 **Offices.** The principal office of REID TRADITIONAL SCHOOLS' PAINTED ROCK ACADEMY, INC. (the "Corporation") is located at 1520 West Rose Garden Lane, Phoenix, Maricopa County, Arizona 85027. The Corporation may move its principal office or maintain other offices at such other places within or without the State of Arizona (the "State") as the Corporation's Board of Directors (the "Board") may from time to time determine.

ARTICLE II
NOT-FOR-PROFIT CORPORATION

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

ARTICLE III
MEMBERS

3.1 **Members.** The Corporation has one corporate member. The corporate member is Reid Traditional Schools, Inc., an Arizona nonprofit corporation (the "Member").

ARTICLE IV BOARD OF DIRECTORS

4.1 **Name.** The Board shall be publicly known and described as the "Governing Board." Any individual serving on the Board shall be referred to as a "Director."

4.2 **Duties and Powers.** All of the affairs of the Corporation will be directed by the Board. The Board shall have all of the duties and powers required or permitted by applicable law.

4.3 **Number of Directors.** The number of Directors shall be no less than three and no more than 11, provided that said number may be changed by an amendment to these Bylaws, duly adopted by the Board, subject always to any restrictions of law as to the minimum number of Directors.

4.4 **Appointment of Directors.** All Directors shall be appointed by the Member in its sole discretion, after considering input from current Directors. Directors may be removed, replaced or changed as provided in these Bylaws. Directors need not be residents of the State.

4.5 **Term of Office.** Each Director shall hold office for a period commencing on the date of his or her appointment and ending on the date of the third annual meeting after his or her appointment, or until his or her prior death, incapacitation, resignation, replacement or removal. Directors may serve multiple consecutive terms without restriction as to the number of terms permitted.

4.6 **Qualifications.** Directors must be 21 years of age. Each Director must pass a background check, or other regulatory inquiries, as required by State law, federal law or other governmental agencies having proper regulatory authority over the affairs of the Corporation or its activities, as amended from time to time, which will include as a minimum, a law enforcement fingerprint check showing that there exists no criminal record which could adversely affect the Corporation or its operations. Directors must, in the opinion of the Member, possess experience and qualifications that further the Board's commitment to the educational and operational purposes of the Corporation.

4.7 **Board Offices.** The officers of the Board shall comprise a President of the Board, Secretary of the Board and Treasurer of the Board, which Officers shall be elected by majority vote of the Board; provided, however, that, excepting the initial officers of the Board and thereafter to the extent practicable, Directors nominated and elected for such offices shall have been Directors for a minimum period of six months prior to holding such office. Although Directors shall hold the office of director for terms approximating three-years, Directors appointed or elected as officers of the Board shall serve as officers for a period of one year; provided, however, if so appointed or elected, any Director may serve as an officer of the Board for multiple terms without restriction as to the number of terms permitted.

4.8 **Director Deadlock.** In the event of a voting deadlock of the Board, the Board shall, within five business days after the deadlock vote, submit the action under consideration, in writing, to the Member. The Member shall decide such action under consideration, in its discretion, and deliver its written decision to the Board within 20 days. The Member's decision shall be final and binding on the Corporation, the Board and each Director and, to the extent required by these Bylaws or applicable law, the Board shall take and document appropriate action as directed by the Member.

4.9 **Vacancies.** Any vacancy on the Board occurring by reason of an increase in the number of Directors shall be filled by the Member. In the event any Director dies, becomes incapacitated, resigns, is disqualified or removed from office, or otherwise vacates his or her office, the unexpired portion of such Director's term of office shall be filled by the Member.

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

4.11 **Removal.** Any Director may be removed from the Board, with or without cause, at any time by the Member.

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

4.13 **Contracts.** No contract or other transaction between the Corporation and any other individual or entity shall be impaired, affected or invalidated, nor shall any Director be liable in any way by reason of the fact that any one or more of the Directors may be interested in any such other entity or may own or serve as a Director, officer or member of any such other entity; provided that, notwithstanding the presence of any interested Director at the meeting at which such action is taken, the Board authorizes, approves or ratifies such contract or transaction by majority vote (not counting the vote of any interested Director) after the interested Director fully discloses to the Board, in writing, his or her interests or involvements with such other entities and other relevant material facts, including, without limitation, the nature of such Director's involvement with such other entities, such Director's ability to influence the action of such other entities and any tangible or intangible benefit or profit that may accrue to such Director as a result of any contract or transaction between the Corporation and such other entity. In addition, the contract or transaction must be fair and reasonable to the Corporation when it is authorized, approved or ratified in accordance with the Conflicts of Interest Policy (as defined in Section 4.15 of this Article IV). Although the interested Director must abstain from voting on such matter due to the inherent conflict of interest and may not be counted when calculating a majority, he or she may be included when determining a quorum.

4.14 **Employment Restriction; Influence.** No Director, nor any person who is a close relative or has a relationship comparable to a close relative of a Director, shall be employed by the Corporation during the period the Director serves as a Director, and for a period of three months after such Director is no longer a member of the Board; provided, however, that this provision shall apply solely to Directors and employees of the Corporation and shall not extend Directors or employees of the Member or affiliated entities. Similarly, no Director shall exercise authority or influence in any aspect of employment by the Corporation, including review, training, promotion, assignments, pay rate or other related matters, for a close relative or anyone who has a relationship comparable to a close relative of such Director. For purposes of this section: (i) "close relative" means and includes a spouse, child, sibling, parent or legal guardian, son-in-law, daughter-in-law, brother-in-law, sister-in-law, father-in-law,

mother-in-law, or any "step" relationship of a similar nature; and (ii) "a relationship comparable to a close relative" includes all of the relationships defined as "close relationships" for individuals in civil unions, domestic partnerships, cohabitating, common-law marriages and similar relationship.

4.15 **Conflicts of Interest.** The Board shall adopt a conflict of interest policy (the "Conflicts of Interest Policy") to be followed by the Directors of the Board in executing their duties. The Conflicts of Interest Policy must provide for the disclosure of any duality of interest or possible conflict of interest on the part of any Director and such duality of interest or possible conflict must be made a part of the record of the Corporation at the time the interest becomes a matter requiring Board action. The Conflicts of Interest Policy shall be provided to all Directors. In the event no formal Conflicts of Interest Policy is adopted, it shall be deemed that the statutory provisions found in A.R.S. §§10-3860 through 10-3864 shall constitute the Conflicts of Interest Policy of the Corporation. No Director having a duality of interest or possible conflict of interest for a particular issue shall vote or use his or her personal influence relating to such issue. The minutes of any meeting where a conflict is present should reflect: (i) that a disclosure of the conflict was made; (ii) that the Director with the conflict abstained from discussion and voting on such matter; and (iii) any other relevant factors deemed necessary by the Board.

4.16 **Committees.** The Board, by resolution, may, from time to time, designate from among the Directors an executive committee, and may also designate from among the Directors and nonmembers of the Board such other committees as the Board may deem desirable, each consisting of one or more Directors, with such powers and authority (to the extent permitted by law) as may be provided in such a resolution. No standing committee, advisory board, special or other committee shall have any general power or authority over any activity of the Corporation, or the school(s) it operates, but only such limited scope and power as specifically designated by the Board or these Bylaws. All standing committees, advisory boards, special and other committees shall make recommendations and advise the Board on issues relevant to their respective directives. The Board shall consider such recommendation or advice, but shall have no obligation to implement any such recommendations nor accept any such advice. Each such committee, and committee members, shall serve at the pleasure of the Board.

ARTICLE V MEETINGS OF THE BOARD

5.1 **Regular Meetings of the Board.** At a minimum, the Board shall meet quarterly. Annual meetings of the Board shall be held during the month of February of each calendar year, unless another date is designated by the Board for good cause and with proper notice. The purpose of the annual meetings shall be to approve, authorize or ratify acts of the Board, management and/or school administration, review academic performance and transact such other business as may properly come before the Board. Any such meetings of the Board may be held by any means whereby all Directors and the public can communicate adequately throughout the meeting, including, without limitation, telephonically or electronically. Other or more frequent regular meetings of the Board may be established by resolution of the Board and, if established, shall be held and conducted in accordance with these Bylaws and any applicable state and federal laws.

5.2 **Special Meetings of the Board.** Special meetings of the Board may be called at any time by the President of the Board or the Member and shall be called by the Secretary of the Board at the combined written request of two or more Directors, or as otherwise required under the provisions of applicable law.

5.3 **Place of Meetings.** All meetings of the Board shall be held at the place designated in the notice or waiver of notice of such a meeting or meetings, whether within or outside of the State.

5.4 **Notice of Meetings.** Unless expressly prohibited by State law, written notice of any meeting of the Board, whether a regular or special meeting, stating the place, date and hour of the meeting shall be given to each Director and the Member not less than 24 hours nor more than 30 days before the date of the meeting. Such notice shall be delivered personally, by United States postal mail, overnight express mail, electronic mail or facsimile. Such notice shall be directed to each Director and the Member at his, her or its address or facsimile number as it appears on the records of the Corporation, unless the Director shall have previously filed a written request with the Secretary of the Corporation requesting that notices intended for that Director be directed to some other address or facsimile number, in which case it shall be directed to the address or facsimile number designated in such written request. Notice is deemed to have been given: (i) upon the date that the notice is personally delivered, electronically mailed or transmitted by facsimile; (ii) one day after deposit in overnight, express mail; and (iii) three days after deposit in United States postal mail, properly addressed or transmitted. Notice of an adjourned meeting need not be given if the date, time and place of the adjourned meeting are provided at the meeting at which the adjournment is taken and if the adjournment does not exceed 61 days.

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

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

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

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

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

5.10 **Meeting 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 meeting, be made a part of the records of the Corporation.

5.11 **Open Meeting Law.** For so long as the State's open meeting law (ARS §§38-431 through 38-431.09) applies to charter schools, all deliberations and official actions of the Board shall take place at a meeting open to the public in compliance with the State's open meeting law, except in cases where, and to the extent, executive sessions are authorized by State law. Additionally, for so long as the State's open meeting law applies to charter schools, public notice of all meetings of the Board, and of all committees and advisory boards authorized by the Board, shall be given pursuant to and as required by the State's open meeting law and the meeting minutes required by Section 5.10 of this Article V shall comply with the requirements set forth in the State's open meeting law.

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

ARTICLE VI CORPORATE OFFICERS

6.1 **Designation of Titles; Appointment.** The Officers of the Corporation shall comprise a President, a Secretary, a Treasurer and such other Officers as the Board may from time to time deem appropriate. Pursuant to these Bylaws (which may be altered or amended as provided herein), the Board officers shall be and fulfill the duties of the corporate officers, such that the President of the Board shall also serve as the corporate President, the Secretary of the Board shall also serve as the corporate Secretary, the Treasurer of the Board shall also serve as the corporate Treasurer and any other Board officers, as established and elected by the Board, shall fulfill the duties of the comparable corporate officer. All Officers shall have only the authority and shall perform only such duties as prescribed, from time to time, by resolution of the Board. Any two or more offices may be held by the same person. Each Officer shall serve at the pleasure of the Board and shall hold office as specified in Section 4.5 of these Bylaws.

6.4 **Compensation.** The compensation of officers, if any, shall be fixed from time to time by the Board. The salaries of officers or the rate by which salaries are fixed shall be set forth in the minutes of the meetings of the Board.

6.5 **Resignation of Officers.** Any officer may resign at any time by giving 30 days prior written notice of such resignation to the President or the Secretary of the Board. Unless otherwise specified in such written notice of resignation and accepted by the Board, such resignation shall be effective 30 days after receipt of such notice by the Board or the President, and the acceptance of such resignation shall not be necessary to make it effective. Notwithstanding the foregoing, the Board, in its discretion, may make such resignation effective at any time prior to the required 30 days.

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

6.7 **Vacancies.** Subject to Sections 4.7 and 4.9, a vacancy in any Officer position, by reason of death, incapacitation, resignation, termination or any other cause whatsoever, may be immediately filled, at any time, by the Board at any regular or special meeting of the Board.

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

ARTICLE VII INDEMNIFICATION OF DIRECTORS AND OFFICERS

7.1 **Non-Liability for Debts.** The private property of the Directors, officers and committee members shall be exempt from execution or the liability of any debts of the Corporation and no Director, officer or committee member shall be liable or responsible for any debts or liabilities of the Corporation.

7.2 **Indemnification.** To the maximum extent permitted by law, the Corporation shall hold harmless and indemnify any person who was or is a party, or is threatened to be made a party, to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative, including all appeals (other than an action, suit or proceeding by or in the right of the Corporation), by reason of the fact that he or she is or was a Director, officer or committee member of the Corporation (the "Indemnitee") against any and all liability and expenses incurred by the Indemnitee in connection with any threatened or actual proceeding or legal action resulting from the Indemnitee's service to the Corporation or to another entity at the Corporation's written request.

7.2.1 **Exclusions.** Except insofar as permitted by law, the Corporation shall not indemnify any Indemnitee under this Article VII in connection with: (i) a proceeding by or in the right of the Corporation in which the Indemnitee was adjudged liable to the Corporation; (ii) any other proceeding charging the improper personal benefit to the Indemnitee, whether or not involving action in the Indemnitee's official capacity, in which the Indemnitee was adjudged liable on the basis that personal benefit was improperly received by the Indemnitee; or (iii) any circumstance where the indemnification would adversely affect the tax-exempt status of the Corporation, as determined by the Board in its sole discretion after consultation with legal counsel.

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

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

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

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

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

ARTICLE VIII FISCAL YEAR

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

ARTICLE IX BOOKS AND RECORDS

9.1 **Requirements; Compliance.** The Corporation shall keep correct and complete books and records of account as required by State law and any regulatory agency having proper jurisdiction over the affairs and activities of the Corporation, and shall also keep minutes of the proceedings of the Board, and committees authorized by, or having any of the authority of, the Board, including, without limitation and for so long as the such law applies to charter schools, compliance in all respects with the Records Retention and Disposition for Arizona School Districts and/or State Public Records Law, ARS §§39-121 through 30-122. All books and records of the Corporation may be inspected, for any proper purpose at any reasonable time, by: (i) any Director; (ii) the attorney for such Director; and (iii) as otherwise required by State law.

ARTICLE X CORPORATE SEAL

10.1 **Corporate Seal.** The Corporate seal, if any, shall be in such form as shall be approved from time to time by the Board.

ARTICLE XI PRIVATE INUREMENT

11.1 **Prohibition Against Private Inurement.** No Director, officer or employee of the Corporation, member of a committee of the Corporation, nor any other private individual shall: (i) receive at any time any of the net earnings or pecuniary profit of the Corporation, except that the Corporation can pay reasonable compensation for services rendered; provided, however, that compensation shall not be paid if such payment would constitute an act of self-dealing or would result in the termination of the Corporation's tax exempt status under Section 501(c)(3) of the Code; or (ii) be entitled to share in the distribution of any of the corporate assets in the event of the Corporation's dissolution. All Directors shall be deemed to have expressly consented and agreed that upon such dissolution or winding up of the Corporation's affairs, whether voluntary or involuntary, all of the Corporation's assets remaining after all debts have been satisfied shall be distributed exclusively to other tax-exempt corporations, as permitted by applicable law.

ARTICLE XII NONDISCRIMINATION STATEMENT

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

ARTICLE XIII AMENDMENTS TO BYLAWS

13.1 **Amendments; Procedure.** These Bylaws may not be amended or restated without the written approval of the Member. The Member is hereby expressly permitted to propose restatement or amendment to these Bylaws, and, if so proposed, and (unless such 10-day notice is waived in writing) after 10 days' prior written notice of such proposed amendment to each of the Member's board of directors and the Board, the Member may adopt such restatement or amendment by majority vote of the Member's board of directors at a duly-called meeting of the Member's board of directors pursuant to the Member's Bylaws. The Board may, at any time, recommend repeal, alteration, amendment or restatement of these Bylaws to the Member by a majority vote of the Directors at any regular or special meeting of the Board. In such case, the Member's board of directors shall either approve, modify or reject such recommendation by majority vote of the Member's board of directors. Notwithstanding the foregoing, no alteration, amendment or restatement of these Bylaws may adversely affect the Corporation's nonprofit status, tax-exempt status under Section 501(c)(3) of the Code or this Article XIII except upon the prior written approval of the Member.



Valley Academy

*Providing a Traditional Foundation
for the Future*

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Phone: 623-516-7747

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February 1, 2012

Arizona State Board for Charter Schools
Attn: DeAnna Rowe
1700 W. Washington, Suite 164
Phoenix, Arizona 85007

RE: Charter Holder Transfer Request

Dear Mrs. Rowe:

Thank you for considering our request to transfer the Norte/Painted Rock Academy charter from Valley Academy, Inc. to Reid Traditional Schools' Painted Rock Academy, Inc. ("Painted Rock Academy"). Regarding the governance structure of the school, Painted Rock Academy has one Board of Directors that serves as the governing body of the school and the non-profit corporate board. Painted Rock Academy does not have a two-board structure. The individual members of Painted Rock Academy's board are the same individuals that comprise Valley Academy's board members. Because of this, you already have background information on all board members.

Because Painted Rock Academy is still in the formation stages, there are no student records or financial records to transfer. Painted Rock Academy has not yet received any revenues nor has it established bank accounts, so there are no funds to separate. The organization chart, provided below, has not changed from the original replication application.



Thank you again for processing this request. Feel free to contact me with any questions.

Sincerely,

Heidi Mitchell, M.Ed.
Chief Executive Officer