

COPY OF ARTICLES

Instructions received from the Arizona State Board of Charter Schools identified material that needed to be provided to complete a request to transfer the charter associated with the Montessori Charter School of Flagstaff (MCSF) from MCSF, Inc., an Arizona subchapter S corporation, to Flagstaff Montessori, L.L.C. (FM, L.L.C.) an Arizona Limited Liability Company.

This information was requested and is provided in four (4) areas. These four areas were identified as Board Minutes, Copy of Articles, Provide Information, and Additional Supporting Material. Much of the requested material was prepared by the attorney providing legal advice to Flagstaff Montessori, L.L.C. It has been reviewed by the current charter holder and the prospective charter holder and is presented with supporting attachments electronically in four files, as requested. The request appears first, followed by the response in each case.

REQUEST:

1. **The Articles of Organization and Operating Agreement for Flagstaff Montessori LLC** contained in the binder do not describe whether Flagstaff Montessori LLC will have a separate governing body or whether Eric Alexander as the sole member of the entity will act as charter holder and governing body.

RESPONSE:

The Operating Agreement, Articles of Incorporation, Resolution and Board of Directors and Governing Board Policy documents of Flagstaff Montessori, L.L.C. are attached. The Operating Agreement and Board of Directors and Governing Board Policy documents indicate that the Board of Directors will be the governing body.

Board Resolution #2 identifies Eric Alexander as President of the Board. Board Resolution #5 identifies FM, L.L.C. as the charter holder.

The accompanying Operating Agreement Addendum entitled “Flagstaff Montessori, L.L.C. Board of Directors and Governing Board Policy” explains that the Board of Directors of the Company and the Governing Body of the school are one and the same.

REQUEST:

2. Identification of the charter representative if the transfer is approved. The charter representative is the individual with the power to bind Flagstaff Montessori LLC contractually according to operating agreement. There is a disconnect in what was mailed and who this person should be based on the operating agreement provided.

RESPONSE:

FM, L.L.C. Board Resolution #9 identifies Eric Alexander as Charter Representative with all powers and responsibilities associated with that position.

**OPERATING AGREEMENT
OF
FLAGSTAFF MONTESSORI, LLC
an Arizona limited liability company**

THIS OPERATING AGREEMENT is legally binding as of the date of filing of the Articles of Organization with the Arizona Corporation Commission (the “Effective Date”) by the undersigned.

1. Formation; Name and Office; Purpose; Partnership Treatment

1.1 Formation. Pursuant to the Arizona Limited Liability Company Act, A.R.S. §§29-601 through 29-857 (the “Act”), the Member(s) shall form an Arizona limited liability company effective upon the date of filing of the Articles of Organization of this Company (the “Articles”) with the Arizona Corporation Commission. The Member(s) signed and delivered this Agreement to serve as the “Operating Agreement” of the Company, as that term is defined in A.R.S. §29-601(12). Subject to applicable restrictions in the Act, the business and affairs of the Company, and the relationship of the Member(s), Board of Directors, and Officers to the Company, shall be operated in accordance with, and governed by, these terms and conditions. It is the intent of the Member(s), the Board of Directors, and the Officers that the Company and Board of Directors operate in compliance with A.R.S. § 15-183(E)(8).

1.2 Name and Registered Office. The Company may be conducted under the name as stated in the Articles of Organization or other trade names approved by the Member(s). The registered office of the Company is as listed in the Articles of Organization, or it may be any other place as the Member(s) may from time to time determine.

1.3 Purpose. The purpose and business of this Company shall be any lawful purpose. The initial purpose and business of this Company is education and child care. The Company has the power to do any and all acts and things necessary, appropriate or incidental to the furtherance of that purpose.

2. Definitions. These terms mean:

2.1 “Act” means the Arizona Limited Liability Company Act, A.R.S. §§29-601 through 29-857, as amended from time to time (including corresponding provisions of succeeding law).

2.2 “Event of Withdrawal” means those events and circumstances listed in §29-733 of the Act.

2.3 “Majority in Interest” means one or more Members who own, collectively, a simple majority of the Percentage Interests held by Members.

2.4 “Manager(s)” means those persons currently listed as Manger(s) with the Arizona Corporation Commission or their successors elected by a Majority in Interest of the Member(s).

2.5 “Member(s)” means those persons signing below and any Person subsequently admitted as a Member of the Company until the time of an Event of Withdrawal with respect to that Member.

2.6 “Percentage Interest” means, as to a Member, the percentage set forth after the Member’s name on Exhibit A, as amended from time to time to reflect transfers permitted under this Agreement.

2.7 “Person” means and includes an individual, corporation, partnership, association, limited liability company, trust, estate, or other entity.

2.8 “Tax Member” means “**Tax Partner**” or other person designated in writing by the Manager(s) to perform that function. Eric Alexander is the Tax Partner.

3. Capital Contributions and Distributions

3.1 Capital Contributions.

3.1.1 Initial Capital Contributions. Upon the execution of this Agreement, the Member(s) shall make contributions to the capital of the Company as set forth in Exhibit A, which is incorporated by reference as a material part of this Agreement, or as otherwise stated in the books of account of the Company.

3.1.2 Additional Capital Contributions. The Member(s) are not required to contribute additional capital to the Company. Member(s) have no personal liability for obligations of the Company.

3.2 Distributions. Distributions shall be made to the Member(s) at times and in amounts as determined by the Member(s). If there is more than one Member, distributions shall be made to the Member(s) pro rata in proportion to their Percentage Interests.

4. Management

4.1 Manager. The Company shall be managed by a Board of Directors elected by the Member(s) annually (the "Board of Directors").

4.2 Board of Directors.

4.2.1 Board Composition. The Board of Directors consists of not less than three and not more than ten Directors.

4.2.2 Changes. The Board may, by a majority vote, add, change or delete the number of Directors serving on the Board, as a formal amendment to the Operating Agreement. A decrease in the number of Directors or term of office does not shorten the term of an incumbent Director.

4.2.3 Term of Directors. Directors shall serve for those terms designated by the Board; if no specific term is designated, then the Director should serve a three-year term. A Director may not serve for more than ten consecutive years without taking a year off. Despite the expiration of a Director's term, a Director shall continue to hold office until the Director's successor is elected, designated or appointed and qualifies, until the Director's resignation or removal or until there is a decrease in the number of Directors.

4.2.4 Meetings and Quorum. All meetings shall comply with the open meeting laws of Arizona.

4.2.4.1 Quorum. The presence of 66% majority of the Directors on the Board constitutes a quorum.

4.2.4.2 Attendance. A Member whose record of attendance at Board meetings is deemed unsatisfactory or whose behavior is contrary to the best interests of the Company may be removed upon by a majority vote of the Member(s).

4.2.5 Removal. The Member(s) may meet and vote upon the removal of Board Members at any time, subject to the notice requirements established by law.

4.2.6 Replacement. The Member(s) may select a person to serve out the remaining term of a Director who has resigned or who is unable to continue to serve.

4.2.7 Notice. Notice of a meeting of the Board of Directors shall comply with Arizona open meeting laws.

4.2.8 Reimbursement. Directors shall not receive any salary or remuneration for their services.

4.2.9 Election of Directors. The Board of Directors shall be elected by the Member(s).

4.2.10 Initial Meeting of Board of Directors. There shall be a meeting of the Board of Directors, including all newly-elected Directors, at which time the Board should select a President to serve for the coming year and may elect other corporate officers.

4.2.11 Employees. The Board of Directors may employ persons as it deems necessary, and fix the title, salary and other considerations of employment. All employees report to the President or his designee. Unless otherwise specifically provided in writing, all employment is "at will," and is administered in accordance with the laws of the State of Arizona. The only benefits to be granted employees shall be those defined by written policy adopted by the Board of Directors.

5. Special Topics

5.1 Special Topics Requiring Approval of the Member(s). These "Special Topics" require the approval of a Special Majority, i.e., 66% of the Member(s) (the "Vote") (unless otherwise directed in this Operating Agreement or State Law):

- 5.2** The hiring or dismissal of the Chief Administrator and Business Manager;
- 5.3** The amendment of the Articles of Organization or Operating Agreement;
- 5.4** A loan to the Company greater than \$50,000;
- 5.5** Any action to merge or dissolve the Company; and
- 5.6** The approval of the Annual Budget.

6. Governance

6.1 Governance; Executive Committee. The Company's governance and its implementation of activities necessary to meet the goals and objectives set by the Board are the responsibility of the Board of Directors, except that the Board may appoint three or more of its Directors to act as an Executive Committee to be responsible for day-to-day governance of the Company's affairs. This Committee shall be elected by a majority vote of the Board of Directors. The Executive Committee executes orders, votes and resolutions of the Board which are not otherwise self-executing and performs other duties assigned to it by the Board. The Executive Committee should include the President of the Board of Directors.

6.2 Executive Committee Membership. The Executive Committee consists of at least three but not more than five Directors. Committee Members serve one-year terms. If a Committee Member is no longer serving, whether by non-eligibility or choice, the Board selects a replacement to complete his term.

6.3 Executive Committee Chair. The President (or his designee) chairs all meetings of the Executive Committee, of the Board of Directors. He ensures adequate communications among the various working committees, and directs the activities of all Officers.

6.4 Meetings. The Executive Committee meets at a time and place determined by the President.

6.5 Election. Election of Executive Committee Members may take place at the first Board meeting of the year.

6.6 Contracts. The Board of Directors may authorize the Executive Committee, any officer or officers or agent or agents of a Member, in addition to the officers authorized by these Bylaws, to sign contracts or to execute and deliver instruments in the name of and on behalf of the Company. Authority may be general or may be limited to specific situations.

6.7 Loans. No loans may be contracted on behalf of the Company and no evidence of indebtedness shall be issued in its name in excess of \$50,000 unless authorized by a resolution of the Board of Directors. Authority may be general or confined to specific instances.

6.8 Deposits. All funds of the Company not otherwise employed shall be deposited from time to time to credit of the Company in banks, trust companies, or other depositories selected by the Board of Directors or the Treasurer.

7. Officers

7.1 Officers. The Officers of the Company should consist of:

7.1.1 President;

7.1.2 Secretary;

7.1.3 Treasurer; and

7.1.4 Vice Presidents, as determined by the Board.

7.2 President of the Board. All Officers shall report to, and be responsible to, the Executive Committee through the Chair of that Committee, if any. Otherwise, the President reports to the Board of Directors. All officers should be elected for one-year terms by the Board of Directors at their Annual Meeting.

7.3 Secretary/Treasurer. At the option of the Executive Committee, the office of Secretary/Treasurer may be filled by one individual or divided into the two separate offices of Secretary and Treasurer with an officer elected for each position. The duties of Secretary/Treasurer, listed below, may be allocated between those two offices. The Secretary/Treasurer is elected by the Board of Directors.

7.4 The Secretary/Treasurer oversees the administration of the Company, directs the operating activities of the Company, and performs other duties defined by the Executive Committee, including:

7.4.1 To give notice of and attend all meetings of the Company and to make provision for the keeping of a record of proceedings all in compliance with Arizona open meeting laws;

7.4.2 To keep a list of the Members of the Company;

7.4.3 To prepare an annual report of the finances, transactions and condition of the Company;

7.4.4 Keep all books and records of the Company, and ensure that all accounting records are properly maintained;

7.4.5 Additionally, this officer shall keep an account of all monies received and expended for use of the Company, and shall make disbursements authorized by the Executive Committee or such other persons as the Directors shall prescribe. All sums received shall be deposited in the bank or banks approved by the Executive Committee, and he shall make a report at the annual meeting or when called upon by the President. Funds in excess of \$5,000 may be drawn only on signature of the Secretary/Treasurer and the President (or, in his absence, an Executive Member designated by the President).

7.5 The funds, books and vouchers are at all times subject to verification and inspection of the Directors of this Company. At the expiration of his term of office, the Secretary/Treasurer shall deliver to his successor all books, money and other property of the Company.

7.6 Removal and Vacancies. An Officer or Member of the Executive Committee may be removed from office by a majority vote of the Board whenever, in the Board's sole and absolute judgment, the best interest of the Company will be served by the removal. Vacancies shall be filled by majority vote of the Board of Directors.

7.7 Vacancies. A vacancy in any office because of death, resignation, removal, disqualification, or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

7.8 Other Officers. The Board of Directors may from time to time, without amendment to these Bylaws, appoint one or more Vice Presidents who shall report to the President and who shall perform specific duties identified by the Board. A Vice President may be removed from office at any time by a simple majority of the Board.

8. Elections

8.1 Officers. The election of Corporate Officers may take place annually at the regular annual meeting of the Directors. Candidates who receive a majority of votes are elected. If no election is held, then the officers in place are deemed re-elected for an additional one year term.

8.2 Members of Executive Committee. At the discretion of the Board, an Executive Committee may be elected by a majority vote of the Board. The governance of the Company may be vested in the Executive Committee, as defined herein.

8.3 Board of Directors. Those Directors for whom election is applicable, as their terms expire pursuant to these Bylaws, should be elected at the annual meeting of the Member(s).

9. Committees

9.1 Standing Committees. Standing Committees, if any, may be established by the Board from time to time, and report annually to the Board.

9.2 Special Committees. Special Committees may be appointed from time to time by the Executive Committee to work on special goals or programs of the Company.

9.3 Role of Committees. The primary role of each of the Company's Committees is to accomplish the mission delegated to it by the Executive Committee. Each Committee's mission should be defined in writing. The Committee may operate independently.

10. Additional Members. New Members may be admitted only with the unanimous consent of the Member(s).

11. Books and Records. The Company shall keep or cause to be kept complete and accurate books and records of the Company and supporting documentation of transactions regarding the conduct of the Company's business. The books and records shall be kept at the Company's registered office or other

location or locations as the Board of Directors determine. At a minimum the Company shall keep at its registered office the following records:

- 11.1.1** The full name and business, residence, or mailing address of the Member(s);
 - 11.1.2** A copy of the initial Articles and all amendments and restatements;
 - 11.1.3** Copies of the Company's federal, state, and local income tax returns and reports, if any, for the three most recent fiscal years;
 - 11.1.4** Copies of this Agreement and all amendments or restatements, including prior operating agreements no longer in effect;
 - 11.1.5** Copies of documents relating to each Member's obligation to contribute cash, property, or services to the Company;
 - 11.1.6** Copies of financial statements of the Company for the three most recent fiscal years;
- and
- 11.1.7** Copies of minutes of meetings of the Member(s) and written consents obtained from the Member(s) for actions taken by the Member(s) without a meeting.

11.2 Indemnity Rights. The Company shall indemnify the Board of Directors, Officers and each Member who was or is a party or is threatened to be made a party to threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, by reason of his or her actions as a Director, Officer or Member(s) or by reason of his or her acts while serving at the request of the Company as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, against expenses, including attorneys' fees, and against judgments, fines, and amounts paid in settlement actually and reasonably incurred by him or her in connection with the action, suit, or proceeding, provided that the acts of the Directors, Officers or Member(s) were not committed with gross negligence or willful misconduct, and, with respect to criminal action or proceeding, the Directors, Officers, or Member(s) had no reasonable cause to believe his or her conduct was unlawful. The termination of an action, suit, or proceeding by judgment, order, settlement, or conviction, or upon a plea of no contest or its equivalent, shall not, in and of itself, create a presumption that the Member acted with gross negligence or willful misconduct, or with respect to criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

12. Additional Members; Dissolution; Termination

12.1 Additional and Substitute Members. No person may be admitted as a Member of the Company after the date of formation of the Company without the unanimous written consent or approval of the Member(s). Notwithstanding the foregoing, an assignee of a Member automatically becomes a substitute Member of the Company.

12.2 Events of Dissolution. The Company will be dissolved upon the occurrence of:

- 12.2.1** Upon the written consent of a Majority in Interest of the Member(s);
- 12.2.2** Upon the entry of a decree of dissolution under §29-785 of the Act or an administrative dissolution under §29-786 of the Act.

12.3 Continuation. An Event of Withdrawal by a Member(s) shall not cause a dissolution and the Company shall automatically continue following an Event of Withdrawal.

12.4 Distributions and Other Matters. The Company shall not terminate until its affairs have been wound up and its assets distributed. Promptly upon the dissolution of the Company, the Manager(s) shall execute and file a Notice of Winding Up with the Arizona Corporation Commission in accordance with §29-781 of the Act, and shall liquidate the assets of the Company and apply and distribute the proceeds of liquidation, or distribute the Company's assets in kind, in this order:

- 12.4.1** Debts. To payment of the debts and liabilities of the Company, including debts owed to the Member(s), in the order of priority provided by law;
- 12.4.2** Remainder. The balance shall be distributed to the Member(s) pro rata in proportion to their Percentage Interests.

12.5 Articles of Termination. After the assets of the Company have been distributed, the Manager(s) shall execute and file Articles of Termination as required by the Act.

13. Tax Matters

13.1 Tax Treatment. When the Company has only one Member, the Company shall be disregarded as an entity separate from its Member for federal and Arizona income tax purposes. When the Company has more than one Member, it shall be treated as a partnership for federal and Arizona income tax purposes, unless otherwise determined by the Board of Directors in writing.

13.2 Tax Allocations. Except as otherwise required by the Internal Revenue Code or applicable Treasury regulations, when the Company is treated as a partnership, taxable income or loss of the Company shall be allocated to the Member(s) in accordance with their Percentage Interests and the Company shall maintain capital accounts for each Member in accordance with Treasury Regulation §1.704-1(b)(2).

13.3 Tax Partner. The Tax Partner has the authority, at Company expense, to employ attorneys, accountants and others to prosecute or defend claims by or against the Company in tax matters or matters affecting title to Company Property. Without limiting the foregoing, the Tax Partner has the power and authority to contest on behalf of the Company any determination by the Internal Revenue Service to disallow deductions, credits or other allowances claimed by the Company or a determination which includes in the Company gross income an item of income or gain which it determines is not properly the income or gain of the Company. He may act for the Company in matters of Federal or state income tax; his decision is binding on the Company and on the Member(s).

14. Miscellaneous

14.1 Governing Law; Parties in Interest. This Agreement is governed by, and construed according to, the laws of the State of Arizona without regard to conflicts of law principles and will bind and inure to the benefit of the heirs, successors, assigns, and personal representatives of the Member(s) and the Company.

14.2 Amendment. This Agreement may be amended, restated, or revoked only with the written consent of the Majority in Interest of the Member(s) and the Manager(s).

14.3 Titles and Captions. Article, section, or paragraph titles or captions contained in this Agreement are for convenience only and are not deemed part of the context.

14.4 Pronouns and Plurals. Pronouns are deemed to refer to the masculine, feminine, neuter, singular or plural as the identity of the person or persons and/or context may require.

IN WITNESS WHEREOF, the Member(s) signed and delivered this Operating Agreement, to be legally binding as of the Effective Date regardless of the actual date of signing.

MEMBER(S):



Eric Alexander

EXHIBIT A

Member(s)	Capital Contribution	Percentage Interest
Eric Alexander	See Books of Account	100%

**ARIZONA CORPORATION COMMISSION
CORPORATIONS DIVISION COVER SHEET**

USE A SEPARATE COVER SHEET FOR EACH DOCUMENT

ARE YOU FILING: New Entity Change to existing entity Re-submission/Correction

PLEASE COMPLETE ALL APPROPRIATE SECTIONS

Type In Corp/LLC Name: Flagstaff Montessori, LLC

FILING TYPE	REGULAR SERVICE FEE	EXPEDITED SERVICE FEE
<input type="checkbox"/> Articles of Domestication	\$100.00	\$135.00
<input type="checkbox"/> Articles of Incorporation (Profit)	\$ 60.00	\$ 95.00
<input type="checkbox"/> Articles of Incorporation (Non Profit)	\$ 40.00	\$ 75.00
<input checked="" type="checkbox"/> Articles of Organization (Limited Liability Company)	\$ 50.00	\$ 85.00
<input type="checkbox"/> Application For Authority (Business)	\$175.00	\$210.00
<input type="checkbox"/> Application to Conduct Affairs (Non Profit)	\$175.00	\$210.00
<input type="checkbox"/> Application for New Authority	\$175.00	\$210.00
<input type="checkbox"/> Application for Registration	\$150.00	\$185.00
<input type="checkbox"/> Articles of Amendment	\$ 25.00	\$ 60.00
<input type="checkbox"/> Articles of Amendment & Restatement	\$ 25.00	\$ 60.00
<input type="checkbox"/> Articles of Correction	\$ 25.00	\$ 60.00
<input type="checkbox"/> Articles of Merger/Share Exchange	\$100.00	\$135.00
<input type="checkbox"/> Articles of Merger (Limited Liability Company)	\$ 50.00	\$ 85.00
<input type="checkbox"/> Affidavit of Publication	\$ 0.00	\$ 35.00
<input type="checkbox"/> CORPORATIONS - Certified Copies* <small>*If copies are for different entities the Expedite fee applies to each entity</small>	<input type="checkbox"/> \$5.00 Each () (Enter Quantity)	<input type="checkbox"/> \$40.00 () (Enter Quantity)
<input type="checkbox"/> LLCs - Certified Copies* <small>*If copies are for different entities the Expedite fee applies to each entity</small>	<input type="checkbox"/> \$10.00 Each () (Enter Quantity)	<input type="checkbox"/> \$45.00 () (Enter Quantity)
<input type="checkbox"/> Good Standing Certificate* <small>*If Good Standing Certificates are for different entities the Expedite fee applies to each entity</small>	<input type="checkbox"/> \$10.00 Each () (Enter Quantity)	<input type="checkbox"/> \$45.00 () (Enter Quantity)
<input type="checkbox"/> Other: _____	<input type="checkbox"/> Regular Fee	<input type="checkbox"/> Expedite Fee

RECEIVED
JAN 07 2014

SELECT PAYMENT TYPE:

DO NOT WRITE YOUR CREDIT CARD NUMBER ON THIS FORM!

Check Check # _____ Check Amount \$ _____

M.O.D. Account MOD Acct# 1493 Mod Amount \$ 85.00

Cash - for in-person filings only (Do not send cash in the mail.) Cash Amount \$ _____

Credit Card - for in-person filings only CC Amount \$ _____

No fee required

REQUIRED - SELECT ONE RETURN DELIVERY OPTION: Mail Pick Up Fax # () _____

E-mail: cbrechtel@rhfirm.com

For Mail or Pick Up - Please list the person or company who will be picking up the completed documents.
DOCUMENTS WILL BE MAILED IF THEY ARE NOT PICKED UP IN A TIMELY MANNER (APPROXIMATELY ONE WEEK).

Person or Company Name: Charlene/Betty Phone Number: 602.744.5734

Address: _____

City: _____ State: _____ Zip _____

FOR ARIZONA CORPORATION COMMISSION USE ONLY

PICK-UP BY: _____ DATE: _____

View current process times at: www.azcc.gov/Divisions/Corporations

COMMISSIONERS
BOB STUMP – Chairman
GARY PIERCE
BRENDA BURNS
BOB BURNS
SUSAN BITTER SMITH



JODI JERICH
Executive Director

PATRICIA L. BARFIELD
Director
Corporations Division

ARIZONA CORPORATION COMMISSION

January 8, 2014

ROBERT ERVEN BROWN
RIDENOUR HIENTON & LEWIS PLLC
201 N CENTRAL AVE STE 3300
PHOENIX, AZ 85004

RE: FLAGSTAFF MONTESSORI, LLC
File Number: L18963657

We are pleased to notify you that the Articles of Organization for the above-referenced entity HAVE BEEN APPROVED.

You must publish a Notice of the filing of your Articles of Organization or, alternatively, you may publish the Articles of Organization in their entirety. For your convenience, we have provided a Notice form that you can complete and submit to the newspaper of your choice. The publication must be in a newspaper of general circulation in the county of the known place of business in Arizona for three consecutive publications. Publication must be completed WITHIN 60 DAYS after January 8, 2014, which is the date the document was approved for filing by the Commission. A list of acceptable newspapers is available on the Commission website, www.azcc.gov/Divisions/Corporations.

The limited liability company may be subject to administrative dissolution if it fails to publish. You will receive an Affidavit of Publication from the newspaper, and you may file it with the Commission.

We strongly recommend that you periodically monitor your company's record with the Commission, which can be viewed at www.azcc.gov/Divisions/Corporations. If you have questions or need further information, please contact us at (602) 542-3026 in Phoenix, or Toll Free (Arizona Residents only) at 1-800-345-5819.

LL:13
REV. 01/2009

NOTICE
(for publication)

ARTICLES OF ORGANIZATION HAVE BEEN FILED IN THE OFFICE OF THE
ARIZONA CORPORATION COMMISSION FOR

I. Name: FLAGSTAFF MONTESSORI, LLC
L-1896365-7

II. The address of the known place of business is:

III. The name and street address of the Statutory Agent is:

(Please check A or B)

- A. Management of the limited liability company is vested in a manager or managers. The names and addresses of each person who is a manager AND each member who owns a twenty percent or greater interest in the capital or profits of the limited liability company are:
- B. Management of the limited liability company is reserved to the members. The names and addresses of each person who is a member are:

(Please check appropriate box for each)

member manager

member manager

member manager

member manager



AZ CORPORATION COMMISSION
FILED

JAN 07 2014

ARTICLES OF ORGANIZATION
OF
FLAGSTAFF MONTESSORI, LLC
an Arizona Limited Liability Company
(Manager Managed)

FILE NO. L-1896365-7

1. **Name.** The name of the "Company" is: FLAGSTAFF MONTESSORI, LLC.
2. **Known Place of Business.** The address of the known place of business of the Company is:
850 N. Locust Street, Flagstaff, AZ 86001.
3. **Statutory Agent's Name & Address.** The name and address of the statutory agent for service of process is: Robert Erven Brown, Esq., Ridenour, Hienton & Lewis, PLLC, 201 N. Central Ave., Suite 3300, Phoenix, AZ 85004-1052.
4. **Members.** The Company's Member and address are listed below. There are or will be one Member at the formation of the Company:

Eric Alexander
43551 Mission Blvd., Suite 109
Fremont, CA 94539

5. **Duration.** The duration of the Company is perpetual.
6. **Management.** Management of the Company is vested in the Manager:

Eric Alexander
43551 Mission Blvd., Suite 109
Fremont, CA 94539

7. **Certificate of Authority:** A Certificate signed by the agent for service of process of the Company identifying the managers and members of the Company or certifying their authority may be relied upon as correct and legally binding by persons dealing with the Company and shall bind the Company for all purposes including, but not limited to, a title insurer issuing title insurance for real or personal property conveyances or a lender granting or extending credit to the Company.

EXECUTED to be effective as of the date of filing with the Arizona Corporation Commission.

MANAGER:

Eric Alexander
43551 Mission Blvd., Suite 109
Fremont, CA 94539

ACCEPTANCE BY STATUTORY AGENT

I hereby accept appointment as statutory agent for service of process for the Company at the address listed above.



Robert Erven Brown, Esq.
Ridenour, Hinton & Lewis, PLLC
201 N. Central Ave., Suite 3300
Phoenix, AZ 85004-1052

**RESOLUTION
OF
FLAGSTAFF MONTESSORI, LLC,
an Arizona limited liability company**

This Resolution of Flagstaff Montessori, LLC, an Arizona limited liability company ("Resolution") is legally binding as of the January 1, 2014 (the "Effective Date"), and made by the Members and Board of Directors of Flagstaff Montessori, LLC, an Arizona limited liability company (the "Company"), as provided by the Company Operating Agreement.

Background

- A. The undersigned are all of the Members and Directors of the Company.
- B. The Company was organized for the purpose of providing educational services.
- C. The Members and Board of Directors desire to operate a K – 8th grade Montessori charter school in the Flagstaff area consistent with the Company Operating Agreement.
- D. Pursuant to the Company Operating Agreement and Arizona law, the Company is required to comply with Arizona Revised Statutes § 15-183(E)(8).
- E. The Members desire to elect a Board of Directors to manage the Company and to act as the governing body of the school.

Resolution

It is hereby unanimously agreed that:

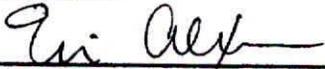
- 1. The Members of the Company unanimously voted to approve the following Directors as the initial Board of Directors of the Company:
 - a. Eric Alexander
 - b. James E. Spencer
 - c. Marlane K. Spencer
 - d. David Dickman
 - e. Anne Dickman
- 2. Pursuant to the Operating Agreement, the Board of Directors of the Company unanimously approves Eric Alexander as the President of the Board of Directors of the Company.
- 3. Pursuant to the Operating Agreement, the Board of Directors of the Company unanimously approves the following Directors to serve on the Executive Committee:
 - a. Eric Alexander, President of the Board of Directors
 - b. James E. Spencer
 - c. Marlane K. Spencer
- 4. The Company is authorized to purchase all of the assets of Montessori Charter School of Flagstaff, Inc., an Arizona corporation.
- 5. The Company is authorized to act as the charter holder and accept the assignment of charter.
- 6. The Board of Directors will ensure the management of current and prior student records, access to appropriate financial records from current and prior years, and ownership of assets and liabilities associated with the operation of the school.
- 7. The Board of Directors hereby adopts the Flagstaff Montessori, LLC, Board of Directors and Governing Board Policy.
- 8. The Company acknowledges that all historical compliance as well as academic and financial responsibilities are the obligation of the Company.
- 9. The Board of Directors authorizes Eric Alexander to serve as the charter representative, with power to bind the Company, execute all documents, purchase personal property, and take all steps necessary to operate the school and carry out the purpose of the Company as set forth in the Operating Agreement.
- 10. Eric Alexander, as charter representative and Board President, is indemnified for all actions taken in furtherance of the Company including, but not limited to, organizing, operating, and maintaining

in furtherance of the Company including, but not limited to, organizing, operating, and maintaining the Company.

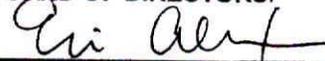
By signing below we certify that this resolution has neither been amended, modified nor rescinded and that it is still in full force and effect.

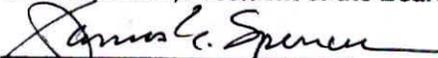
IN WITNESS WHEREOF, all of the Members signed this Resolution to be legally binding as of the Effective Date, regardless of the actual date of signing.

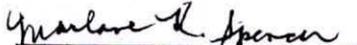
MEMBERS:


Eric Alexander

BOARD OF DIRECTORS:


Eric Alexander, President of the Board of Directors


James E. Spencer


Marlane K. Spencer


David Dickman


Anne Dickman

Flagstaff Montessori, LLC,

Board of Directors and Governing Board Policy

The Board of Directors of Flagstaff Montessori, LLC, an Arizona limited liability company, will be the Board of Directors of Montessori School of Flagstaff – Switzer Mesa and Montessori School of Flagstaff – Cedar (“Flagstaff Montessori”). The Board of Directors will be referred to as the “Governing Board” or “Board”, and the individual Directors as “Directors”. It is the intent of the Board of Flagstaff Montessori to be directly involved with the planning year as well as operational years of the school.

I. Governing Board Responsibilities

Pursuant to ARS §15-183(E)(8) the Board is responsible for the policy decisions of the school. It will be the role of the Board to support the mission of the school as stated in the school charter. The Board shall have all of the duties and powers required or permitted by applicable laws and regulations. The Board shall have authority to conduct business, hire employees, and approve officers. Additionally, the Board has authority to establish committees for the purpose of carrying out acts authorized by the Board.

The Governing Board of Flagstaff Montessori will serve four principal roles, clearly defined below:

1. *Governance*: The Governing Board will govern the school. These responsibilities will include, but are not limited to, the following:
 - a. Support the vision and mission of the school;
 - b. Hire, evaluate and support the Chief Administrator and Business Manager who support the schools vision and mission;
 - c. Approve school policies;
 - d. Oversee the overall performance of the school;
 - e. Approve curriculum, text book, and academic programs, and ensure Arizona state standards are exceeded or met;
 - f. Approve annual budget, make changes as needed, set fiscal and risk-management policies, appropriate insurance, and set internal controls by monitoring finances;
 - g. Review annual audit;
 - h. Approve expenditures over \$50,000;
 - i. Approve staffing plans;
 - j. Develop student and staff policy handbooks;
 - k. Monitor recruitment, hiring, and teacher retention;
 - l. Act as an appellate board for teacher, parent and student grievances when there is conflict with administrative decisions;
 - m. Review and sign facilities contracts;
 - n. Encourage parent participation and review parent evaluations;
 - o. Review and approve charter renewal application;
 - p. Set strategic plan goals and measures and monitor progress towards goals; and

- q. Pursue policies to ensure compliance with the educational philosophy and goals of the charter contract.
2. *Community Outreach*: The Governing Board shall engage the community and encourage parent involvement:
 - a. Speak to the media regarding the school's achievements;
 - b. Scholarship fundraising;
 - c. Approve public annual reports;
 - d. Hold meetings open to the public in accordance with the public meeting law;
 - e. Advocate for the school and the larger charter movement to family, friends, fundraisers, and other potential stakeholders or community partners; and
 - f. Ensure that teachers and parents have a method for holding the school accountable to their high expectations.
 3. *Sponsor*: The Governing Board shall give of its time, talent, or treasure to ensure that the school has the resources it needs to fulfill its mission. This will entail that Directors:
 - a. Donate personal gifts, or accumulation of others' gifts, to the best of one's ability.
 - b. Fundraise by approving fundraising plan and cultivating donors.
 4. *Consultant*: The Governing Board shall be comprised of diverse, competent Directors who shall use their skills and expertise on behalf of the organization. Directors will:
 - a. Serve actively on a committee.
 - b. Donate time and talents to the best of one's ability to support the school.

Notwithstanding the foregoing, the Governing Board must obtain approval of the 66% of the Members holding interest in the Company for:

- c. The hiring or dismissal of the Chief Administrator and Business Manager;
- d. The amendment of the Articles of Organization or Operating Agreement;
- e. A loan to the Company greater than \$50,000;
- f. Any action to merge or dissolve the Company; and
- g. The approval of the Annual Budget.

Governing Board General Practices

The Governing Board shall make decisions pursuant to the Operating Agreement of the Company. Attendance of at least 66% of the Board constitutes a quorum. The Board shall at all times ensure compliance with the Arizona open meeting laws.

Executive Committee and Officers

The Board shall elect a Board President. The Company's governance and its implementation of activities necessary to meet the goals and objectives set by the Board are the responsibility of the Board of Directors, except that the Board may appoint three or more of its Directors to act as an Executive Committee to be responsible for day-to-day governance of the Company's affairs. This Committee shall be elected by a majority vote of the Board of Directors. The Executive Committee executes orders, votes and resolutions of the Board which are not otherwise self-executing and performs other duties

assigned to it by the Board. The Executive Committee should include the President of the Board of Directors. However, the Executive Committee has no authority to make determinations or act outside of the Governing Board's directives.

Additionally, the Board may appoint officers including President, Vice President, Treasurer, and Secretary. Officers may be elected yearly by a simple majority vote.

The Treasurer shall: (a) oversee the development and observation of the organization's financial policies, budgeting, reporting to the Board and serve as Chair of the Finance Committee, if there is a Finance Committee; and (b) in general perform all of the duties incident to the office of Treasurer and such other duties as from time to time may be assigned by the President or by the Board.

The Secretary shall: (a) keep the minutes of the Board of Directors' meetings; (b) see that all notices comply with the Operating Agreement and Arizona open meeting law requirements; (c) be custodian of the corporate records and of the seal of the School if one is authorized by the Board of Directors, in which case the Secretary shall see that the seal of the School is affixed to all documents the execution of which on behalf of the School under its seal is duly authorized; and (d) in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned by the President or by the Board of Directors.

Governing Board Committees

The initial committees of the Governing Board may include Governance, Finance, Academics, Development, and any other committees that the Governing Board may establish.

- 1. Governance** shall be responsible for building the capacity of the Governing Board by recruiting potential Directors and developing the entire Board, which also includes conducting the Board performance evaluation.
- 2. Finance** shall be responsible for the financial stewardship of Flagstaff Montessori.
- 3. Academics** will monitor the establishment and maintenance of Flagstaff Montessori's mission-aligned curriculum, instruction, assessment, and professional development systems; the primary focus will be on monitoring academic achievement goals and being critically analyzing the rigor and effectiveness of the overall instructional program.
- 4. Development** will ensure that Flagstaff Montessori has the requisite financial resources to support its mission-aligned programs.

Governing Board Composition

The Board of Directors of Flagstaff Montessori, LLC, will serve as the Governing Board of Flagstaff Montessori. The Board shall be composed of no less than three and no more than ten directors approved by a majority vote of the Members owning an interest in the Company. The initial Board is composed of one Member of the Company, the Company's CPA, two former owners of the school, and a member of the community. Four of the five Directors are parents of children who attended and graduated from the school. The Governing Board shall be self-perpetuating. It shall recruit new

Directors and recommend the new Directors approval to the Members owning an interest in the Company.

Directors shall serve for those terms designated by the Board; if no specific term is designated, then the Director should serve a three-year term. A Director may not serve for more than ten consecutive years without taking a year off. Despite the expiration of a Director's term, a Director shall continue to hold office until the Director's successor is elected, designated or appointed and qualifies, until the Director's resignation or removal or until there is a decrease in the number of Directors.

The Board shall at all times ensure compliance with the Arizona Open Meeting Law.

Qualifications and Vacancies

The Board may establish a recruiting committee to oversee Governing Board recruitment and nominations. The Board may seek out Directors who:

1. Demonstrate previous experience in finance or accounting to ensure financial success and sustainability;
2. Demonstrate previous educational experience, specifically in the area of academic planning and educational outcome growth;
3. Demonstrate previous property management experience to manage the site-selection and site-maintenance process;
4. Demonstrate significant connections to the community members and community organizations that could potentially partner with the school and benefit the school's students; and
5. Demonstrate previous experience in public relations, fundraising, or marketing to ensure the school maintains goodwill, fundraising and admissions.

The Board will ensure the long-term sustainability of the school by providing for its own succession. Governing Board recruitment shall remain a priority of the organization. Vacancies shall be filled as they arise; members shall serve the remainder of a vacant term upon approval.