

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: JUL 21 2009

KAIZEN EDUCATION FOUNDATION
7878 N 16TH ST STE 150
PHOENIX, AZ 85020-4470

Employer Identification Number:
80-0197489
DLN:
17053217304038
Contact Person:
PERCY E DOWD ID# 95100
Contact Telephone Number:
(877) 829-5500
Accounting Period Ending:
June 30
Public Charity Status:
170(b)(1)(A)(vi)
Form 990 Required:
No
Effective Date of Exemption:
July 27, 2008
Contribution Deductibility:
Yes
Addendum Applies:
No

Dear Applicant:

We are pleased to inform you that upon review of your application for tax exempt status we have determined that you are exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code. Contributions to you are deductible under section 170 of the Code. You are also qualified to receive tax deductible bequests, devises, transfers or gifts under section 2055, 2106 or 2522 of the Code. Because this letter could help resolve any questions regarding your exempt status, you should keep it in your permanent records.

Organizations exempt under section 501(c)(3) of the Code are further classified as either public charities or private foundations. We determined that you are a public charity under the Code section(s) listed in the heading of this letter.

Please see enclosed Publication 4221-PC, Compliance Guide for 501(c)(3) Public Charities, for some helpful information about your responsibilities as an exempt organization.

Letter 947 (DO/CG)

KAIZEN EDUCATION FOUNDATION

Sincerely,

A handwritten signature in dark ink, appearing to read "Robert Choi", written in a cursive style.

Robert Choi
Director, Exempt Organizations
Rulings and Agreements

Enclosures: Publication 4221-PC

BYLAWS

KAIZEN EDUCATION FOUNDATION

June 20, 2008

**BYLAWS
OF
KAIZEN EDUCATION FOUNDATION**

June 20, 2008

**ARTICLE I
OFFICES, CORPORATE SEAL**

Section 1.1 Registered Office. The registered office of the Corporation in Arizona shall be that set forth in the Articles of Incorporation, or in a resolution of the Directors filed with the Secretary of State changing the registered office.

Section 1.2 Other Offices. The Corporation may have such other offices, within or without the State of Arizona, as the Directors shall from time to time determine.

**ARTICLE II
MEMBERS**

Section 2.1 Members. This Corporation shall have no members. All corporate actions shall be approved by the Board of Directors as provided in these Bylaws. All rights which would otherwise rest in the members shall rest in the Directors.

Section 2.2 General Powers. The property, affairs and business of the Corporation shall be managed by the Directors.

**ARTICLE III
PROPERTY**

Section 3.1 Property. No Director shall have any right, title or interest in or to the property of the Corporation.

**ARTICLE IV
BOARD OF DIRECTORS**

Section 4.1 Number, Qualification, and Term of Office. The number of Directors shall be at least three (3) but no more than seven (7), however, the minimum number of Directors may be increased to any number, by amendment of these bylaws. New and/or replacement Board members may be added at any time by a simple majority vote of the whole Board of Directors. Nominations of new and replacement Board members will be accepted from any Board member. All Directors shall be elected by those remaining duly qualified Directors. The terms of office shall be two (2) year term for each Director. There will be no limit on the number of terms a Director may serve.

Section 4.2 Composition of the Board of Directors. The composition of the Board of Directors shall be elected from corporations, businesses, organizations, institutions, and

individuals with an interest in Charter Schools and charter school education as well as other freedom of choice in education concepts. No single corporation, organization, business, or institution will ever be represented in such a manner as to create a majority and/or controlling voting interest on the Board of Directors of the Corporation.

Section 4.3 Resignation. Any Director of the Corporation may resign at any time by giving written notice to the President of the Board or to the Secretary of the Corporation. The resignation of any Director shall take effect at the time specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 4.4 Removal of Directors. Any Director may be removed for any reason or no reason at any time. Removal shall be by a vote of a majority of the whole number of Directors of the Corporation at a special meeting of the Directors called for that purpose, except that the Director to be removed may not participate in such vote. Written notice stating the place, date, hour, and purpose of any special meeting called for the purpose of removing one or more Directors must be delivered to all Directors as provided in Section 5.3. The vacancy in the Board of Directors caused by any such removal shall be filled in the manner specified in Section 4.1 hereof.

Section 4.5 Vacancies. Any vacancy in the Board of Directors caused by death, resignation, disqualification removal, or any other cause, shall be filled by a majority vote of the whole Board of Directors

Section 4.6 Compensation. No member of the Board of Directors shall be compensated for such member's services to the Corporation as a Director.

Section 4.7 Salary—Corporate Board. No salary shall be paid to Directors of the Corporation for their services, but by resolution of the Corporate Board, a fixed reasonable sum for 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 serving as a Director of the Corporation from also serving as an officer or employee of the Corporation and receiving a salary or other compensation for that position.

Section 4.8 Committees—Corporate Board. The Corporate Board, by resolution adopted by a majority of the entire Board present at a duly-authorized meeting, may from time to time designate from among its members an executive committee, and may also designate from among its members and non-members such other committees as the Corporate Board may deem desirable, each consisting of two (2) or more members, with such powers and authority (to the extent permitted by law) as may be provided in such a resolution. Each such committee shall serve at the pleasure of the Board and, if required, shall comply with applicable Arizona Open Meeting Laws, A.R.S 38-431 et seq. or such other laws of any state in which the Corporation is qualified to conduct business. At the discretion of the Board, committee members may be compensated reasonable sum for their time and expenses.

ARTICLE V MEETINGS AND QUORUM

Section 5.1 Place of Meeting. The Board of Directors may hold its meetings at such place or places, with or without the State of Arizona, as it may choose.

Section 5.2 Annual Meeting; Notice. As soon as practical after the beginning of each new fiscal year, as defined in Section 11.3, the annual meeting of the Corporation shall be held. Notice of the annual meeting shall be given in writing to the Board of Directors not less than (10) days prior to said meeting date and may be delivered personally, or mailed to each Director at his or her address or by telegram or electronic facsimile transmission. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, so addressed, with postage fully prepaid. If notice is given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. If notice is given by electronic facsimile transmission, such notice shall be deemed to be delivered when entered into a facsimile machine programmed to transmit to the last known facsimile machine number or Email of the intended recipient and no notice is received that such transmission was not received as intended. Any Director may waive notice of any meeting. The attendance of a Director at a meeting shall constitute a waiver of notice of such meeting.

Section 5.3 Special Meetings; Notice. Notice of any special meeting of the Board of Directors shall be given by or at the direction of the President or a quorum of the Directors at least ten (10) days previous thereto by written notice delivered personally, or mailed to each Director at his or her address or by telegram, electronic transmission. Notice of any special meeting shall state the purpose or purposes for which the meeting is called. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, so addressed, with postage fully prepaid. If notice is given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. If notice is given by electronic transmission, such notice shall be deemed to be delivered when entered into a facsimile machine programmed to transmit to the last known facsimile machine number or Email of the intended recipient and no notice is received that such transmission was not received as intended. Any Director may waive notice of any meeting. The attendance of a Director at a meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Section 5.4 Electronic Meetings. A Director may participate in any meeting of Directors by a conference telephone, video conference, or similar communication equipment by which all persons participating in the meeting may hear each other. Participation in a meeting pursuant to this Section constitutes presence in person at the meeting if applicable law provides.

Section 5.5 Quorum and Manner of Acting. Except as otherwise provided by statute or by these Bylaws, a simple majority of the Directors shall be required to constitute a quorum for the transaction of business at any meeting, and the act of a majority of the Directors present at any meeting at which a quorum is present shall be the act of the Board of Directors. In the absence of a quorum, a majority of the Directors present may adjourn any meeting until a quorum be had. Notice of any such adjourned meeting need not be given.

ARTICLE VI OFFICERS

Section 6.1 Number. The officers of the Corporation shall be a President of the Board, Secretary, Treasurer, and other officers as may be elected by the Board of Directors.

Section 6.2 Election, Term of Office, and Qualifications. Officers may be elected annually by the Directors of the Corporation at the annual meeting or at a special meeting called for that purpose. Each officer shall hold office for a period of two (2) years and until his or her successor shall have been duly elected and qualified, or until his or her death, or until he or she shall resign, or until he or she shall have been removed in the manner hereinafter provided. There shall be no limit on the number of terms any officer may serve. A person may hold more than one office in the Corporation, and may concurrently serve as an officer and a director.

Section 6.3 Resignations. Any officer may resign at any time by giving written notice of his or her resignation to the Board of Directors, to the President of the Board or to the Secretary of the Corporation. Any such resignation shall take effect at the time specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6.4 Election and Removal. Any officer elected by the Board of Directors may be removed at any time for any reason or no reason by the Board. Removal shall be by a vote of a majority of the whole number of Directors of the Corporation at a special meeting of the Directors called for that purpose. Written notice stating the place, date, hour, and purpose of any special meeting called for the purpose of removing one or more officers must be delivered to all Directors as provided in Section 5.3 hereto. The presence or absence of the affected officer at this meeting shall be at the discretion of the Directors.

Section 6.5 Vacancies. A vacancy in any office because of death, resignation, disqualification, removal, or any other cause, shall be filled by a majority vote of the whole Board of Directors and the officer so elected shall hold office for the remaining term of that office or until his or her successor shall be duly elected and qualified by the remaining Directors.

Section 6.6 President of the Board. The President of the Board shall assume all duties normally associated with that office. The President, shall, when present, preside at all meetings of the Directors. The President shall see that all orders and resolutions of the Board of Directors are carried into effect. The President shall have such other duties as may from time to time be prescribed by the Board of Directors.

Section 6.7 Secretary. The Secretary or designee shall see that the proceedings of the meetings of the Board of Directors are kept. The Secretary shall when directed to do so, notify the Directors of all meetings, and perform such other duties as may from time to time be prescribed by the Board of Directors or by the President of the Board and, in general shall perform all duties incident to the Office of the Secretary. The Secretary shall cause to be kept all corporate documents of the Corporation.

Section 6.8 Treasurer. The Treasurer shall be the principal accounting and financial officer of the Corporation. The Treasurer shall cause to be kept accurate accounts of all moneys of the Corporation received or disbursed. The Treasurer shall cause the deposit of all moneys, drafts and checks in the name of, and to the credit of, the Corporation in such banks and depositories as a majority of the whole Board of Directors, by resolution, shall from time to time designate. The Treasurer shall cause to be submitted to the President of the Board and the Directors, whichever required, a report of all transactions, and the financial condition of the Corporation, and shall perform such other duties as may from time to time be prescribed by the Board of Directors or by the President of the Board, and, in general, shall perform all duties incident to the office of the Treasurer.

Section 6.9 Other Officers. The Corporation may have such other officers and agents as may be deemed necessary by the Board of Directors, who shall be elected in such manner, have such duties and hold their offices for such terms as may be determined by resolution of the Board of Directors.

ARTICLE VII ELECTIONS

Section 7.1 Election Procedure. Replacement and/or new Directors shall be elected at any meeting the Directors deem appropriate. Officers may be elected at any meeting as determined by a majority of the Board of Directors.

Section 7.2 Directors. Nominations to fill Director vacancies or Director additions may come from any Board member. A vote of a majority of the whole of the Directors shall be required to elect Directors. The list of candidates shall be presented to all duly qualified Directors prior to the meeting at which directors are to be elected. Nominations from the floor shall be allowed.

Section 7.3 Officers. Each Director shall be provided with a slate of officers prior to the meeting at which officers are to be elected. A vote of a majority of the whole of the Directors shall be required to elect officers. Nominations from the floor shall be allowed.

ARTICLE VIII ADVISORY BOARD

The Board of Directors may establish an Advisory Board which shall have such duties and responsibilities as are granted to it by the Board of Directors. The Advisory Board shall at all times be subject to the direction of the President of the Board of Directors. The actions of the Advisory Board, if established, shall be governed by an advisory board charter, which the Board of Directors shall approve and adopt, and annually review and amend as required in the Board's sole discretion. Except as set forth herein, the requirements for membership on the Advisory Board will be as set forth in the Advisory Board charter. Each Advisory Board member will serve in an advisory capacity only. Membership on the Advisory Board does not carry or impute the status of a director, officer, fiduciary, or employee of the Corporation. A member of the Advisory Board will not, by virtue of holding that position, have any express or implied

authority to act on behalf of the Corporation, or be deemed to hold any of the duties and responsibilities of a director, officer, fiduciary, or employee of the Corporation.

ARTICLE IX FISCAL AGENTS

This Corporation may designate such fiscal agents, investment advisors and custodians as the Board of Directors may select by resolution. The Board of Directors may at any time and for any reason or no reason discontinue the use of the services of any such fiscal agent, investment advisor, or custodian.

ARTICLE X FIDUCIARY RESPONSIBILITY

It shall be the policy of this Corporation that the Board of Directors shall assume and discharge fiduciary responsibility with respect to all funds held or administered by this Corporation.

ARTICLE XI BOOKS OF RECORD, AUDIT, FISCAL YEAR, BOND

Section 11.1 Books and Records. The Board of Directors of this Corporation shall cause to be kept:

- (1) records of all proceedings of the Board of Directors, and Committees thereof; and
- (2) all financial statements of this Corporation; and
- (3) Articles of Incorporation and Bylaws of this Corporation and all amendments thereto and restatements thereof; and
- (4) such other records and books of account as shall be necessary and appropriate to the conduct of the corporate business through the Secretary of the Board; and
- (5) all records of the Corporation shall be open for Director inspection at any reasonable time.

Section 11.2 Audit and Publication. The Board of Directors may cause the records and books of account of this Corporation to be reviewed (or, only to the extent required by law, audited) at least once in each fiscal year in such a manner as may be deemed necessary or appropriate, and also shall make such inquiry as the Board of Directors deems necessary or advisable into the condition of all trusts and funds held by any Director, agent, or custodian for the benefit of this Corporation, and shall retain such person or firm for such purposes as it may deem appropriate. Not later than six (6) months after the close of each fiscal year of this Corporation, a financial statement for the immediate preceding fiscal year shall be provided by any person or firm designated by the Board for its review.

Section 11.3 Fiscal Year. The fiscal year of the Corporation shall end on June 30 of each year.

**ARTICLE XII
WAIVER OF NOTICE**

Whenever any notice is required to be given by these Bylaws or any of the corporate laws of the State of Arizona, such notice may be waived in writing, signed by the person or persons entitled to said notice, whether before, at, or after the time stated therein, or before, at, or after the meeting.

**ARTICLE XIII
INDEMNIFICATION**

Section 13.1 Liability. The liability of the existing and former directors or officers to the corporation shall be eliminated to the fullest extent permitted by Section 10-3202.B.1 of the Arizona Nonprofit Corporation Act or any successor provision. If the Arizona Nonprofit Corporation Act is amended to authorize corporate action further eliminating or limiting the liability of its directors and officers, the liability of the existing and former directors or officers of the corporation shall be eliminated or limited to the fullest extent permitted by the Arizona Nonprofit Corporation Act, as amended. Any repeal or modification of this Section 13.1 shall not adversely affect any right or protection of the existing and former directors or officers of the corporation existing hereunder with respect to any act or omission occurring prior to or at the time of such repeal or modification. The provisions of this Section 13.1 shall not be deemed to limit or preclude indemnification of the existing and former directors or officers by the corporation for any liability of the existing and former directors or officers which has not been eliminated by the provisions of this Section 13.1.

Section 13.2 Indemnification. The Corporation shall indemnify any and all of its existing and former directors and officers to the fullest extent permitted by Section 10-3202.B.2 of the Arizona Nonprofit Corporation Act or any successor provision. If the Arizona Nonprofit Corporation Act is amended to authorize corporate action broadening the corporation's ability to indemnify its directors and officers, the corporation shall indemnify its existing and former directors and officers to the fullest extent permitted by the Arizona Nonprofit Corporation Act, as amended. Any repeal or modification of this Section 13.02 shall not adversely affect any right or protection of any existing or former trustee or officer of the corporation existing hereunder with respect to any act or omission occurring prior to or at the time of such repeal or modification.

**ARTICLE XIV
AMENDMENTS**

The Board of Directors may amend this Corporation's Articles of Incorporation, as heretofore or hereafter from time to time amended or restated, and these Bylaws as from time to time amended or restated, to include or omit any provision which could be lawfully included or omitted: Any number of amendments, or an entire revision or restatement of the Articles of Incorporation or Bylaws, may be voted upon at a single meeting of the Board of Directors and be adopted at such meeting a quorum being present, upon receiving the affirmative vote of a majority of the whole number of Directors. Any proposed amendments shall be presented to the Directors not less than thirty (30) days prior to the meeting when Board action is to be taken unless the whole number of Directors agree to waive such notice in writing or by voice vote.

Kaizen Education Foundation
7878 N. 16th Street, Suite 150
Phoenix, Arizona 85020
602.943.4456

December 20, 2011

**Description of Difference Between Kaizen's Governing Board and the
Non-Profit Corporation**

The school's governing body and the non-profit corporate board may have the same directors. The non-profit corporation is above the schools governing body.

Kaizen non-profit corporate board

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graph TD; A[Kaizen non-profit corporate board] --- B[School's Governing Body]
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School's Governing Body

Kaizen Education Foundation
7878 N. 16th Street, Suite 150
Phoenix, Arizona 85020
602.943.4456

Corporate Board

The primary responsibility of the corporate board is carrying out the duties set forth in the mission and bylaws of the corporation. The corporate board is responsible for:

- Supporting charter schools
- Filing annual reports with federal and state agencies
- Ensuring that the corporation is in good standing
- Appointing the Governing Board

Members:

- Theodore C. Frederick
- Virginia Smith
- Gina Conflitti
- Janna Robinson
- Jessica Brown

Governing Board:

The primary responsibility of the governing board is upholding the charter contract. The governing board is responsible for approving any amendments as a public meeting to the Charter Contract.

Members:

- Theodore C. Frederick
- Virginia Smith
- Gina Conflitti
- Janna Robinson
- Jessica Brown