



**Archway North Phoenix PSO LLC  
Handbook**

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## SECTION I: MISSION STATEMENT AND IDENTITY

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**Why We Exist:** We are a community of parent volunteers that provides a support system to enrich students' academic experience. We volunteer our time in service, sponsor and promote social activities, and provide programs to benefit and support the faculty and administration who are working to provide the best educational experience for our children.

*(This mission statement should be delivered at each PSO General meeting as well as included in the school newsletter and PSO Website.)*

**Who We Are:** Great Hearts Parent Service Organizations (PSO) are dedicated to enhancing the experience of students, staff, and parents by creating a community founded on parent involvement and warm hospitality. All parents and/or guardians of students currently enrolled at Archway Classical Academy North Phoenix are members of the school's Parent Service Organization.

**Who We Are Not:** While a PSO may raise revenue to support its specific programs, it is not the primary purpose of the PSO to raise funds for its school. Each school has a designated Director of Academy Giving (DAG) responsible for fundraising on a broader scale including Community Investment, Tax Credit, and other programs that are the primary fundraising activities for the network.

## SECTION II: OBJECTIVES

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1. Support the school's mission.
2. Organize efforts to express appreciation for teachers and school administrators.
3. Organize social events to unite the school community (faculty, students, parents, administration).
4. Benefit the school through volunteerism and organization of school events.
5. Develop a closer connection between school and home by encouraging parent involvement when organizing teacher/staff appreciation events and family-centered social events.
6. Enhance the educational experience by supporting academic and enrichment activities.

## **SECTION III: STANDARD OPERATING PROCEDURES**

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### **1. BOARD OF DIRECTORS**

Each PSO shall have a Board of Directors (Board) and the Board's actions shall be governed by these Standard Operating Procedures (SOPs). The Board shall determine the number of Directors it will have. A good rule is to have between five (5) and fifteen (15) Directors on the Board. The Board shall consist only of the Headmaster, the officers described below, and any committee chairs.

**Board Membership:** The Board consists of Directors including (1) the Headmaster, (2) the officers, and (3) committee chairs.

Each Director shall be a person of experience and good reputation in the community who is a parent, grandparent, or guardian of one or more current students of the School. Directors will actively support the goals and objectives of the PSO and be willing to contribute his or her time and effort to achieve such goals and objectives. Directors shall have other such qualifications as the Board may prescribe by resolution or amendment to the Bylaws.

The Headmaster of the School shall be an ex officio Director of the PSO with voting rights. The Headmaster also shall be an approved signatory on the PSO bank account.

Initial Directors at a newly founded school are appointed by the Headmaster. At the first regular Board meeting, the Board shall elect officers and any committee chairs for committees they establish. The initial Board shall remain in place until the first annual meeting. At the first annual meeting and in subsequent years, Board Directors are elected by 51% of the then-current Directors.

A Director may be removed from office with or without cause by the Member's Headmaster or the vote of a majority of the other Directors of the PSO then in office either at a regular meeting or any special meeting called for that purpose.

### **2. OFFICERS AND DUTIES**

**President:** The President is the executive officer of the PSO and, in conjunction with the Board, works in partnership with the Headmaster to establish a community atmosphere that supports and protects the academic goals and culture of the school as established by Great Hearts. With this vision informing all of the President's actions, he or she will guide the PSO, its Committees, and all family volunteers to strive to fulfill the mission to

create a culture of service, grounded in charity, to ensure a truly vibrant and welcoming community of families dedicated to providing the highest quality academic and social environment for our children.

The President shall in general supervise and control all of the day-to-day business and affairs of the PSO in accord with the duties and powers given to the President in the Bylaws. These duties include, but are not limited to, maintaining regular communication with the Headmaster and the families of the school, preparing the agenda for all PSO meetings, presiding over meetings and the membership, and overseeing all activities and funds of the PSO.

The President is an approved signatory and co-signer on all of the PSO's financial accounts. If PSO funds are being used, the President approves all purchase orders or distributions. In some cases, the Headmaster's approval may also be required.

The President is charged with facilitating proper conduct of the Directors (Officers and Committee Chairs) and orderly PSO meetings. In this forum, the President's responsibility is to ensure all parties have expressed their opinions in order for a proper vote to take place. The President will remain neutral on all voting issues unless his or her vote is needed to break a tie. The President is the final approver of all newsletters and emails sent from the PSO and its Committees and is responsible for all web content.

The PSO President also acts as the liaison to the corresponding PSO of a school on the same campus or associated with the same prep school, and works closely with them to promote continuity and partnership.

The initial President shall be appointed by the Headmaster. Each President serves for a single one-year term and retains the right to run for a second term. No President, however, shall serve more than two consecutive terms without the expressed approval of the headmaster. Upon completion of a single, final term, and at the pleasure of a majority of the then-serving officers, the President shall become President Emeritus and will serve in an advisory position to the Board for one year immediately following that term.

**Vice President (optional):** The Vice President shall assist the President and shall perform the duties of the President in his or her absence. The Vice President will assume the duties of any other Board Directors who may need to be absent for a monthly board meeting. The Vice President shall not serve more than two consecutive terms without the expressed approval of the headmaster.

**Secretary:** The Secretary shall attend and keep the minutes of all board meetings and maintain necessary records and files of the PSO. Minutes will be typed and emailed to the PSO Board Directors in a timely fashion and the Secretary shall maintain a hard copy of all minutes. The minutes of the General monthly meetings will be posted on the PSO

website by the Monday following each monthly meeting. The Secretary will always be in charge of PSO correspondence as requested by the President.

**Treasurer:** The Treasurer shall be the custodian of the PSO checkbook and verifiable records of funds of the PSO. The Treasurer shall receive all funds and deposit them into the PSO bank account promptly, write checks from approved Purchase Orders for the President, and keep an accurate and current checkbook in full detail. Along with the President and Headmaster, the Treasurer is an authorized signatory on the checking account.

The Treasurer shall reconcile bank statements monthly, prepare a monthly financial report for review and approval at General monthly meetings, prepare the annual budget, and coordinate any audits. Monthly, the Treasurer will provide detailed financial statements to the President whether there is a scheduled meeting or not. The Treasurer will have written financial statements available at each PSO General meeting and will be required to give an oral report at each. The Treasurer will ensure that all records of funds are available to the Headmaster, President, and Board and Great Hearts at any time.

### **3. ELECTION OF OFFICERS/TRANSITION**

The initial Board (at a new school in the Great Hearts network) shall be chosen by the Headmaster as described above, but Directors may serve for successive years in different board roles, upon election by the Board. Directors may be re-elected to successor terms, but no Director shall serve in the same capacity for more than two consecutive one-year terms without the expressed approval of the headmaster.

Nominations for new Board Directors shall take place in April of each year. Nominations will be accepted from the floor at the April General Board Meeting as well as from a “Call to the Public” via the first PSO E-letter after the March General Board Meeting. The process will remain open until 5:00 p.m. on the second Friday following said E-letter. All candidates must be nominated by a parent of the PSO either orally at the General Meeting or via email in response to the E-letter. A record shall be kept of who is nominated and by whom.

The final slate of nominees for the election will be prepared by the Nominating Committee. This committee shall consist of the Headmaster, President, and Secretary of the Board. They will receive nominations from the PSO general membership as described above, and may solicit other nominees. Existing Board Directors may submit their names for nomination for a successive term if they choose to do so and have not termed out.

The final slate of nominees for all Directors (Officers and Committee Chairs) shall be presented to the general membership via the E-letter at least one week before the May

Annual meeting. Voting shall occur at the May Annual meeting. Newly-elected Directors will be announced by June 1 via the E-letter and shall be installed at the June General Board meeting. The newly-elected Directors will serve from July 1 after their election until June 30 of the following year, complying with the fiscal year of the PSO. The voting rights of the outgoing Directors will be retained until the end of their term on June 30.

Upon the completion of their term or upon their resignation, each Director shall turn over to the President, without delay, all records, books, and other materials pertaining to the vacated Board position, and shall return to the Treasurer, without delay, all funds pertaining to the vacated Board position.

Timeline and Process for Annual Selection of PSO Board Directors			
March	April	May	June
<p>a. Director nominations are solicited via a “Call to the Public” in the 1<sup>st</sup> PSO E-Letter issued after the March General meeting.</p> <p>b. Nominations will be accepted until 5 pm on the second Friday following the publication this E-Letter “Call the Public.”</p>	<p>Director nominations are accepted from the floor at the April General meeting.</p>	<p>a. The final slate of Director nominees is presented to the general membership via the E-Letter at least one week prior to the May Annual meeting.</p> <p>b. Voting for the Directors occurs at the May Annual meeting</p> <p>c. The list of newly-elected Directors is announced via the E-Letter prior to June 1.</p>	<p>The new Directors are installed at the June General meeting.</p>

#### 4. COMMITTEES

In the initial year, the Committees and the Committee Chairs are established by the Headmaster, with the Committee Chairs being Directors of the Board. Thereafter, the Committees shall be created annually by the Board through the mutual interests of the Headmaster, parents, faculty, and the Board. Committee Chairs serve as the liaisons between the Board and the PSO Committees assigned to them.

Committee Chairs are Directors of the Board and as such, after the initial year, are elected annually to their position by the general PSO membership at the May Annual meeting. Nominations for Committee Chairs take place in March/April of each year (see Section III, part 3). The final slate of nominees for the Committee Chair positions shall be prepared by the Nominating Committee, as part of the slate of Director nominees, and presented to the general membership via the E-Letter at least one week before the May Annual meeting. Voting for all Directors, including the Committee Chairs, shall occur at the May Annual meeting. The newly elected Committee Chairs will be installed as Directors at the end of the June General meeting and will serve from July 1 through June 30 of the following year, which coincides with the fiscal year of the PSO.

Each Committee Chair is a Director of the Board and is expected to attend and/or submit a report for all Board meetings. All Committee Chairs and Committee members are volunteers and receive authority, responsibilities and guidance from the Board to carry out the objectives of their Committees, and the Committee Chairs must present a report of their Committees' activities to the Board at all Board meetings.

## 5. MEETINGS/EXPECTATIONS

**Board Meetings:** The Board shall establish a regular meeting schedule and provide notice of that schedule to the school community.

Any or all Directors may participate in a general or special meeting or in a committee meeting of the Board by, or conduct the meeting through the use of, the telephone or any other means of communication by which the President and all participating Directors may simultaneously hear each other during the meeting. Anyone attending through these means is deemed to be present in person at the meeting.

The Board shall notify each Director of the date, time, and place of any general, annual or special meeting of the Board by oral or written notice in person at least twenty-four (24) hours before a meeting or by written notice at least forty-eight (48) hours before a meeting. The notices provided for meetings shall have the information discussed and be consistent with the format in Article V of the Bylaws.

**Agenda:** The agenda for each General meeting shall be prepared by the PSO President. Agenda items will include, at a minimum: reading and approval of the minutes of previous meetings, President's report, financial report, and a report of other significant activities and accomplishments of the Board and the PSO Committees since the last meeting.

**Board Meeting Quorum:** A majority (51%) of the number of directors then in office shall constitute a quorum for the transaction of business at any meeting of the Board, but if

less than such majority is present at a meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.

Each official action of the Board shall be recorded in the minutes of said meeting, and filed with the PSO's official records. The agenda for each General meeting shall include a provision for public report on the business the Board concluded since the last General meeting.

**General Meetings:** General meetings will take place at least quarterly and as deemed necessary by the PSO Board. The PSO Board shall choose the dates, times, and locations for all meetings. Meetings will be noted in the PSO newsletter and on the website. All PSO meetings are open meetings. Board meetings will begin in September of each year.

**Special Meetings:** The Board may also call Special meetings as needed, for any purpose, upon the request of one of the Board Officers or by the Secretary at the written request of twenty percent (20%) of the Directors.

**Annual Meeting:** The Annual Meeting shall take place in May of each year and shall include voting on the slate of Directors for the following year and approval of the new annual budget. A report on the present fiscal year budget expenditures shall be presented and voted upon at this meeting.

**Participation in PSO Meetings:** Board Directors and any parent or guardian of currently enrolled students of the school, are invited to attend PSO monthly meetings. Parents of future students may attend meetings, but may not participate or volunteer until their students are attending the school.

## 6. ANNUAL BUDGET AND FISCAL RESPONSIBILITY

**Fiscal Year:** The fiscal year of the PSO begins on the first day of July and runs to the last day of June the following year.

**Accounts:** GreatHearts Arizona has established a banking relationship within the valley for all of the Academies' day to day operations. The Central Management Office Finance and Accounting Team is willing to assist the PSO in establishing a banking relationship to manage the PSO's day to day banking needs. The Finance and Accounting Team must be notified of the name and address of the bank where the PSO houses its accounts and the associated numbers of the accounts. The Headmaster of the academy must be a signer on the PSO accounts.

The Board must approve disbursements of funds from the PSO accounts above \$500. The President, Treasurer, and Headmaster are the only designated signers on the bank

accounts. All PSO checks shall require two signatures, one of which must be the Headmaster. Both the Treasurer and the President should have online access to the checking account and it is in the interest of both to verify monthly activity. The PSO Board shall adhere to all guidelines and respond to all requests of the Great Hearts Accounting Department or the Headmaster regarding financial matters.

**Relationship to the School:** The PSO shall operate under the federal tax identification number of the school. The PSO records shall be available to the Headmaster, and the accounts shall be considered part of the overall school finances.

**Preparation and Adoption of Annual Budget:** The Board shall prepare and propose at the January General meeting an annual budget for the following school year. The Board shall review the proposed annual budget, invite public comment on the proposed budget, make any necessary modifications, and approve and adopt an annual budget at the May Annual meeting.

**Modifications to Approved Annual Budget:** Once approved, modifications exceeding 5% of the annual budget must be approved by the Board and separately approved by the Headmaster.

**Expenditures:** Expenditures will be prioritized and presented as a part of the budget at the May Annual meeting. Requests for expenditures not anticipated in the annual budget may be submitted to the Board by the Headmaster or other Board Member and can be voted on at any time throughout the year. These votes may take place at any Special or General meeting, whichever is appropriate to the amount of the funding request.

Expenditures of \$500 or less may be approved by majority vote of the Board at any time during the year.

Expenditures over \$500 must have prior approval of the Headmaster and then may be approved by majority vote of the Board at any time during the year.

**Contractual Obligations:** Any contractual obligation must be approved by the Board and Headmaster before entering into any contracts. This approval includes those items purchased by a volunteer who will submit a receipt for reimbursement.

The School may have specific contractual obligations that the Board must honor when it conducts business. An example of this is the following policy and procedures for the purchase of spirit wear:

**PSO and Spirit Wear Policy and Procedures:**

Great Hearts Academies has contracted with Eastbay and Under Armour to provide our Athletic uniforms and our spirit wear apparel. Eastbay is an online apparel company that will source items for teams and families.

To offer spirit wear items to families, an Eastbay sales representative will assist to build the online store. Connect with the sales representative through the prep school's athletic director. The process for ordering will be explained by the Eastbay service representative. All order deadlines will be communicated by the Eastbay team. Any questions please reach out to your Headmaster.

**Annual Year End Disbursement:** The Board will retain 15% of the net income for operating expenses to start the upcoming school year and transfer the remaining 85% to the school by June 30 of the current year in accord with the Bylaws, unless the headmaster approves an alternate amount.

**SECTION IV: FUNDRAISING vs PSO REVENUE GENERATION**

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**1. HOW ARE PSO SUPPORT FUNDS COLLECTED?**

PSO support funds are collected through passive revenue generation programs sponsored by the PSO. Examples of such programs are the lunch program, used uniforms, store credit programs, Box Tops 4 Education and a number of unique programs that emerge during each year. There is no membership fee to belong to the PSO and students are never asked to sell any item or service.

**2. HOW IS PSO MONEY SPENT?**

The funds generated through the Parent Service Organization are used solely to benefit the faculty, administration, and students. As per the Bylaws, no one in the PSO receives remuneration for the time and service they provide. The PSO has a general budget, voted upon by the Board annually, which specifies the items and initiatives that will be supported. These include teacher appreciation activities (birthday celebrations, special luncheons), hospitality for school events (Sports Banquet and All-School Awards), snacks and drinks for student Field Days, as well as providing for minimal operating costs (website hosting, paper for flyers/forms, etc.). Any and all funds collected in excess of expenses provide additional funding to the school, with the exception of the PSO seed money allocated to start the upcoming school year.

**3. RECOMMENDATION FOR ACTIVITY TERMINOLOGY**

We prefer to use the term 'passive revenue generation' instead of 'passive fundraising' for the activities of the PSO, to avoid confusion with the fundraising activities of the Director of Academy Giving (DAG), the Community Investment campaign and Tax Credit

drive. The revenue generation of the PSO is used to support the programs that support the objectives and purpose of the PSO.

#### **4. PSO vs GREAT HEARTS DEVELOPMENT – WHO DOES WHAT?**

The Great Hearts development team is responsible for raising 10-20% of the overall budget of each school in the Great Hearts network through two annual school-based campaigns – the Community Investment campaign and the Tax Credit drive.

The development team must raise funds because 1) public charter schools receive less per-pupil funding than public district schools and 2) a Great Hearts education features priorities that cost more than we receive in public funding. Those priorities include 1) smaller class sizes, 2) lower student-to-teacher ratios, and 3) the inclusion of specials such as foreign language, art, music, and, at the Archway level, physical education.

The annual campaign fundraising efforts at each school allow our students to fully receive the Great Hearts educational model they deserve.

With this, the PSO should not be charged with fundraising for programs or facilities. Those items are the responsibility of the Great Hearts development team. Instead, the PSO should be charged with helping to build a happy, connected, and healthy community. This can be done through activities such as the following:

- Offering community building activities to take place after-school or on the weekends such as Family Festivals, Family Dinner Nights, volunteer opportunities, movie nights, Ice Cream Socials, Pool or Skating activities, etc.
- Offering Faculty Appreciation activities such as birthday celebrations, snacks and meals for conference weeks, 'Faculty Appreciation Week' activities, etc.

#### **5. DEFINITION OF PASSIVE REVENUE GENERATION**

A passive revenue generation program is a program offered by a corporation that will donate a portion of their sales to qualifying schools for purchases made in day-to-day activities. They allow participants an opportunity to have money donated to a school through their everyday shopping activities.

A passive revenue generation program does not require cultivation or stewardship of a participant, is generally tied to a corporate giving program, and doesn't require that the individual participant pay an additional amount of money for his or her purchase. Finally, through a passive revenue generation program, the participant does not make a gift directly to the school. Instead, a portion of their purchase made to a corporation is donated back to the school by the corporation.

EXAMPLES INCLUDE:

- E-Scrip

- Box Tops
- Family Dinner Nights at Local Restaurants
- Schoola
- Loyalty Shopper Cards at Fry's, Harkins, Target,
- Amazon Smile
- Artsonia

## 6. ADDITIONAL REVENUE GENERATORS

In addition to running the above, the PSO could generate revenue by running the following programs that are not considered fundraising and are not connected with a corporation.

EXAMPLES MAY INCLUDE:

<ul style="list-style-type: none"> <li>• Lunch Program</li> <li>• Snack Bar</li> <li>• School Swag</li> <li>• Homecoming</li> <li>• Spirit Wear</li> <li>• Father/Daughter Dance</li> <li>• Camp out on campus</li> <li>• Food Truck Friday</li> <li>• Teacher Appreciation week and luncheons (fall, winter spring)</li> </ul>	<ul style="list-style-type: none"> <li>• Snowstorm</li> <li>• Script</li> <li>• Booster Club</li> <li>• Monthly teacher luncheons for birthdays or small gifts</li> <li>• Winter Formal</li> <li>• New and Used Book Fair</li> <li>• Used Uniforms</li> <li>• Fall and Spring Festivals &amp; Dances</li> <li>• Movie Nights</li> </ul>
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# APPENDIX

**BYLAWS****ARTICLE I****LEGAL AND TAX STATUS**

Section 1. Legal and Tax Status. [Insert PSO Name] (“PSO”) is a subsidiary of the [Insert School Name], an Arizona nonprofit corporation (“School”). Under the Arizona Limited Liability Company Act set forth in Arizona Revised Statutes 29-601 *et seq.* (“Act”) and Treasury Regulation Section 301.7701-3, the School is the sole member of the PSO. Any reference in these Bylaws to “Member” shall be deemed to refer only to such sole voting Member unless otherwise specifically provided. These Bylaws shall constitute the “operating agreement” of the PSO for purposes of the Act.

Section 2. Purposes.

(a) The PSO makes invaluable contributions in service to the school and its community. The purposes for which the PSO is organized include conducting programs that build community among the faculty, students, administration, and parents, organizing volunteer efforts to assist the School (e.g. field trips, lunch distribution, teacher appreciation, etc.), and any other lawful activity for which limited liability companies may be organized under the Act as approved by the Member; provided, however, that all such activities shall be for the exclusive benefit of the School’s charitable and educational mission and shall be consistent with the School’s status as an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (“Code”) and exempt from federal income tax under Code Section 501(a).

(b) These Bylaws are the formal governing rules of the PSO and create the framework for implementing the Standard Operating Procedures (“SOP”). The SOP defines the day to day activities within the framework of these Bylaws and are outlined in a separate document which is written and approved by the PSO Board. Through these documents, continuity is maintained for the duration and leadership succession of the organization.

**ARTICLE II****OFFICES**

Section 1. Principal Office. The PSO may have such offices, either within or without the State of Arizona, as may be designated from time to time by resolution of the Board (“Board”), one of which may be designated as the principal office.

Section 2. Registered Office and Registered Agent. The PSO shall maintain a registered office and registered agent in the State of Arizona. The registered office may, but need not be, identical with the principal office of the PSO. The identity and

address of the registered agent may be changed from time to time pursuant to the provisions of the Act.

### **ARTICLE III**

#### **SOLE MEMBER**

Section 1. Classes of Members. The PSO shall have a single class of voting members and the sole Member of that class shall be the School.

Section 2. Responsibilities and Voting Rights of Member.

(a) Any voting rights specified herein shall be exercised by the School as the sole voting Member of this PSO, through action of its Board, through its designated representative, or by proxy executed in writing from the designated representative.

(b) The following actions shall not be taken by the PSO without the advance written approval of the Member:

- (1) Amendment of the Articles of Organization of this PSO.
- (2) Amendment of the Bylaws of this PSO.
- (3) Merger, consolidation, affiliation or dissolution of this PSO.
- (4) The creation of any subsidiaries or affiliates of this PSO.

Section 3. Responsibilities and Voting Rights of Member. The following actions shall not be taken by the PSO without the advance written approval of the Member:

- (a) The disbursement of funds to any payee other than a PSO vendor, a PSO creditor or the School.
- (b) The selection of banking affiliations, accounting firms, legal counsel as well as approval of the engagement of any consultants not specifically provided for in an approved budget.
- (c) The selection of the manner and location of investment of any retained earnings.
- (d) The extension of any loans by or any borrowing by this PSO.
- (e) The payment of compensation for services by this PSO.

(f) Adoption of the annual budget prepared by this PSO's Treasurer and any actions taken by this PSO which would or could involve expenditures which exceed one hundred percent (100%) of the approved budgeted amounts for such expenditures.

Section 4. Manner of Acting; Proxies. The Member may vote or execute consents in person through its designated representative, or by one or more agents authorized by a written proxy executed by the designated representative and filed with the Secretary of the PSO. No proxy shall be valid after eleven (11) months following the date of its execution, unless the Member specifies the length of time for which it is to continue in force. The effectiveness of proxies and the manner of their execution, replication and exercise shall be governed by the laws of the State of Arizona.

Section 5. Meetings. No annual or special meeting of the Member is required.

Section 6. Action by Written Consent of Member. Any action required by the Articles of Organization or Bylaws of the PSO, or any provision of the Act, to be taken at a meeting, or any other action which may be taken at a meeting, may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by the sole corporate Member.

Section 7. Transfers.

The sole corporate Member may not transfer its membership or any right or rights arising therefrom.

## **ARTICLE IV**

### **BOARD OF DIRECTORS**

Section 1. General Powers.

(a) The affairs of the PSO shall be managed by its Board. The Board shall be subject to the control of the Member.

(b) The Board's actions should be governed by the PSO's Standard Operating Procedures (SOP) which are dated documents that can be amended as needed by the organization. The SOP indicates the day-to-day operations of the organization so far as may be consistent with these Bylaws, to the extent authorized or permitted by law. There are several items that may be included in the SOP, including:

- job descriptions of board members and responsibilities
- committee duties and responsibilities
- elections of Successor Directors
- ethical operations of organization

- limitations
- meeting times and dates
- issues and concerns
- equity or nondiscrimination clause
- lunch program
- passive revenue generation (e.g. “Snowstorm”)
- and other procedures and policies that the Board sees fit to document to ensure continuity is maintained for the duration and leadership succession of the organization.

### Section 2. Number and Qualifications of Directors.

(a) Number. The number of Directors shall be as determined by the Board from time to time and shall serve for the term provided in Section 3 of this Article.

(b) Qualifications. Each Director shall be a person of experience and good reputation in the community who is a parent, grandparent, or guardian of one or more current students of the School. Directors will actively support the goals and objectives of the PSO and be willing to contribute his or her time and effort to achieve such goals and objectives. Directors shall have other such qualifications as the Board may prescribe by resolution or amendment to these Bylaws.

(c) Ex Officio Director. The Headmaster of the School shall be an ex officio Director of the Corporation with voting rights.

### Section 3. Election and Term.

(a) Initial Directors. The initial Directors named in the Articles of Organization, organizational meeting minutes, or consents in lieu of the organizational meeting shall serve until the first annual meeting of the Board.

(b) Successor Directors. Successor Directors, other than any ex officio Director, shall be elected in accordance with the SOP. Such SOP could indicate that Successor Directors be elected by the affirmative vote of a majority (51%) of the Directors then in office at the annual meeting of the Board in the year a vacancy will occur or by the affirmative vote of a majority (51%) of the parents, grandparents, or guardians of current students of the School.

(c) Term of Office. Directors, other than any ex officio Director, shall hold office from the close of the annual meeting for a term of one (1) year, or until their successors have been elected and qualified.

Section 4. Resignation. A director may resign at any time by filing a written resignation with the President or the Secretary of the PSO.

Section 5. Removal. A director may be removed from office with or without cause by the Member's Headmaster or the vote of a majority of the other directors of this PSO then in office either at a regular meeting or any special meeting called for that purpose.

Section 6. Vacancies. In the event a vacancy occurs in the Board from any cause, including an increase in the number of directors, an interim director shall be elected by the directors of this PSO specified in Section 2 of this Article. An interim director shall serve until a successor is elected upon expiration of the term of office for that director.

Section 7. Regular Meetings. The Board may provide by resolution for regular or stated meetings of the Board, to be held at a fixed time and place, and upon the passage of any such resolution such meetings shall be held at the stated time and place without other notice than such resolution.

Section 8. Special Meetings. Special meetings of the Board may be held at any time and place for any purpose or purposes, unless otherwise prescribed by the Act, on call of the Member, the President or the Secretary, and shall be called by the Secretary on the written request of any twenty (20%) of the directors.

Section 9. Meetings by Telephone or Other Communication Technology.

(a) Any or all directors may participate in a regular or special meeting or in a committee meeting of the Board by, or conduct the meeting through the use of, the telephone or any other means of communication by which the President and all participating directors may simultaneously hear each other during the meeting.

(b) If a meeting will be conducted through the use of any means described in subsection (a), the President and all participating directors shall be informed that a meeting is taking place at which official business may be transacted. A director participating in a meeting by any means described in subsection (a) is deemed to be present in person at the meeting.

Section 10. Notice and Waiver of Notice.

(a) Notice. Notice of the date, time and place of any annual or special meeting shall be given by oral or written notice delivered personally to each director and the President at least twenty-four (24) hours prior thereto, or by written notice given by other than personal delivery at least forty-eight (48) hours prior thereto. Notice shall be given in one of the methods described in Article V hereof. The purpose of and the business to be transacted at any special meeting of the Board need not be specified in the notice or waiver of notice of such meeting. Copies of any written materials to be

presented at the meeting shall be delivered to the directors and to the President at least three (3) days prior to the meeting.

(b) Waiver of Notice. Whenever any notice whatever is required to be given under the provisions of the Act or under the provisions of the Articles of Organization or Bylaws of the PSO, a waiver thereof in writing, signed at any time by the person or persons entitled to such notice, shall be deemed equivalent to the giving of such notice. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends the meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Section 11. Quorum. A majority (51%) of the number of directors then in office shall constitute a quorum for the transaction of business at any meeting of the Board, but if less than such majority is present at a meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.

Section 12. Manner of Acting. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board, unless the act of a greater number is required by the Act, or the Articles of Organization or Bylaws of the PSO.

Section 13. Action by Written Consent of Directors. Any action required by the Articles of Organization or Bylaws of the PSO, or any provision of the Act, to be taken at a meeting, or any other action which may be taken at a meeting, may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by all of the directors entitled to vote with respect to the subject matter thereof and the President of the PSO. Such consent shall have the same force and effect as a vote of the Board taken at a meeting.

Section 14. Presumption of Assent. A director of the PSO who is present at a meeting of the Board, or a committee thereof, at which action on any PSO matter is taken shall be presumed to have assented to the action taken unless such director's dissent shall be entered in the minutes of the meeting or unless such director shall file a written dissent to such action with the person acting as the Secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the PSO immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

Section 15. Compensation. Directors of the PSO shall not receive compensation; however, directors may receive reimbursement for reasonable expenses incurred in connection with corporate matters, provided that such reimbursement is authorized by the Board.

Section 16. Committees. The Board by resolution may create committees having such powers as are then permitted by the Act and as are specified in the resolution.

## **ARTICLE V**

### **METHODS OF GIVING NOTICE**

Notice of any meeting of directors, and any other notice required to be given under these Bylaws or the Act, may be communicated in person, by telephone, email, facsimile or other form of wire or wireless communication including electronic mail, or by mail or private carrier. Oral notice is effective when communicated. Written notice is effective at the earliest of the following:

(a) When received.

(b) When deposited in the U.S. mail, if mailed postpaid and correctly addressed.

(c) On the date shown on the return receipt, if sent by registered or certified mail, return receipt requested, and the receipt is signed by or on behalf of the addressee.

## **ARTICLE VI**

### **OFFICERS**

Section 1. Number The principal officers of the PSO shall be at minimum a President, a Secretary, and a Treasurer, each of whom shall be elected by the Board. The Board may elect such other officers and assistant officers and agents as may be deemed necessary. The same individual may simultaneously hold more than one office. Officers shall be members of the Board.

Section 2. Election and Term of Office. The officers of the PSO shall be elected annually by the Board at its annual meeting. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as may be convenient. Each officer shall hold office from the close of the annual meeting for a term of one year, or until a qualified successor is elected upon expiration of the term of that officer, or until that officer's death, or until that officer shall resign or shall have been removed in the manner hereinafter provided.

Section 3. Removal. Any officer or agent elected or appointed by the Board may be removed by the Board whenever in their judgment the best interests of the PSO will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment shall not of itself create contract rights.

Section 4. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the Board for the unexpired portion of the term.

Section 5. The President. The President shall be the principal executive officer of the PSO and, subject to the oversight of the Board, shall in general supervise and control all of the day to day business and affairs of the PSO. The President shall, when present, preside at all meetings of the Board. The President shall have authority, subject to such rules as may be prescribed by the Board and affirmed by the Member, to appoint such agents of the PSO as he or she shall deem necessary, to prescribe their powers and duties, and to delegate authority to them. Such agents shall hold office at the discretion of the President. In general, the President shall perform all duties incident to that office, and such other duties as may be prescribed by the Board from time to time.

Section 6. The Secretary. The Secretary shall: (a) keep the minutes of the Board' meetings in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; (c) be custodian of the company records and of the seal of the PSO if one is authorized by the Board, in which case the Secretary shall see that the seal of the PSO is affixed to all documents the execution of which on behalf of the PSO 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.

Section 7. The Treasurer. The Treasurer shall: (a) have the oversight responsibility for all funds and securities of the PSO, and for moneys due and payable to the PSO from any source whatsoever, including the deposit of such moneys in the name of the PSO in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of these Bylaws; (b) develop an annual budget, annual goals, and annual activities based on the budget and goals and submit the annual budget to the Member for approval; and (c) 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.

Section 8. Compensation. Officers of the PSO shall not receive compensation; however, officers may receive reimbursement for reasonable expenses incurred in connection with corporate matters, provided that such reimbursement is authorized by the Board.

## **ARTICLE VII**

### **INDEMNIFICATION**

The PSO shall, to the fullest extent permitted by law, indemnify its Member, directors, officers and representatives against any and all liabilities, and advance any and all reasonable expenses, incurred thereby in any proceeding to which any director, officer or representative is a party because such Member, director, officer or representative is a Member, director, officer or representative of the PSO.

## **ARTICLE VIII**

### **MISCELLANEOUS**

Section 1. Fiscal Year. The fiscal year of the PSO shall end on the last day of June each year.

Section 2. Corporate Acts. The President shall have authority to sign, execute and acknowledge on behalf of the PSO, all deeds, mortgages, bonds, stock certificates, contracts, leases, reports, and all other documents or instruments necessary or proper to be executed in the course of the PSO's regular business, or which shall be authorized by resolution of the Board. The Secretary of the PSO is authorized and empowered to sign in attestation all documents so signed, and to certify and issue copies of any such document and of any resolution adopted by the Board of the PSO, provided, however, that an attestation is not required to enable a document to be an act of the PSO.

Section 3. Agents and Representatives. The Board may appoint such agents and representatives of the PSO with such powers and to perform such acts or duties on behalf of the PSO as the Board may see fit, so far as may be consistent with these Bylaws, to the extent authorized or permitted by law.

Section 4. Deposits; Authorized Signatories. All funds of the PSO, not otherwise employed, shall be deposited no less frequently than monthly to the credit of the PSO in a separate bank account established for the PSO's benefit. The PSO's Treasurer as well as the Member's Headmaster and its designated representative shall be signers on the account. The Treasurer may appoint such agents and representatives of the PSO with appropriate account authorization to carry out acts or duties on behalf of the Treasurer as the Board may see fit.

Section 5. Contributions. The PSO, as a single member limited liability company of the School, may solicit contributions as part of various businesses' charitable sales promotions and as part of PSO sponsored events. In connection with such promotions and events, the Board may accept on behalf of the School any contribution restricted for the general purposes of the PSO.

**ARTICLE IX**  
**TAX PROVISIONS**

Section 1. Purposes. Notwithstanding any other provision of this Agreement or the PSO's Articles of Organization to the contrary, the PSO shall not conduct or carry on any activities not permitted to be conducted or carried on (a) by an organization described in Code Section 501(c)(3) and exempt from federal income tax under Code Section 501(a), or (b) by an organization, contributions to which are deductible under Code Sections 170(c)(2), 2055(a)(2) and 2522(a)(2).

Section 2. Inurement; Compensation. No distributions shall be declared or paid by the PSO to the President, officer or director of the PSO. No part of the net earnings or assets of the PSO shall inure to the benefit of any director or officer of the PSO or any other private person; provided, however, that the PSO shall be authorized and empowered to pay reasonable compensation for services rendered to third party vendors, or reimburse reasonable expenses incurred, in each case, for the benefit of the PSO and necessary for carrying out the purposes of the PSO as set forth in Article I above.

Section 3. Distributions. The PSO shall distribute at least eight-five percent (85%) of its annual net income to the Member within thirty (30) days following the end of the School's academic year, however the Member's Headmaster may approve a lesser distribution to accommodate working capital needs for the PSO to carry out its day-to-day operations.

Section 4. Lobbying and Political Activities. The PSO shall not attempt to influence legislation nor shall it participate in any political campaign.

**ARTICLE X**  
**AMENDMENTS**

These Bylaws may be altered, amended or repealed and new Bylaws may be adopted by the sole corporate Member of this PSO. The Member shall notify the Board of any such alteration, amendment or repeal and its effective date.