

BY LAWS
of
THE FRIENDS OF TAOS CHARTER SCHOOLS

ARTICLE I

Office

Section 1: The registered office shall be located within the State of New Mexico.

Section 2: The corporation may also have offices at such other places, either within or without the State of New Mexico as the business of the corporation may require, or as the board of directors may from time to time determine.

ARTICLE II

Purpose

The Friends of Taos Charter Schools is organized to assist and support the building and success of Taos charter schools of education; to assist the Taos charter schools achieve the goals of academic excellence, diversity, safety and accountability; and, to do those things necessary for the accomplishment of these and related purposes, not forbidden by law and the Articles of Incorporation, including receiving grants and gifts and acquiring and disposing of property for the furtherance of the stated purposes.

ARTICLE III

Directors

Section 1: The business of the Corporation shall be managed by a board of directors. The number of directors of the corporation shall be a minimum of three (3) and a maximum of seven (7). The board of directors may periodically change, by resolution, the number of directors. The directors shall be elected by those present at the annual meeting entitled to vote, and shall hold office until a successor shall have been duly appointed and shall have qualified or until the director's death, resignation, or removal in the manner hereinafter provided. The board of directors may include, but not be

limited to, people from education, business, and government, who have an interest in or involvement in education. Directors need not be residents of the State of New Mexico.

Section 2: Liability and Immunity

A. Except as otherwise provided in this section no member of the board of directors of the Corporation shall be held personally liable for any damages resulting from:

- (1) any negligent act or omission of an employee or volunteer of the Corporation;
- (2) any negligent act or omission of another director of the Corporation; or
- (3) any action taken as a director or any failure to take any action as a director

unless:

- (a) the director has breached or failed to perform the duties of the director's office; and
- (b) the breach of failure to perform constitutes willful misconduct or recklessness.

B. The immunity provided in Subsection A of this section shall not extend to acts or omissions of directors that constitute willful misconduct or recklessness personal to the director. The immunity is limited to actions taken as a director at meetings of the board of directors or a committee of the board of directors or by action of the directors without a meeting pursuant to Section 53-8-97 NMSA 1978.

Section 3: The Corporation shall have the power but is not required to indemnify any director or officer of the Corporation against reasonable expenses, costs, and attorney's fees actually and reasonably incurred by him in connection with the execution of his duties and/or the defense of any action, suit or proceeding, civil or criminal, in which he is made a party by reason of being or having been a director or officer. The indemnification may include any amounts paid to satisfy a judgment or the compromise or settle a claim. The director or officer shall not be indemnified if he shall be adjudged to be liable on the basis that he has breached or failed to perform the duties of his office and the breach or failure to perform constitutes willful misconduct or recklessness. Advance indemnification may be allowed of a director or officer for reasonable expenses to be incurred in connection with the defense of the action, suit or proceeding provided that the director or officer must reimburse the Corporation if it is subsequently determined that the director or officer was not entitled to indemnification. The Corporation may make any other indemnification as authorized by the articles of incorporation or bylaws or by a resolution adopted after notice by the members entitled to vote.

Section 4: Any vacancies occurring on the board of directors may be filled by the affirmative vote of the majority of the remaining directors. A director elected to fill a vacancy shall be elected for the unexpired term of his/her predecessor in office and until his/her successor is elected.

Section 5: Regular meetings of the board of directors may be held at such fixed times and places as the board of directors may by resolution provide, which shall at least be semi-annually, with one meeting being designated as the regular annual meeting. No notice of such regular meeting other than the recording of such resolution in the minutes of the meeting of the board of directors need be given.

Section 6: The directors may hold their meetings at such place or places as the board of directors may from time to time designate.

Section 7: Special meetings of the board of directors shall be held whenever called by the President or at least two directors. Written notice of such special meetings shall be delivered to the directors not less than two days before the date of the meeting, either personally or by mail. If mailed such notice shall be deemed delivered when deposited in the United States mail addressed to the director at his/her address as it appears on the books of the Corporation, with postage thereon prepaid. Such notice may be waived by any director. Any business of the Corporation may be transacted at any meeting at which a majority of all directors are present, even though without notice.

Section 8: Any action required to be taken at a meeting of the directors, or any other action which may be taken at a meeting of the directors, may be taken without a meeting, provided that a consent in writing setting forth the action so taken shall be filed by all of the directors entitled to vote. Such consent shall have the same force and effect as a unanimous vote of such directors.

Section 9: A quorum shall consist of one-half of the existing directors. An affirmative vote of at least two directors shall be required for all matters submitted to the board. A member of the Board of Directors may be removed from the board upon an affirmative vote of two-thirds of the directors currently serving, said removal to be immediately effective.

Section 10: The board of directors, subject to these bylaws, shall exercise all corporate powers, conduct, manage and control the affairs and property of Friends of Taos Charter Schools. It shall have the power to raise funds, receive, use, hold, invest and reinvest gifts, bequests, grants or endowments and use the same or the proceeds thereof to achieve the goals of Friends of Taos Charter Schools.

Section 11: Any director may resign by delivering written notice to the board of directors, its chairperson, or the corporation. Such resignation shall be effective (a) on receipt, (b) five days after its deposit in the United States mails, if mailed postpaid and correctly addressed, or (c) on the date shown on the return receipt requested, and the receipt is signed by addressee, unless the notice specifies a later effective date. Once delivered, a notice of resignation is irrevocable unless revocation is permitted by the board of directors.

Section 12: Except as otherwise provided by law or the Articles of Incorporation, the board of directors may appoint an advisory executive committee and such other committees as may be necessary from time to time, consisting of such number of its directors and having such powers as it may designate. Such committees shall hold office at the pleasure of the board of directors.

ARTICLE IV

NOTICES: INFORMAL ACTION BY DIRECTORS

Section 1: Whenever, under the provision of the New Mexico Nonprofit Corporation Act, (53-8-1 to 53-8-99 NMSA 1978) et seq., or of the Articles of Incorporation or of these bylaws, notice is required to be given to any director, it shall not be construed to mean personal notice, but such notice may be given in writing, by mail, addressed to such director, at his address as it appears on the record books or similar record of the corporation, with postage prepaid, and such notice shall be deemed to be given at the time when it shall be deposited in the United States mail.

Section 2: Whenever any notice is required to be given to any director under the provisions of the New Mexico Incorporation or by these bylaws, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

Section 3: Any action required by the New Mexico Nonprofit Corporation Act to be taken at a meeting of directors 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 is signed by all of the directors entitled to vote with respect to the subject matter thereof.

Section 4: 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. Neither the business to be transacted at, nor the purpose of any meeting of the board of directors need be specified in the notice or waiver of notice of such meeting unless required by these bylaws.

ARTICLE V

Officers

Section 1: The officers of this Corporation shall consist of the President, Vice President, Secretary, and Treasurer, and such other officers as shall from time to time

be provided for by the board of directors. At the first meeting of the directors, after they have been elected and qualified, they shall elect from their number a President, Vice President, Secretary, and Treasurer who shall hold office until their respective successors shall have been duly elected and qualified. Any other officers as shall from time to time be provided for by the board of directors shall be elected by the board and shall serve at the pleasure thereof. Any two or more offices may be held by the same person.

Section 2: New officers shall serve a one (1) year term following their election or until their respective successors have been duly elected and qualified. The board of directors shall reserve complete authority and discretion to elect officers of the Corporation as needed. In the case of elections made to fill the unexpired terms of vacant positions, those officers elected shall take office immediately.

Section 3: The President shall be the chief executive and operating officer of the corporation and shall be in general charge of its business affairs, subject to the control of the board of directors. The President shall preside at all meetings of the board of directors. The President may execute on behalf of the corporation all contracts, agreements, and other instruments. The President shall have such other powers and perform such other duties as the board of directors or these bylaws may prescribe.

Section 4: In the absence of the President, the Vice President shall perform the duties of the President. The Vice President shall have such other powers and perform such other duties as the board of directors or these bylaws may prescribe.

Section 5: The Secretary shall be responsible for the maintenance of the records of the Corporation. The Secretary shall perform the customary duties pertaining to the office of the Secretary, and shall perform such other duties as the board of directors or these bylaws may prescribe.

Section 6: The Treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the corporation. The Treasurer shall render to the President and directors, at the regular meetings of the board, or whenever they may require it, an account of all the Treasurer's transactions as Treasurer and of the financial condition of the corporation.

Section 7: The salaries, if any, of all officers and agents of the corporation shall be fixed by the board of directors.

Section 8: The officers of the corporation shall hold office until their successors are elected and qualified. Any officer or agent elected or appointed by the board of directors may be removed from office by an affirmative vote of two-thirds at any duly constituted and properly notice meeting of the board of directors whenever in its

judgment the best interest of the corporation will be served thereby. Notwithstanding the removal of any officer or agent with whom the board of directors have entered into an employment agreement, the board may fully comply with the terms of said employment agreement. If the office of any of the officers becomes vacant for any reason, the vacancy shall be filled by the board of directors.

ARTICLE VI

Fiscal

Section 1: All funds of this Corporation shall be deposited in such bank or banks as may be designated by the board of directors, and such funds shall be disbursed only by checks signed by such officers or such other persons as the board of directors may from time to time by resolution direct.

Section 2: The annual report of the Corporation shall be delivered to the corporation commission on or before the fifteenth day of the fifth month following the end of its taxable year. A supplemental report shall be filed with the commission, within thirty days, if, after the filing of the annual report required under the Nonprofit Corporation Act, a change is made in:

- (1) the name of the Corporation;
- (2) the mailing address, street address or the geographical location of its registered office in this state and the name of the agent upon whom process against the Corporation may be served;
- (3) the name or address of any of the directors or officers of the Corporation or the date when the term of office of each expires; or
- (4) the character of its business and its principal place of business within or without the state.

ARTICLE VII

Parliamentary Authority

The rules contained in Roberts Rules of Order (Newly Revised) shall govern this Board in all cases except where they conflict or contradict these Bylaws.

ARTICLE VIII

Amendments

The bylaws of this Corporation may be amended at any regular or special meeting of the board of directors, provided that the proposed amendments are submitted in writing, by mail, to each director at least ten (10) days prior to the meeting at which the amendments are to be considered.

ARTICLE IX

Voluntary Dissolution

The Corporation may dissolve and wind up its affairs in the following manner:

(1) if there are members entitled to vote thereon, the board of directors shall adopt a resolution recommending that the Corporation be dissolved, and directing that the question of the dissolution be submitted to a vote at a meeting of members entitled to vote thereon, which may be either an annual or a special meeting. Written notice stating that the purpose, or one of the purposes, of the meeting is to consider the advisability of dissolving the Corporation, shall be given to each member entitled to vote at the meeting, within the time and in the manner provided in the Nonprofit Corporation Act for the giving of notice of meetings of members. A resolution to dissolve the Corporation shall be adopted upon receiving at least two-thirds of the votes which members present at the meeting or represented by proxy are entitled to cast; or

(2) if there are no members, or no members entitled to vote thereon, the dissolution of the Corporation shall be authorized at a meeting of the board of directors upon the adoption of a resolution to dissolve by the vote of a majority of the directors in office.

Upon the adoption of such resolution by the members, or by the board of directors if there are no members or no members entitled to vote thereon, the Corporation shall cease to conduct its affairs except in so far as may be necessary for the winding up thereof, shall immediately cause a notice of the proposed dissolution to be mailed to each known creditor of the Corporation, and shall proceed to collect its assets and apply and distribute them as provided in the Nonprofit Corporation Act.

ARTICLE X

Distribution of Assets

The assets of the Corporation in the process of dissolution shall be applied and distributed as follows:

A. all liabilities and obligations of the Corporation shall be paid and discharged, or adequate provision shall be made therefor;

B. assets held by the Corporation upon condition requiring return, transfer or conveyance, which condition occurs by reason of the dissolution, shall be returned, transferred or conveyed in accordance with such requirements;

C. assets received and held by the Corporation subject to limitation permitting their use only for charitable, religious, eleemosynary, benevolent, educational or similar purposes, but not held upon a condition requiring return, transfer or conveyance by reason of the dissolution, shall be transferred or conveyed to one or more nonprofit domestic or foreign corporation, nonprofit societies or nonprofit organizations engaged in activities substantially similar to those of the dissolving corporation, pursuant to a plan of dissolution and distribution adopted as provided in the Nonprofit Corporation Act;

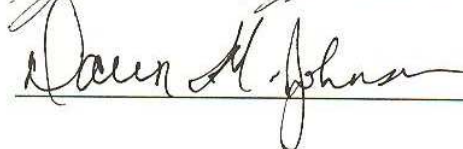
D. other assets, if any, shall be distributed in accordance with the provisions of the articles of incorporation or the bylaws, but in no event may any member, former member, director, former director, officer or former officer receive directly or indirectly any distribution or portion of a distribution of any assets; and

E. any remaining assets may be distributed to such persons, nonprofit societies, nonprofit organization or nonprofit domestic or foreign corporation whether for profit or nonprofit as may be specified in a plan of dissolution and distribution adopted as provided in the Nonprofit Corporation Act.

We, the undersigned, do hereby certify that the foregoing bylaws were duly adopted by the board of directors of The Friends of Taos Charter Schools, a New Mexico corporation, and do now constitute the bylaws of this corporation.

Adopted: July 01, 2000

 President or Vice-President

 Secretary

SCHEDULE C - AMENDMENTS - 7/11/00

Article I (amendment)

The Friends of Taos Charter Schools

Article III (amendment)

The purpose or purposes of which this corporation is organized are:

1. To assist and support the building and success of Taos charter schools of education, which are developed as a result of the 1999 New Mexico Charter Schools Act or corresponding Acts which result in the creation of charter schools.
2. To assist the Taos charter schools achieve the goals of academic excellence, diversity, safety and accountability.
3. To do those things necessary for the accomplishment of the above and related purposes, not forbidden by law and these Articles of Incorporation, including receiving grants and gifts and acquiring and disposing of property for the furtherance of the above stated purposes.

This corporation is organized exclusively for one or more of the purposes as specified in Section 501(c) (3) of the Internal Revenue Code, including for such purposes as the making of distributions to organizations under section 501(c) (3) of the Internal Revenue Code or corresponding section of any future federal tax code.

No substantial part of the activities of this corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation {except as otherwise provided by Section 501 (h) of the Internal Revenue Code}, and this corporation shall not participate in or intervene in (including the publishing or distribution of statements), any political campaign on behalf of , or in opposition to, any candidate for public office.

No part of the net earnings of this corporation shall inure to the benefit of, or be distributable to, its members, directors, officers, or other private persons, except that this corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set for the in these Articles.

Notwithstanding any other provision of the Articles, this corporation shall not carry on any other activities not permitted to be carried on (1) by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code or (2) by a corporation contributions to which are deductible under Section 170 (c)(2) of the Internal Revenue Code.

