

Bylaws of Merit Preparatory Academy

Article I. Organization

Section 1.1. The name of the Organization shall be Merit Preparatory Academy.

Section 1.2. The Organization shall not have a seal but may design a logo.

Section 1.3. The Organization shall be directed by a Board of Trustees.

Section 1.4. Merit Preparatory Academy, a Charter School, has been formed and established to provide public education pursuant to Utah Charter School laws.

Article II. Membership

Section 2.1. There shall be no members of the organization.

Article III. Limitations on Activities

Section 3.1. Merit Preparatory Academy will remain a 501 (c) (3) entity and shall not carry on any activities that would jeopardize that standing.

Article IV. Governance

Section 4.1. Merit Preparatory Academy shall be governed by a Board of Trustees. Such Board of Trustees shall only act in the name of the organization when convened by its president, or his or her designate, in regular or special meetings.

Section 4.2. The procedures, rights, and duties for the proper operation of the Board of Trustees are outlined by the Board of Trustees in these bylaws.

Article V. Board of Trustees

Section 5.1. The number of members of the Board shall be set by the Board of Trustees from time to time, but the desired number of trustees is five (5). As used in these Bylaws, the term "Entire Board" shall mean the total number of Board Members then in office.

Section 5.2. Persons interested in serving on the Board of Trustees shall send a letter of intent to seek appointment to current Board Members. The letter shall include a short biography and reasons of interest for serving, including qualifications and unique contributions offered. Board Members shall be appointed to their positions by a vote of Initial or Current Board Members. The majority of members of the board shall be parents or guardians of students currently attending Merit Preparatory Academy.

Section 5.3. Appointed Board Members will have a term of three (3) years, ending in three calendar years after the initial appointment is made, and until his or her successor is duly appointed and qualified or until his or her prior removal, death, or resignation.

Section 5.4. An appointed Board Member may apply for reappointment at the end of his or her initial term and may serve for an addition term of three (3) years. A letter of intent for reappointment will be sent to the remaining Board Members. The letter will state the request to serve an additional term and details of the contribution the member made to the board's activity. The remaining Board Members will discuss the reappointment and vote, in an open session, if the reappointment is to be made. The Board member will then serve one additional three (3) year term.

Section 5.5. For Board Members who desire to continue serving as a trustee after the second term of appointment is complete, a 1 year sabbatical must first be taken. At the conclusion of the year long sabbatical, a written notice of intent to seek a second reappointment and a resume shall be sent to remaining board members. The Board Members will discuss the reappointment and vote, in an open session, if the reappointment is to be made.

Section 5.6. A Board Member may resign at any time by giving written notice to the other Board Members. Such resignation shall take effect at the time specified therein, and unless otherwise specified, the acceptance of such resignation shall not be necessary to make it effective. Any vacancy occurring in the Board of Trustees shall be filled in the same manner as set forth for the appointment of such Board Member in Section 5.2.

Section 5.7. Paid employees of Merit Preparatory Academy may not serve as voting Board Members.

Section 5.8. A Board Member shall discharge his or her duties as a Board Member:
(a) In good faith;

- (b) With the care an ordinarily-prudent individual in a like position would exercise under similar circumstances; and
- (c) In a manner the Board Member reasonably believes to be in the best interest of the Organization.

Section 5.9. Any Board Member may be removed at any time without cause by a majority of the Entire Board at a regular or a special meeting called for that purpose, or with cause by a majority of the Board Members present at such a meeting where there is a quorum. For purposes of this Section 5.9, cause exists if the Board Member (a) has been declared of unsound mind by a final order of court, (b) is convicted of a felony, (c) is found by final order or judgment of any court to have breached a duty under these Bylaws, the Articles of Incorporation of the Organization, Utah Charter School laws, or the Utah Revised Nonprofit Corporation Act (or any act of laws replacing such act), (d) fails to attend three consecutive Board meetings, or fails or ceases to meet any required qualification that was in effect at the beginning of that Board Member's current term of office.

Section 5.10. The majority of Board Members shall constitute a quorum. The vote of the Board Members present, in person, at any meeting at which a quorum is present shall be the act of the Board of Trustees. If less than a quorum is present at a meeting, business may be discussed by the Board Members present provided that no decision may be made by the Board. In addition, if less than a quorum is present at a meeting, a majority of the Board Members present may adjourn the meeting from time to time without further notice other than an announcement at the meeting until a quorum shall be present.

Section 5.11. No Board Member may vote or act by proxy at any meeting of the Board Members.

Section 5.12. Several specific types of decisions require a majority vote of the Entire Board before the Board may act. Such decisions pertain to major strategic turning points for the school. They include: (1) Major real estate or development transactions, leasehold improvements, or capital expenditures totaling \$25,000 or more; (2) dismissal of the Academy Director; (3) the removal of an Initial Board Member, and (4) changing the bylaws of the Organization or for a proposal of amendments to the charter.

Section 5.13. Board Members shall not receive compensation for their services as such. Board Members may be reimbursed for expenditures made on behalf of the Organization only when the expenditure is or has been approved by the Board of Trustees.

Section 5.14. Duties of the Board of Trustees include:

(A). To have oversight responsibility for all aspects of the school and its educational program

(B). To determine school policy, in accordance with Merit Preparatory Academy's mission, goals, assurances, and educational programs.

(C). To approve a budget for each school year based on federal, state, and local funds allocated to the Academy.

(D). To be responsible for the fiscal management of Merit Preparatory Academy within the limitations of any funding source.

(E). To create committees and appoint a chairperson of each committee as needed.

(F). To hire and terminate the Director of the Academy and determine his or her compensation.

(G). To provide yearly performance evaluation of the Director of the Academy

(H). To approve full time personnel selection for the Academy.

(I). To create and maintain a strategic and long-range plan for the school

(J). To promote enrollment in the Academy

(K). Every five (5) years submit to and participate in a comprehensive board review by the State Charter School Board

Section 5.15. The Board of Trustees must fulfill the annual assurances found in the Utah State Charter School Board's UCAP system.

Article VI. Officers

Section 6.1. The officers of the Organization shall be selected from members of the Board of Trustees. There shall be a minimum of three officers of the Board, consisting of a president, treasurer, and secretary. The Board of Trustees may designate other board offices as needed. The Board may also appoint or hire a non-voting member to serve as secretary, if they decide that it is in the best interests of the school to do so.

(A). The President

- oversees board activities;
- acts as decision-maker of final resort for non-voting issues;
- directly supervises school administration with input from other Board Members;
- organizes, facilitates, and presides at board meetings;
- sees that all orders and resolutions of the Board of Trustees are carried into effect;
- ensures that the Board is in compliance with annual assurances;
- certifies the annual assurances in UCAP
- completes the USBE School Fees Certificate of Compliance in UCAP
- communicates frequently with parents on behalf of the board;
- acts as the primary representative of the school to state and regulatory bodies;
- co-signs checks with the Academy Director or the Treasurer when necessary;
- performs all other duties of administration outlined herein.

(B). The Vice President

- Assumes the duties of the President when he/she is unable to

(C). The Treasurer

- according to generally-accepted accounting principles and procedures, oversees the budgeting process and planning by working closely with the school's business management office;
- ensures the individuals or organizations that manage and have control and custody of the monies belonging to the organization follow organizational policy in the care, management, and disbursement of said monies;
- is the custodian of all financial records and makes them available, upon request, to the Board and the public;
- chairs the finance committee;
- has oversight responsibilities for the annual audit;
- attends finance meetings;
- administers financial controls;
- oversees the filing of state and bond financial reports;
- oversees grant-writing together with the Academy Director;
- frequently reports on the financial status of the Academy to the Board.
- co-signs expenditure checks with the Academy Director or the President when necessary.

(D). The Secretary

- shall keep the minutes, records, and recordings of the Organization;
- shall be the official custodian of non- financial records of the Organization;
- shall see that all notices are duly given in accordance with the provisions of these bylaws or as required by law;
- shall distribute the meeting agenda to Board members and school personnel;
- shall post the minutes of each meeting and the recordings of the meetings to both the Utah Public Notice Website and the Merit Preparatory Academy Website.

Section 6.2. The Officers of the Organization shall serve in their capacities no longer than two years, unless a vote is taken by the remaining board members to extend the period of service. If the majority vote is in favor of an extension, the Officer may serve in their capacity for an additional two years.

Section 6.3. The removal of an officer will follow the procedures outlined in section 5.9 herein above. All other assistants, agents, or employees may be removed in accordance with these bylaws as follows: The employment relationship exists at the will of either party (the Organization and the employee) and may be terminated at any time with or without notice and for any cause whatsoever or no cause, other than for reasons prohibited by law.

Article VII. Committees

Section 7.1. Committees established by the Board of Trustees are responsible to the Board of Trustees for the discharge of their duties and responsibilities. Committees are not separate decision-making bodies but are instead charged to develop recommendations, proposals, plans, or perspectives that may be used by the Board in the discharge of Board of Trustees duties. Board committees may be convened around any topic or objective. Typical committees include education, finance, enrollment, long-range planning, communications, facilities, or others as needed. The delegation of authority to any committee shall not operate to relieve the Board of Trustees or any member of the Board of Trustees from any responsibility imposed by law. Rules governing procedures for meetings of any committee shall be established by the Board of Trustees.

Article VIII. Meetings

Section 8.1. Regular meetings of the Board of Trustees shall be held at least once every other month at such time and place as may be determined by the Board of Trustees, for the purpose of transacting such business as may come before the meeting.

Section 8.2. One of the regular meetings of the Board of Trustees shall be designated as the Annual Meeting for the purposes of organization, selection or appointment of officers, and the transaction of other business. This meeting will be held each May, unless the Board decides to designate a different month for the annual meeting. The meeting will include an accountability report to the public regarding the operations of the Board of Trustees.

Section 8.3. Special meetings of the Board of Trustees may be held at any time upon the call of the President, the Secretary, or any two (2) Board Members, in each case at such time and place as shall be fixed by the person or persons calling the meeting, as specified in the notice thereof, and in compliance with the requirements for Board of Trustee meetings set forth in these Bylaws.

Section 8.4. The Board of Trustees may designate any place in Utah County, State of Utah as the place of meeting for any meeting, or for any special meeting called by the Board. If no designation is made, the place of the meeting shall be at the principal office (1440 West Center Street, Springville, Utah) of the Organization.

Section 8.5. The Board of Trustees shall post notice on the Utah Public Notice website and at the Academy of all meetings at least 24 hours in advance of said meeting. The notice shall state the time, place, and purposes of all regular or special Board Meetings. For annual membership meetings, the Board of Trustees will cause notice of the time, place, and purposes to be communicated to each household on record with the Organization at least 72 hours in advance of said meeting. Notice to each Board Member of regular meetings shall include the place, day, and hour of the meeting and shall be given at least five (5) days prior to said meeting. Notice of special meetings, including emergency meetings will be given at least 24 hours in advance.

Section 8.6. All meetings of the Board of Trustees, whether Regular, Special, or Annual, shall comply with the Utah Open and Public Meetings Act except that, upon a vote of a majority of the Board Members present, an executive session may be held to discuss any one or more of the following: (1) attorney-client matters; (2) matters subject to negotiations; and (3) personnel matters. The motion requesting the executive session shall state the nature of the matter to be discussed. Only those persons invited by the Board may be present during the executive session. The Board shall not make final policy decisions; nor shall any resolution, rule, regulation, or formal action or any action approving a contract; or calling for the payment of money be adopted or approved at any session which is closed to the general public. All matters requiring a vote shall be voted upon in an open, public meeting. Matters discussed during executive sessions shall remain confidential among those attending.

Section 8.7. Agenda items for board meetings may be provided by anyone from the school community, but must be submitted to the president by email or otherwise. The president may choose to prioritize or reject agenda items at his or her discretion. On each agenda, a period for public comment is designated with the length of the comment period to be determined by the president. The public does not participate in board meetings outside of the public comment period, except by invitation of the president, or his or her designate, during the course of the meeting.

Article IX. Execution of Instruments

Section 9.1. The Board of Trustees, subject to the Conflict of Interest provisions set forth in Section 11.1 of these Bylaws, may authorize any officer or agent of the Organization to enter into any contract, to execute and deliver any instrument, or to sign checks, drafts, or other orders for the payment of money, notes, or other evidences of indebtedness in the name of and on behalf of the Organization. For any contract or instrument exceeding [\$2,000], the Board of Trustees must approve the contract or instrument by a majority of the Board of Trustees present. Such authority may be general or may be confined to specific instances. No instrument

required to be signed by more than one officer may be signed by one person in more than one capacity.

Section 9.2. All funds of the Organization not otherwise used shall be deposited from time to time to the credit of the Organization in such banks, trust companies, or other depositories as the Board of Trustees may select.

Section 9.3. The Board of Trustees may authorize any officer or officers, or agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Organization, and such authority may be general or confined to specific instances. All contracts must be approved in an open meeting.

Section 9.4. The Board of Trustees shall have full power and authority to borrow money whenever, in the discretion of the Board of Trustees, the exercise of such power is required in the general interest of this Organization, and in such case the Board of Trustees may authorize the proper officers of this Organization to make, execute, and deliver in the name of and on behalf of this Organization such notes, bonds and other evidences of indebtedness as the Board of Trustees shall deem proper, and the Board of Trustees shall have full power to mortgage the property of this Organization, or any part thereof, as security for such indebtedness, and no further action shall be requisite to the validity of any such note, bond, evidence of indebtedness or mortgage.

Section 9.5. The Organization shall have the right to retain all or any part of any securities or property acquired by it in whatever manner, and to invest and reinvest any funds held by it, according to the judgment of the Board of Trustees, without being restricted to the class of investments which a nonprofit corporation is or may hereafter be permitted by law to make, or any similar restriction, provided, however, that no action shall be taken by or on behalf of the Organization if such action is a prohibited transaction or would result in the denial of tax exemption under Sections 501, 502 or 503 or any other Section of the Internal Revenue Code of 1986 and the Regulations promulgated thereunder as they now exist or as they may hereafter be amended.

Article X. Indemnification

Section 10.1. The Organization may indemnify an individual made a party to a proceeding because the individual is or was a Board Member, officer, employee, fiduciary or agent of the Organization or of any other corporation at the request of the Organization, or by reason of any action alleged to have been taken, omitted or neglected as such Board Member, officer, employee, fiduciary or agent against reasonable expenses incurred in connection with the proceeding, if:

1. the individual's conduct was in good faith;
2. the individual reasonably believed that the individual's conduct was in the Organization or corporation's best interests; and
3. In the case of a criminal proceeding, the individual had no reasonable cause to believe the individual's conduct was unlawful.

Section 10.2. The Organization shall not indemnify a Board Member, or officer, employee, fiduciary, or agent in connection with a proceeding in which such individual was adjudged liable to the Organization, or in connection with any other proceeding charging that the individual derived an improper personal benefit, whether or not involving action in the individual's official capacity, in which proceeding the individual was adjudged liable on the basis that the individual derived an improper personal benefit.

Section 10.3. The Organization may pay for reasonable expenses incurred by a Board Member, officer, employee or agent (in defending a civil or criminal action, suit or proceeding) who is a party to a proceeding in advance of final disposition of the proceeding if:

- (i) the individual furnishes the Organization a written undertaking, executed personally or on the individual's behalf, to repay the advance if it is ultimately determined that the individual did not meet the standard of conduct described above in Section 10. 1; and
- (ii) a determination is made that the facts then known to those making the determination would not preclude indemnification.

Section 10.4. By action of the Board of Trustees, notwithstanding any interest of the Board Members in such action, the Organization may, subject to Section 13.5, purchase and maintain insurance, including errors and omissions insurance, in such amounts as the Board of Trustees may deem appropriate, on behalf of any individual indemnified hereunder against any liability asserted against such person and incurred by such individual in such individual's capacity of or arising out of such individual's status as an agent of the Organization, whether or not the Organization would have the power to indemnify such individual against such liability under applicable provisions of law. The Organization may also purchased maintain insurance in such amounts as the Board of Trustees may deem appropriate, to insure the Organization against any liability, including without limitation, any liability for the indemnification provided in this Article.

Section 10.5. The Organization shall have the right to impose, as conditions to any indemnification provided or permitted in this Article, such reasonable requirements and conditions as the Board of Trustees may deem appropriate in each specific case, including but not limited to any one or more of the following: (a) that any counsel representing the individual to be indemnified in connection with the defense or settlement of any action shall be counsel

that is mutually agreeable to the individual to be indemnified and to the Organization; (b) that the Organization shall have the right, at its option, to assume and control the defense or settlement of any claim or proceeding made, initiated or threatened against the individual to be indemnified; and (c) that the Organization shall be subrogated, to the extent of any payments made by way of indemnification, to all of the indemnified individual's right of recovery, and that the individual to be indemnified shall execute all writings and do everything necessary to assure such rights of subrogation to the Organization.

Section 10.6. Notwithstanding any other provision of these Bylaws, the Organization shall neither indemnify any individual nor purchase any insurance in any manner or to any extent that would jeopardize or be inconsistent with qualification of the Organization as an organization described in Section 501(c)(3) of the Internal Revenue Code or would result in liability under Section 4941 of the Internal Revenue Code.

Section 10.7. No Board Member or officer of this Organization shall be personally liable to the Organization for civil claims arising from acts or omissions made in the performance of such individual's duties as a Board Member or officer, unless the acts or omissions are the result of such individual's intentional misconduct.

Article XI. Conflict of Interest

Section 11.1. If any person who is a Board Member or part of the Administration team is aware that the school is about to enter into any business transaction directly or indirectly with himself or herself, any member of his or her family, or any entity in which he or she has any legal, equitable, or fiduciary interest or position, such person shall (a) immediately inform those charged with approving the transaction on behalf of the school of his or her interest or position, (b) aid the persons charged with making the decision by disclosing any material facts within his or her knowledge that bear on the advisability of such transaction from the standpoint of the school, and (c) not be entitled to vote on the decision to enter into such a transaction.

Article XII. Limitations

Section 12.1. No Board Member, officer or employee of or individual or entity connected with the Organization, or any other private individual shall receive at any time any of the net earnings or pecuniary profit from the operations of the Organization, provided that this shall not prevent the payment to any such individual or entity of such reasonable compensation for services rendered to or for the Organization in effecting any of its purposes as shall be fixed by the Board of Trustees; and no such individual or individuals shall be entitled to share in the

distribution of any of the corporate assets upon the dissolution of the Organization. All Board Members of the Organization shall be deemed to have expressly consented and agreed that upon such dissolution or winding up of the affairs of the Organization, whether voluntary or involuntary, the assets of the Organization, after all debts have been satisfied, then remaining in the hands of the Board of Trustees shall be distributed, transferred, conveyed, delivered, and paid over, in such amounts as the Board of Trustees may determine or as may be determined by a court of competent jurisdiction upon application of the Board of Trustees, exclusively to charitable, religious, scientific, literary, or educational organizations which would then qualify under the provisions of Section 501(c)(3) of the Internal Revenue Code of 1986 and the regulations promulgated thereunder as they now exist or as they may hereafter be amended and according to the Laws of the State of Utah and the Charter Document of the Organization.

Section 12.2. Notwithstanding any other provision of these Bylaws, no Board Member, officer, employee, or representative of this Organization shall take any action or carry on any activity by or on behalf of the Organization not permitted to be taken or carried on by a supporting organization exempt under Section 509(a)(3) of the Internal Revenue Code of 1986 and the Regulations promulgated thereunder as they now exist or as they may hereafter be amended, or by an organization contributions which are deductible under Section 170(c)(2) of such Code and the Regulations promulgated thereunder as they now exist or as they may hereafter be amended.

Article XIII. Miscellaneous

Section 13.1. The Organization shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its Board of Trustees and committees. All books and records of the Organization may be inspected, for any proper purpose at any reasonable time.

Section 13.2. The fiscal year of the Organization shall be as established by the Board of Trustees.

Section 13.3. Property of the Organization may be assigned, conveyed or encumbered by such officers of the Organization as may be authorized to do so by the Board of Trustees, and such authorized individuals shall have power to execute and deliver any and all instruments of assignment, conveyance and encumbrance; however, the sale, exchange, lease or other disposition of all or substantially all of the property and assets of the Organization shall be authorized only in the manner prescribed by applicable statute.

Section 13.4. The Organization may accept any designated contribution, grant, bequest or devise consistent with its general charitable and tax-exempt purposes, as set forth in the Articles of Incorporation. As so limited, donor-designated contributions will be accepted for special funds, purposes or uses, and such designations generally will be honored. However,

the Organization shall reserve all right, title and interest in and to and control of such contributions, as well as full discretion as to the ultimate expenditure or distribution thereof in connection with any special fund, purpose or use. Further, the Organization shall acquire and retain sufficient control over all donated funds (including designated contributions) to assure that such funds will be used to carry out the Organization's tax-exempt purposes.

Section 13.5. No loans shall be made by the Organization to any of its Board Members or officers.

Section 13.6. All references in these Bylaws to provisions of the Internal Revenue Code are to the provisions of the Internal Revenue Code of 1986, as amended, and shall include the corresponding provisions of any subsequent federal tax laws.

Article XIV. Amendments

Section 14.1. The mission, philosophy, or goals of Merit Preparatory Academy may be altered, amended or repealed and a new mission, vision, or goals may be adopted only by a majority vote of the Entire Board.

Section 14.2. The power to alter, amend, restate or repeal these Bylaws and adopt new Bylaws or to alter, amend or restate the Organization's Articles of Incorporation shall be vested in the Board of Trustees. Any amendment must be approved by a majority vote of the Entire Board at any regular or special meeting of the Board of Trustees.