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Pacific Heritage Schools, Inc. (PHS)
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ARTICLE I

OFFICES

Section 1.1 Business Offices. The principal office of the corporation shall be located in the city of Elk Ridge and the county of Utah. The corporation may have such other offices either within or outside Utah, as the Board of Trustees may designate or as the affairs of the corporation may require from time to time.

Section 1.2 Registered Office. If a registered office of the corporation is required to be maintained in Utah, it may be, but need not be, the same as the principal office, if in Utah, and the address of the registered office may be changed from time to time by the board of trustees.

ARTICLE II

MEMBERSHIP

Section 2.1 Classification & Election of Members. The corporation shall have no members.

ARTICLE III

BOARD OF TRUSTEES

Section 3.1 General Powers. The business and affairs of Pacific Heritage Schools shall be managed by its Board of Trustees, except as otherwise provided in the Utah Nonprofit Corporation and Co-operative Association Act, the articles of incorporation or these bylaws.

Section 3.2 Number, Election, Tenure and Qualifications for Voting Board Members. The number of trustees of the Corporation shall be fixed by the Board of Trustees, but in no event shall be less than 3 and no more than 9, with an expectation of 7 as the desired usual. Any action of the Board of Trustees to increase or decrease the number of trustees, whether expressly by resolution or by implication through the election of additional trustees, shall constitute an amendment of these bylaws effecting such increase or decrease.

Trustees shall be appointed or reappointed by a majority of the existing Board of Trustees at each June annual meeting. Board terms shall end on June 30th of the respective term.

New board members shall not serve on the board for more than two 2-year terms after which they may be re-elected to the Board only after at least a one year sabbatical.

Any trustee who has 2 or more unexcused absences at board meetings and/or does NOT complete assignments regularly to the satisfaction of the Board, having been given due notice, shall be subject to removal if the remaining Board so deems by a majority vote. Regardless of the foregoing, any Trustee may be removed by a majority vote of the Board of Trustees whenever in its judgment the best interests of the corporation will be served thereby, but such removal shall be without prejudice, if any, of the person so removed.

Each Board Member shall be required to attend a national conference or other training sponsored by Expeditionary Learning or other organization within his or her first two years of tenure. These trainings are considered effective means of training Board Members in the core concepts of the teaching methodology of Pacific Heritage Academy. These will be part of MOU agreements each year, and includes conference fee, travel and lodging. Board members may be asked to pay for their own food costs.

Section 3.3 Number, Election, Tenure and Qualifications of Advisory Board Members (Non-Voting Board Members). The number of Advisory Board members shall be at the discussion of the Board of Trustees. Advisory Board members shall be appointed or reappointed by a majority of the voting Board Members at each annual June meeting or as otherwise determined by the Board. Advisory Board members shall serve an indefinite term and shall make an effort to attend as many board meetings as they are able. Advisory Board members may be removed at any time by a majority of Voting Board Members.

Section 3.4 Vacancies Any trustee may resign at any time by giving written notice, either paper or electronic, to the chair of PHS. 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. The Board shall publicly announce the number of vacancies available and shall consider any nominations from parents or the community at large. Vacancies shall be filled by the affirmative vote of a majority of the trustees then in office.

Section 3.5 Regular Meetings and Attendance. Regular meetings of the board of trustees shall be held at least 4 times each year. It is the Board's desire to provide notice for such meetings at least one week in advance, but may hold a meeting with 24 hour

notice. An annual meeting shall be held each year in June. Board meetings will remain open to the public unless a closed session is convened by a majority vote of members present; which closed session will be subject to the requirements of Utah State Open Meetings Laws.

Section 3.6 Special Meeting. Special meetings of the Board of Trustees may be called by or at the request of the chair or any two trustees. The person or persons authorized to call special meetings of the board of trustees will provide proper notice and may fix any place, date and time for holding any special meeting of the board called by them; which special meeting will follow normal open meeting requirements as outlined by the State of Utah.

Section 3.7 Notice. Notice of each meeting of the board of trustees stating the place, day and hour of the meeting shall be given to each trustee at his or her business or home address at least 24 hours prior to thereto by mailing of written notice by first class, certified or registered mail or by personal delivery of written notice or by telephone notice or by email (the method of notice need not be the same to each trustee). If mailed, such notice shall be deemed to be given when deposited in the US mail, with postage thereon prepaid. If emailed, such notice shall be deemed to be given when the email is sent. Any trustee may waive notice of any meeting before, at or after such meeting. The attendance of a trustee at a meeting shall constitute a waiver of notice of such meeting, except where a trustee attends a meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called or convened.

Section 3.8 Quorum and Voting. A majority of the number of trustees fixed by section 2 of this Article III shall constitute a quorum, but if less than such majority is present at a meeting, a majority of the trustees present may adjourn the meeting from time to time without further notice than an announcement at the meeting, until a quorum shall be present. No trustee may vote or act by proxy at any meeting of trustees.

Section 3.9 Manner of Acting. The act of the majority of the trustees present at a meeting at which a quorum is present shall be the act of the board of trustees.

Section 3.10 Meetings by Telephone or other Electronic Device. Members of the board of trustees or any other committee thereof may participate in a meeting of the board or committee by means of conference telephone or similar communications equipment. Such participation shall constitute presence in person at the meeting.

Section 3.11 Action Without a Meeting. All official actions of the board must be done in a public meeting in accordance with Utah State law.

Section 3.12 Presumption of Assent. A trustee of PHS who is present at a meeting of the board of trustees at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his dissent is entered in the minutes of the meeting, or unless he files his 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 corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a trustee who voted in favor of such action.

Section 3.13 Compensation. Trustees shall not receive compensation for their service on the board, although the reasonable expenses relating to the furtherance of the corporation's mission may be paid or reasonable compensation paid for services rendered in the furtherance of the corporation's mission outside of service on the Board of Trustees, but only in accordance to Utah State Law.

Section 3.14 Executive and Other Committees. By one or more resolutions, the board of trustees may designate from among its members an executive committee and one or more other committees.

ARTICLE IV

OFFICERS AND AGENTS

Section 4.1 Number and Qualifications. The Officers of PHS shall be a chair, a vice-chair, secretary and a treasurer. The Board of trustees may also elect or appoint such other officers, assistant officers and agents, including an executive director, one or more vice-chairs, a controller, and assistant secretaries as it may consider necessary. One person may hold more than one office at a time, except that no person may simultaneously hold the offices of chair and secretary or chair and treasurer or secretary and treasurer. Officers need not be trustees of the corporation. All officers must be at least eighteen years old.

Section 4.2 Election and Term of Office. Officers of the Board of PHS shall be elected by the board of trustees at the regular annual meeting of the board of trustees. If the election of officers shall not be held at such meeting, such election shall be held as soon as convenient thereafter. Officers shall hold office for 2-year terms with the opportunity to be elected again to the same position.

Section 4.3 Removal. Any officer or agent may be removed by a majority vote of the board of trustees whenever in its judgment the best interests of the corporation 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 of an officer or agent shall not in itself create contract rights.

Section 4.4 Vacancies. Any officer may resign at any time, subject to any rights or obligation under any existing contracts between the officer and the corporation, by giving written notice to the chair or the board of trustees. An officer's resignation shall take effect at the time specified in such notice, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. A vacancy in any office, however occurring, may be filled by the board of trustees for the unexpired portion of the term.

Section 4.5 Authority and Duties of Officers. The officers of the corporation shall have the authority and shall exercise the powers and perform the duties specified below and as may be additionally specified by the chair, the board of trustees or these bylaws, except that in any event each officer shall exercise such powers and perform such duties as may be required by law.

- (a) **Chair.** The chair shall, subject to the direction and supervision of the board of trustees: (1) **preside** at all meetings of the board of trustees; (2) see that all orders and resolutions of the board of trustees are carried into effect; and (3) perform the duties of the chair and when so acting shall have all the powers of and be subject to all the restrictions upon the chair.
- (b) **Vice-Chair.** The vice-chair shall **assist** the chair and shall perform such duties as may be assigned by the chair or by the board of trustees. The vice-chair shall, at the request of the chair, or in his absence or inability to act, perform the duties of the chair and when so acting shall have all the powers of and be subject to all the restrictions upon the chair.
- (c) **Secretary.** The secretary shall: (1) **keep the minutes** of the proceedings of the board of trustees and any committees of the board; (2) see that all **notices** are duly given in accordance with the provisions of these bylaws or as required by law; (3) be custodian of the **corporate records** and of the seal of the corporation; and (4) in general, perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to him/her by the chair or by the board of trustees. Assistant secretaries, if any,

shall have the same duties and powers, subject to supervision by the secretary.

- (d) Treasurer. The treasurer shall: (1) be the **principal financial officer** of the corporation and have the care and custody of all its funds, securities, evidences of indebtedness and other personal property and deposit the same in accordance with the instructions of the Board of Trustees; (2) receive and give receipts and a quittances for moneys paid on account of the corporation, and pay out of the funds on hand all bills, payrolls and other just debts of PHS of whatever nature upon maturity; (3) unless there is a controller, be the principle accounting officer of the corporation and as such prescribe and maintain the methods and systems of accounting to be followed, **keep complete books and records of account**, prepare and **file all local , state and federal tax returns** and related documents, **prescribe and maintain an adequate system of internal audit**, and prepare and furnish to the chair and the board of trustees **statements of accounts** showing the financial position of PHS and the results of its operations; (4) upon request of the board, make such reports to it as may be required at any time; and (5) perform all other duties incident to the office of treasurer and other such duties as from time to time may be assigned to him/her by the chair of the board of trustees. Assistant treasurers, if any, shall have the same powers and duties, subject to supervision by the treasurer.

Section 4.6 Surety Bonds The board of trustees may require any officer or agent of the corporation to execute to the corporation a bond in such sums and with such sureties as shall be satisfactory to the board, conditioned upon the faithful performance of his/her duties and for the restoration of PHS of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the PHS.

ARTICLE V INDEMNIFICATION

Section 5.1 Indemnification of Trustees, Officers, etc. The corporation hereby declares that any person who serves at its request as a trustee, officer, employee, chairperson or member of any committee, or on behalf of the PHS as a trustee, director or officer of another corporation, whether for profit, shall be deemed the corporation's agent for the purposes of this Article and shall be indemnified by PHS against expenses (including attorney's fees), judgments, fines, excise taxes, and amounts paid in

settlement actually and reasonably incurred by such person who was or is a party or threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative by reason of such believed to be in the best interests of the PHS and, with respect to any criminal action or proceeding, had no reason of such service, provided such person acted in good faith and in a manner she/he reasonably believed to be in the best interests of PHS and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. Except as provided in Section 5.3, termination of any such action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of no contender or its equivalent, shall not of itself create either a presumption that such person did not act in good faith and in manner which he reasonably believed to be in the best interests of the corporation. With respect to any criminal action or proceeding, a presumption that such person had reasonable cause to believe that his conduct was unlawful.

Section 5.2 Indemnification Against Liability to the Corporation. No indemnification shall be made in respect of any claim, issue matter as to which a person covered by Section 5.1 shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the corporation unless and only to the extent that the court in which such action, suit or proceeding was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnification for such expenses which such court shall deem proper.

Section 5.3 Indemnification in Criminal Actions. No indemnification shall be made in respect of any criminal action or proceeding as to which a person covered by Section 5.1 shall have been adjudged to be guilty unless and only to the extent that the court in which such action or proceeding was brought shall determine upon application, that despite the adjudication of guilt but in view of all the circumstances of the case, such person is entitled to indemnification for such expenses or fines which such court shall deem proper.

Section 5.4 Other Indemnification. The indemnification provided by this Article shall not be deemed exclusive of any other rights to which any person may be entitled under the articles of incorporation, any agreement, any other provision of these bylaws, vote of the disinterested trustees or otherwise, and any procedure for by any of the foregoing, both as to action in his official capacity and as to action in another capacity while holding such office.

Section 5.5 Period of Indemnification. Any indemnification pursuant to this Article shall (a) be applicable to acts or omissions which occurred prior to the adoption of this Article, and (b) continue as to any indemnified party who has ceased to be a trustee, officer employee or agent of the corporation. The repeal or amendment of all or any portion of these bylaws which would have the effect of limiting, qualifying or restricting any of the powers or rights of indemnification provided or permitted in this Article shall not, solely by reason of such repeal or amendment, eliminate, restrict or otherwise affect the right or power of the corporation to indemnify any person or affect any right of indemnification so such person, with respect to any acts or omissions which occurred prior to such repeal or amendment.

Section 5.6 Insurance. By action of the Board of Trustees, notwithstanding any interest of the trustees in such action, PHS may, subject to Section 5.8, purchase and maintain insurance, in such amounts as the board may deem appropriate, on behalf of any person indemnified hereunder against any liability asserted against him/her and incurred by him/her in the capacity of or arising out of his/her status as a agent of the corporation, whether or not the corporation would have the power to indemnify him/her against such liability under applicable provisions of law. The corporation may also purchase and maintain insurance, in such amounts as the board may deem appropriate, to insure PHS against any liability, including without limitation, any liability for the indemnification provided in this Article.

Section 5.7 Right to Impose Conditions to Indemnification. The corporation 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 or trustees may deem appropriate in each specific case, including by not limited to any one or more of the following: (a) that any counsel representing the person to be indemnified in connection with the defense or settlement of any action shall be counsel that is mutually agreeable to the person to be indemnified and to the corporation; (b) that PHS 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 person to be indemnified; and (c) that PHS shall be surrogated, to the extent of any payments made by way of indemnification, to all of the indemnified person's right of recovery, and that the person to be indemnified shall execute all writings and do everything necessary to assure such rights of subornation to PHS.

Section 5.8 Limitation of Indemnification. Notwithstanding any other provision of these bylaws, PHS shall neither indemnify any person nor purchase any insurance in any manner or to any extent that would jeopardize or be inconsistent with qualification of the corporation 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.

Article VI

MISCELLANEOUS

Section 6.1 Account Books, Minutes, Etc. The corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its board of trustees and business meetings of officers. All books and records of the corporation may be inspected by any trustee or his accredited agent or attorney, for any proper purpose at any reasonable time.

Section 6.2 Fiscal Year. The fiscal year of the corporation shall be July 1 to June 30.

Section 6.3 Conveyances and Encumbrances. Property of the corporation may be assigned, conveyed or encumbered by such officers of the corporation as may be authorized to do so by the board of trustees, and such authorized persons 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 corporation shall be authorized only in the manner prescribed by applicable statute.

Section 6.4 Designated Contribution. The corporation may accept any designated contribution, grant, and bequest or devise consistent with its general 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 corporation shall reserve all rights, 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 corporation shall retain sufficient control over all donated funds (including designated contributions) to assure that such funds will be used to carry out the corporation's tax-exempt purpose.

Section 6.5 Conflicts of Interest. If any person who is a trustee or officer of the corporation is aware that the corporation is about to enter into any business transaction directly or indirectly with himself, any member of his family, or any entity in which he has any legal, equitable or fiduciary interest or position, including without limitation as a trustee, officer, shareholder, partner, beneficiary or trustee, such person shall (a)

immediately inform those charged with approving the transaction on behalf of the corporation of his interest or position, (b) aid the persons charged with making the decision by disclosing any material facts within his knowledge that bear on the advisability of such transaction from the standpoint of the corporation, and (c) not be entitled to vote on the decision to enter into such transaction.

Discrimination: PHS admits students of any race, religion, color, national origin, and ethnic origin to all the rights, privileges, programs, and activities generally accorded or made available to students at the school. It does not discriminate on the basis of race, religion, color, national origin, and ethnic origin in administration of its educational policies, admission policies, scholarship and loan programs, and athletic and other school-administered programs.

Section 6.6 Loans to Trustees and Officers. No loans shall be made by the corporation to any of its trustees or officers nor accepted from trustees, officers or agents of the corporation. Any trustee or officer who assents to or participates in the making of such loan shall be liable to the corporation for the amount of such loan until it is paid.

Section 6.7 References to Internal Revenue Code. All references in these bylaws to provisions of the Internal Revenue Code are to the provisions of the Internal Revenue Code of 1954, as amended and shall include the corresponding provisions of any subsequent federal tax laws.

Section 6.8 Amendments. The power to alter, amend or repeal these bylaws and adopt new bylaws shall be vested in the board of trustees; and shall require that every Board Member vote with at least a $\frac{3}{4}$ majority vote for passage.

Section 6.9 Severability. The invalidity of any provisions of these bylaws shall not affect the other provisions hereof, and in such event these bylaws shall be construed in all respects as such invalid provision were omitted.



Board Member Job Descriptions

Chair: The chair shall, subject to the direction and supervision of the board of trustees: (1) **preside** at all meetings of the board of trustees; (2) see that all orders and resolutions of the board of trustees are carried into effect; and (3) perform the duties of the chair and when so acting shall have all the powers of and be subject to all the restrictions upon the chair.

Vice-Chair: The vice-chair shall **assist** the chair and shall perform such duties as may be assigned by the chair or by the board of trustees. The vice-chair shall, at the request of the chair, or in his absence or inability to act, perform the duties of the chair and when so acting shall have all the powers of and be subject to all the restrictions upon the chair.

Secretary: The secretary shall: (1) **keep the minutes** of the proceedings of the board of trustees and any committees of the board; (2) see that all **notices** are duly given in accordance with the provisions of these bylaws or as required by law; (3) be custodian of the **corporate records** and of the seal of the corporation; and (4) in general, perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to him/her by the chair or by the board of trustees. Assistant secretaries, if any, shall have the same duties and powers, subject to supervision by the secretary.

Treasurer: The treasurer shall: (1) be the **principal financial officer** of the corporation and have the care and custody of all its funds, securities, evidences of indebtedness and other personal property and deposit the same in accordance with the instructions of the Board of Trustees; (2) receive and give receipts and a quittances for moneys paid on account of the corporation, and pay out of the funds on hand all bills, payrolls and other just debts of PHS of whatever nature upon maturity; (3) unless there is a controller, by the principle accounting officer of the corporation and as such prescribe and maintain the methods and systems of accounting to be followed, **keep complete books and records of account**, prepare and **file all local, state and federal tax returns** and related documents, **prescribe and maintain an adequate system of internal audit**, and prepare and furnish to the chair and the board of trustees **statements of accounts** showing the financial position of PHS and the results of its operations; (4) upon request of the board, make such reports to it as may be required at any time; and (5) perform all other duties incident to the office of treasurer and other such duties as from time to time may be assigned to him/her by the chair of the board of trustees. Assistant treasurers, if any, shall have the same powers and duties, subject to supervision by the treasurer.

In addition to the responsibilities listed, each board member is also responsible for the following:

1. Understand and support the mission of PHA.
2. Enhance the public image of PHA and the Board.
3. Foster openness and trust among the Board, the administration, the faculty, the students, the parents/guardians, and the public.
4. Seek to be fully informed about PHA and its role in the state educational environment and be responsive to the changing environment that affects it.
5. Be fully informed on issues that require a decision by the Board.
6. Prepare for all meetings by reading the material provided in advance.
7. Attend meetings of the Board, and be prepared to discuss the items on the agenda.
8. Speak one's mind at board meetings, and support policies and programs once established.
9. Read and respond as necessary to internal correspondence and communications and be available by phone or email and respond in a timely manner.
10. Never allow any personal conflict of interest to exist. Bring any personal conflicts of interest to the attention of the Board President as soon as possible. Recuse yourself from deliberations and voting in connection with the conflicts.