

Valley Academy, Inc.
A Utah Non-Profit Corporation
BYLAWS

I. MEMBERSHIP

The corporation has no members. The rights which would otherwise vest in the members vest in the directors of the corporation (hereinafter "Directors") of Valley Academy, Inc. (hereinafter "Valley"). Actions which would otherwise require approval by a majority of all members or approval by the members require only approval of a majority of all Directors or approval by the Board of Directors (hereinafter "Board").

II. BOARD OF DIRECTORS

A. Powers. The Board shall conduct or direct the affairs of the corporation and exercise its powers, subject to the limitations of the Utah Nonprofit Corporation Act, the Articles of Incorporation, the charter granted to Valley by the State of Utah, and these Bylaws. The Board may delegate the management of the activities of the corporation to others, so long as the affairs of the corporation are managed, and its powers are exercised, under the Board's ultimate jurisdiction.

Without limiting the generality of the powers here granted to the Board, but subject to the same limitations, the Board shall have all the powers enumerated in these Bylaws, and the following specific powers:

1. To elect and remove Directors.
2. To select and remove officers, agents and employees of the corporation, in cooperation with the school Director; to prescribe powers and duties for them; and to fix their compensation.
3. To conduct, manage and control the affairs and activities of the corporation, and to make rules and regulations.
4. To enter into contracts, leases and other agreements which are, in the Board's judgment, necessary or desirable in obtaining the purposes of promoting the interests of the corporation.
5. To act as Director under any trust incidental to the corporation's purposes, and to receive, hold, administer, exchange and expend funds and property subject to such a trust.
6. To acquire real or personal property, by purchase, exchange, lease, gift, devise, bequest, or otherwise, and to hold, improve, lease, sublease, mortgage, transfer in trust, encumber, convey or otherwise dispose of such property.
7. To borrow money, incur debt, and to execute and deliver promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations and other evidences of debt and securities.
8. To indemnify and maintain insurance on behalf of any of its Directors, officers, employees or agents for liability asserted against or incurred by such person in such capacity or arising out of such person's status as such, subject to

the provisions of the Utah Nonprofit Corporation Act and the limitations noted in these Bylaws.

B. Number of Directors. The number of Directors of the corporation shall be not less than 5 nor more than 7. The Board shall fix the exact number of Directors, within these limits, by Board resolution or amendment of the Bylaws. As of the date on which these Bylaws are adopted, the exact number of Directors is fixed at 5.

C. Election of Directors. The Board shall elect Directors by the vote of a majority of the Directors then in office, whether or not the number of Directors in office is sufficient to constitute a quorum, or by the sole remaining Director.

2. Eligibility. The Board may elect any person who, in its discretion, believes will serve the interests of Valley, Valley's charter, and it's purpose faithfully and effectively. The Board will make an attempt to fill a vacated position with another member of similar expertise. A member of the Board may not be an employee of the School. Family members may not serve together on the Board. In addition, applicants with the following areas of expertise will be given higher consideration when electing Board members:

- a. Human resources: benefits, insurance, hiring practices, employment agreements, etc.
- b. Policy and procedure
- c. Budgets/Finance/Accounting: audits, projecting budgets, etc.
- d. Law: contracts, loans, audits, negotiation, etc.
- e. Architecture and Building Design, Engineering
- f. Facility: contractors, building materials, financing, location, floor-plans, etc.
- g. Curriculum: selection and training, cost, fitting your goals, assessment, special education, special programs, etc.
- h. Technology: school technology plan, student attendance, state-wide assessment, telecommunications, teacher computers, computer labs, servers, e-mail, projectors, other tools, etc.
- i. Business Leadership: business plans, delegation of authority and responsibilities, leadership based on fact and not emotion, finance, organization, creating committees, deadlines, etc.
- j. Supply: furniture, office equipment, custodial, maintenance, curricular needs, etc.

3. Term of Office. For the first year of school operation, the members of the Board will come from members of the Founding Board. Board members in general will each serve a three-year term with the exception of the first Board. The first Board will serve the following terms to ensure terms will be staggered for continuity of the school's mission and vision.

1. The Chair will serve a four-year term.
2. The Vice Chair will serve a three-year term.
3. The Treasurer will serve a two-year term.
4. The Secretary will serve a one-year term.

5. Other Founding Board members will serve a three-year term.

b. Applications for open board positions will be taken and considered each May, or as needed. An application may be turned in to any Board member.

c. New board members will be seated at the annual June board meeting. As members of the Founding Board rotate out, new Board members may serve only two consecutive terms. If, after two terms, a Board member wishes to continue service, a mandatory break of at least one year must be observed. Past Board members wishing to serve another term must follow the same process as all other applicants when a Board position is open.

d. Each June, the Board will vote to select its own leadership. At the Board's own discretion, it may also reorganize following the filling of a Board vacancy. In the event of dismissal, resignation, or other vacancy on the Board, the Board will conduct a special election to fill the remaining portion of the vacant member's term.

e. The Board will meet at least every month for the first year of operation, and at least quarterly thereafter, guided by an agenda, to discuss school operations and hear reports and updates from each board member and the Director, consider and adopt policies, and consider requests and concerns from parents, students, and teachers. A majority vote of the total Board membership will constitute action by the Board. The Board will not act unless a quorum is present.

4. Time of Elections. The Board shall elect Directors whose terms begin on June 1 of a given year at the Annual Meeting for that year, or at a Regular Meeting designated for that purpose, or at a Special Meeting called for that purpose.

D. Removal of Directors. The Board may remove a Director by super majority vote. The Board may remove any Director who:

1. Has failed to attend 50% or more of the Board's Regular Meetings in any calendar year;
2. Has been declared of unsound mind by a final order of court;
3. Has been convicted of a felony;
4. Has been found by a final order or judgment of any court to have breached any duty imposed by the Utah Nonprofit Corporation Act; or
5. Is not following the vision and mission of the school.

E. Resignation by Director. A Director may resign by giving written notice to the Board Chair. The resignation is effective on the giving of notice, or at any later date specified in the notice. A Director may not resign if the Director's resignation would leave the corporation without a duly elected Director in charge of its affairs, without first giving notice to the Utah Board of Charter Schools as required by the Charter or any amendment thereof.

F. Vacancies. A vacancy is deemed to occur on the effective date of the resignation of a Director, upon the removal of a Director, upon declaration of vacancy pursuant to these Bylaws, or upon a Director's death. A vacancy is also deemed to exist upon the increase by the Board of the authorized number of Directors.

G. Compensation of Directors. Directors shall serve without compensation. However, the Board may approve reimbursement of a Director's actual and necessary expenses while conducting corporation business.

III. PRINCIPAL OFFICE

The corporation's initial registered office shall be at 107 S. 1470 E. Ste 303, St. George, Utah 84790, or at such other place as the Board may select by resolution or amendment of the Bylaws. The Secretary shall note any change in principal office on the copy of the Bylaws maintained by the Secretary.

IV. MEETINGS OF THE BOARD

A. Place of Meetings. Board Meetings shall be held at the corporation's principal office or at any other reasonably convenient place as the Board may designate.

B. Annual Meetings. An Annual Meeting shall be held in October of each year for the purpose of electing Directors, making and receiving reports on corporate affairs, and transacting other business as comes before the meeting.

C. Regular Meetings. Regular Meetings shall be held at various times within the year as the Board determines.

D. Special Meetings. A Special Meeting shall be held at any time called by the Chair or by any five Directors.

E. Adjournment. A majority of the Directors present at a meeting, whether or not a quorum, may adjourn the meeting to another time and place. Notice of the time and place of holding an adjourned meeting need not be given to absent Directors if the time and place be fixed at the meeting adjourned, except if the meeting is adjourned for longer than 24 hours, notice of the adjournment shall be given as specified in these Bylaws.

F. Notices. Notices of Board Meetings shall be given as follows:

1. Annual Meetings and Regular Meetings may be held without notice if the Bylaws or the Board fix the time and place of such meetings.

2. Special Meetings shall be held upon four days' notice by first-class mail or 48 hours' notice delivered personally or by telephone, facsimile or e-mail. Notices will be deemed given when deposited in the United State mail, addressed to the recipient at the address shown for the recipient in the corporation's records, first-class postage prepaid; when personally delivered in writing to the recipient; or when faxed, e-mailed, or communicated orally, in person or by telephone, to the Director of to a person whom it is reasonably believed will communicate it promptly to the Director.

G. Waiver of Notice. Notice of a meeting need not be given to a Director who signs a waiver of notice or written consent to holding the meeting or an approval of the minutes of the meeting, whether before or after the meeting, or attends the meeting without protest prior to the meeting or at its commencement, of the lack of notice. The Secretary shall incorporate all such waivers, consents and approvals into the minutes of the meeting.

V. ACTION BY THE BOARD

A. Quorum. A quorum consists of one-third of the fixed number of Directors.

B. Action by the Board. Actions Taken At A Board Meeting. The actions done and decisions made by a majority of the Directors present at a meeting duly held at which a quorum is present are the actions and decisions of the Board, except for purposes of electing Directors, appointing committees and delegating authority thereto, or amending the corporation's Bylaws, where the action of a majority of Directors then in office is required by the Utah Nonprofit Corporation Act or as set out in these Bylaws.

The Board may continue to transact business at a meeting at which a quorum was originally present, even though Directors withdraw, provided that any action taken is approved by at least a majority of the quorum required.

Actions Without a Meeting. The Board may take any required or permitted action without a meeting if all the Directors individually or collectively consent in writing to the taking of that action. Such consent shall have the same effect a unanimous vote of the Board, and shall be filed with the minutes of the Board proceedings.

Board Meeting by Conference Telephone. Directors may participate in a Board meeting through use of conference telephone or similar communication equipment, so long as all Directors participating in such meeting can hear one another. Participation in a meeting pursuant to this section constitutes presence in person at such meeting.

C. Committees. Appointment of Committees. The Board may appoint one or more Board Committees by vote of the majority of Directors. A Board Standing Committee will consist of not less than two Directors, who shall serve at the pleasure of the Board.

Authority of Board Committees. The Board may delegate to a Board committee any of the authority of the Board, except with respect to:

- a. The election of Directors.
- b. Filling vacancies on the Board or any committee which has the authority of the Board.
- c. The amendment or repeal of any Board resolution.
- d. The amendment or repeal of Bylaws or the adoption of new Bylaws.
- e. The appointment of other committees of the Board, or the members of the committees.

1. Procedures of Committees. The Board may prescribe the manner in which the proceedings of any Board Committee are to be conducted. In the absence of such prescription, a Board Committee may prescribe the manner of conducting its proceedings, except that the regular and special meetings of the Committee are governed by the provisions of these Bylaws with respect to the calling of meetings.

D. Standard of Care.

1. Performance of Duties. Each Director shall perform all duties of a Director, including duties on any Board Committee, in good faith, in a manner the Director believes to be in the corporation's best interest and with such care, including reasonable inquiry, as an ordinary prudent person in a like position would use under similar circumstances.

2. Reliance on Others. In performing the duties of a Director, a Director shall be entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, presented or prepared by:

a. One or more officers or employees of the corporation whom the Director believes to be reliable and competent in the matters presented;

b. Legal counsel, independent accountants or other persons as to matters that the Director believes are within that person's professional or expert competence; or

c. A Board Committee on which the Director does not serve, as to matters within its designated authority, provided the Director believes the Committee merits confidence and the Director acts in good faith, after reasonable inquiry when the need is indicated by the circumstances, and without knowledge that would cause such reliance to be unwarranted.

3. Investments. In investing and dealing with all assets held by the corporation for investment, the Board shall exercise the standard of care described above and avoid speculation, looking instead to the permanent disposition of the funds, considering the probable income, as well as the probable safety of the corporation's capital. The Board may delegate its investment powers to others, provided that those powers are exercised within the ultimate direction of the Board. No investment violates this section where it conforms to provisions authorizing such investment contained in an instrument or agreement pursuant to which the assets were contributed to the corporation.

E. Rights of Inspection. Every Director has the right to inspect and copy all books, records and documents of every kind and to inspect the physical properties of the corporation, provided that such inspection is conducted at a reasonable time after reasonable notice, and provided that such right of inspection and copying is subject to the obligation to maintain the confidentiality of the reviewed information, in addition to any obligations imposed by any applicable federal, state or local law.

F. Participation in Discussions and Voting. Every Director has the right to participate in the discussion and vote on all issues before the Board or any Board Committee, except as noted below. Any Director shall be excused from the discussion and vote on any matter involving: (a) a self-dealing transaction; (b) a conflict of interest, (c) indemnification of that Director; or (d) any other matter at the discretion of a majority of the Directors then present.

G. Duty to Maintain Board Confidences. Every Director has a duty to maintain the confidentiality of all Board actions, including discussions and votes. Any Director violating this confidence may be removed from the Board.

VI. OFFICERS

A. Officers. The officers of the corporation consist of a President (hereinafter "Chair"), Vice President (hereinafter "Vice Chair"), a Secretary and a Chief Financial Officer (hereinafter "Treasurer"). The corporation also may have such other officers as the Board deems advisable.

Chair. Subject to Board control, the Chair has general supervision, direction and control of the affairs of the corporation, and such other powers and duties as the Board may prescribe. If present, the Chair shall preside at Board meetings.

Vice Chair. If the Chair is absent or disabled, the Vice Chair shall perform all the Chair's duties and, when so acting, shall have all the Chair's powers and be subject to the same restrictions. The Vice Chair shall have other such powers and perform such other duties as the Board may prescribe.

Secretary. The Secretary shall: (a) keep or cause to be kept, at the corporation's principal office, or such other place as the Board may direct a book of minutes of all meetings of the Board and Board Committees, noting the time and place of the meeting, whether it was regular or special (and if special, how authorized), the notice given, the names of those present, and the proceedings; (b) keep or cause to be kept a copy of the corporation's Articles of Incorporation and Bylaws, with amendments; (c) give or cause to be given notice of the Board and Committee meetings as required by the Bylaws; and (d) have such other powers and perform such other duties as the Board may prescribe.

Treasurer. The Treasurer shall: (a) keep or cause to be kept adequate and correct accounts of the corporation's properties, receipts and disbursements; (b) make the books of account available at all times for inspection by any Director; (c) deposit or cause to be deposited the corporation's monies and other valuables in the corporation's name and to its credit, with the depositories the Board designates; (d) disburse or cause to be disbursed the corporation's funds as the Board directs; (e) render to the Chair and the Board, as requested but no less frequently than once every fiscal year, an account of the corporation's financial transactions and financial condition; (f) prepare any reports on financial issues required by an agreement on loans; and (g) have such other powers and perform such other duties as the Board may prescribe.

B. Election, Eligibility and Term of Office

1. Election. The Board shall elect the officers annually at the Annual Meeting or a Regular Meeting designated for that purpose or at a Special Meeting called for that purpose, except that officers elected to fill vacancies shall be elected as vacancies occur.
2. Eligibility. A Director may hold any number of offices, except that neither the Secretary or Treasurer may serve concurrently as the Chair.
3. Term of Office. Each officer serves at the pleasure of the Board, holding office until resignation, removal or disqualification from service, or until his or her successor is elected.

C. Removal and Resignation. The Board may remove any officer, either with or without cause, at any time. Such removal shall not prejudice the officer's rights. Any officer may resign at any time by giving written notice to the corporation, the resignation taking effect on receipt of the notice or at a later date of specified in the notice.

VII. NON-LIABILITY OF DIRECTORS

The Directors shall not be personally liable for the corporation's debts, liabilities or other obligations.

VIII. INDEMNIFICATION OF CORPORATE AGENTS

The corporation shall indemnify any Director, officer, employee or other agent of this corporation, who has been successful (1) on the merits in defense of any civil, criminal, administrative or investigative proceeding brought to procure a judgment against such person by reason of the fact that he/she is, or was, the corporation's agent, or (2) in defense of any claim, issue or matter therein. In such case, the corporation will provide indemnity against expenses actually and reasonably incurred by the person in connection with such proceeding.

If the corporate agent either settles any such claim or sustains a judgment against him/her, then indemnification against expenses, judgments, fines, settlements and other amounts reasonably incurred in connection with such proceedings shall be provided by this corporation but only to the extent allowed by, and in accordance with the requirements of, the Utah Nonprofit Corporation Act.

IX. INSURANCE FOR CORPORATE AGENTS

The Board may adopt a resolution authorizing the purchase and maintenance of insurance on behalf of any Director, officer, employee or other agent of the corporation, against any liability other than for violating provisions of law relating to self-dealing asserted against or incurred by the agent in such capacity or arising out of the agent's status as such, whether or not the corporation would have the power to indemnify the agent against such liability under the provisions of the Utah Nonprofit Corporation Act.

X. SELF-DEALING TRANSACTIONS

The corporation shall not engage in any self-dealing transactions, except as approved by the Board. "Self-dealing transaction" means a transaction to which the corporation is a party in which one or more of the Directors has a material financial interest ("interested Director(s)"). Notwithstanding this definition, the following transactions are not self-dealing transactions, and are subject to the Board's general standard of care: A transaction which is part of a public or charitable program of the corporation, if the transaction (a) is approved or authorized by the Board in good faith and without unjustified favoritism, and (b) results in a benefit to one or more Directors or

their families because they are in a class of persons intended to be benefited by the program;

XI. OTHER PROVISIONS

A. Fiscal Year. The fiscal year of the corporation begins on June 1 of each year and ends on May 30 of the following year.

B. Execution of Instruments. Except as otherwise provided in these Bylaws, the Board may adopt a resolution authorizing any officer or agent of the corporation to enter into any contract or execute and deliver any instrument in the name of or on behalf of the corporation. Such authority may be general or confined to specific instances. Unless so authorized, no officer, agent or employee shall have any power to bind the corporation by any contract or engagement, to pledge the corporation's credit, or to render it liable monetarily for any purpose or any amount.

C. Checks and Notes. Except as otherwise specifically provided by Board resolution, checks, drafts, promissory notes, orders for the payment of money, and other evidence of indebtedness of the corporation may be signed by the Chair, Treasurer or other named Director.

D. Construction and Definitions. Unless the context otherwise requires, the general provisions, rules of construction, and definitions contained in the Utah Nonprofit Corporation Act shall govern the construction of these Bylaws. Without limiting the generality of the foregoing, words in these Bylaws shall be read as the masculine or feminine gender, and as the singular or plural, as the context requires, and the word "person" includes both a corporation and a natural person. The captions and headings in these Bylaws are for convenience of reference only are not intended to limit or define the scope or effect of any provisions.

E. Conflict of Interest. Any Director, officer, key employee, or committee member having an interest in a contract, other transaction or program presented to or discussed by the Board or Board Committee for authorization, approval, or ratification shall make a prompt, full and frank disclosure of his or her interest to the Board or committee prior to its acting on such contract or transaction. Such disclosure shall include all relevant and material facts known to such person about the contract or transaction which might reasonably be construed to be adverse to the corporation's interest. The body to which such disclosure is made shall thereupon determine, by majority vote, whether the disclosure shows that a conflict of interest exists or can reasonably be construed to exist. If a conflict is deemed to exist, such person shall not vote on, nor use his or her personal influence on, nor be present during in the discussion or deliberations with respect to, such contract or transaction (other than to present factual information or to respond to questions prior to the discussion). The minutes of the meeting shall reflect the disclosure made, the vote thereon and, where applicable, the abstention from voting and participation. The Board may adopt conflict of interest policies requiring:

1. Regular annual statements from Directors, officers, key employees to disclose existing and potential conflict in interest; and,
2. Corrective and disciplinary actions with respect to transgressions of such policies.

For the purpose of this section, a person shall be deemed to have an "interest" in a contract or other transaction if he or she is the party (or one of the parties) contracting or dealing with the corporation, or is a director, Director or officer of, or has a significant financial or influential interest in the entity contracting or dealing with the corporation.

F. Interpretation of Charter. Whenever any provision of these Bylaws are in conflict with the provisions of the Charter, the provisions of these Bylaws control.

XII. AMENDMENT

A majority of the Directors may adopt, amend or repeal these Bylaws.

CERTIFICATE OF SECRETARYThe undersigned does hereby certify that the undersigned is the Secretary of Valley Arts Academy, Inc., a Utah Non Profit Corporation, duly organized and existing under the laws of the State of Utah, that the foregoing Bylaws of said corporation were duly and regularly adopted as such by the Board of Directors of said corporation, which Directors are the only members of said corporation; and that the above and foregoing Bylaws are now in full force and effect.