

# **Bylaws**

of the

## **John Hancock Charter School**

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## **ARTICLE 1: NAME, POWERS, AND PURPOSE**

**Section 1.1 Name.** These Bylaws constitute the code of rules adopted by John Hancock Charter Schools (the “Corporation”) for the regulation and management of its affairs.

**Section 1.2 Powers.** The Corporation shall have such powers as are now or may hereafter be granted by the Utah Revised Nonprofit Corporation Act (the “Act”) or any successor legislation; except that such powers may be exercised only in furtherance of the purposes of the Corporation as stated in its Articles of Incorporation and consistent with the status of a corporation describe in section 501(c)(3) of the Internal Revenue Code of 1986, as amended.

**Section 1.3 Purpose.** The purpose of the Corporation is as set forth in the Articles of Incorporation.

## **ARTICLE 2: OFFICES AND MEMBERSHIP**

**Section 2.1 Principal Office.** The initial principal office of the Corporation shall be located in the City of Pleasant Grove in the County of Utah. The Corporation may have such other offices, either within or outside Utah, as the Board of Directors may designate or as the affairs of the Corporation may require from time to time.

**Section 2.2 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 Directors.

**Section 2.3 Classification and Election of Members.** The Corporation shall have no members.

## **ARTICLE 3: BOARD OF DIRECTORS**

**Section 3.1 General Powers.** The business and affairs of John Hancock Charter School shall be managed by its Board of Directors, except as otherwise provided in the Utah Nonprofit Corporation and Cooperative Association Act, the Articles of Incorporation, or these Bylaws.

**Section 3.2 Number of, Selection of, Tenure of, and Qualifications for Board Members.** The number of members of the Board of Directors of the Corporation shall be fixed by the charter. The charter states that there will be a minimum of seven and a maximum of twelve positions on the Board of Directors that will govern John Hancock Charter School. The Board will select from its members a Chief Administrative Officer (CAO) and a Secretary (the Vice President, Treasurer, and Parent Advocate may not serve as CAO or Secretary).

Initially the CAO, Treasurer, Secretary, and position six will be three-year terms. The Vice President, Parent Advocate, and position seven will be two-year terms.

If the CAO determines there is a need for more than seven board positions, then the eighth and ninth positions will be three-year terms. The tenth, eleventh, and twelfth positions will each be two-year terms. All board positions except the Vice President and the Parent Advocate positions (which will be elected by the parent organization) will be filled by appointment by the existing Board of Directors.

At the annual membership meeting in May 2003, three positions will be filled due to the expiration of the initial two-year terms. One position will be filled by appointment from the first year's board, while the Vice President and Parent Advocate positions will be elected by the parent organization. This ensures a board member service rotation. There will be no term limits for board positions.

Two-thirds of the board members must be parents, grandparents, or guardians of children enrolled at John Hancock Charter School. The remaining one-third of the positions may also be filled with parents, grandparents, or guardians or may be selected from the community at large, preferably having backgrounds in education, business, accounting, or law. Members of the governing board must be willing to submit to a background check and may not have a criminal record.

The school director will serve as an ex officio board member without voting privileges.

**Section 3.3 Vacancies.** Vacant or retiring positions that are appointed by the board will be filled using the following method. The Board Development Committee will recruit and submit to the board as many candidates as it sees fit, but it must provide enough candidates for a choice. A board member may not vote for his or her position if he or she is a candidate. In the case of a tie, the matter shall be placed for a vote before the parent organization. The majority vote of the parent organization will constitute one board vote, thus breaking the tie.

**Section 3.4 Regular Meetings and Attendance.** Regular meetings of the Board of Directors shall be held monthly or as needed. Notice for such meetings shall be given at least 24 hours in advance. An annual meeting shall be held in May. 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 Law.

**Section 3.5 Special Meetings.** Special meetings of the Board of Directors may be called by or at the request of any board member. The person or persons authorized to call special meetings of the board of Directors 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 3.6 Notice.** Notice of each meeting of the Board of Directors stating the place, day, and hour of the meeting shall be given to each member at least 24 hours in advance and shall be posted on the school website and forwarded to the local newspaper at least 24 hours in advance.

**Section 3.7 Quorum and Voting.** A majority of the number of board members shall constitute a quorum, but if less than such majority is present at a meeting, a majority of the members present may adjourn the meeting from time to time without further notice than an announcement at the meeting until a quorum shall be present.

**Section 3.8 Proxies.** For purposes of determining a quorum with respect to a particular proposal, and for purposes of casting a vote for or against a particular proposal, a board member may be considered to be present at a meeting and to vote if the member has granted a written or oral proxy to another member who is present at the meeting and which authorizes the other member to cast the vote that is directed to be cast by the written or oral proxy with respect to the particular proposal that is described with reasonable specificity in the proxy. Such proxy shall be noted in the minutes of that meeting. Participation in such meeting by proxy shall constitute attendance and presence in person at the meeting of the person or persons so participating by proxy for all purposes herein. Any member participating by proxy shall not be deemed to have participated in such meeting except with respect to the matters set forth in the written or oral proxy.

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

**Section 3.10 Meetings by Telephone.** Members of the Board of Directors 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 member of the Board of Directors of John Hancock Charter School who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his or her dissent is entered in the minutes of the meeting.

**Section 3.13 Compensation.** Board members 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 Directors.

**Section 3.14 Resignation.** A board member may resign at any time by giving notice of resignation to either the Board of Directors or the CAO or Secretary of the Corporation, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective, but such resignation shall be effective when notice is delivered.

**Section 3.15 Removal.** Any board member may be removed by a majority vote of the Board of Directors 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 a board member shall not in itself create contract rights.

**Section 3.16 Executive and Other Committees.** By one or more resolutions, the Board of Directors may designate from among its members an executive committee and one or more other committees.

**Section 3.17 Authority and Duties of Board Members.** The members of the Board of Directors 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 CAO, the Board of Directors, or these bylaws, except that in any event each board member shall exercise such powers and perform such duties as may be required by law.

- a. President/CAO.** The President/Chief Administrative Office (CAO) shall preside over all meetings of the Board of Directors, executing the powers and performing the duties of the office as outlined by the Board. The CAO shall coordinate the monitoring and functions of the school. He or she must be available to convene impromptu committee meetings and emergency board meetings, prepare board meeting agendas and attend said meetings, attend applicable USOE meetings, oversee his or her chosen committees, determine the number of board positions (minimum of seven with a maximum of twelve), complete assignments, and promote the mission and vision of the school at all levels.
- b. Vice President.** The Vice President shall preside over board meetings when the President is unavailable, be available to attend impromptu committee meetings and emergency board meetings, attend applicable USOE meetings, oversee his or her chosen committees, attend monthly board meetings, complete assignments, promote the mission and vision of the school at all levels, and when necessary meet with the executive officer to discuss the day-to-day operations of the school and any concerns.
- c. Secretary.** The Secretary shall keep, review, and publish minutes of board meetings; attend applicable USOE meetings; be responsible for all required reports/data required by the USOE; oversee his or her chosen committees; attend monthly board meetings; complete assignments; and promote the mission and vision of the school at all levels.

**d. Treasurer.** The Treasurer shall keep and review the financial matters and transactions of the school, oversee the budget, present and interpret monthly financial reports to the board, attend applicable USOE meetings, chair the Finance Committee, support and facilitate the scope of the Finance Committee, oversee his or her chosen committees, and attend monthly board meetings. The treasurer shall also complete assignments, sign all checks that require a purchase order, and promote the mission and vision of the school at all levels. As chair of the Finance Committee, the Treasurer will secure regular audits and/or reviews of the school, prepare and present the annual budget to the board for approval, review and make recommendations regarding fiscal management policies and procedures, and perform all other duties of the office as outlined by the Board.

**e. Parent Advocate.** The Parent Advocate represents the parent organization on the board. He or she shall attend applicable USOE meetings, oversee his or her chosen committees, attend monthly board meetings, complete assignments, and promote the mission and vision of the school at all levels.

**f. Positions 6–12.** Board members who hold positions 6 through 12 (#6 and #7 must be filled; #8 through #12 are filled at the discretion of the CAO) oversee their chosen committees, attend applicable USOE meetings, attend monthly board meetings, complete assignments, and promote the mission and vision of the school at all levels.

#### **ARTICLE 4: INDEMNIFICATION**

**Section 4.1 Indemnification of Board Members, Employees, Etc.** The Corporation hereby declares that any person who serves at its request as a board member, employee, chairperson, or member of any committee, or on behalf of John Hancock Charter School 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 John Hancock Charter School against expenses (including attorneys' 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 John Hancock Charter School 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 or he reasonably believed to be in the best interests of John Hancock Charter School and, with respect to any criminal action or proceeding, had no reasonable cause to believe her or his conduct was unlawful. Except as provided in Section 4.3, 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 she or 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 her or his conduct was unlawful.

**Section 4.2 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 4.1 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 4.3 Indemnification in Criminal Actions.** No indemnification shall be made in respect of criminal action or proceeding as to which a person covered by Section 4.1 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 4.4 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, an 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 or her official capacity and as to action in another capacity while holding such office.

**Section 4.5 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 and shall inure to the benefit of the heirs and personal representatives of such indemnified party. 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 4.6 Insurance.** By action of the Board of Directors, notwithstanding any interest of the board members in such action, John Hancock Charter School may, subject to Section 4.8, 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 or her and incurred by him or her in the capacity of or arising out of his or her status as an agent of the Corporation, whether or not the corporation would have the power to indemnify him or 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 John Hancock Charter School against any liability, including without limitation, any liability for the indemnification provided in this Article.

**Section 4.7 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 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 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 John Hancock Charter School 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 John Hancock Charter School shall be surrogated, to the extent of any payments made by way of indemnification, to all of the indemnified person's right of recover, and that the person to be indemnified shall execute all writings and do everything necessary to assure such rights of subornation to John Hancock Charter School.

**Section 4.8 Limitation of Indemnification.** Notwithstanding any other provision of these bylaws, John Hancock Charter School 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 5: EXECUTION OF INSTRUMENTS, LOANS, AND DEPOSITS: CHECKS AND GIFTS**

**Section 5.1 Instruments.** The Board of Directors may authorize any officer, agent, or agents to enter into any contract or execute or deliver any instrument in the name of, and on behalf of, the Corporation, and such authority may be general or confined to specific instances.

**Section 5.2 Loans.** No loans or advance shall be contracted on behalf of the Corporation, no negotiable paper or other evidence of its obligation under any loan or advance shall be issued in its name, and no property of the Corporation shall be mortgaged, pledged, hypothecated, transferred, or conveyed as security for the payment of any loan, advance, indebtedness, or liability of the Corporation, unless and except as authorized by the Board of Directors. Any such authorization may be general or confined to specific instances.

**Section 5.3 Deposits.** All monies of the Corporation not otherwise employed shall be deposited from time to time to its credit in such banks or trust companies or with such bankers or other depositories as the Board of Directors may select, or as from time

to time may be selected by any officer or agent authorized so to do by the Board of Directors.

**Section 5.4 Checks and Drafts.** All checks, drafts, or other orders for the payment of money, notes, or other evidence of indebtedness (issued in the name of the Corporation) shall be signed by such officers or agents of the Corporation as shall from time to time be determined by the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by the Treasurer or Secretary and countersigned by the President/CAO, Vice President, or any current director.

**Section 5.5 Gifts.** The Board of Directors may authorize any office to accept on behalf of the Corporation any contribution, gift, bequest, or devise for the general purposes or for the special purpose of the Corporation.

## **ARTICLE 6: 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 Directors and business meetings of members. All books and records of the Corporation may be inspected by any trustee or his or her 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 Directors, 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 Contributions.** 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 or her 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.

**Section 6.6 Amendments to Bylaws.** These Bylaws may be altered, amended, or repealed and new Bylaws adopted by the Board of Directors when deemed necessary.

**Section 6.7 Interpretation.** These Bylaws and each provision of these Bylaws are subject to applicable statutory law and to the Articles of Incorporation.

**Section 6.8 Waiver of Notice.** Whenever any notice whatsoever is required to be given under the provisions of the Act, or any successor thereto, or under the provisions of the Articles of Incorporation or these Bylaws, a waiver thereof in writing signed by the person entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

**Section 6.9 Related Party Transactions.** No contract or other transaction between the Corporation and one or more of its directors, committee members, advisory board member or a party related to any such director, committee member, advisory board member or any other Corporation, firm, association or entity in which one or more of the directors, any committee member, any advisory board member, or any party related to any such director, committee member, or advisory board member are directors, officers, members, or partners or are financially interested (“Related Party Transaction”) shall be either void or voidable because of such relationship or interest, or because such director, committee member, or advisory board member, as the case may be, is present and votes at the meeting of the directors, the committee or advisory board which authorizes, approves, or ratifies the Related Party Transaction; provided that (a)(i) the material facts of such relationship or interest are fully disclosed or known to the directors, committee or advisory board which authorizes, approves or ratifies the Related Party Transaction and (ii) the Board of Directors, the committee or the advisory board in good faith authorizes, approves, or ratifies the Related party Transaction by affirmative vote of a majority of disinterested directors, committee members or advisory board members, as the case may be, even though the disinterested directors, committee members, or advisory board members are less than a quorum, or (b) the terms and conditions of such Related Party Transactions are fair and reasonable to the Corporation. Notwithstanding the foregoing, in no event shall the Corporation make a loan to any director or officer of the Corporation.

