

Resolution to adopt Conflict of Interest Policy

VISTA AT ENTRADA SCHOOL OF PERFORMING ARTS AND TECHNOLOGY

RESOLUTION OF THE BOARD

The undersigned, constituting a majority of the Members of the Board of Vista at Entrada School of Performing Arts and Technology (the "School"), a Utah nonprofit corporation, take the following action on February 15, 2012.

WHEREAS, the School has determined that it is in its best interests to adopt a conflict of interest policy;

NOW, THEREFORE, BE IT RESOLVED BY THE SCHOOL AS FOLLOWS:

Section 1. The School hereby declares its adoption of the following conflict of interest polices, related to purchasing, relationships, voting, and self-dealing, as described in the following Utah state laws:

- Utah Code Ann. § 16-6a-825, Utah Revised Nonprofit Corporation Act, Conflicting interest Transaction; and
- Utah Code Ann. § 53A-1a-518, Utah Strategic Planning Act for Educational Excellence, Regulated transactions and relationships – Definitions - Rulemaking

These laws and policies are set forth as follows:

**16-6a-825. Conflicting interest transaction.**

(1) As used in this section, "conflicting interest transaction" means a contract, transaction, or other financial relationship between a nonprofit corporation and:

- (a) a director of the nonprofit corporation;
- (b) a party related to a director; or
- (c) an entity in which a director of the nonprofit corporation:
  - (i) is a director or officer; or
  - (ii) has a financial interest.

(2) Except as otherwise provided in this section, upon the finding of a conflicting interest transaction, in an action properly brought before it, a court may:

- (a) rule that the conflicting interest transaction is void or voidable;
- (b) enjoin or set aside the conflict of interest transaction; or
- (c) determine that the conflicting interest transaction gives rise to an award of damages or other sanctions.

(3) (a) A loan may not be made by a nonprofit corporation to:

- (i) a director or officer of the nonprofit corporation; or
- (ii) a natural person related to a director or officer.

(b) A director or officer who assents to or participates in the making of a loan in violation of Subsection (3)(a) shall be liable to the nonprofit corporation for the amount of the loan until the repayment of the loan.

(4) (a) If the conditions of Subsection (4)(b) are met, a conflicting interest transaction may not be void or voidable or be enjoined, set aside, or give rise to an award of damages or other sanctions in a proceeding by a member or by or in the right of the nonprofit corporation, solely because:

(i) the conflicting interest transaction involves:

(A) a director of the nonprofit corporation;

(B) a party related to a director; or

(C) an entity in which a director of the nonprofit corporation is a director or officer or has a financial interest;

(ii) the director is present at or participates in the meeting of the nonprofit corporation's board of directors or of the committee of the board of directors that authorizes, approves, or ratifies the conflicting interest transaction; or

(iii) the director's vote is counted for the purpose described in Subsection (4)(a)(ii).

(b) Subsection (4)(a) applies if:

(i) (A) the material facts as to the director's relationship or interest and as to the conflicting interest transaction are disclosed or are known to the board of directors or the committee; and

(B) the board of directors or committee in good faith authorizes, approves, or ratifies the conflicting interest transaction by the affirmative vote of a majority of the disinterested directors, even though the disinterested directors are less than a quorum;

(ii) (A) the material facts as to the director's relationship or interest and as to the conflicting interest transaction are disclosed or are known to the members entitled to vote on the conflicting interest transaction; and

(B) the conflicting interest transaction is specifically authorized, approved, or ratified in good faith by a vote of the members entitled to vote thereon;

(iii) the conflicting interest transaction is consistent with a provision in the articles of incorporation or bylaws which:

(A) commits the nonprofit corporation to support one or more other nonprofit corporations, charitable trusts, or charitable entities; or

(B) authorizes one or more directors to exercise discretion in making gifts or contributions to one or more other nonprofit corporations, charitable trusts, or charitable entities; or

(iv) the conflicting interest transaction is fair as to the nonprofit corporation.

(5) Common or interested directors may be counted in determining the presence of a quorum at a meeting of the board of directors or of a committee that authorizes, approves, or ratifies the conflicting interest transaction.

(6) For purposes of this section, "a natural person related to a director or officer" means any natural person whose familial, financial, professional, or employment relationship with the

director or officer would, under the circumstances, reasonably be expected to exert an influence on the director's or officer's judgment when voting on a transaction.

*Amended by Chapter 315, 2007 General Session*

**53A-1a-518. Regulated transactions and relationships**

(1) As used in this section:

(a) "Charter school officer" means:

(i) a member of a charter school's governing board;

(ii) a member of a board or an officer of a nonprofit corporation under which a charter school is organized and managed; or

(iii) the chief administrative officer of a charter school.

(b) (i) "Employment" means a position in which a person's salary, wages, pay, or compensation, whether as an employee or contractor, is paid from charter school funds.

(ii) "Employment" does not include a charter school volunteer.

(c) "Relative" means a father, mother, husband, wife, son, daughter, sister, brother, uncle, aunt, nephew, niece, first cousin, mother-in-law, father-in-law, brother-in-law, sister-in-law, son-in-law, or daughter-in-law.

(2) (a) Except as provided in Subsection (2)(b), a relative of a charter school officer may not be employed at a charter school.

(b) If a relative of a charter school officer is to be considered for employment in a charter school, the charter school officer shall:

(i) disclose the relationship, in writing, to the other charter school officers;

(ii) submit the employment decision to the charter school's governing board for the approval, by majority vote, of the charter school's governing board;

(iii) abstain from voting on the issue; and

(iv) be absent from any meeting when the employment is being considered and determined.

(3) (a) Except as provided in Subsections (3)(b) and (3)(c), a charter school officer or a relative of a charter school officer may not have a financial interest in a contract or other transaction involving a charter school in which the charter school officer serves as a charter school officer.

(b) If a charter school's governing board considers entering into a contract or executing a transaction in which a charter school officer or a relative of a charter school officer has a financial interest, the charter school officer shall:

(i) disclose the financial interest, in writing, to the other charter school officers;

(ii) submit the contract or transaction decision to the charter school's governing board for the approval, by majority vote, of the charter school's governing board;

(iii) abstain from voting on the issue; and

(iv) be absent from any meeting when the contract or transaction is being considered and determined.

(c) The provisions in Subsection (3)(a) do not apply to a reasonable contract of employment for:

(i) the chief administrative officer of a charter school; or

(ii) a relative of the chief administrative officer of a charter school whose employment is approved in accordance with the provisions in Subsection (2).

(4) The State Board of Education or State Charter School Board may not operate a charter school.

*Amended by Chapter 162, 2010 General Session*

Section 2. If any provisions of this resolution should be held invalid, the invalidity of such provision shall not affect the validity of any of the other provisions of this resolution.

Section 3. The appropriate officials of the School, including without limitation the Board Chair, Board President, Chief Administrative Officer and/or the Treasurer of the School, are hereby authorized and directed to execute and deliver for and on behalf of the School any or all additional certificates, documents and other papers and to perform all other acts they may deem necessary or appropriate in order to implement and carry out the matters authorized in this resolution.

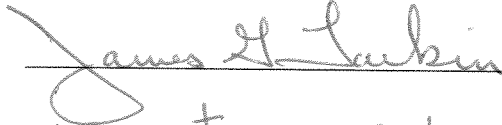
Section 4. All resolutions of the School or parts thereof, inconsistent herewith, are hereby repealed to the extent only of such inconsistency.

Section 5. This resolution shall become effective immediately upon its adoption.

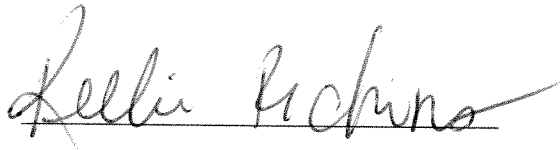
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This Resolution may be executed by counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Resolution. The undersigned have executed this Resolution as of the date first set forth above.

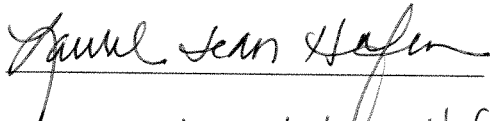
BOARD SIGNATURES



Print Name: James G Larkin



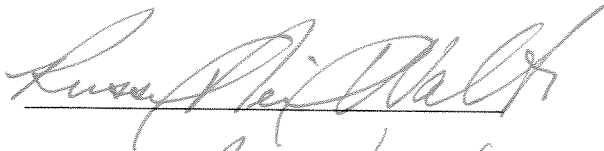
Print Name: Kellie Richins



Print Name: Laurel Jean Hafen



Print Name: Bruce C. Jenkins



Print Name: RUSSEL NEIL WALTER

