

# Ignite Entrepreneurship Academy

## *2017 Revolving Loan Summary*

<b>Was application submitted on time?</b>	Yes
<b>It is an approved school?</b>	Yes
<b>Student enrollment/capacity:</b>	600
<b>Grades served:</b>	K-9
<b>Amount of loan being requested?</b>	\$300,000
<b>Is there a prior revolving loan?</b>	No
<b>Are funds for acceptable purposes?</b>	Yes

Administrative salaries and benefits; Montessori training and associated travel; IT support; learning management system; library; classroom manipulatives; software and computers; supplies and materials; furnishings.

<b>Are there credit concerns?</b>	No
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Score range: 698-818

Average: 775

<b>Other concerns:</b>	None
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<b>Corrections made:</b>	Yes
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Contingency removed from detail of budget information under "H" category and corrections reflected on pro-forma spreadsheet under budget balance as percentage of State Funding Revenues

# RESOLUTION

We, the governing board of IGNITE ENTREPRENEURSHIP ACADEMY, agree to the following:

- We enter into the loan as provided in the application materials.
- The interest rate established by the Committee (i.e., the higher of one half of the Triple A Bond Rate available on the date of loan approval by the Utah State Board of Education Board, or 1.75%) and the repayment schedule of the loan designated by the Superintendent.
- The loan funds shall only be used for purposes consistent with §53A-1a-522, R277-480, and the approved charter agreement, and shall be tracked and accounted for such that expenditures associated with revolving loan funds are evident upon audit as restricted funding.
- Any and all audits of financial information ordered by the Committee or the Board;
- Any and all inspections or reviews ordered by the Committee or the Board;
- The loan repayment period will be: 5 years from FY18 to FY22; and
- We understand that repayment, including interest, shall be deducted automatically from the charter school's designated bank account through an automatic clearinghouse withdrawal of funds in accordance with the schedule specified in the applicable statement of amortization and shall continue until loan balance is fully repaid.
- We agree to any additional terms communicated to us by the Committee at the time of application consideration by such Committee, and included in our Promissory note.
- We agree to disbursement terms attending requirements of R277-480-4(D)(1), and included in our Promissory note.

GOVERNING BOARD (all Members):

Name (please print)	Signature	Date
<u>Jennifer Ryan</u>		<u>March 28, 2016</u>
<u>Dan Smith</u>	<u>Daniel W. Smith</u>	<u>March 28, 2016</u>
<u>Christopher Parkin</u>	<u>Christopher Parkin</u>	<u>March 29, 2016</u>
<u>Tasi Young</u>		<u>3/29/2016</u>
<u>Kaylie Reed</u>		<u>March 30, 2016</u>
<u>Ben Moulton</u>		<u>March 30, 2016</u>
<u>Kelly Tate</u>		<u>March 30, 2016</u>

Are these all serving Board Members?  X  Yes   No

Please briefly explain if all members of governing board did not or could not sign this Resolution:

## REPAYMENT PROVISIONS

The loan shall be repaid within five years. Payments shall be conducted through an [ACH](#) debit of the school's [designated bank account](#). Authorization is hereby given to initiate this process, and assurance is provided that the school will provide lender (USOE) with [appropriate permissions and account documentation](#) prior to receipt of funds, and will update this information as necessary to facilitate automatic withdrawal of funds on a monthly basis in consonance with the repayment schedule decided upon by the Committee and agreed to in appropriate loan documentation.

IGNITE ENTREPRENEURSHIP ACADEMY

Name of Charter School



Authorizing Signature

Jennifer Ryan, Board Chair

Printed Name

March 28, 2016

Date

## REQUIRED ELEMENTS

1. General information: Complete the top portion of the General Information page, including information about the school and the authorized contact for questions and correspondence.

**See foregoing.**

2. Resolution: Attach a signed copy of the Resolution (signed by all members of the governing board) and a list of the current names and contact information for all governing board members.

**See foregoing.**

3. Repayment provisions: Attach a signed copy of the Repayment Provision, signed by an individual having authority to authorize payments from the school's bank account.

**See foregoing.**

4. Background checks (new schools only): Include statement assuring Committee every governing board member and key administrator has a background check on file at the school, along with a written summary of any problematic features found in board member / key administrator reports.

**See attached.**

5. Credit report (new schools only): Include a one-page statement of average score, score range, and any problematic features such as bankruptcy, for governing board member's / key administrators.

**See attached.**

6. Business Risk Score (SBCS) (operational schools only): Include the school's SBCS containing the composite score and one-page summary.

N/A

7. Chartering entity (check one)

- Institution of Higher Education (*attach signed copy of the Charter Agreement*)
- Local board of education (*attach signed copy of the Charter Agreement*)
- Utah State Board of Education (*Charter Agreement is on file at USOE – no need to submit*)

8. Purpose of Loan Request: Provide statement of statutory purpose for requesting funds from the Charter School Revolving Account, including how all related activities constitute:

- Planning expenses;
- Constructing or renovating charter school buildings;
- Equipment and supplies; or
- Other start-up or expansion expenses.

**See attached.**

9. Basis of need narrative: Outline the "basis of need" for requested funds. Describe why the school does not have funds available from other sources (reserves), and why the project accomplished with revolving loan funds is important in carrying out the educational program of the charter school. Please include a specification of (a) *Priority Status* or (b) *Urgent Need* as outlined in this application package, with documentary evidence of urgent need included where this is available.

**See attached.**

10. Detailed Use of Funds: In Excel format. Submit a completed template (*Revolving Loan “Budget Detail”*) located at: <http://www.schools.utah.gov/charterschools/Funding/Funding-Information.aspx>. Please be attentive to detail asked for in certain areas of the application, as you will be asked to re-submit this form if appropriate detail is not included. NOTE: For new schools, start-up or expansion expenses are limited to expenditures not covered with other varieties of restricted funding. For established schools, they may accept funds for school building construction and renovation needs.

**See attached.**

11. Budgetary Plan for 3 years: In Excel format.
- Established schools shall submit a Budget on an AFR form in the [UPEFS](#) system supplied by USOE School Finance, with loan funds included and appropriately budgeted as per project plans. In addition, projected enrollment for the three fiscal years should be at the top of each fiscal year column. Two additional budget years shall be completed using the template (Budget Detail) which is available at: <http://www.schools.utah.gov/charterschools/Funding/Funding-Information.aspx>.
  - Schools with no prior fiscal information submit *pro forma* financial statements of its planning year and two operational years (limited to 3 pages), with loan funds included and appropriately budgeted as per project plans and loan repayment included. Pro Forma financial statements must include one Planning and two Operational Years for new schools not yet accepting students. Template (*Revolving Loan Pro Forma Budget Worksheets for New Schools*) is available at: <http://www.schools.utah.gov/charterschools/Funding/Funding-Information.aspx>.

**See attached.**

12. Statement of governing board member qualifying experience: Not-for-profit, board, managerial, financial, and professional experience which you believe qualifies this charter school governing board to act as the agent managing the project(s) associated with loan funds (limited to one page in total, all members combined).

**See attached.**

13. Summary of school’s Market Analysis and Outreach Plan: Summary of school’s market analysis and outreach plan showing how the school will meet its authorized enrollment (limited to two pages in total).

**See attached.**

14. Interim Financials: Including year to date income statement and balance sheet.

**N/A (No financial transactions have occurred to date.)**

15. Liability Listing and Documentation: List all existing loans and credit accounts by holder and type. Include information regarding Related Party loans (e.g., board members, employees, family, friends, etc.) if any, and showing the amount owed, interest rate, loan terms and conditions, and any other relevant information.

**None.**

16. Outstanding Accounts Payable or Accrued Liabilities over \$5,000 in excess of 90 days: Provide the

school's plan of action for resolving items on this list. Provide statement that no such accounts exist if this is the case.

**None.**

17. Liens, Judgments, Pending Litigation, or other Unresolved Financial Issues: Provide the school's plan of action for resolving items on this list. Provide statement that no such accounts exist if this is the case.

**None.**

18. Debt Instruments: Electronic copy of Loan Agreement(s), Trust Indentures and Mortgage Agreement, or Capital Lease if the school has financed its facilities through bonded or other long-term debt.

**None.**

19. Current Ratio: List your school's Current Ratio ("CR") in the space provided below using its most recent Audited Financial Statements or Statement of Financial Position. The CR compares a school's short-term liabilities (debt and payables) to its short-term assets (cash, receivables). The higher the CR, the more capable the school is of paying its current obligations. NOTE: The Committee finds a CR of 0.6 to be a minimum standard which existing schools must meet to qualify for loan funds.

Sum of all Current Assets	-----0-----	CR = n/a
÷	÷	
Sum of all Current Liabilities	-----0-----	

20. Debt Ratio: List your school's Debt Ratio ("DR") in the spaces below using its most recent Audited Financial Statement or Statement of Financial Position. The DR compares a school's total debt to its total assets, giving a general idea as to the amount of leverage being used by the school to finance its operations. A low percentage means that a school is less dependent on debt, i.e., money borrowed from and/or owed to others. The lower the percentage, the less leverage a school is using and the stronger its equity position. In general, the higher the DR, the more risk that company is considered to have taken on. NOTE: The Committee would prefer that this ratio is below 1.

Sum of all Current and Long-Term Liabilities	-----0-----	DR = n/a
÷	÷	
Sum of all Current and Long-term Assets	-----0-----	

21. Articles of Incorporation: Submit current Articles of Incorporation.

**See attached.**

22. Governing board By-laws: Submit current bylaws. *Please note whether these have been modified to allow a governmental basis of organization.*

**See attached.**

23. Other: Additional circumstances that could have a material effect on the applicant school's ability to service this loan must be revealed at time of loan application. *The Committee reserves the right to consider a loan in default and subject to immediate recall if loan statements, materials included with application or made verbally at time of Committee consideration are later found to be materially false in a manner which would affect Committee understanding of the school's ability to service a loan.*

N/A

24. USOE Pre-construction checklist: Contact USOE Facilities specialist Jenefer Youngfield ([jenefer.youngfield@schools.utah.gov](mailto:jenefer.youngfield@schools.utah.gov); 801-538-7669) concerning completion of USOE pre-construction checklist required of all schools initiating a construction or renovation project. Applicant must include USOE project number.

N/A

25. Revolving loan construction checklist: Note this checklist is separate from and exclusive of the School Finance "Pre-Construction Checklist" maintained by USOE Facilities specialist. Schools using funding for construction or renovation purposes must complete the additional checklist included here; these documents become part of your loan application package. *Applicable items must be submitted at time of application submission to USOE, and will not be accepted subsequent to this without prior permission.* Please consult State Charter School Board if you have questions concerning items on this list.

N/A

Note: The Committee may request and/or review other materials from the applicant.

## **BACKGROUND CHECKS**

IEA has a recent background check on file for each member of the governing board and key administrator.

There are no problematic features on any of the background checks.

## CREDIT REPORT

The average credit score of all board members is 775

The range of credit scores of all board members is 698 to 818

There are no problematic features in the credit reports of board members or key administrative personnel.

## **PURPOSE OF LOAN REQUEST**

IEA requests funds from the Charter School Revolving Account to assist with the planning, organization, and acquisition of equipment during its start-up year.

Funds are requested for (1) **administrative salaries and benefits** for a site director to organize and plan school operations, plan and implement the marketing/outreach plan, and acquire the furnishings and technology equipment needed to start school; (2) **training and associated travel** to successful Montessori schools for the development of methods and assessments; (3) **supplies and materials** including a learning management system to house and manage curriculum and student work, a beginning inventory of library books and periodicals, and one set of Montessori manipulatives for training and preparation of teachers and aides; and (4) **furnishings and technological equipment** for students, teachers and administrators in advance of the start of school.

## **BASIS OF NEED NARRATIVE**

IEA will begin its program of instruction in August 2017 (FY18) and will not receive regular education funding until the end of July 2017, qualifying it as a “*Priority*” school in accordance with statute (UCA §53A-1a-522). The school will require much planning and organization in advance of opening its doors. The budgeted needs during the planning year will require funding from the Charter School Revolving Account as well as the USOE Start-up and Implementation Grant program.

Funding of the requested expenses is critical to IEA being prepared to start school and receive students in a ready-to-teach-and-learn manner.

DETAILED USE OF FUNDS

<b>BUDGET INFORMATION</b>		
<b>CHARTER SCHOOL NAME:</b>	IGNITE ENTREPRENEURSHIP ACADEMY	
<b>READ THIS BEFORE YOU BEGIN THIS PAGE: Where you see a \$0 already inserted in the columns below, a formula has been inserted <u>DO NOT DELETE THE FORMULA</u>. This is formatted to automatically draw amounts from corresponding sections.</b>		
	<b>Budget Categories (Object Codes)</b>	<b>Amounts</b>
	For detailed information on Object Code Definitions, an expanded version can be found at <a href="http://schools.utah.gov/finance/Financial-Reporting/Chart-of-Accounts.aspx">http://schools.utah.gov/finance/Financial-Reporting/Chart-of-Accounts.aspx</a>	
A.	Salaries (100)	\$60,000.00
B.	Employee Benefits (200)	\$12,985.00
C.	Purchased Professional and Technical Services (300)	\$15,500.00
D.	Purchased Property Services (400)	\$0.00
E.	Other Purchased Services (excluding travel and construction services (500)	\$0.00
F.	Travel (580)	\$5,000.00
G.	Supplies and Materials (600)	\$60,465.00
H.	Other (exclude indirect costs, audit costs)	\$0.00
I.	Other - Audit Costs (800)	\$0.00
J.	Property (includes equipment & computer hardware) (700)	\$146,050.00
	<b>Total Costs</b>	<b>\$300,000.00</b>



**E. OTHER PURCHASED SERVICES (500)** – Amounts paid for services rendered by organizations or personnel not on payroll of the LEA, and other than Professional and Technical Services (300), or Purchased Property Services (400). This would also include expenses for meeting facilities or conference hotels (which may include direct-billed items for group meals and lodging provided to participants, equipment, space charges, and miscellaneous). Also, any travel and per-diem expenses for participants.

Description	Amount
<b>Sub Total E.</b>	<b>\$0.00</b>

**F. TRAVEL (580)** - Expenditures for transportation, meals, hotel, and other expenses associated with staff (**on payroll**) travel for the LEA. Payments for per diem in lieu of reimbursements for subsistence (room and board) also are charged here.

**Provide details such as:** Position of staff (on payroll) who will be conducting activities of this project.

Description	Amount
Director of CTA for training and site visits to successful Montessori schools to help develop methods and assessments	\$5,000.00
<b>Sub Total F.</b>	<b>\$5,000.00</b>

**G. SUPPLIES AND MATERIALS (600)** – Amounts paid for items of an expendable nature that are consumed, worn out, or deteriorated in use; or items that lose their identity through fabrication or incorporation into different or more complex units or substances are considered supply expenditures. Amounts paid for non-equipment items and with reasonable care and use may be expected to last for more than one year, are considered material expenditures. Includes computer programs (software).

Description	Amount
Learning Management System, including training	\$8,465.00
Office supplies, admin general	\$2,000.00
Library	\$10,000.00
Montessori manipulatives, 1 set of 4 needed	\$40,000.00
<b>Sub Total G.</b>	<b>\$60,465.00</b>

**H. OTHER OBJECTS (800)** (Exclude Audit Costs and Property) – Amounts paid for goods and services not otherwise classified above such as: dues and fees; judgments against the LEA; interest on bonds or notes; etc.

Description	Amount
<b>Sub Total H.</b>	<b>\$0.00</b>

**I. OTHER (800)** – Audit Costs

Description	Amount
<b>Sub Total I.</b>	<b>\$0.00</b>

**J. PROPERTY (includes equipment) (700)** – Expenditures for the acquisition of fixed assets, including expenditures for land or existing buildings and improvements of grounds; initial equipment; additional equipment; and replacement of equipment (e.g., machinery, school buses, furniture & fixtures, audiovisual equipment, non-bus vehicles, computer equipment (hardware), etc.).

Description	Amount
Student desks (250 site students @ \$150 each)	\$37,500.00
Teacher desks (9 site teachers @ \$200 each)	\$1,800.00
Administrator desks (8 administrators/others @ \$250 each)	\$2,000.00
Student computers/computer lab (75 @ \$350 each)	\$26,250.00
Computers for distance students (200 @ \$350 each)	\$70,000.00
Teacher computers (9 @ \$500)	\$4,500.00
Administrator computers (8 @ \$500)	\$4,000.00
<b>Sub Total J.</b>	<b>\$146,050.00</b>

# BUDGETARY DATA FOR 3 YEARS

Charter School Name: **IGNITE ENTREPRENEURSHIP ACADEMY**

Pro forma Budget	Year One			Year Two			Year Three		
	Planning/Operational (Circle)			Operational			Operational		
Number of Students:	0			450			550		
Grade Distribution:	n/a			K-6			K-7		
<b>Revenue</b>	<b>Total</b>			<b>Total</b>			<b>Total</b>		
Local Funding including anticipated fees from students									
Fee Basis if applicable:									
State Funding (Startup Grant of \$175,000 Year 1, \$62,500 Year 2, \$62,500 Year 3)	\$175,000			\$2,868,903			\$3,490,390		
Private Grants & Donations									
Source: (specify)									
Loans									
-Commercial State Revolving Loan	\$300,000			\$0			\$0		
Carryover of State Revolving Loan funds				\$50,000					
Other (specify):									
<b>Total Revenue (see State Charter Funding Worksheet available at: <a href="http://www.schools.utah.gov/charterschools/Funding/Funding-Information.aspx">http://www.schools.utah.gov/charterschools/Funding/Funding-Information.aspx</a>)</b>	\$475,000			\$2,918,903			\$3,490,390		
<b>Expenses (insert lines as necessary to accommodate unique expenses)</b>	<b># of Staff</b>	<b>@ Salary</b>	<b>Total</b>	<b># of Staff</b>	<b>@ Salary</b>	<b>Total</b>	<b># of Staff</b>	<b>@ Salary</b>	<b>Total</b>
Salaries (100)									
Director or Principal	1.00	\$ 60,000	\$60,000	1.00	\$ 80,000	\$80,000	1.00	\$ 80,000	\$80,000
Other Administration: (specify) Director of Curriculum, Technology & Assessment	1.00	\$ 20,000	\$20,000	1.00	\$ 60,000	\$60,000	1.00	\$ 60,000	\$60,000
Teacher-Regular Ed			\$ 12.33	\$ 36,000	\$443,880	16.42	\$ 36,000	\$591,120	
Teacher-Special Ed			\$ 3.00	\$ 36,000	\$108,000	4.00	\$ 36,000	\$144,000	
Instructional Assistants									
Secretary	1.00	\$ 15,000	\$15,000	2.00	\$ 20,000	\$40,000	2.00	\$ 20,000	\$40,000
Business Manager/Bookkeeper									
IT Technician									
Program Facilitator/Instructional Support			\$ 3.80	\$ 40,000	\$152,000	5.00	\$ 40,000	\$200,000	
Speech & Language Therapist									
Library/Media Specialist (Certified/Noncertified) (Circle)			\$ 1.00	\$ 36,000	\$36,000	1.00	\$ 36,000	\$36,000	
Counselor (Certified/Noncertified) (Circle)			\$ 1.00	\$ 20,000	\$20,000	1.00	\$ 20,000	\$20,000	
Substitute Teachers (daily basis) 9 days per site FT teacher			\$ 81.00	\$ 75	\$6,075	114.00	\$ 75	\$8,550	
Teachers Aids and Paraprofessionals			\$ 12.00	\$ 12,750	\$153,000	17.00	\$ 12,750	\$216,750	
Other:									
Employee Benefits (200)			\$16,545			\$555,776			\$717,125
Purchased Professional Services(300)									
Audiologist, Psychologist of related support services purchased through contract						\$60,000			\$65,000
Professional Employee Training and Development (330)			\$8,000			\$20,000			\$20,000
Official or Administrative Services in Support of Management (310)			\$64,500			\$60,000			\$60,000
Professional Educational Services (Curricular Support or Contracted Institutional Services) (320)									
Legal (300)									
Audit Services (300)						\$6,000			\$8,000
Web Site Development (300)						\$30,000			\$30,000
Other: Marketing/Outreach			\$10,000			\$10,000			\$6,000
Purchased Property Services(400)									
Equipment or Vehicle Rental or Lease/Purchase Agreements (Copier lease)						\$6,000			\$6,000
Computer and related Equipment rentals									
Other Purchased Services (500)									
Travel (580)			\$5,000			\$5,000			\$5,000
Transportation (Student) (510-513)						\$15,000			\$15,000
Personnel and Wage Records and Data Management									
Supplies(600)									
Instructional and other general supplies (610)			\$2,000			\$27,000			\$29,000
Library Instructional Aids/Books/Periodicals (640/645)			\$10,000			\$			\$10,000
Textbooks (641)			\$90,000			\$140,000			\$167,500
Audiovisual Materials (646)									
Software (670)			\$8,465			\$5,000			\$5,000
Other (printing, postage)									
<b>Total Instruction, Administration &amp; Support</b>			\$309,510			\$2,038,731			\$2,540,045
<b>Operations &amp; Maintenance</b>			<b>Total</b>			<b>Total</b>			<b>Total</b>
Purchased Property Services (400)									
Facilities Rental or Lease (440)			\$ 17,520			\$ 192,720			\$ 273,270
Water, Sewage, Disposal Services						\$ 6,000			\$ 6,000
Property Tax						\$ 13,185			\$ 17,063
Equipment or Vehicle Rental or Lease/Purchase Agreements									
Custodial Services						\$ 45,000			\$ 45,000
Other Purchased Services (500)									
Property/Casualty Insurance (520/521)			\$ 1,000			\$ 15,000			\$ 17,000
Advertising and Marketing									
Printing and Binding									
Phone/Communications						\$ 6,000			\$ 8,000
Supplies (600)									
Operational Supplies						\$ 1,875			\$ 2,450
Utilities and other Expendable Supplies (610-630)						\$ 12,000			\$ 14,000
Property (700)									
Land & Improvements									
Buildings									
Technology-Related Hardware (Computers etc.)			\$ 54,750			\$ 58,000			\$ 36,700
Furniture & Other Equipment			\$ 41,300						\$ 9,200
Debt Service and Miscellaneous Costs (800)									
Fees/Permits & dues						\$ 6,500			\$ 6,500
Loan Payments			\$ 920			\$ 61,560			\$ 61,560
Other (security, copier lease)									
<b>Total Operations &amp; Maintenance</b>			\$ 115,490			\$ 417,840			\$ 496,743
<b>Total Expenditures</b>			\$ 425,000			\$2,456,571			\$3,036,788
<b>Total Revenues</b>			\$ 475,000			\$2,918,903			\$3,490,390
			<b>Balance</b>			<b>Balance</b>			<b>Balance</b>
<b>Budget Balance (Revenues-Expenditures)</b>			\$50,000			\$462,332			\$453,602
<b>Budget Balance as Percentage of State Funding Revenues</b>			10.53%			15.84%			13.00%

## **STATEMENT OF GOVERNING BOARD MEMBER QUALIFYING EXPERIENCE**

The Governing Board of IEA has strong experience in both education and business, including management and finance. The Board is well qualified to carry out its critical function as guardian of IEA, its finances, educational mission and performance.

Jennifer Ryan, Board Chair – Ms. Ryan has experience in strategic and operations consulting for Fortune 500 companies and start-ups. She has been a financial analyst on real estate deals up to \$90 million and has managed construction projects. She has been a volunteer for several non-profits in the capacity of career counselor, event planner and teacher. Ms. Ryan holds a BS in Economics from Brigham Young University (1995).

Daniel Smith, Vice-Chair – Mr. Smith helped found and served on the Board of Directors of Pioneer High School for the Performing Arts for three years and has completed all charter board trainings. He is versed in operational compliance and oversight. Mr. Smith has built and owned a small business for over 20 years and will be instrumental in developing entrepreneurial programs for IEA.

Tasi Young, Secretary – Mr. Young is the headmaster/CEO of Meridian School, a private school in Utah County serving students from 8 different countries. He is also a licensed attorney and has worked with other charter schools and non-profits as a board member and legal advisor. His considerable experience in charter school law will aid IEA in the establishment and administration of policies, procedures and operational excellence. Mr. Young has also designed and implemented innovative student testing preparation initiatives.

Chris Parkin, Finance – Mr. Parkin has long experience in product marketing, market strategy and business development as the Global VP of Industry Strategy and Marketing at Adobe. His experience in developing new business and partnerships will be used to guide IEA through its initial stages and create lasting foundations for operational excellence. Mr. Parkin has worked with and advised numerous non-profits including Big Brothers Big Sisters, PJ's Forgotten Children, Habitat for Humanity, and Montessori at Riverton. Mr. Parkin received a BS in Business Communication from the University of Utah in 1996.

Kelly Tate – Ms. Tate is a Certified Academic Language Therapist recognized among the top three dyslexia therapists in Utah. She has been an educator for 17 years. Ms. Tate has organized and volunteered in numerous after-school reading programs. Her expertise will help guide IEA in providing quality services to students with special needs. Ms. Tate holds two undergraduate degrees in Education (1997, 1999) and a Master of Educational Administration from Scranton University (2010).

Kaylie Reed – Ms. Reed is the founding teacher and a former director of Acton Academy, a nationally-recognized leader in blended learning programs. Ms. Reed has developed and implemented learning programs designed to improve and accelerate student mastery. While volunteering for AmeriCorp, she developed a reading and writing program for elementary students with a focus on nutrition. Ms. Reed received her BA in Education and Psychology from Dartmouth College (2004) and an American Montessori Society Certificate (2006).

Ben Moulton, PhD – Dr. Moulton is an Associate Professor of mathematics at Utah Valley University in Orem, UT. He has been an educator at the secondary and post-secondary levels for over 20 years and has extensive background in educational leadership and service with a focus on improving student outcomes. He helped found the Noah Webster Academy in Orem, UT and oversaw school finances in its first years. Dr. Moulton holds undergraduate degrees in Mathematics and Modern Languages from Montana State University (1995), a Master of Civil/Environmental Engineering from Brigham Young University (1999), and a Doctorate of Education (Curriculum, Assessment, and Instruction) from Walden University (2014).

# MARKET ANALYSIS

**1. Target Area.** IEA will be located in the Traverse Mountain area of northern Utah County (near the SR-92 exit of I-15). This area is close to the freeway and provides easy access for students commuting from outside of Lehi. There is a UTA Frontrunner commuter rail station in Thanksgiving Point and a planned TRAX light rail stop in Traverse Mountain, connecting the Target Area with South Utah County and Salt Lake County.

**2. Educational Landscape.** Northern Utah County draws on a broad range of entrepreneurial talents due to the many technology and other companies locating there as well as hundreds of smaller businesses. Locating an entrepreneurial charter school in this area is a natural fit both in terms of the population culture and the ability to leverage corporate support for entrepreneurial programs.

### **3. Trends in Target Location and Justification of School Location and Size**

Rapid Growth in the Target Area. Significant future growth is planned for the Target Area. In February of 2014, Lehi City projected commercial and residential growth to spur student enrollment in Lehi schools over the next few years. Lehi City reported that 900,000 square feet of commercial space is under construction in Lehi creating an estimated 2,850 jobs. Lehi City also estimated that between 2014-2016, construction will begin on an additional 782,000 square feet of office space projected to add 3,475 more new jobs.

Residential Growth in Target Area. The explosion of commercial growth in the Target Area has spurred high residential growth. The U.S. Census Bureau estimates that from 2010 to 2014, Lehi City added 8,540 residents (a 17.9% increase). In 2015, the Salt Lake Tribune reported that Lehi City had the 2nd highest population growth of any city in Utah. Lehi City estimates a continued population growth of 8-10% annually. With an estimated 43% of Lehi's population being under 18 (as of 2010), many of those additional residents will likely be school-aged children.

Lehi City's residential growth is poised to continue. In 2014, Lehi City reported that 1,077 single family units in addition to 1,201 multi-family units were proposed or under construction in Lehi. Furthermore, between January 2014 and June 2015, Lehi City issued 1,169 residential building permits. Based on a comprehensive professional survey of Lehi's residents taken in 2013, the average Lehi household had 4 people with 2 children. Using that estimate, the permits issued in 2014-2015 will increase Lehi's under-18 population by approximately 2,338 children.

Rapid School Growth in Target Area. In Alpine School District, student enrollment has grown by 7,526 students since 2010. The state projects that in 2015, Alpine School District enrollment will grow by another 1,432 students – accounting for 72% of the non-charter public school growth projected for 2015. Given the tremendous commercial and residential growth anticipated in the Target Area, a significant portion of ASD's high student growth will likely occur in or near the Target Area.

Already the elementary, middle and high schools closest to the Target Area have experienced steep enrollment increases since 2010. In the elementary school closest to the Target Area (Traverse Mountain Elementary), growth has been explosive (56% from 2010 to 2014), with another 9% increase in 2015. The middle schools and high school servicing the Target Area have also experienced rapid growth, forcing some schools to resort to trailers and other methods to accommodate growth.

### **4. Competitive Advantages that Appeal to Target Population**

IEA has a number of features in its educational approach that appeal to its target student population. These include:

Entrepreneurial Culture/Training. Utah's only other elementary-secondary school focusing on entrepreneurship, Highmark Charter School in South Weber, has been full or near-full since its inception. Entrepreneurs and innovative business leaders continue to flock to Utah. Provo/Orem and Salt Lake City ranked as the 16th and 22nd cities respectively in the nation for venture capital funding. The Target Area is ideally located to leverage the talents and resources of the business community and provide an appealing option for business-minded parents and students looking for creative, entrepreneurial-based schooling options with high expectation of academic rigor.

Montessori Learning. Only a few Montessori/hands-on charter schools exist in Utah, and no public Montessori schools serve students beyond Kindergarten within 15 miles of Traverse Mountain. Furthermore, Montessori-style learning enables IEA to personalize learning and empower each student to master material at their maximum pace. It also cultivates the self-direction, creativity and drive necessary to succeed in a business/entrepreneurial environment.

Personalized, Blended Learning. Many schools use technology in the classroom. Typically, it is used to support a traditional school model where kids are moving at the same pace or broad ability-based groupings. IEA will use online software to enable each student to have his or her own customized learning plan. This approach is not commonly employed in the surrounding schools.

Project-based and Location-based Learning. IEA's focus on providing students the opportunity to engage in project-based, collaborative group learning – similar to the model used in many high-tech companies -- also has an appeal to residents in the Target Area. A school that cultivates student-led exploratory learning is desperately needed in northern Utah County. Northern Utah County has no schools which provide daily project and exploratory learning.

## **OUTREACH PLAN**

IEA intends to use numerous resources and methods to promote its opening and attract students including:

- Press releases from entrepreneurship organizations and publications
- Corporate internal email distribution lists at neighboring companies
- Chambers of Commerce
- Social Networking sites and online communities
- Network of founding families
- School Website
- Open Houses and Cottage Meetings
- Cottage meetings
- Public Board Meetings / Community-Related Events
- Site Sign at School Location
- City Newsletter
- Direct Mail (quarter flyers or brochures)
- Newspaper and Program Advertisements
- Email Campaign
- Door-to-door distribution of flyers in neighborhoods near the school site

## **ARTICLES OF INCORPORATION OF Ignite Entrepreneurship Academy**

THE UNDERSIGNED, individual, above the age of eighteen (18) years, acting as incorporator under the Utah Revised Nonprofit Corporation Act, adopts the following Articles of Incorporation for Ignite Entrepreneurship Academy (the "corporation").

### **ARTICLE I NAME**

The name of the corporation is Ignite Entrepreneurship Academy.

### **ARTICLE II DURATION**

The period of duration for this corporation is perpetual.

### **ARTICLE III PURPOSE**

1. To generally engage in any lawful business or activity for which nonprofit corporations may be organized under the Utah Revised Nonprofit Corporation Act, not inconsistent with the purposes stated above and which may, in the judgment of the directors of the Corporation, be necessary.
2. Neither the charter school authorizer nor the state, including an agency of the state, is liable for the debts or financial obligations of the charter school or persons or entities that operate the charter school.
3. The corporation is organized exclusively for charitable, educational and scientific purposes, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under Internal Revenue Code Section 501(c)(3), or corresponding section of any future federal tax code. Amounts in excess of income may be distributed for that same purpose, at the sole discretion of the directors.
4. The corporation shall be a non-profit corporation under Article 16-6a-101, et seq., of the Utah Revised Nonprofit Corporation Act. The purposes for which the corporation is formed are exclusively to receive and administer funds for charitable purposes within the meaning of Internal Revenue Code Section 501(c)(3), as amended and, to that end, to take and hold by bequest, devise, gift, grant, purchase, lease or otherwise any property, real, personal, tangible or intangible, or any undivided interest therein, without limitation as to amount or value; to sell, convey, or otherwise dispose of any such property and to invest, reinvest, or deal with the principal or the income thereof in such manner as, in the judgment of the directors, will best promote the purposes of the corporation without limitation, except such limitations, if any, as may be contained in the instrument under which such property is received, the Articles of Incorporation, the Bylaws of the corporation, or any laws applicable thereto; to do any other act or thing incidental to or connected with the foregoing purposes or in advancement thereof, but not for the pecuniary profit or financial gain of its directors or officers, except as permitted under the Utah Revised Nonprofit Corporation Act.

5. Should the governing board decide authority is given to them to take on debt on behalf of the corporation.
6. No part of the net earnings of the organization shall inure to the benefit of, or be distributable to its members, directors, officers, or other private persons, except that the organization shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in the purpose clause hereof. No substantial part of the activities of the organization shall be the carrying on of propaganda or otherwise attempting to influence legislation, and the corporation shall not participate in or intervene in (including the publication or distribution of statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provision of this document, the organization shall not carry on any other activities not permitted to be carried on (a) by an organization exempt from federal income tax under Internal Revenue Code Section 501(c)(3), or corresponding section of any future federal tax code, or (b) by an organization, contributions to which are deductible under Internal Revenue Code Section 170(c)(2), or corresponding section of any future federal tax code.
7. The corporation shall distribute its income for each taxable year at such time and in such manner so as not to become subject to the tax on undistributed income imposed by Internal Revenue Code Section 4942, as amended, or corresponding provisions of any subsequent federal tax laws.
8. The corporation shall not engage in self-dealing defined in Internal Revenue Code Section 4941(d), as amended, or corresponding provisions of any subsequent federal tax laws.
9. The corporation shall not retain any excess business holdings as defined in Internal Revenue Code Section 4943(c), as amended, or corresponding provisions of any subsequent federal tax laws.
10. The corporation shall not make any investments in such manner so as to subject it to tax under Internal Revenue Code Section 4944, as amended, or corresponding provisions of any subsequent federal tax laws.
11. The corporation shall not make any taxable expenditures as defined in Internal Revenue Code Section 4945(d), as amended, or corresponding provisions of any subsequent federal tax laws.
12. Notwithstanding any other provision in these Articles of Incorporation, the corporation shall not conduct or carry on any activities not permitted to be conducted or carried on by an organization exempt under Internal Revenue Code Section 501(c)(3), as amended,

and its regulations as they now exist or as they may hereafter be amended, or by an organization, contributions to which are deductible under Internal Revenue Code Section 170(c)(2) and its regulations as they now exist or as they may hereafter be amended.

13. Upon the dissolution of the organization, assets shall be distributed for one or more exempt purposes within the meaning of Internal Revenue Code Section 501(c)(3), or corresponding section of any future federal tax code, or shall be distributed to the federal government, or to state or local government, for a public purpose. Any such assets not disposed of shall be disposed of by the District Court of the county in which the principal office of the organization is then located, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

#### **ARTICLE IV MEMBERSHIP AND MANAGEMENT OF CORPORATION**

The corporation shall be managed by its board of directors and will not have voting members. The corporation will not issue stock evidencing membership in the corporation or any rights, including water rights or other property rights with the corporation.

#### **ARTICLE V DIRECTORS**

The number of directors of the corporation shall be no fewer than three as fixed from time to time by the bylaws of the corporation. The number of directors constituting the present Board of Directors of the corporation is three, and the name and addresses of the persons who are to serve as directors, until their successors are elected and qualified, are as follows:

#### **ARTICLE VI AMENDMENT**

These Articles of Incorporation may be amended by the affirmative vote of the Board of Directors.

#### **ARTICLE VII INITIAL PRINCIPAL OFFICE AND INITIAL REGISTERED AGENT**

The corporation's initial principal office is 13236 S. Aintree Ave. Draper, Ut 84020. The name of the corporation's initial agent, at that address, is Jennifer Ryan. The appointment of the undersigned as the initial registered agent of the Corporation is hereby accepted.



\_\_\_\_\_  
Signature/Date

#### **ARTICLE VIII INCORPORATORS**

The name and address of the incorporators of the Corporation is as follows:

Jennifer Ryan 13236 S. Aintree Ave. Draper, Ut 84020



\_\_\_\_\_  
Signature/Date

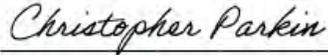
**ARTICLE IX INITIAL DIRECTORS**

Jennifer Ryan, 13236 S. Aintree Ave. Draper, Ut 84020



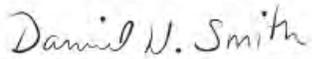
\_\_\_\_\_  
Signature/Date

Christopher Parkin, 4720 N Pheasant Ridge Trail, Lehi, 84043



\_\_\_\_\_  
Signature/Date

Daniel W. Smith, 4022 West Severn Circle, South Jordan UT 84095



\_\_\_\_\_  
Signature/Date

Tasi Young, 1959 W. Colony Point, Dr. Lehi, UT 84043



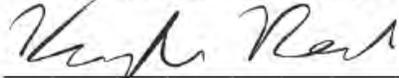
\_\_\_\_\_  
Signature/Date

Kelly L. Tate, 1902 Deer Ridge Trail, Lehi, UT 84043



\_\_\_\_\_  
Signature/Date

Kaylie Reed, 714 Turtle Creek Blvd. #147, Austin, TX 78745



November 30, 2015

\_\_\_\_\_  
Signature/Date

Ben Moulton, 1011 W 1770 N. Orem, UT 84057



\_\_\_\_\_  
Signature/Date

**BYLAWS OF IGNITE ENTREPRENEURSHIP ACADEMY, INC.  
A Utah Non-Profit Corporation**

**Adopted by the Board of Directors on September 21, 2015**

**ARTICLE I—OFFICES**

1.1 Offices.

The principal offices of Ignite Entrepreneurship Academy, Inc. (the “**Corporation**”) will be located in Draper, Utah and the initial Principal Office of the Corporation will be located at 13236 S. Aintree Avenue, Draper, Utah 84020. The Corporation may have such other offices, either within or outside Utah, as the governing Board of Directors may designate or as the affairs of the Corporation may require from time to time.

1.2 Registered Office and Registered Agent.

The registered office of the Corporation required by the Utah Revised Nonprofit Corporation Act (the “**Act**”) may be, but need not be, the same as the Corporation's principal business office in Utah. The initial registered office is 13236 S. Aintree Avenue, Draper, Utah 84020, and the name of the Corporation's registered agent at that address is Jennifer Ryan. The Corporation's registered office and registered agent are subject to change from time to time by the Board of Directors, by the officers of the Corporation, or as otherwise provided by the Act.

**ARTICLE II—MEMBERS**

The Corporation shall have no members.

**ARTICLE III—BOARD OF DIRECTORS**

3.1 General Powers

The business and affairs of the Corporation will be managed by its governing Board of Directors, except as otherwise provided in the Act, the articles of incorporation, or these bylaws.

3.2 Number, Composition, Election, Tenure, and Qualifications.

(a) The number of Directors of the Corporation may be specified from time to time by resolution of the governing Board of Directors, but will not be less than three. Directors must be at least eighteen years old but, unless otherwise provided herein, need not be residents of Utah.

(b) Directors may be elected to serve on the Board of Directors by a majority vote of the Board of Directors.

(c) Directors may be elected for successive terms. The terms of the initial directors of the Corporation expire at the first meeting at which directors are elected or appointed. A decrease

in the number of directors or in the term of office does not shorten an incumbent director's term.

(d) Unless otherwise provided herein, the term of a director filling a vacancy expires at the end of the unexpired term that the director is filling, except that if a director is elected to fill a vacancy created by reason of an increase in the number of directors, the term of the director will expire on the later of the next meeting at which directors are elected or the term, if any, designated for the director at the time of the creation of the position being filled. Despite the expiration of a director's term, a director continues to serve until the director's successor is elected, appointed, or designated and qualifies or there is a decrease in the number of directors. A director whose term has expired may deliver to the Utah Division of Corporations and Commercial Code for filing a statement to that effect pursuant to Section 16-6a-1608 of the Act.

(e) A Director's term shall be four years, except that the length of the terms of the first elected or appointed directors shall be staggered so that no more than one director's term expires in any given year. The names, addresses, and length of terms for the initial board members are as follows:

Jennifer Ryan, 13236 S. Aintree Ave. Draper, Ut 84020 (Four Years)



\_\_\_\_\_  
Signature/Date

Christopher Parkin, 4720 N Pheasant Ridge Trail, Lehi, 84043 (Three Years)



\_\_\_\_\_  
Signature/Date

Daniel W. Smith, 4022 West Severn Circle, South Jordan UT 84095 (Three Years)



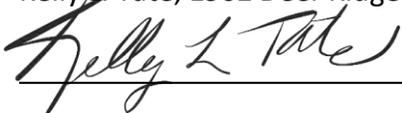
\_\_\_\_\_  
Signature/Date

Tasi Young, 1959 W. Colony Point, Dr. Lehi, UT 84043 (Two Years)



\_\_\_\_\_  
Signature/Date

Kelly L. Tate, 1902 Deer Ridge Trail, Lehi, UT 84043 (Two Years)



Signature/Date

Kaylie Reed, 714 Turtle Creek Blvd. #147, Austin, TX 78745 (Three Years)



November 30, 2015

Signature/Date

Ben Moulton, 1011 W 1770 N. Orem, UT 84057 (Two Years)



Signature/Date

### 3.3 Resignation.

A director may resign at any time by giving written notice of resignation to the Corporation. A director's resignation is effective when the notice is received by the Corporation unless the notice specifies a later effective date. A director who resigns may deliver to the Utah Division of Corporations and Commercial Code for filing a statement that the director resigns pursuant to Section 16-6a-1608 of the Act. The failure to attend or meet obligations will be effective as a resignation at the time of the Board of Directors' vote to confirm the failure if at the beginning of a director's term on the board, these bylaws provide that a director may be considered to have resigned for failing to attend a specified number of board meetings, meet other specified obligations of directors; and the failure to attend or meet obligations is confirmed by a unanimous affirmative vote of the Board of Directors.

### 3.4 Removal.

A director may be removed with or without cause by the vote of a majority of the directors then in office. A director who is removed pursuant to this Section 3.4 may deliver to the Utah Division of Corporations and Commercial Code for filing a statement to that effect pursuant to Section 16-6a-1608 of the Act.

### 3.5 Vacancy.

Unless otherwise provided herein, if a vacancy occurs on a Board of Directors, including a vacancy resulting from an increase in the number of directors, the Board of Directors may fill the vacancy, or if the directors remaining in office constitute fewer than a quorum of the Board of Directors, the remaining directors may fill the vacancy by the affirmative vote of a majority of all the directors remaining in office. A vacancy that will occur at a specific later date by reason of a resignation effective at a later date may be filled before the vacancy occurs, but the new

director may not take office until the vacancy occurs.

### 3.6 Officers of the Board.

The board shall have a chairperson, a secretary, and any number of vice-chairpersons as determined by the board. The officers shall be elected by a majority of the board of directors. The officers shall serve a term of 2 years, and may be successively elected to their positions.

### 3.7 Meetings.

(a) The Board of Directors may hold regular or special meetings in or out of Utah. The Board of Directors may permit any director to participate in a regular or special meeting by, or conduct the meeting through the use of, any means of communication by which all directors participating may hear each other during the meeting. A director participating in a meeting by a means permitted under this Section 3.6 is considered to be present in person at the meeting.

#### (b) Regular Meetings.

Regular meetings of the Board of Directors may be held without notice of the date, time, place, or purpose of the meeting. The Board of Directors shall have as many regular meetings as the Board shall from time to time decide by affirmative vote of a majority of the directors.

#### (c) Special Meetings.

Special meetings of the Board of Directors must be preceded by at least two days notice of the date, time, and place of the meeting. The notice required by this Section 3.6 need not describe the purpose of the special meeting unless otherwise required by the Act. (d) Notice.

A director may waive any notice of a meeting before or after the time and date of the meeting stated in the notice. Except as provided by this Section 3.6, the waiver must be in writing, signed by the director entitled to the notice, and be delivered to the Corporation, although such delivery will not be a condition of the effectiveness of the waiver. A director's attendance at or participation in a meeting waives any required notice to that director of the meeting unless at the beginning of the meeting or promptly upon the director's later arrival, the director objects to holding the meeting or transacting business at the meeting because of lack of notice or defective notice and after objecting, the director does not vote for or assent to action taken at the meeting; or if special notice was required of a particular purpose under the Act or herein, the director objects to transacting business with respect to the purpose for which the special notice was required, and after objecting, the director does not vote for or assent to action taken at the meeting with respect to the purpose.

### 3.8 Action without Meeting.

(a) Any action required or permitted by the Act to be taken at a Board of Directors' meeting may be taken without a meeting if each and every member of the board in writing either

(1) votes for the action; or,

(2)(i) votes against the action or abstains from voting; and

(ii) waives the right to demand that action not be taken without a meeting.

(b) Action is taken under this Section 3.7 only if the affirmative vote for the action equals or exceeds the minimum number of votes that would be necessary to take the action at a meeting at which all of the directors then in office were present and voted. An action taken pursuant to this Section 3.7 is not be effective unless the Corporation receives writings describing the action taken, otherwise satisfying the requirements of this Subsection (a) above, signed by all directors; and not revoked pursuant to this Section 3.7.

(c) Unless otherwise provided herein, a writing described in Subsection (b) above may be received by the Corporation by electronically transmitted facsimile or other form of wire or wireless communication providing the Corporation with a complete copy of the document, including a copy of the signature on the document.

(d) A director's right to demand that action not be taken without a meeting will be considered to have been waived if the Corporation receives a writing satisfying the requirements of Subsection (a) that has been signed by the director and not revoked pursuant to this Section 3.7.

(e) Action taken pursuant to this Section 3.7 will be effective when the last writing necessary to effect the action is received by the Corporation, unless the writings describing the action taken set forth a different effective date. If the writing is received by the Corporation before the last writing necessary to effect the action is received by the Corporation, any director who has signed a writing pursuant to this Section 3.7 may revoke the writing by a writing signed and dated by the director describing the action and stating that the director's prior vote with respect to the writing is revoked.

(f) Action taken pursuant to this Section 3.7 has the same effect as action taken at a meeting of directors.

### 3.9 Quorum.

(a) Unless a greater or lesser number is required by these bylaws, a quorum of a Board of Directors consists of a majority of the number of directors in office immediately before the meeting begins.

(b) If a quorum is present when a vote is taken, the affirmative vote of a majority of directors present is the act of the Board of Directors unless the vote of a greater number of directors is required by the Act or herein. 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 director may be considered to be present at a meeting and to vote if the director has granted a signed written proxy to another director who is present at the meeting and authorizing the other director to cast the vote that is directed to be cast by the written proxy with respect to

the particular proposal that is described with reasonable specificity in the proxy. Except as provided in this Section 3.8 and as permitted by Section 16-6a-813 of the Act, directors may not vote or otherwise act by proxy. Except as otherwise provided herein, a director may grant a proxy to a person who is not a director with prior approval of the Chairperson of the Board.

(c) A director who is present at a meeting of the Board of Directors when corporate action is taken is considered to have assented to all action taken at the meeting unless the director objects at the beginning of the meeting, or promptly upon the director's arrival, to holding the meeting or transacting business at the meeting, and after objecting, the director does not vote for or assent to any action taken at the meeting, the director contemporaneously requests that the director's dissent or abstention as to any specific action taken be entered in the minutes of the meeting; or the director causes written notice of the director's dissent or abstention as to any specific action to be received by the presiding officer of the meeting before adjournment of the meeting or the Corporation promptly after adjournment of the meeting. The right of dissent or abstention as to a specific action is not available to a director who votes in favor of the action taken.

### 3.10 Committees.

Subject to Section 16-6a-906 of the Act, the Board of Directors may create one or more committees of the board and appoint one or more directors to serve on such committees. The creation of a committee of the board and appointment of directors to it must be approved by the greater of a majority of all the directors in office when the action is taken or the number of directors required by the bylaws to take action under Section 16-6a-816 of the Act. A committee of the board and the members of the committee are subject to Sections 3.6 through 3.10. To the extent specified herein or by the Board of Directors, each committee of the board will have the authority of the Board of Directors under these bylaws. The creation of, delegation of authority to, or action by a committee does not alone constitute compliance by a director with the standards of conduct described in Section 16-6a-822 of the Act. Nothing in this Section 3.9 prohibits or restricts the Corporation from establishing in its bylaws or by action of the Board of Directors or otherwise one or more committees, advisory boards, auxiliaries, or other bodies of any kind having the members and rules of procedure as the bylaws or Board of Directors may provide, established to provide the advice, service, and assistance to the Corporation as may be specified herein the bylaws or by the Board of Directors, and established to carry out the duties and responsibilities for the Corporation as set forth herein or by the Board of Directors. Notwithstanding the preceding sentence, if any committee or other body established under has one or more members who are entitled to vote on committee matters and who are not then also directors, the committee or other body may not exercise any power or authority reserved to the Board of Directors in the Act or these bylaws.

### 3.11 Compensation.

Directors may not receive compensation for their services as such, although the reasonable expenses of directors of attendance at board meetings may be paid or reimbursed by the Corporation. Directors will not be disqualified to receive reasonable compensation for services

rendered to or for the benefit of the Corporation in any other capacity.

### 3.12 Emergency Powers.

(a) In anticipation of or during an emergency defined in this Section 3.11, the Board of Directors may modify lines of succession to accommodate the incapacity of any director, officer, employee, or agent; adopt bylaws to be effective only in an emergency; and relocate the principal office, designate an alternative principal office or regional office, authorize officers to relocate or designate an alternative principal office or regional office.

(b) During an emergency as defined in this Section 3.11, unless emergency bylaws provide otherwise, notice of a meeting of the Board of Directors need be given only to those directors whom it is practicable to reach, and may be given in any practicable manner, including by publication or radio; and the officers of the Corporation present at a meeting of the Board of Directors may be considered to be directors for the meeting, in order of rank and within the same rank in order of seniority, as necessary to achieve a quorum.

(c) Corporate action taken in good faith during an emergency under this Section 3.11 to further the ordinary business affairs of the Corporation binds the Corporation and may not be the basis for the imposition of liability on any director, officer, employee, or agent of the Corporation on the ground that the action was not an authorized corporate action.

(d) An emergency exists for purposes of this section if a quorum of the directors cannot readily be obtained because of a catastrophic event.

## **ARTICLE IV—OFFICERS**

### 4.1 Elected Officers—Number and Qualifications.

The elected officers of the Corporation will be an Executive Director and a Treasurer. The Board of Directors may also elect or appoint such other officers, assistant officers and agents, including one or more vice-presidents, a controller, assistant secretaries and assistant treasurers, as it may consider necessary. An officer may appoint one or more assistant officers or other officers if granted such appointment authority herein or by a resolution of the Board of Directors. One person may hold more than one office at a time. Officers need not be directors of the Corporation.

### 4.2 Election and Term of Office.

The elected officers of the Corporation will be elected by the Board of Directors at each regular annual meeting. If the election of officers is not held at such meeting, such election will be held as soon as convenient thereafter. Each officer will hold office until the officer's successor is duly elected and qualified, or until the officer's earlier death, resignation or removal.

### 4.3 Compensation.

The compensation of the officers will be as fixed from time to time by the Board of Directors, and no officer will be prevented from receiving a salary by reason of the fact that such officer is also a director of the Corporation. However, during any period in which the Corporation is a private foundation as described in section 509(a) of the Internal Revenue Code, no payment of compensation (or payment or reimbursement of expenses) will be made in any manner so as to result in the imposition of any liability under section 4941 of the Internal Revenue Code, or such successive statutes as may be enacted.

#### 4.4 Resignation and Removal.

(a) An officer may resign at any time by giving written notice of resignation to the Corporation. A resignation of an officer is effective when the notice is received by the Corporation unless the notice specifies a later effective date. If a resignation is made effective at a later date, the Board of Directors may permit the officer to remain in office until the effective date and fill the pending vacancy before the effective date if the successor does not take office until the effective date, or remove the officer at any time before the effective date and fill the vacancy created by the removal.

(b) Unless otherwise provided herein, the Board of Directors may remove any officer at any time with or without cause.

(c) An officer who resigns, is removed, or whose appointment has expired may deliver to the Utah Division of Corporations and Commercial Code for filing a statement to that effect pursuant to Section 16-6a-1608 of the Act.

#### 4.5 Contract Rights.

The appointment of an officer does not itself create contract rights. An officer's removal does not affect the officer's contract rights, if any, with the Corporation. An officer's resignation does not affect the Corporation's contract rights, if any, with the officer.

#### 4.6 Authority and Duties of Officers.

The officers of the Corporation will have the authority and will exercise the powers and perform the duties specified below and as may be additionally specified by the Executive Director, the Board of Directors or these bylaws, except that in any event each officer will exercise such powers and perform such duties as may be required by law, including without limitation the duties according to the standards of conduct for officers set forth in Section 16-6a-822 of the Act.

(a) Chairperson of the Board. The chairperson of the board will (i) preside at all meetings of the Board of Directors; (ii) see that all orders and resolutions of the Board of Directors are carried into effect; and (iii) perform all other duties incident to the office of chairperson of the board and as from time to time may be assigned to the chairperson by the Board of Directors.

(b) Executive Director. The Executive Director will, subject to the direction and supervision of

the chairman of the board and the Board of Directors, (i) be the chief executive officer of the Corporation and have general and active control of its affairs and business and general supervision of its officers, agents and employees; (ii) in the absence of the chairperson of the board, preside at all meetings of the Board of Directors; (iii) see that all orders and resolutions of the Board of Directors are carried into effect; and (iv) perform all other duties incident to the office of Executive Director and as from time to time may be assigned to the Executive Director by the Board of Directors.

(c) Vice-Presidents. The vice-president or vice-presidents will assist the Executive Director and will perform such duties as may be assigned to them by the Executive Director or by the Board of Directors. The vice-president (or if there is more than one, then the vice-president designated by the Board of Directors, or if there be no such designation, then the vice-presidents in order of their election) will, at the request of the Executive Director, or in the Executive Director's absence or inability or refusal to act, perform the duties of the Executive Director and when so acting will have all the powers of and be subject to all the restrictions upon the Executive Director.

(d) Secretary. The secretary, or such other officer as may be appointed by the Board of Directors to perform such tasks will prepare and maintain minutes of the directors' meetings and other records and information required to be kept by the Corporation under Section 16-6a-1601 of the Act, and authenticate records of the Corporation. Assistant secretaries, if any, will have the same duties and powers, subject to supervision by the secretary.

(e) Treasurer. The treasurer will: (i) 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 Directors; (ii) receive and give receipts for moneys paid in on account of the Corporation, and pay out of the funds on hand all bills, payrolls, and other just debts of the Corporation of whatever nature upon maturity; (iii) unless there is a controller, be the principal 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 president and the Board of Directors statements of account showing the financial position of the Corporation and the results of its operations; (iv) upon request of the Board, make such reports to it as may be required at any time; and (v) perform all other duties incident to the office of treasurer and such other duties as from time to time may be assigned to the treasurer by the president or the Board of Directors. Assistant treasurers, if any, will have the same powers and duties, subject to supervision by the treasurer.

#### 4.7 Surety Bonds.

The Board of Directors may require any officer or agent of the Corporation to execute to the Corporation a bond in such sums and with such sureties as will be satisfactory to the board, conditioned upon the faithful performance of such person's duties and for the restoration to

the Corporation of all books, papers, vouchers, money and other property of whatever kind in such person's possession or under such person's control belonging to the Corporation.

## **ARTICLE V—INDEMNIFICATION**

### **5.1 Authority to Indemnify.**

Except as otherwise provided in this Section 5.1, the Corporation may in its discretion indemnify an individual made a party to a proceeding because the individual is or was a director, against liability incurred in the proceeding if the individual's conduct was in good faith, the individual reasonably believed that the individual's conduct was in, or not opposed to, the Corporation's best interests (or with respect to an employee benefit plan for a purpose the director reasonably believed to be in or not opposed to the interests of the participants in and beneficiaries of the plan), and in the case of any criminal proceeding, the individual had no reasonable cause to believe the individual's conduct was unlawful. The termination of a proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent is not, of itself, determinative that the director did not meet the standard of conduct described in this Section 5.1. The Corporation may not indemnify a director in connection with a proceeding by or in the right of the Corporation in which the director was adjudged liable to the Corporation, or in connection with any other proceeding charging that the director derived an improper personal benefit, whether or not involving action in the director's official capacity, in which proceeding the director was adjudged liable on the basis that the director derived an improper personal benefit. Indemnification permitted under this Section 5.1 in connection with a proceeding by or in the right of the Corporation is limited to reasonable expenses incurred in connection with the proceeding.

### **5.2 Mandatory Indemnification of Directors.**

Subject to the Corporation having sufficient funds at the time the request for indemnification is made, the Corporation will indemnify a director against reasonable expenses incurred by the director in connection with the proceeding or claim with respect to which the director has been successful. This Section 5.2 applies to a director who was successful, on the merits or otherwise, in the defense of any proceeding to which the director was a party because the director is or was a director of the Corporation, or any claim, issue, or matter in the proceeding, to which the director was a party because the director is or was a director of the Corporation.

### **5.3 Advance of Expenses for Directors.**

The Corporation may at its discretion pay for or reimburse the reasonable expenses incurred by a director who is a party to a proceeding in advance of final disposition of the proceeding if the director furnishes the Corporation a written affirmation of the director's good faith belief that the director has met the applicable standard of conduct described in Section 5.1, the director furnishes the Corporation a written undertaking, executed personally or on the director's behalf, to repay the advance, if it is ultimately determined that the director did not meet the applicable standard of conduct. The undertaking required by this Section 5.3 will be an unlimited general obligation of the director, need not be secured, and may be accepted without

reference to the director's financial ability to make repayment. Determinations and authorizations of payments under this Section 5.3 will be made in the manner specified in Section 5.4.

#### 5.4 Determination and Authorization of Indemnification of Directors.

The Corporation may not indemnify under a director under Section 5.1, or allow an advance of expenses under Section 5.3, unless authorized in the specific case after a determination has been made that indemnification of the director is permissible in the circumstances because the director has met the standard of conduct set forth in Section 5.1. The Corporation may not advance expenses to a director under Section 5.3 unless authorized in the specific case after the written affirmation and undertaking required by Section 5.3 are received and the determination required by Section 5.3 has been made.

(a) The determinations required by this Section 5.4 will be made by the Board of Directors by a majority vote of those present at a meeting at which a quorum is present if only those directors not parties to the proceeding are counted in satisfying the quorum. If a quorum cannot be obtained under this Section 5.4, by a majority vote of a committee of the Board of Directors designated by the Board of Directors and consisting of two or more directors not parties to the proceeding, or by persons listed in Subsection (b). The directors who are parties to the proceeding may participate in the designation of directors for the committee described in this Subsection (a).

(b) The determination required to be made by Subsection (a) will be made by a person described in this Subsection (b) if a quorum cannot be obtained in accordance with Subsection (a) and a committee cannot be established under Subsection (a), or even if a quorum is obtained or a committee is designated, a majority of the directors constituting the quorum or committee so directs, as follows: the indemnification determination shall be made by independent legal counsel selected by a vote of the Board of Directors or the committee in the manner specified in Subsection (a), or if a quorum of the full board cannot be obtained and a committee cannot be established, by independent legal counsel selected by a majority vote of the full Board of Directors.

(c) An authorization of indemnification and advance of expenses will be made in the same manner as the determination that indemnification or advance of expenses is permissible; provided, however that if the determination that indemnification or advance of expenses is permissible is made by independent legal counsel, authorization of indemnification and advance of expenses will be made by the body that selected the independent legal counsel.

#### 5.5 Indemnification of Officers, Employees, Fiduciaries, and Agents.

To the same extent as a director, an officer of the Corporation is entitled to mandatory indemnification under Section 5.2. The Corporation may indemnify and advance expenses to an officer, employee, fiduciary, or agent of the Corporation to the same extent as to a director, and the Corporation may indemnify and advance expenses to an officer, employee, fiduciary, or

agent who is not a director to a greater extent if provided for herein, by a general or specific action of its Board of Directors; or by contract.

#### 5.6 Insurance.

The Corporation may purchase and maintain liability insurance on behalf of a person who is or was a director, officer, employee, fiduciary, or agent of the Corporation, or while serving as a director, officer, employee, fiduciary, or agent of a the Corporation at the request of the Corporation, is or was serving as a director, officer, partner, trustee, employee, fiduciary, or agent of another foreign or domestic nonprofit corporation, other person, or an employee benefit plan; and against liability asserted against or incurred by the person in that capacity or arising from the person's status as a director, officer, employee, fiduciary, or agent, whether or not the Corporation would have power to indemnify the person against the same liability under this Article 5. Insurance may be procured from any insurance company designated by the Board of Directors, whether the insurance company is formed under the laws of this state or any other jurisdiction of the United States or elsewhere, including any insurance company in which the Corporation has an equity or any other interest through stock ownership or otherwise.

#### 5.7 Limitation on Indemnification.

Notwithstanding any other provision of these bylaws, the Corporation will neither indemnify any person nor purchase any insurance in any manner or to any extent that would violate the Act or 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—LIMITATION ON LIABILITY**

No director or officer of this Corporation will be personally liable to the Corporation for civil claims arising from acts or omissions made in the performance of such person's duties as a director or officer, unless the acts or omissions are the result of such person's gross negligence, intentional misconduct, or breach of fiduciary duty.

### **ARTICLE VII—NONDISCRIMINATION**

The Corporation shall not discrimination on the basis of race, religion, national origin, color, gender, age, or any other protected class or prohibited basis in either the hiring and other employment practices of the school or in its admission policies for students. Further, the Corporation shall be open to all students in its authorized geographic area on a space-available basis and shall not discriminate in its admission policies or practices. The Corporation shall conduct all of its activities in accordance with all applicable local, state, and federal anti-discrimination laws, as well as in accordance with all other laws and regulations applicable to the operation of private schools in the State of Utah.

### **ARTICLE VIII—MISCELLANEOUS PROVISIONS**

8.1 Account Books, Minutes, and other Required Records.

The Corporation will keep correct and complete books and records of account and will also keep minutes of the proceedings of its Board of Directors and committees. All books and records of the Corporation may be inspected by any director or such director's authorized agent or attorney, for any proper purpose at a reasonable time provided the director gives notice in writing at least three (3) business days prior to the inspection.

#### 8.2 Fiscal Year.

The fiscal year of the Corporation will be as established by the Board of Directors.

#### 8.3 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 will 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 will be authorized only in the manner prescribed by applicable statute.

#### 8.4 Designated Contributions.

The Corporation may accept any designated contribution, grant, bequest, or devise consistent with its general charitable and tax-exempt purposes, as set forth in the articles of incorporation. As so limited, donor-designated contributions will be accepted for special funds, purposes, or uses, and such designations generally will be honored. However, the Corporation reserves all right, title, and interest in and to and control of such contributions, as well as full discretion as to the ultimate expenditure or distribution thereof in connection with any special fund, purpose, or use. Further, the Corporation will acquire and 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 purposes.

#### 8.5 Conflicting Interest Transaction.

As used in this Section 8.5, "conflicting interest transaction" means a contract, transaction, or other financial relationship between the Corporation and a director of the Corporation, a party related to a director, or an entity in which a director of the Corporation is a director or officer or has a financial interest. The Corporation may not enter into a conflicting interest transaction unless 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 the conflicting interest transaction is specifically authorized, approved, or ratified in good faith by a vote of the members entitled to vote thereon, or the conflicting interest transaction is fair as to the Corporation.

#### 8.6 Loans to Directors and Officers Prohibited.

No loans will be made by the Corporation to any of its directors or officers.

8.7 References to Internal Revenue Code and the Act.

All references in these bylaws to provisions of the Internal Revenue Code are to the provisions of the Internal Revenue Code of 1986, as amended, and will include the corresponding provisions of any subsequent federal tax laws. All references in these bylaws to the Act are to the Utah Revised Nonprofit Corporation Act, as amended, and will include the corresponding provisions of any subsequent revisions or provisions of the Act.

8.8 Amendments.

The Board of Directors may alter, amend, or repeal these bylaws and adopt new bylaws at any time by the affirmative vote of a majority of the directors. However, action by the Board of Directors to adopt or amend bylaws that change the quorum or voting requirement for the Board of Directors must meet the greater of the quorum and voting requirement for taking the action then in effect or proposed to be adopted.

8.9 Severability.

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

**BYLAWS CERTIFICATE**

The undersigned certifies that he or she is the Secretary of Ignite Entrepreneurship Academy, a Utah Non-profit Corporation, and that, as such, he or she is authorized to execute this certificate on behalf of said Corporation, and further certifies that attached hereto is a complete and correct copy of the presently effective bylaws of said Corporation.

DATED this 21 day of September, 2015.

  
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by: Tasi Young