

BYLAWS OF RAY CHINESE SCHOOL

ARTICLE 1 NAME

The name of this organization shall be Ray Chinese School, referred hereafter as "RCS."

ARTICLE 2 NONPROFIT PURPOSES

- 2.1 IRC Section 501(c)(3) Purposes. RCS is organized exclusively for one or more of the purposes as specified in Section 501(c)(3) of the Internal Revenue Code, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code.
- 2.2 Specific Objectives and Purposes. RCS shall be run as an independent, non-commercial educational organization. The specific objectives and purposes of the RCS shall be:
 - A. to provide Chinese language and culture programs to children and adults;
 - B. to provide other educational programs, given in English or Chinese, to the multicultural community; and
 - C. to engage in all such activities as are incidental or conducive to the attainment of the purposes of RCS and to exercise any and all powers authorized or permitted to be done by a nonprofit corporation under any laws that may be applicable or available to the RCS.

ARTICLE 3 ORGANIZATION STRUCTURE

- 3.1 Members of RCS elect the Board Directors. The elected Board Directors constitute the Board of Directors (Board). The Board appoints the School Principal. The Principal nominates candidates for Executive Committee for the Board's approval.
- 3.2 The Principal is in charge of RCS's Executive Committee and daily operations. The Board sets the long-range goals, directions, and policies of RCS, and ensures that RCS is developing within the guidelines stated in Article 2.

- 3.3 RCS's Parent Teacher Association (PTA) is a voluntary organization and is affiliated with RCS. The PTA shall be governed by its own operation charter to promote close cooperation, understanding and communication between the school and the homes. The PTA shall obtain the RCS Board's approval before using RCS's name to engage in any activities that involve Non-general Members of RCS.

ARTICLE 4 MEMBERS

- 4.1 Rights of Members. RCS shall have the following classes of Members:

A. General Members. Each adult student (for the purpose of these Bylaws, adulthood of a person means 18 years and elder), or adult parent or legal guardian of each non-adult student who has been accepted into a program offered at RCS in good standing, and whose dues, fees and assessments are fully paid and current shall be deemed a General Member; and the Principal and each Officer of the Executive Committee and the teaching staff of RCS whose children are not students of RCS shall be General Members. General Members have two classes: Voting Members and Non-voting Members.

- (i) Voting Members. Voting Members are entitled to participate and vote on proposals submitted for Members' approval or resolutions according to these Bylaws falling within the authority of Members of RCS (such rights of the Voting Members are referred to "Voting Rights" hereunder).

Each adult student who is enrolled in a core Chinese class program in good standing, or one (1) and only one parent or legal guardian of a non-adult student or students from the same household who are enrolled in a core Chinese class program and whose dues, fees and assessments are fully paid and current shall be deemed a Voting Member; and each member of the teaching staff of RCS who does not have a child enrolled in a core Chinese class program of RCS shall be a Voting Member.

- (ii) Non-voting Members. Non-voting Members have no Voting Rights. All General Members who are not Voting Members are Non-voting Members.

During each semester, the Principal of the RCS shall tally and report to the Board the numbers of eligible Voting Members and Non-voting Members for the semester and provide each member's contact information, such as mailing address, email address and phone number, to the Board Secretary for record keeping. All core Chinese class programs are defined by the Executive Committee and shall be clearly identified at student registration.

B. Honorary Members. The Board may, in its sole and exclusive discretion, grant a permanent Honorary Membership to any person who is not a General Member, but who has made significant contribution to RCS, or whose membership in RCS would confer an extraordinary benefit to RCS. Honorary Members have no Voting Rights.

- 4.2 Qualifications of Members. All Members shall be adults. Membership shall not otherwise be restricted by race, color, creed, religion, national origin, gender, sexual orientation, marital status, or disability.
- 4.3 Limitation on Voting Rights. There shall be no more than one vote from each household.
- 4.4 Prohibition of Transfer. Any transfer of membership or Member rights is prohibited and invalid, null and void.

ARTICLE 5 MEETINGS OF GENERAL MEMBERS

- 5.1 Annual General Meetings of Members (AGMM). AGMM shall be held each year as determined by the Board. Matters to be discussed in an AGMM may include without limitation: reviewing school operations and annual budget, discussing short- and long-term development plans, and discussing other specific topics decided by the Board.
- 5.2 Special General Meetings of Members (SGMM, together with AGMM, General Meeting of Members, or “GMM”). SGMM can be called on for specific topic or topics by the Chair of the Board at the request of a majority of Directors, or upon written requests from no fewer than ten percent (10%) of Voting Members in which case the SGMM shall be held in 30 days in a semester. These topics may include appointment or removal of Board Director(s), amendment or adoption of the Bylaws, and such other topics that the Board deems as important to be discussed by General Members.
- 5.3 Notice of General Meetings of Members (GMM). Notice stating the location, date and time of the meeting and, in the case of a special meeting, the agenda for which the meeting is called, shall be delivered no less than ten (10) nor more than fifty (50) days before the date of the meeting, through regular mail or by email or other means determined by the Board, by or at the direction of the Chair of the Board, or his/her designee, to each General Member.
- 5.4 Quorum for GMM. A GMM is duly constituted if, at the commencement of the meeting, there are present in person, through their authorized representative or by proxy at least thirty percent (30%) of all the Voting Members entitled to vote.
- 5.5 Conduct of Meetings. Meetings of Members shall be presided over by the Chair of the Board or his/her designee, or if the meeting is called to take action against the Chair of the Board or any Board Director(s), by RCS Principal.
- 5.6 Action by Written Ballot. Any action which may be taken at any GMM may be taken without a meeting if RCS distributes a written ballot to each Voting Member on the matter at least five days before the effective date of such action. The ballot shall:
 - A. Set forth the proposed action or actions;

- B. Provide an opportunity to specify approval or disapproval of each proposal;
- C. Specify the date by which the ballot must be received by RCS in order to be counted. The date shall be set to allow the voting to remain open for at least five days from the date the ballot is delivered to afford Voting Members a reasonable time within which to return the ballots to the RCS; and
- D. Be mailed, emailed, or delivered in the manner required for giving notice of GMM as specified in the Bylaws.

Approval of action by written ballot shall be valid only when consented to and reverted by at least a simple majority of Quorum.

ARTICLE 6 BOARD OF DIRECTORS

- 6.1 Powers of the Board. Although the ultimate powers of RCS lie in the hands of the Members, the control of the operation and properties of RCS shall be vested in the Board. The Board's duties shall include without limitation:
- A. ensuring that RCS has continuous, healthy, and consistent operation and growth;
 - B. developing and adopting RCS's policies and development plans;
 - C. reviewing and proposing the amendments to the Bylaws as deemed necessary from time to time
 - D. interpreting the Bylaws wherever ambiguous;
 - E. recruiting, appointing, discharging, evaluating the performance of and setting the compensation of RCS Principal;
 - F. reviewing and approving RCS's budget;
 - G. disapproving a budget that proposes more than 5% deficit;
 - H. reviewing and approving substantial spending that was not budgeted during a year; and
 - I. inspecting books and records.
- 6.2 Number, Tenure, and Qualifications. The Board of Directors shall consist of no less than nine (9) but no more than eleven (11) Directors. In the event of vacancies of the Board or new appointment of Board Directors, new Directors shall be elected at the next Annual Board Election ("ABE" as defined below) which can take place no more than once a year. Directors shall be Voting Members of RCS. Directors elected at the ABE shall hold office for a term of three (3) years. The terms of Directors shall be staggered to minimize a situation where more than four (4) Directors' terms expire simultaneously in any one calendar year. Each Director may serve no more than two (2) consecutive terms excluding the temporary terms described in 6.9.

- 6.3 Election. ABE shall be held in a semester of a year. Each Voting Member shall cast one vote, with voting being by ballot only. The Chair of the Board shall announce opening of the Board positions at least 30 days before the election day. A Committee on Nominations and Elections (CNE) shall be formed immediately following the announcement. The CNE is independent from the Board and has the highest authority in the Election. This committee shall prepare the list of candidates for the open position(s). The election shall be conducted by using secret ballots and under the supervision of the CNE. All ballots must be returned during the election assembly. The CNE shall count the ballots and report the results immediately. The candidates, up to the number of available vacancies, who receive the highest number of votes, shall be elected. All newly-elected Directors shall take office on January 1st.
- 6.4 Board Meetings. Regular Board meetings shall be held monthly during a semester. In addition, the Board may hold additional meetings or work sessions for specific purposes. All minutes (except personal, confidential information) of the regular Board Meetings shall be made available for review and inspection by General Members for any proper purpose at any reasonable time within two (2) weeks after the Board's approval. All regular Board Meetings shall be open to the General Members. The Board may exclude from regular Board Meetings certain matters, which are deemed by the Board as confidential upon motion by any two Directors to request to determine whether such matters are confidential, and discuss such confidential matter(s) in a meeting open to only related Members.
- 6.5 Election of Board Officers. The Board of Directors shall elect among the Directors its officers including Chair and Secretary, at its first regular meeting following the ABE. Only the incumbent Directors have voting rights in electing the Board officers. Each of these officers shall have a term of one (1) year. The duties and powers of the officers are set forth as follows:
- A. Board Chair--The Chair shall preside over RCS Board Meetings and GMM, and convene Board Meetings. Besides, the Chair shall have such other duties or powers as set forth otherwise by the Bylaws.
 - B. Board Secretary -- The Secretary shall prepare and maintain minutes for all RCS Board and GMM. Minutes shall be sent to the Board for review within one (1) week following such meetings.
- 6.6 Quorum. A Board Meeting is duly constituted if, at the commencement of the meeting, there is a simple majority of the incumbent Directors present. In the event of no quorum, the meeting shall be reconvened at an alternate time when quorum can be met. The resolutions can be passed by a majority of the Directors present at a duly constituted Board meeting, unless otherwise provided by laws or by the Bylaws.
- 6.7 Removal. Any Directors can be removed by a majority of not less than two-thirds of such Voting Members, being entitled to do so, voting in person or by proxy at a duly constituted GMM. The voting right of a Director in Board Meetings shall not be compromised or removed unless otherwise stated in Article 6.11.
- 6.8 Resignations. A Board Director may resign at any time by submitting written notice. The Chair of the Board or his/her designee shall issue a written notice to any Director who has cumulatively

missed four (4) regular board meetings in any twelve-month period or two consecutive regular board meetings without submitting good cause prior to the meetings. If after the warning, the absence continues at the following meeting, the Director in question will be considered as having resigned voluntarily.

- 6.9 Vacancies. Board vacancies may result from removal, resignation, or disqualification. If a vacancy occurs three months or longer prior to the next ABE, the Board shall take prompt action to fill the vacancy by nominating and voting to approve a temporary Board Director whose temporary term ends upon the next ABE.
- 6.10 Compensation. Directors shall serve without salary compensation, provided that they may, at the discretion of the Board, be allowed reasonable advancement or reimbursement of expenses incurred in the performance of their duties. If a Director accepts a paid position, including paid teaching position, in RCS, he or she shall be deemed to simultaneously resign from the Board.
- 6.11 Conflict of interest. No RCS Director or Officer of Executive Committee, including his or her spouse, may have an interest, financial or otherwise, direct or indirect, or engage in a business or transaction, or incur an obligation of any nature that conflicts with the proper discharge of his/her official duties. Such business or transaction may include, but is not limited to, obtaining or maintaining other paid position including teaching position; contract, sale, lease, purchase or grant made by, through, or under his/her supervision. During a voting procedure for any proposed subject, any Director, who has a conflict of interest in the proposed subject matter, shall refrain from voting.
- 6.12 Meetings by Telecommunication. The Board meetings can be held by telephone or other electronic means provided that all Directors participating in such meetings are able to hear each other at the same time.
- 6.13 Working Committee. The Board of Directors may designate a Working Committee or Committees, to conduct basic fact finding, work through specific issues and draft recommendations, or investigate new initiatives for Board consideration. Each committee shall consist of two (2) or more Board Directors. With Board approval, such a committee may also consist of persons other than Board Directors acting in an advisory capacity. The term of each Chairperson of the Committee shall be one year or until the election and qualification of his/her successor. Each committee may adopt rules for its own government not inconsistent with these Bylaws or with rules adopted by the Board of Directors.
- 6.14 Non-liability of Directors. The Directors and the Principal shall not be personally liable for the debts, liabilities, or other obligations of RCS.
- 6.15 Indemnification. Except to the claims and liabilities related to conflict of interest, the Directors and Officers of Executive Committee of RCS shall be indemnified by RCS to the fullest extent permissible under the laws of the state of Illinois against any and all other claims and liabilities to which he/she becomes subject by reason of serving or having served as a Director or Officer of Executive Committee of RCS, or by reason of any action alleged to have been taken, omitted, or neglected by him/her as a Director or Officer of Executive Committee of RCS. RCS shall, to the extent of its available funds, reimburse each such person for all expenses reasonably incurred in

connection with any such claim or liability, provided however, that no such person shall be indemnified against, or be reimbursed for any expense incurred by him/her in connection with any claim or liability arising out of his/her own willful misconduct or gross negligence. The right to indemnification contained herein shall not be exclusive of any rights to which any such Director or Officer of Executive Committee of RCS may otherwise be entitled by law.

- 6.16 Insurance for Corporate Agents. Except as may be otherwise provided by law, the Board may adopt a resolution authorizing the purchase and maintenance of insurance on behalf of any agent of RCS (including a Director, Officer, or other agent of the RCS) against liabilities asserted against or incurred by the agent in such capacity or arising out of the agent's status as such, whether or not the RCS would have the power to indemnify the agent against such liability under the Articles of Incorporation of RCS, these Bylaws or any applicable law.

ARTICLE 7 EXECUTIVE COMMITTEE

- 7.1 General Power. The Executive Committee is responsible for managing RCS' routine business and educational activities. All the Officers in the Executive Committee shall perform the duties that are outlined in these Bylaws and that are additionally assigned by the Principal. All the Officers shall also deliver to their successors all official materials at least four (4) weeks before their terms end.
- 7.2 The Officers. The Officers of the Executive Committee shall be the Principal, two Vice Principals, and no less than three (3) Officers including a Treasurer. The Officers, once ratified by the Board, are General Members of RCS.
- 7.3 The Principal. The Principal shall be the legal representative of RCS. The Principal shall be the Chief Executive Officer for the day-to-day management of RCS and shall supervise and control all operation matters of RCS, including the administration and instructional services performed by RCS. In general, he/she shall perform all duties incident to the office of Principal and such other duties as set forth in the Principal's job descriptions prescribed by the Board of Directors. His/her duties shall include, but are not limited to:
- A. recruiting, appointing, discharging, evaluating the performance of and setting the compensation of teachers and Officers other than himself/herself for the School;
 - B. preparing and presenting budget and financial statements for the Board's consideration and approval;
 - C. reporting school operations and spending in AGMM; and
 - D. attending opening Board meetings and being excused when she/he is the subject of the meeting.

The term of the Principal shall be two (2) years per the contract awarded by the Board. A Principal shall serve no more than two consecutive terms, and no more than six (6) years lifelong. If the incumbent wishes to serve a second term, he or she shall reapply and compete for the position. The

candidates for Principal shall be a parent or legal guardian of a non-adult student or students from the same family who are enrolled in a core Chinese class program and whose dues, fees and assessments are fully paid and current. A principal shall not take any other paid position in RCS.

- 7.4 The Treasurer. The Treasurer shall have authority over and custody of and be responsible for all funds and securities of the Corporation; receive money and give receipts for money due and payable to the Corporation from any source whatsoever; deposit all such money in the name of the RCS in such banks, trust companies, or other depositories as shall be selected by the RCS; and in general, perform all duties incidental to the office of Treasurer and other duties as, from time to time, may be assigned to him/her by the Principal.
- 7.5 Appointment. The Principal of RCS shall be appointed by the Board. The candidates of other Officers of Executive Committee shall be General Members of RCS. They are nominated by the Principal and subject to ratification by the Board.
- 7.6 Resignations. An Officer of Executive Committee may resign by giving four (4) weeks advance written notice to the Principal. The Principal may resign to the Board in the manner described in the contract awarded by the Board.
- 7.7 Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or otherwise, shall be filled by the appointing authority at its earliest possible time.
- 7.8 Salaries and compensation. The salaries of the Principal shall be determined by the Board based on performance, market competitiveness and financial conditions of RCS. The compensation of Officers shall be determined by the Principal based on performance, market competitiveness and financial conditions of RCS.
- 7.9 Bonding. If requested by the Board, any person entrusted with the handling of funds or valuable property of the RCS shall furnish, at the expense of the RCS, a fidelity bond, approved by the Board in such sum as the Board shall prescribe.

ARTICLE 8 CONTRACTS, LOANS, CHECKS AND DEPOSITS

- 8.1 Contracts. Except as otherwise provided by law or by these Bylaws, the Principal may authorize any Officer or Officers, agent or agents, to enter any contract or execute and deliver any instrument in the name of and on behalf of RCS, and such authority may be general or confined to specific instances; and, unless so authorized, no Officer, agent or employee shall have the power to bind RCS for any purpose, except as may be necessary to enable RCS to carry on its normal and ordinary course of business.
- 8.2 Loans. No loans shall be contracted on behalf of RCS and no evidences of indebtedness shall be issued in RCS's name unless authorized by a resolution of the Board and approved by simple majority of Voting Members. Such authority may be general or confined to specific instances.

- 8.3 Loans to Officers and Directors. No loans shall be made by RCS to its Officers or Directors.
- 8.4 Checks, Notes, Drafts, and Demands. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of RCS shall be signed by the Principal and/or the Treasurer and/or designee(s) as determined by resolution during the Officer's meeting following RCS Accounting Policy.
- 8.5 Deposits. All funds of RCS not otherwise used shall be deposited to the credit of RCS in such banks as determined by the Principal and that are insured by either the FDIC or the SIPC.
- 8.6 Gifts. The Directors and Officers, when accepting gifts (contribution, bequest, or anything of economic value) on behalf of RCS, shall deposit the gifts to the appropriate RCS account within five (5) business days.

ARTICLE 9 ORGANIZATION RECORDS AND REPORTS

- 9.1 Maintenance of Organization Records. RCS shall keep at its office:
 - A Minutes of all meetings of the Board and General Members;
 - B Adequate and correct books and records of account, including accounts of its properties and business transactions and accounts of its assets, liabilities, receipts, disbursements, gains and losses;
 - C A record of its educational outlines, faculty, student and membership rosters; and,
 - D A copy of RCS's Articles of Incorporation and Bylaws as amended to date, which shall be available for inspection by Members, at all reasonable times during office hours.
- 9.2 Directors' Inspection Rights. The Board shall have the absolute right at any reasonable time to inspect and copy all books, records and documents of every kind and to inspect the physical properties of RCS and shall have such other rights to inspect the books, records and properties of RCS as may be required under the Articles of Incorporation, other provisions of these Bylaws, and provisions of law.
- 9.3 Members' Inspection Rights. Each and every Voting Member shall have the following inspection rights:
 - A To obtain from the Secretary of the Board, upon written demand on, a list of the names and voting rights of those active Members entitled to vote.
 - B To inspect at any reasonable time the books, records, or minutes of proceedings of the Members or of the Board or committees of the Board, upon written demand on the Board, for the purpose that is justified by the Board.

- 9.4 Periodic Report. The Board shall cause any annual or periodic report required by law to be prepared and delivered to the relevant office of this state or to the Members of RCS, within the time limits set by law.

ARTICLE 10 IRC 501(c)(3) TAX EXEMPTION RELATED PROVISIONS

- 10.1 Limitations on Activities. No substantial part of the activities of RCS shall be the carrying on of propaganda, or otherwise attempting to influence legislation (except as otherwise provided by Section 501(h) of the Code), and RCS shall not participate in, or intervene with (including the publishing or distribution of statements), any political campaign on behalf of, or in opposition to, any candidate for public office.
- 10.2 Prohibition Against Private Inurement. No part of the net earnings of RCS shall inure to the benefit of, or be distributable to, its Members, Directors or trustees, Officers, or other private persons, except that RCS shall be authorized and empowered to pay reasonable compensation for services rendered, to make payments and distributions in furtherance of the purposes of RCS.
- 10.3 Dissolution. The voluntary dissolution must be ratified by more than three fourths of Board Directors, AND more than three fourths of all Voting Members.
- 10.4 Distribution of Assets. Upon the dissolution of RCS, its assets remaining after payment, or provision for payment, of all debts and liabilities of RCS shall be distributed to a Chinese School or Association in the United States for the purpose of promoting Chinese language and culture. Such distribution shall be made in accordance with all applicable provisions of the laws of the State of Illinois and the Code.
- 10.5 Private Foundation Requirements and Restrictions. In any taxable year in which RCS is a private foundation as described in Section 509(a) of the Code, RCS 1) shall distribute its income for said period at such time and manner as not to subject it to tax under Section 4942 of the Code; 2) shall not engage in any act of self-dealing as defined in Section 4941(d) of the Code; 3) shall not retain any excess business holdings as defined in Section 4943(c) of the Code; 4) shall not make any investments in such manner as to subject RCS to tax under Section 4944 of the Code; and 5) shall not make any taxable expenditures as defined in Section 4945(d) of the Code.

ARTICLE 11 AMENDMENT OF BYLAWS

Except as may otherwise be required by law, these Bylaws, or any of them, may be altered, amended, or repealed and new Bylaws may be adopted by a two-thirds of non-anonymous votes of a quorum in a GMM. The meeting for such purpose can be in the form of teleconference or other forms decided by Board of Directors.

ARTICLE 12 CONSTRUCTION AND TERMS

- 12.1 **Controlling Provisions.** If there is any conflict between the provisions of these Bylaws and the Articles of Incorporation of this organization, the provisions of the Articles of Incorporation shall govern.
- 12.2 **Severability.** Should any of the provisions or portions of these Bylaws be held unenforceable or invalid for any reason, the remaining provisions and portions of these Bylaws shall be unaffected by such holding.