

BYLAWS
OF
YINGHUA ACADEMY FOUNDATION
EIN 27-3698579

ARTICLE I
NAME OF ORGANIZATION

The name of the organization shall be **Yinghua Academy Foundation (YAF)**. It shall be a nonprofit organization incorporated under the laws of the State of Minnesota.

ARTICLE II
PURPOSE

This corporation is organized exclusively for charitable, educational or scientific purposes within the meaning of Section 501 (c) (3) of the Internal Revenue Code of 1986, as amended, or such other provisions of Minnesota or Federal law as may from time to time be applicable. This corporation shall not be operated for profit but shall be operated exclusively for charitable purposes. The specific purposes of this corporation are to support and encourage the educational mission of Yinghua Academy, a Minnesota Nonprofit Corporation, and to engage in such other activities described in Section 501 (c) (3) of the Code as determined appropriate by the Board of Directors.

ARTICLE III
MEMBERSHIP

Voting members are parents or guardians of current Yinghua Academy students, current faculty and staff of Yinghua Academy or current Yinghua Academy School Board members.

ARTICLE IV
LOCATION

The principal office of YAF, at which the general business of the organization will be transacted and where the records of the organization will be kept, shall be at such location in the metropolitan area of Minneapolis-St. Paul, State of Minnesota, as may be fixed from time to time by the Board of Directors of YAF.

ARTICLE V
RELATIONSHIPS

The YAF shall consult regularly with the Yinghua Academy Board Chair and School Administration to ensure that the YAF goals and activities are aligned with the Yinghua Academy mission, policies and initiatives.

One member of The YAF Board of Directors shall serve as a Liaison to the Yinghua Academy Board of Directors. Subject to availability, this Liaison should be a current officer of YAF.

ARTICLE VI
BOARD OF DIRECTORS

Section 1. Number and Qualifications. The Board of YAF shall have a minimum of five (5) members who are parents or guardians of current Yinghua Academy students or are current faculty or staff of Yinghua Academy. These Directors shall be broadly representative of a wide range of community interests, or possess applicable professional experience, or have an expressed concern for the general purposes of YAF

Section 2. Governing Powers. The Board of Directors shall have all the powers and duties necessary or appropriate for the overall direction of YAF. They may engage in such acts and do such things as are not prohibited by a law or these bylaws.

Section 3. Election and Term of Office. Directors shall be elected at the annual meeting of the Board for a term of twenty five (25) months. Unless appointed to fill a vacancy, the term of office of a Director shall commence on June 1 following their election to the Board.

Section 4. Volunteer Coordinator. The Yinghua Academy Volunteer Coordinator will serve as an *ex officio*, voting, member of the YAF Board of Directors. The Volunteer Coordinator is elected to such post by the Board of Directors following the recommendation of the outgoing Volunteer Coordinator and the School Administration. The term for the Volunteer Coordinator is twenty five (25) months.

Section 5. Advisors to the Board of Directors. The following are invited to sit as non-voting advisors, *ex officio*, to the Board of Directors:

- a. A representative of the Yinghua Academy School Administration.
- b. A representative of the Yinghua Academy Board of Directors.

Section 6. Vacancies. Vacancies in the Board of Directors caused by any reason shall be filled by a vote of the majority of the remaining Directors. Each person so elected shall be a Director until that person or a successor is elected by the members at the next annual meeting.

Section 7. Resignation and termination. Resignation from the Board must be in writing and received by the Secretary. The resignation of any Director shall take effect at the time specified therein; the acceptance of such resignation shall not be necessary to make it effective. A Board member may be removed for any reasons (including, but not limited to, Board attendance) by a two-thirds (2/3) vote of the remaining Directors. Any director whose termination has been proposed shall be given at least thirty (30) days notice of the intent to take such action and an opportunity to be heard at this meeting.

A parent Director whose child is unenrolled from the school during such Director's term, shall be removed from the Board as of the date of such unenrollment.

A school employee who is a Director and who resigns his/her employment at the school or whose employment is terminated at the school is ineligible to be a Director. This Director shall be removed from the Board as of the date of employment resignation or termination.

Section 8. Compensation. No compensation shall be paid to Directors for their services to YAF. Directors may be reimbursed for actual expenses incurred by them in the performance of special duties.

Section 9. Annual Meeting. The Board of Directors shall hold an annual meeting each spring. It shall be held for the purpose of electing the Board of Directors and the consideration of any other business that may be properly brought before it. The time and place of this annual meeting of the Board shall be conveyed to each Director at least fifteen (15) working days in advance of the meeting.

Section 10. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the Directors. The Board of Directors shall no less than 10 times each year, approximately monthly during the academic year.

Section 11. Special Meetings. Special meetings of the Board of Directors may be called by the Chair of the Board, or any two members of the Board of Directors. Notice of the special meeting shall be given to the members at least three (3) days prior to the meeting.

Section 12. Quorum. At all meetings of the Board of Directors, a majority of the Directors of record shall constitute a quorum for the transaction of all authorized business. The acts of the majority of the Directors present at a meeting at which a quorum exists shall be the acts of the Board of Directors, except where a larger number is required by law or these by-laws.

Those persons present at a properly called General Membership Meeting shall be designated as a Quorum for the purpose of elections.

Section 13. Proxies. No voting by proxy shall be permitted in the meetings of the Board of Directors or General Membership Meetings of YAF.

Section 14. Robert's Rules of Order will be the authority for all questions and procedures at any meetings of YAF.

ARTICLE VII OFFICERS

Section 1. Designation. Principal Officers of YAF shall minimally include a Chair, a Treasurer, and a Secretary. At the discretion of the Board of Directors, other Officers may be elected with duties that the Board shall prescribe.

Section 2. Election of Officers. The Officers shall be members of the Board and be elected annually by the Board of Directors at the June meeting and, unless sooner removed by the Board, the Officers shall serve until their successors are elected. A vacancy in any office may be filled by a majority vote of the Board of Directors for the unexpired portion of the term. The Board of Directors shall also have the authority to appoint such temporary or acting Officers as may be necessary during the temporary absence or disability of the regular officers.

Section 3. Removal. Any Officer may be removed from the Board of Directors by affirmative vote of a majority of all the Board members. The matter of removal may be acted upon at any meeting of the Board. These removals do not indicate removal from the board of directors.

Section 4. Chair.

The Chair shall:

1. Preside at meetings of the YAF Board and serve as a voting member of the YAF Board.
2. Coordinate the work of the Board and its Committees in order that their objectives may be promoted.
3. Provide a written agenda for each YAF Board meeting and each General Membership meeting.
4. Provide an opportunity for each YAF Committee Chair to present updates of his/her activities at meetings.
5. Serve (or appoint another Board member to serve) as a Liaison to the school Board of Directors. As Liaison shall participate as a non-voting advisor, ex officio, to the school Board of Directors.
6. Perform such duties and exercise such powers as necessary or incident to the supervision and management of the business and affairs of the corporation as directed by the Board of Directors.

7. The Chair may execute for the corporation all contracts, deeds, conveyances, mortgages, bonds, and other instruments requiring an officer's signature unless otherwise directed by the Board of Directors.

Section 5. Secretary.

The Secretary shall:

1. Serve as a voting member of the YACA Board.
2. Record the minutes of all meetings of the YACA Board and YACA General Membership meetings.
3. Send out the minutes from the previous meeting to the Board for review prior to next month's meeting. Updates and discussions to the previous month's minutes will be made during the next month's meeting.
4. Be prepared to read the records of any previous meetings.
5. The Secretary shall be responsible for the keeping of all books, correspondence, committee minutes, calendar and papers relating to the business of YAF, except those of the Treasurer and post these as necessary.
6. Perform such other duties as may be provided for by these bylaws, prescribed by the parliamentary authority, or directed by the Chair, or the YAF Board.

Section 6. Treasurer.

The Treasurer shall:

1. Serve as a voting member of the YAF Board.
2. Submit to a consumer credit report check. The YAF Board will review and have final approval.
3. Maintain a full and accurate account of the funds of this organization including receipts and expenditures.
4. Coordinate disbursements as authorized by the YAF Board in accordance with the adopted budget.
5. Present a report of the financial condition of the organization at the Annual Meeting.
6. Provide written financial statements to the YAF Board as needed.
7. Facilitate the annual independent audit of YAF.
8. Perform such other duties as may be provided for by these bylaws, prescribed by the parliamentary authority, or directed by the Chair, or the YAF Board.

ARTICLE VIII
COMMITTEES

Section 1. Authority. The Board of Directors may act by and through such committees as may be specified in resolutions adopted by a majority of the members of the Board of Directors. Each such committee shall have such duties and responsibilities as are granted to it from time to time by the Board of Directors. Each such committee shall at all times be subject to the control and direction of the Board of Directors. Committee members, except the Chair of the Committee, need not be Directors.

Section 2. Meetings. Meetings of the individual committees may be held at such time and place as may be determined by a majority of the Committee, by the Committee Chair, or by the Board of Directors. Notice of meetings shall be given to the committee's members at least three (3) working days in advance of the meeting unless all members agree to a shorter notification. Those present at any properly called meeting shall constitute a quorum.

ARTICLE IX
FINANCES

Section 1. Fiscal Year. The fiscal year of YAF shall begin on July 1 and end on June 30 in each year.

Section 2. Books and Accounts. The YAF Treasurer shall keep or cause to be kept accurate records of all disbursements, income and bank accounts.

Section 3. Budget. A tentative budget shall be drafted in the spring for the following school year and adopted and approved by the YAF Board of Directors before June 30.

Section 4. Approval of Expenses. The Board shall approve all expenses of the organization.

Section 5. Deposits. All funds of YAF not otherwise employed shall be deposited in a timely manner to the credit of YAF in such bank or banks or other depositories as the Board of Directors may elect.

Section 7. Checks, Drafts, Etc. All checks, drafts and other orders for payment of funds shall require the signature of the Chair or another Officer or such other persons as the Board of Directors shall designate in its approved financial policies.

Section 8. Indemnity. YAF shall indemnify and hold harmless any Director, Officer, or employee from any suit, damage, claim, judgment or liability arising out of, or asserted to arise out of conduct of such person in his or her capacity as a Director except in cases involving willful misconduct.

Indemnification provided under this section shall comply with and follow the requirements as provided by statute. YAF shall have the power to purchase or procure insurance for such purposes.

ARTICLE X CONFLICT OF INTEREST

The purpose of the conflict of interest policy is to protect this tax-exempt organization's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an Officer or Director of the Organization or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

a) Definitions. An interested person, for purposes of this conflict of interest policy is any director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below:

1) A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

a. An ownership or investment interest in any entity with which the Organization has a transaction or arrangement,

b. A compensation arrangement with the Organization or with any entity or individual with which the Organization has a transaction or arrangement, or

c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Organization is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

The fact that one of the interests described above has occurred does not necessarily mean that a conflict exists, or that the conflict, if it exists, is material enough to be of practical importance, or if material, that upon full disclosure of all relevant facts and circumstances that a conflict exists precludes board action. As provided in Article VII, section 6, subsection (b), part (2), the board shall determine whether a conflict exists.

b) The Board shall not enter into any contract or transaction with (a) one or more of its directors, (b) a director of a related organization or (c) an organization in or of which a director of YAF is a director, officer or legal representative, or in some other way has a material financial interest unless:

1) Duty to Disclose

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

2) Determining Whether a Conflict of Interest Exists

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

3) Procedures for Addressing the Conflict of Interest

a. An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

b. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Organization's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

4) Violations of the Conflicts of Interest Policy

a. If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

b. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

The interested Director may be present for discussion to answer questions, but may not advocate for the action to be taken, cannot be included to establish a quorum for the meeting, and must leave the room while a vote is taken. The minutes of all actions taken on such matters shall clearly reflect that these requirements have been met.

c) Compensation. This subsection shall govern when compensation from this Organization is being determined.

1) A voting member of the governing board who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.

2) A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.

3) No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

ARTICLE XI DISTRIBUTION OF ASSETS

Upon the dissolution of the organization, any remaining funds should be used to pay any outstanding bills and, with the membership's approval, spent for the benefit of Yinghua Academy; provided, however that such distribution must be consistent with the provision of the Articles of Incorporation, the Minnesota Nonprofit Corporation Act, and the provisions of the organization's Recognition of Exemption under 501 (c) (3) of the Internal Revenue Code, if granted.

By a two-thirds (2/3) vote of all directors, the Board of Directors may resolve that the Corporation cease operations and voluntarily dissolve. Such resolution shall set forth the proposed dissolution and direct designated Officers of the Corporation to perform all acts necessary to effect dissolution. Written notice as required by these Bylaws shall be given to all voting members stating that the purpose of the meeting shall be to vote upon the dissolution of the Corporation. A resolution to dissolve the Corporation shall be approved only upon the affirmative vote of a two-thirds (2/3) of a quorum of voting members of the Corporation taken at a meeting during which the resolution is brought before the voting members. If such cessation and distribution is called for, the Board shall set a date for commencement of the distribution.

When cessation of operations and distribution of assets has been called for, the Board shall liquidate and distribute all the Corporation's assets to other entities in accordance with Minnesota Statutes, Section 317A.735 and in accordance with the Articles of Incorporation. Notice of intent to dissolve shall be filed with the Secretary of State pursuant to Minnesota Statutes, Section 317A.723.