

BY-LAWS
OF XILIN NORTH SHORE CHINESE SCHOOL
(A NOT-FOR-PROFIT CORPORATION)

March 27, 2009

ARTICLE I. GENERAL

1. **Name.** "Xilin North Shore Chinese School" is the official name of the Corporation (hereafter referred as "the School").
2. The School is a **non-profit organization** registered in Cook County, State of Illinois. The fiscal year of the School starts from the first of August in each calendar year.
3. **Mail Address:** Xilin North Shore Chinese School, 4957 Oakton Street Suite 292, Skokie, IL 60077.
4. **Purpose.** The purpose of Xilin North Shore Chinese School shall be to teach school-age children after their regular school hours the Chinese language and Chinese culture, and to enhance students' academic competitiveness and social skills. The School shall be organized exclusively for educational purposes within the meaning of section 501(c) of the Internal Revenue Code. The School shall be run as an independent, non-commercial educational organization.
5. **Inurement of Income.** No part of the net earnings of the School shall inure to the benefit, or be distributable to, its Members, Officers or other private persons except that the School shall be authorized and empowered to pay reasonable compensation for services rendered.
6. **Offices.** The facilities where the classes will meet shall serve as its offices.
7. **Dissolution.** Upon the dissolution of the School, the Officers shall, after paying or making provisions for the payment of all the liabilities of the School, dispose of all assets of the School exclusively for the purposes of the School in such a manner, or to such organization or organizations organized and operated exclusively for educational purposes as shall at the time qualify as an exempt organization or organizations under section 501(c) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law), as the Board of Directors shall determine.
8. **Administration.** The School has two administrative bodies: Board of Directors and Executive Committee. None of the members can serve on both administrative bodies at the same time. Each family can only have one person serving in school administration. Terms of all board of directors start from May 1st (year); terms of the executive committee members start from July 1st (year).

ARTICLE II. MEMBERS

1. **Membership.** Parents or legal guardians of the School's registered students are automatically members of the School. There are no membership dues. The membership is on a family basis. Any family having a child or children currently enrolled shall become a Member of the School (hereafter referred as "Member") subject only to compliance with the provisions of the by-law. In addition, any contracted teacher of the School shall also become the Member subjecting to the same compliance. Each family so-defined constitutes one Member. Either parent of the family shall be the representative.
2. **Voting Rights.** Each Member shall be entitled to one vote on each matter submitted to a vote of the membership. The format of votes, either anonymous or non-anonymous shall be decided by the Board of Directors. Votes may be delivered in persons, by post, electronic mail or fax. The voting results shall be made public without anonymity.
3. **Meeting.** There will be at least one meeting of Members each year called by the Chairman of the Board of Directors.
4. **An Election Day.** One school day in April shall be used for school voting and board director election. Board of Directors shall be elected by a majority of the Members who voted, provided quorum is met.
5. **Quorum.** The Members present at any meeting sponsored by the School shall constitute a quorum at such meeting, if the number of the Members present is at least twenty (20%) of all the Members. Such meeting can be by teleconference, or other forms decided by Board of Directors. When the Members vote for submitted matters, the subject shall be considered ratified and effective after receiving votes from more than 30% of all the Members, and getting the simple majority of the valid ballots from the quorum and absentee votes within the designated time period.

ARTICLE III. BOARD OF DIRECTORS

1. **General Powers and responsibilities.** The Board of Directors is responsible for the School's basic construction and format, nature of business, long-term growth, and strategic directions. The main responsibilities of the Board of Directors include:
 - 1.1 Filling the position of the Principal by forming a search committee, publicizing the opening and qualifications, soliciting applications, screening and interviewing applicants, and appointing the Principal. The search of Principal shall be publicized no later than six (6) weeks prior to the appointment.
 - 1.2 Overseeing school funding; reviewing and approving the operating budget prepared and presented by the school executive committee to the board at the beginning of each semester of the school, including the budget for the compensations of school officers and school events.

1.3. Reviewing educational and financial status and giving necessary guidance of the School prepared and presented by the school executive committee at least once during a semester; reviewing the operational summary and tuition plan for next semester, also prepared and presented by the school executive committee to the board at the end of each semester.

1.4 Interpreting the School's By-laws wherever ambiguous; recommending candidates for new Directors.

1.5 Approving candidates for new officers recommended by the Principal; approving the hiring of teacher/substitute teacher in compliance with the legal requirements.

1.6 Seeking the extension of rental facilities for the School's use.

2. **Directors.** There shall be five Directors, including the Chairman of the Board. All directors shall be elected by the Members. No more than one director shall be the contracted teacher of the School. Each Director shall have a two-year term, and can be re-elected to serve a maximum of one additional consecutive term, but shall be limited to a maximum of six years in total in his/her life time.

3. **Nomination of Directors.** The Board of Directors will solicit nominations for new directors. If a name of a member is put forward by oneself or by another member with the permission of the nominee, and it receives the support of at least one (1) additional Member, the name will be placed on the ballot. If the nominee is employed by other Chinese school(s) and/or serving on its board, a disclaimer should be provided as a part of the nomination. Nominations should be opened no later than four (4) weeks prior to the election day.

4. **Compensation.** Directors shall not receive any stated salaries for their services; but nothing herein contained shall be construed to preclude any Director from serving the School in any other capacity and receiving compensation thereof.

5. **Chairman of the Board and Responsibilities.** The Chairman of the Board is elected yearly by a majority of the Board. In addition to the duty of a Director, the chairman is responsible for

5.1 Managing the reserve and trust accounts, and monitoring the operating account; Funds can only be transferred from reserve account to operating account based on board's review and approval; Funds allowed in the operating account are based on budgeted expenses for that semester; any excess fund shall be transferred to reserve account.

5.2 Calling and presiding four annual Board meetings, the meeting of Members, and some ad hoc meetings, if requested by two or more Directors.

5.3 Approval of the contract of rental facilities for the School's use.

5.4 Educate school governing members the best practices of a non-profit organization.

6. **Treasurer and Responsibilities.** The Treasurer is one of the Directors who serve on the board. The Treasurer is elected yearly by the majority of the Board and primarily responsible for auditing the financial statements and documents (at least once per month).

7. **Meeting, Quorum, and Manner of Acting.** A meeting of the Board of Directors may be called by two or more Directors. A majority of the Directors shall constitute a quorum for the resolution of the subject at any such meeting. The Principal will be invited to attend the board meetings, if the subject would not present a conflict of interest. The Principal can vote only if the item to be voted upon relates specifically to the tuition plan.

8. **Conflict of Interest.** During a voting procedure for any proposed subject, any Director, who has the conflict of interest in the proposed subject matter, shall refrain from voting.

9. **Dismissal.** Any Director can be dismissed based on the votes with a single majority of the Members in a special meeting of the Members. At least two (2) Board members or ten (10) Members may initiate the dismissal process. The party who proposes the dismissal must openly communicate their concerns to the rest of the Members. If the Chairman does not fulfill his/her responsibilities, he/she may be dismissed from the Chairman position by the majority of the Board.

10. **Vacancy.** A vacancy occurring in any Board position shall be filled for the remaining term by a person elected by a majority of votes of the remaining Directors of the Board, consistent with the other provisions of these By-Laws.

ARTICLE IV. EXECUTIVE COMMITTEE

1. **General Powers.** The Executive Committee is responsible for managing the School's routine business and educational activities. All the Officers in the Executive Committee shall perform the duties prescribed in the parliamentary authority that is provided for in these By-Laws and that may be additionally assigned by the Principal. All the Officers shall also deliver to their successors all official materials at least one month before their terms end.

2. **Officers.** The Officers of the Executive Committee shall consist of Principal, Associate Principal, Accountant, and any other members added based on the recommendation of Principal so long as the total number shall not exceed five (5) officers. The Officers shall be recommended by the Principal and ratified by the Board of Directors.

3. **Principal.** The Principal shall be appointed by the Board of Directors every two years. The Principal shall be eligible for re-appointment to serve one additional term. A principal is limited to serve for a maximum of four continuous years (i.e., two consecutive terms) or a maximum of six years in his/her life time. The principal shall be the chief executive officer of the School, the registered agent, and shall in general supervise and control all of the affairs of the School

concerning its daily operation. The principal shall take the following major responsibilities or delegate them to other officers:

3.1 Hiring and firing of teachers/substitute teachers and professional services in compliance with all the legal requirements to fulfill the obligation to the government agencies and the need of the School.

3.2 Determining curriculum and establishing course requirements, to plan and schedule classes, and to inspect and evaluate the performance, compensation and reward of individual teachers.

3.3 Submitting the annual school report to the State.

3.4 Filing tax forms and addressing inquiries from IRS with the assistance of the Accountant.

3.5 Managing the School, operating bank account, making deposits of incomes from tuitions, fees, and other income sources; Monitoring the reserve and trust accounts.

3.6 Soliciting donation and voluntary service to the school with the support of the Board of Directors.

3.7 Leading other executive committee members to prepare and present educational and budgetary plans and summaries to the school board at the beginning and end of a semester; to present operational status of the school to the board as requested by the board.

3.8 Administration during school hours. Facility management, strict enforcement of school policies and rules, and student discipline for any misbehavior that is prohibited by the School and the property landlord.

3.9 With the approval of the Board of Directors, the principal may sign, with any other proper officer of the School authorized by the Board of Directors, any deeds, mortgages, contracts, or other instruments which the board of directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the board of directors or by these by-laws or by statute to some other officer or agent of the School.

The Principal in general shall perform any duties prescribed in By-Laws or assigned to him/her by the Board of Directors.

4. **Associate Principal.** Associate Principal shall assist the Principal and share the responsibilities (listed under IV.3) of Principal. Associate Principal should serve as the acting principal in the absence of the Principal.

5. **The Accountant.** The Accountant shall be appointed by the Principal every two years. An Accountant shall be eligible for re-appointment to one additional consecutive term. The Accountant is primarily responsible for the compilation and review of financial statements;

filing of annual tax return and any correspondences with IRS; preparation of invoices and any other financial related documents; preparation of tax documents such as 1099's; financial projections; recommendations to school Principal and the board on financial issues.

6. **Compensation.** Compensation of the Principal will be determined by the Board of Directors. Compensation of the other officers will be recommended by the Principal and approved by the Board of Directors.

7. **Term of Officer.** Each Officer shall hold office for a term of two years. An Officer of the School shall be eligible for re-appointment to serve one additional consecutive term in the executive committee.

8. **Conflict of Interest.** During a voting procedure for any proposed subject, any Executive Committee member, who has the conflict of interest in the proposed subject matter, shall refrain from voting.

9. **Dismissal.** Any Officer, including the Principal, can be dismissed by the recommendation of at least two (2) Board Directors and approval of the majority of the Board of Directors. An Officer who engages in illegal or unethical conduct that has a negative impact on the School may be immediately terminated. Termination of the Principal due to reasons other than illegal or unethical conduct can be sought after providing the reasons to the rest of the Members and hearing their opinions. The date of termination for reasons other than illegal or unethical conduct should be chosen to avoid disruption to normal school operations. Any Officer can be dismissed by the recommendation of the Principal and approval of the Board of Directors at any time.

10. **Vacancy.** A vacancy occurring in any office shall be filled for the un-expired term by a person recommended by the Principal and approved by the Board of Directors.

ARTICLE V. AMENDMENTS

The By-Laws may be amended by approval of Members based on the votes with a single majority of the Members if the number of votes cast exceeds 30% of the total number of members. Votes may be delivered in persons, by post, electronic mail or fax so long as at least 20% of the Members shall deliver their votes in person.