

**BYLAWS**  
**HUAXIA CHINESE SCHOOL (NEW YORK CENTRAL), INC.**

April 12, 2015

**Article 1. Name and Office**

The registered name of the corporation is Huaxia Chinese School (N. Y.), Inc. (hereinafter referred to as “the School”). Its principal office is located in the County of Westchester, State of New York.

**Article 2. Purposes and Powers**

The purposes of the School are to teach Chinese language and promote awareness of Chinese culture through the operation of the Huaxia New York Central Chinese School (华夏纽约中心学校). The School teaches Chinese phonics (*pinyin*) and simplified Chinese characters (*jianti hanzi*). In addition to the foregoing, the School shall have all purposes and powers consistent with the New York Not-For-Profit Corporation Law, its Certificate of Incorporation and these Bylaws. In the event of any conflict between provisions in these Bylaws and any School policies, the provisions of these Bylaws shall be controlling. The current Bylaws as set forth herein supersede all previously published Bylaws of the School. The Board of Directors shall interpret the Bylaws and its application.

The School is academically affiliated with Hua Xia Chinese School, Inc. (hereinafter referred to as "Hua Xia"). The School shall operate in accordance with Hua Xia's general guidelines and policies. Should there be a conflict in policy between Hua Xia and the School, the School's policy shall govern.

**Article 3. Organizational Structure**

3.01.1 The Members of the School have ultimate authority over the mission and direction of the School and operation of the School and reserve all power permitted to members under the New York Not-For-Profit Corporation Law, including, without limitation, authority to approve the following matters:

- (a) any change in the general character of the School and operation of the School;
- (b) the adoption, amendment or repeal of any plan of dissolution, merger or consolidation;
- (c) the election and removal of the Directors;
- (d) the amendment of the Certificate of Incorporation or the amendment of these Bylaws; and
- (e) the decision by the Board of Directors to purchase, sell, mortgage or lease real property or to sell or dispose of all or substantially all of the School's assets.

3.01.2 The Board of Directors is responsible for overseeing the School subject to the ultimate authority of the Members as set forth above. The Board of Directors is the highest policy-making body of the School. The Board shall set the short and long term goals, directions and policies of the School and ensure the School is developing within the guidelines stated in these Bylaws. These goals include the School curriculum and teaching methods.

3.01.3 The School Administration consists of the Principal, Dean of Academics, the Vice Principal(s), the Financial Director, and other officers. The Parents Council consists of parents who provide voluntary assistance to the School in cooperation with the School Administration. The Chairperson of the Parents Council is an appointed position. The Parents Council shall work closely with the School Administration to provide support to all School events.

## **Article 4. Members**

### **4.01 Qualification and Rights**

4.01.1 Adult students (18 years old and over) and parents or guardians of minors who are registered students in good standing and attend the School as reflected in the records of the School qualify to serve as Voting Members of the School. Students must register for at least one class each semester and non-adult students must register for at least one language class each semester. The School may also have non-voting Honorary Members as provided in Section 4.01.2. Voting Members must pay tuition and follow the School Bylaws, Codes and Regulations.

4.01.2 The Board of Directors may, in its sole and exclusive discretion, grant a permanent Honorary Membership to any person who is not a Voting Member but who has made significant contributions to the School or whose membership in the School would confer an extraordinary benefit to the School. Anyone who has served on the Board of Directors or as Principal or Chairperson of the Parents Council, or has been teaching at the School for a minimum of 10 years will become a lifetime Honorary Member after he/she ceases to be a Voting Member without Cause. All Honorary Members shall be non-voting Members.

4.01.3 All Members are entitled to attend Meetings of Members and participate in voluntary work at the School. Voting Members elect the Board of Directors. Voting Members approve the School's Bylaws and its amendments, and may remove Directors, the Principal, and the Chairperson of the Parents Council. All members shall receive annual school financial information from the Board or Principal.

### **4.02 Membership Suspension, Termination and Resignation**

4.02.1 Members who are no longer adult students of the School or parents or guardians of minors who are registered students of the School shall automatically be terminated as Voting Members. In addition, any Member who violates the School's Bylaws, Codes and Regulations, including but not limited to election violations, abuse or misuse of School resources, failure to keep student tuition and/or fees or assessments fully paid and current on or before the due date or commits a criminal offense may have his/her membership suspended or his/her status terminated by recommendation of the Principal and with approval of two-thirds of the Board of Directors.

4.02.2 The suspension or termination of an adult or guardian as a Member will not have any impact on his or her non-adult student's status as a student at the School.

4.02.3 Any Member may resign or withdraw from the School by presenting to the Principal a written statement of resignation.

### **4.03 Meetings of Members**

4.03.1 Meetings of Members must be held at least once a school year. A Meeting of Members to elect the Board of Directors must be held at least one week before the last day of classes in that School Year. The Chairperson of the Election Committee shall preside over the meeting. If there is a budget proposal deadlock with the Board of Directors, a Special Meeting of Members meeting shall be called.

4.03.2 A Special Meeting of Members may be called by the majority of the Board of Directors or by a written petition to the Board signed by at least 20% of all Voting Members. The written petition must state the

purpose for which the meeting is being called. The petition must further contain the printed names and signatures of the Voting Members submitted in support of said petition so that the Board of Directors may confirm the same against the School records.

4.03.3 The Chairperson of the Board of Directors, upon receiving the written petition, shall promptly give notice of such meeting, or if he/she fails to do so within five (5) business days thereafter, any Voting Member who has signed such written petition may give such a notice. The meeting shall be held at the office of the School.

4.03.4 A Special Meeting of Members may not be called by the Principal or the Chairperson of the Parents Council. A Special Meeting of Members may only be called by the Board of Directors or 20% of all Voting Members.

4.03.5 Notice of the time and place of each Meeting of Members of the School, whether annual or special, shall be given personally or by first class mail, telephone, facsimile or electronic mail and shall be given not less than ten (10) nor more than fifty (50) days before the date of the meeting. Notice of a Special Meeting of Members shall also state the purpose or purposes for which the meeting is called. Notice needs to be given neither to any Member who submits a signed waiver of notice, nor to any Member who attends such meeting without protesting the lack of notice of the meeting prior to the conclusion of such meeting.

#### **4.04 Voting Rules**

4.04.1 A simple majority and two-thirds majority referred to in this Section 4.04 shall be based on the actual valid votes present at the Meetings of Members. Voting by proxy is acceptable.

4.04.2 A simple majority vote applies unless otherwise specified.

4.04.3 A two-thirds majority vote is needed for approval of the School's Bylaws and its amendments.

4.04.4 A two-thirds majority vote is needed for removal of any Director.

4.04.5 A Special Meeting of Members shall be called to resolve any budget deadlock by the Board of Directors and will require a two-thirds majority vote. Such a meeting shall be called and presided over by the Chairperson of the Board of Directors.

4.04.6 A quorum of fifteen percent (15%) of the Members at a meeting of Voting Members is required for the transaction of any business.

4.04.7 The Election Committee will handle election-related issues, including, but not limited to, facilitating the election, preparing and announcing the list of candidates, election announcements, balloting and vote counting.

4.04.8 The Election Committee, with a total of five (5) members, will consist of the members or their designees of the Parents Council.

4.04.9 The sitting Chairperson of the Parents Council shall be the Chairperson of the Election Committee. . If the Chairperson of the Parents Council is running for the Board of Directors, the Board shall appoint, by a two-thirds majority, the Chairperson of the Election Committee (EC). If an Election Committee person is running for the Board, he/she must resign from the Election Committee and be replaced as determined

by the Chairperson of the Parents Council.

4.04.10 The Election Committee shall be formed immediately after the announcement of the open positions and not more than two (2) weeks after the announcement.

4.04.11 Any candidate who violates the election rules may lose his/her candidacy subject to a decision by the Election Committee.

4.04.12 The Voting Member list shall be created from the list of all registered students (and their parents or guardians) as certified by the Principal in accordance with these Bylaws.

#### **4.05 Proxy**

4.05.1 Every Voting Member is entitled to vote and may authorize another person or persons to act as his or her proxy. Voting by mail is prohibited.

4.05.2 Without limiting the manner in which a Member may authorize another person or persons to act as his/her proxy, a Voting Member may execute a written authorization designating another person or persons to act as his/her proxy. Execution may be accomplished by the Voting Member or the Member's authorized agent signing such writing or causing his or her signature to be affixed to such writing by any reasonable means including, but not limited to, by facsimile signature.

4.05.3 The proxy shall state the nature of the vote for which the proxy is offered, be dated and clearly indicate to whom the proxy is being given and from whom it is being received. The proxy must be signed with a legible signature. The proxy must be accompanied by a copy of a picture ID, such as, but not limited to, a driver's license or passport.

#### **4.06 Appointment of Principal and Chairperson of the Parents Council**

4.06.1 The appointment of the Principal by the Board of Directors shall be conducted annually and by written ballot in person under the supervision of the Election Committee. Each Board Director may only cast one vote for one of the candidates for Principal. All votes shall be immediately counted and the candidates with the highest number of votes shall be elected. In the event of a tie, there will be a runoff as determined by the Election Committee.

4.06.2 The candidates of the Principal should be given an opportunity in an open Board meeting to present their vision and working plans.

4.06.3 The appointment of the Principal should occur at a minimum two months before the last day of the school year.

4.06.4 The Principal recommends the appointment(s) of the Chairperson of the Parents Council and senior administrative staff to the Board of Directors, which appointment(s) shall be considered within fourteen (14) days of said appointment(s).

4.06.5 The Principal and the Chairperson of the Parents Council shall serve one-year terms and may serve up to a total of three (3) consecutive one-year terms.

4.06.6 The newly appointed Principal and Chairperson of the Parents Council shall take office on the

first day of the new School Year as defined in Article 8.01.

4.06.7 At the end of the term, all documents and properties related in any way to the operation of the School in the possession of any person shall be transferred to the School.

## **Article 5. Board of Directors**

### **5.01 Structure**

5.01.1 The Board consists of seven (7) Directors. Any officer appointed by the Principal and the Chairperson of the Parents Council shall not simultaneously serve on the Board of Directors.

5.01.2 A Director of the Board may resign at any time upon advance written notice to the Board. In case of a vacancy on the Board, the Board members shall fill the vacancy as per Article 5.02.

5.01.3 All Directors are non-compensated positions.

5.01.4 The Board of Directors shall establish standing committees and procedures.

### **5.02 Election of Directors**

5.02.1 The Board of Directors shall be elected at a Meeting of Members held at least one week before the last day of classes of the School Year.

5.02.2 The Chairperson of the Board of Directors shall announce openings on the Board at least five (5) weeks prior to the election date.

5.02.3 In order to be eligible for election to the Board of Directors, a candidate must be a current Voting Member or an Honorary Member in good standing. The candidate must submit, within two (2) weeks of the announcement of Board openings a written petition to the Election Committee with the signatures of two percent (2%) of the Voting Members unless they are already Board Members. The candidate should disclose his or her position as a director of any other organization(s). The sitting Principal and Chairperson of the Parents Council may run for a term on the Board of Directors in the following School Year provided they announce their intent to run within seven (7) days after the Board of Directors announces the open positions.

5.02.4 The Election Committee will prepare and publish the list of candidates for the open Director positions three (3) weeks after the announcement of the open positions.

5.02.5 The Directors are elected by Voting Members. The election shall be conducted by written ballot in person or by proxy under the supervision of the Election Committee. A Voting Member may cast as many ballots as there are open seats. Only one vote may be cast for each candidate. Ballots containing more than the permitted number of the votes are invalid and will be discarded. All votes shall be immediately counted and the candidates with the highest number of votes shall be elected. In the event of a tie, there will be a runoff as determined by the Election Committee.

5.02.6 The candidates with the highest number of votes who are not elected shall be retained in reserve and may be called to fill Board vacancies as prescribed in these Bylaws. If there are no reserves or the candidates in reserve decline to serve, the position shall remain open until the next election unless the Board does not have a quorum in which case the Board will appoint a Director(s) for that School year only.

5.02.7 The newly elected Directors shall take office on the first day of the new School Year.

5.02.8 Each elected Director shall hold office for a term of two years. Each Director may serve no more than two (2) terms or four (4) years in a lifetime, whichever number is shorter. Any Director with more than two (2) and no more than three (3) years of service on the Board may only serve one additional one (1) year term.

### **5.03 Chairperson of the Board**

The Chairperson of the Board of Directors shall be elected by the current Board members by a simple majority vote. The Chairperson is elected to serve a term of one (1) year and can be re-elected for the maximum of two (2) years.

### **5.04 Responsibilities of the Board of Directors**

5.04.1 The Board oversees school operations on behalf of the Members.

5.04.2 The Board approves annual school budget submitted by the Principal.

5.04.3 The Board prepares, causes to prepare or reviews annual school reports including financial reports.

5.04.4 The Board reviews annual school academic plans.

5.04.5 The Board conducts audit on the School's financial operations and financial reports.

5.04.6 The Board may freeze school budget or operations in cases of grave financial circumstances.

5.04.7 The Board sets school policies and general guidelines, including but not limited to:

- Administrative structure;
- Academic policies, including curriculum and teaching methods;
- Budget and financial regulations and operational rules; and
- Tuition, stipend rates, and compensation rates.

5.04.8 The Board must approve all significant unbudgeted expenditures.

5.04.9 The Board approves senior administrative staff appointed by the Principal.

5.04.10 The Board has the power to initiate the process to amend the Bylaws.

5.04.11 The Board appoints the Principal and the Chairperson of the Parent Council recommended by the Principal.

### **5.05 Board Meeting**

5.05.1 The Board shall meet at least twice a semester, and Board meetings shall be presided over by the Chairperson of the Board of Directors.

5.05.2 Special Board meetings may be called by the Chairperson or at the request of at least one-third of

its members or at the request of the Principal if he/she deems it necessary.

5.05.3 Board meetings to vote on resolutions and other related discussions are not open to the entire membership of the School unless permitted by the Board. The agendas of any open Board meetings will be announced on the School website at least one (1) week before the meeting. Members of the School wishing to attend the open Board meeting must follow the rules of the meeting, have no right to vote and may only speak after they obtain permission from the Chairperson.

5.05.4 The presence in person of five (5) of the Directors shall be necessary and sufficient to constitute a quorum for the transaction of business. The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board. In the absence of a quorum, the Directors present by a majority vote and without notice other than by announcement may adjourn the meeting from time to time until a quorum is reached. Each Director shall have one vote.

## **5.06 Director Conduct**

5.06.1 Directors have the obligation to attend Board meetings. Proper notification is required if a Director is not able to attend the meeting. If a Board Director is absent from two consecutive meetings without appropriate reasons, his or her resignation shall be deemed to have been tendered and accepted. The vacant Director position shall be immediately filled as per Article 5.02.6.

5.06.2 A Board member shall not be able to vote on his/her own appointment or election candidacy. A Board member shall not be able to vote on any matter involving him/her personally or his/her immediate family member.

5.06.3 Voting is by simple majority unless otherwise specified herein.

5.06.4 A two-thirds majority vote is required for a decision on budget freeze and School operation shutdown.

5.06.5 A two-thirds majority vote by the Board of Directors is required for decision to terminate any School Officer, the Principal or the Chairperson of the Parents Council.

5.06.6 All Board meeting minutes and voting records shall be recorded and filed with the office of the School.

5.06.7 Any Director who seeks to be appointed for any other office shall automatically resign from the Board and said resignation is permanent for the remainder of that School Year or the term of office for said Director, whichever is longer. The vacant Director position shall be immediately filled as provided under these Bylaws.

5.06.8 Spouses or domestic partners shall not simultaneously hold offices of the Board, the Principal, and the Chairperson of the Parent Council.

## **Article 6. School Officers**

### **6.01 Structure**

6.01.1 The School Officers include Principal, Vice Principal(s) and Dean of Academics, and Financial Director and the occupants of other positions appointed by the Principal.

6.01.2 All School Officers, except the Financial Director, are appointed by the Principal upon the approval by the Board of Directors. The Principal may dismiss any non-officer administrative staff with proper notification to the Board of Directors.

6.01.3 The Principal may resign at any time with a one (1) month advance notice in writing to the Board of Directors. In case of the Principal's resignation, one Vice Principal may be appointed by the Board of Directors as the interim Principal for the rest of the term.

6.01.4 In the event that the Principal and all Vice Principals resign at the same time, the Board shall appoint an acting Principal.

## **6.02 The Principal**

6.02.1 The Principal is in charge of School administration and instructional operations. The Principal is appointed by and reports to the Board of Directors.

6.02.2 The Principal's administrative responsibilities include, but are not limited to:

- Administering school operations;
- Representing the School in external affairs;
- Hiring and dismissing teachers and non-officer administrative staff
- Appointing and terminating School Officers subject to Board approvals;
- Proposing and executing the annual School budget;
- Approving and signing vouchers and payments consistent with the approved budget;
- Submitting annual budget report to the Board of Directors and the Membership;
- Submitting annual academic report to the Board of Directors and the Membership;
- Presiding over the administrative committee meetings and other School meetings;
- Planning and overseeing the transition of the School administrative responsibilities and presiding over meetings for such purposes. Such meetings should be convened before the end of the School Year.

6.02.3 The Principal may delegate some of his/her duties to other School officers or staff.

6.02.4 The Principal shall designate, with proper notification to the Board, a Vice Principal as the Acting Principal in case of his or her absence.

## **6.03 The Vice Principal(s)**

The Vice-Principal(s)' responsibilities will be defined by the Principal. These responsibilities include but are not limited to:

- Registration for enrollment and all related affairs;
- Maintenance of school discipline;
- Maintenance of school order and security; and
- Management of public relations and school publications.

## **6.04 The Financial Director**



The Financial Director is directly appointed by the Board of Directors. His/her duties include:

- Maintaining the School's financial books and records;
- Providing cooperation for financial audit;
- Assisting the Principal in preparing School annual budget;
- Preparing financial reports;
- Preparing the School annual tax return;
- Cooperating with the Principal to accomplish other relevant work; and
- Maintaining a record of the School inventory.

## **6.05 The Dean of Academics**

The Dean of Academics' main duty is to oversee and coordinate the School's academic activities, which include, but is not limit to:

- Preparing academic calendar and scheduling classes;
- Coordinating teacher recruitment, training and parent-teacher conferences;
- Scheduling and organizing the academic and cultural activities;
- Preparing annual School academic plans and academic reports; and
- Overseeing teaching quality and other teaching related activities.

## **Article 7. Parents Council**

### **7.01 Structure and Responsibilities**

7.01.1 The Parents Council consists of volunteer parents who provide voluntary assistance to the School and perform activities in cooperation with the School Administration.

7.01.2 The Parents Council is responsible for:

- Assisting teachers in maintaining classroom order and student discipline;
- Organizing school cultural events and parties; and
- Supporting the School in general.

7.01.3 The Chairperson of the Parents Council reports to the Principal. The Chairperson may appoint vice chair(s) to assist the Chairperson at Parents Council meetings and other activities.

7.01.4 The Parents Council meeting is called by the Chairperson or at the request of at least one-third of the Council members. The Parents Council meeting shall be presided over by the Chairperson or his/her designated Council member.

7.01.5 Simple majority rules unless there is a deadlock, in which case the Chairperson's final decision shall be binding.

## **Article 8. Budget and Finance**

**8.01** School Year (also referred to as academic year, fiscal year or budget year) starts on August 1st and ends on July 31st of the following year.

## **8.02 Budget proposal and approval**

8.02.1 Annual School budget shall be proposed and submitted by the Principal to the Board of Directors by the end of September of that School Year.

8.02.2 The Board of Directors shall approve or reject the budget proposal within two (2) weeks of receiving the budget proposal.

8.02.3 The rejected budget shall be returned to the Principal with recommendations for modification.

8.02.4 The Principal shall resubmit the revised budget proposal within one (1) week after receiving the rejection.

8.02.5 Should the revised budget proposal be rejected one more time, a Special Meeting of Members shall be called to vote on the budget.

8.02.6 The Board of Directors shall publish the approved budget to all School Members through secure internal School communications as soon as said budget is approved.

8.02.7 The Principal shall operate the School based on the budget approved by the Board.

## **8.03 Annual Report of Directors**

8.03.1 The Financial Director shall prepare or cause to be prepared appropriate financial statements as required by state and federal taxing authorities, including financial statements containing the elements set forth in Section 8.03.2 below and shall be responsible for all School financial records and keep all the financial documents for auditing.

8.03.2.<sup>1</sup> The Board of Directors shall present at the annual Meeting of Members a report certified by a firm of independent public accountants approved by the Board, detailing the following:

(a) The assets and liabilities, including any trust funds, of the School as of the end of the twelve (12) month fiscal period terminating not more than six (6) months prior to the said meeting.

(b) Any material changes in assets and liabilities, including trust funds, during the said fiscal period.

(c) The total revenue or receipts of the School, both unrestricted and restricted during the said fiscal period.

(d) The total expenses or disbursements of the School for both general and restricted purposes during the said fiscal period.

(e) The number of registered students as of the date of the report, together with a statement of increase or decrease in such number during the said fiscal period.

This report shall be filed with the records of the School and a copy thereof entered in the minutes of the proceedings of the annual Meeting of Members.

8.03.3 The Financial Director shall prepare, or cause to be prepared, income and expense statements for the approval of the Board of Directors at the end of each semester, and, after so approved, shall then promptly place a copy of the statements at the office of the School.

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<sup>1</sup> This report as stated here must be made under NPCL § 519.

8.03.4 The financial and accounting records of the School shall be made available for all Members to inspect upon request in accordance with these Bylaws.

## **Article 9 Maintenance of School Records and Inspection Rights**

9.01 The Principal shall maintain, at the office of the School, the following records, and make them available to the Directors as per Article 9.02:

- Minutes of all meetings of the Board of Directors and Members;
- Books and records of accounts of School properties and business transactions;
- A record of School faculty, student and membership lists;
- A list of the Members, Directors and officers of the School and their residence addresses;
- A copy of the current School Bylaws, as voted on and approved by the Membership;
- A copy of the School's tax exempt status rendered by the Internal Revenue Service and correspondence relating thereto;
- Copies of any other correspondence with the Internal Revenue Service and other governmental agencies; and
- Copies of School program licenses, permits and accreditation and governmental correspondence related thereto.

9.02 Subject to the exclusion due to conflicts of interest, every Director shall have the right at any time during regular School hours to inspect and copy all records, books, documents and lists as set forth in Section 9.01 for School related purposes with notification to the Board.

9.03 Every Member in good standing shall have the following inspection rights for a purpose reasonably related to their interest as a Member: (1) to inspect in the office of the School a list of names and voting rights of those active Voting Members; and (2) to inspect in the office of the School, at any reasonable time, the records, books, minutes of the proceedings of the Meetings of Members or of the Board or Committees of the Board upon written request to the Chairperson of the Board of Directors, for a purpose reasonably related to such person's interests as a Member. The request shall state the specific purpose for which the list is requested.

## **Article 10. Dissolution of the School**

10.01 Notwithstanding anything to the contrary, a plan of dissolution may be adopted and the School may be dissolved upon the approval of three-fourths majority of all Members.

10.02 The Board of Directors shall be responsible for disbursement and distribution of the School debts and assets, if any, in case of the School's dissolution. The remaining School assets after dissolution shall be donated to other non-profit organizations.

10.03 The Board reserves the right to seek legal advice in matters relating to dissolution of the School.

## **Article 11. Miscellaneous**

11.01 The School is the sole owner of its website and member related lists. The website and the lists are exclusively used for purposes which are in conformity with the academic and related activities of the School. No person shall have the right to use the School name or School website or distribution lists in any way

unless authorized by the Board of Directors. These properties may not be used for purposes that may be inconsistent with the School's status as a tax exempt organization organized and operated exclusively for exempt purposes set forth in section 501(c)(3) of the Internal Revenue Code.

11.02 The Board of Directors, School Administration and Parents Council shall cooperate in accessing the School communication resources subject to the Board's ultimate authority.

11.03 The School Board of Directors, Administration and Parents Council should maintain close communications and work closely with teachers for the advancement of the School. Any School Director or Officer must resign before he/she initiates a legal action against the School or another Director or Officer.

## **Article 12. Indemnification**

12.01 Indemnification: The School shall indemnify any person or entity who was or is or is threatened to be made a party to or witness in any threatened, pending, or completed action, suit, or proceeding, other than actions by or in the right of the School, whether civil, criminal, administrative, or investigative, by reason of the fact that such person is or was a Director, officer, employee or agent of the School, or is or was serving as a volunteer at the request of the School, against expenses (including attorneys' fees), judgments, fines, excise taxes, and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit, or proceeding to the full extent permissible under New York law; provided that no indemnification shall be made of any person or entity if a judgment or other final adjudication adverse to them establishes that their acts were committed in bad faith or were the result of active and deliberate dishonesty and were material to the cause of action so adjudicated or that he or she personally gained in fact a financial profit or other advantage to which he or she was not legally entitled. By action of the Board of Directors (notwithstanding their interest in the transaction), the School may create and fund a trust fund or fund of any nature, and may enter into agreements with its officers, Directors, employees, agents or volunteers for the purpose of securing or insuring in any manner its obligation to indemnify or advance expenses provided for in this Article 12. The School will not indemnify any person, Director, Member and/or Officer for any expenses, including attorney's fees, for any action against the School, any Director, the Board of Directors, or any Officer.

12.02 Advancement of Expenses: Reasonable expenses incurred by an Officer, Director, employee, agent or volunteer of the School in defending a civil or criminal action, suit, or proceeding described in Section 12.01 shall be paid in advance of the final disposition of such action, suit, or proceeding upon receipt of an undertaking by or on behalf of such person to repay such amount, if it shall ultimately be determined that the person is not entitled to be indemnified by the School.

12.03 Other Rights: The indemnification and advancement of expenses provided by or pursuant to this Article shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any insurance or other agreement, vote of the Board of Directors or otherwise, both as to actions in their official capacity and as to actions in another capacity while holding an office, and shall continue as to a person who has ceased to be a Director or officer and shall inure to the benefit of the heirs, executors, and administrators of such person.

12.04 Insurance: The School shall purchase and maintain insurance on behalf of any person who is or was a Director or Officer, employee, or agent of the School, or is or was serving at the request of the School as a volunteer, against any liability asserted against him/her and incurred by him/her in any such capacity, or arising out of his/her status as such.

12.05 Modification: The duties of the School to indemnify and to advance expenses to a Director,

Officer, employee, agent or volunteer provided in this Article 12 shall be in the nature of a contract between the School and each such person, and no amendment or termination of any trust or other fund created pursuant to Section 12.01 shall alter, to the detriment of such person, the right of such person to the advance of expenses or indemnification related to a claim based on an act or failure to act which took place prior to such amendment, repeal, or termination.

### **Article 13. Dispute Resolution**

13.01 The purpose of Article 13 is to provide an internal dispute resolution methodology for the School.

13.02 This Dispute Resolution methodology may only be triggered by twenty percent (20%) of the Voting Members by written request in the form of a petition to the Board of Directors. The petition must set forth the nature of the dispute and the name(s) of the petitioner. The petition must further contain the printed names and signatures of the Voting Members submitted in support of said petition so that the Board of Directors may confirm the same against the School records.

13.03 Upon receipt of the petition that an internal School dispute exists as set forth in Section 13.02, the Board of Directors shall have the option to submit the dispute to a mediator to be agreed on by the Parties to the dispute. The mediation is non-binding. The nature of the dispute shall be published to the Members.

13.04 The mediator shall submit a written report to the Board of Directors and the Voting Members.

13.05 The issue which is the subject of the petition cannot be re-submitted to the Board of Directors as per Section 13.02 until the following School Year.

13.06 Any school officer cannot file a lawsuit against other fellow officers unless he/she resigns from his/her official post or a Board resolution is passed to allow such an action. If such a lawsuit by an officer does occur without a Board approval, his or her resignation shall be deemed to have been tendered and accepted, and Article 12 (Indemnification) will not apply for this person.

### **Article 14. Special Committees**

14.01 The Board of Directors may establish such Committees as the Board of Directors deems necessary. Special Committees need not be comprised of Directors.

14.02 The Committees shall have such authority as is provided in the resolution designating the Committees. The Committees shall not introduce new items on their own initiative.

14.03 The Board of Directors shall appoint the Chairperson of such a Committee.

14.04 The Chairperson of each Committee shall have the power to nominate and shall nominate persons to the Committee. Notwithstanding the foregoing, the Board of Directors has power to approve each Committee member.

14.05 The Chairperson of the Committee shall have the power to remove any person on the Committee subject to Board approval and said removal is governed by the provisions set forth in Article 15.

14.06 The Board of Directors shall adopt and maintain written summaries of the duties and responsibilities for each Committee. Each Committee Chairperson shall receive a copy of said written summary at the time of commencement of the Chairperson's duties.

14.07 The Chairperson of the Board of Directors shall call for reports from all Committee Chairpersons from time to time to be presented at Board meetings. All Committee Chairpersons shall, upon request, prepare and submit a written statement of the proposed plan of operation for the respective Committees. Copies of said statement(s) from each Committee shall be furnished to all Board members. Each Committee shall be required to submit progress reports to be filed with the Board Chairperson, with copies to be furnished to all Board members.

14.08 Article 14 does not apply to standing Committees authorized by the Bylaws, such as the Election Committee.

14.09 Meetings of Committees, of which no notice shall be necessary, shall be held at such time and place as shall be determined by the Chairperson of each Committee or by vote of a majority of all of the members of each Committee.

14.10 Unless otherwise provided by resolutions of the Board of Directors, a majority of all of the members of a Committee shall constitute a quorum for the transaction of business, and the vote of a majority of all of the members of the Committee present shall be the act of the Committee.

#### **Article 15 General Removal Conditions**

15.01 All School Officers, elected or otherwise, subject to removal shall be given notice and shall be afforded the opportunity to be heard by whoever has the power to remove any said officer.

15.02 The reasons for removal shall be provided to the School Officer in writing at least ten (10) days prior to any hearing as required by 15.01.

15.03 The issue which is the subject of the removal petition cannot be re-submitted to the Board of Directors until the following School Year if the vote for the removal fails to pass.