

ARTICLE I Name, Type of Organization and Offices

Cary Chinese School (hereinafter "the corporation") is a nonprofit corporation subject to the provisions of Title 15A, Corporations, Nonprofit of the North Carolina Statutes (hereinafter "Statute"), and other applicable federal and North Carolina laws, except as lawfully otherwise specified in these Bylaws. The principal offices of the corporation are located in Wake County of the State of North Carolina.

ARTICLE II Nonprofit Purposes

Section 1. IRC Section 501(c)(3) Purposes

The corporation 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.

Section 2. Specific Objectives and Purposes

The specific objectives and purposes of this corporation shall be:

- (a) to establish a private heritage school teaching Chinese language and culture;
- (b) to maintain a regularly enrolled student body, an established curriculum and a part-time, or full-time as the needs may be, faculty;
- (c) to support the development of all children by promoting multi-cultural awareness and appreciation;
- (d) to have the normal functions, operations, programs and pursuits incidental to a fully recognized and operational nonprofit center of learning and education.

The corporation is not affiliated with any other organization, but may receive financial or in-kind contributions from others as permitted by applicable law and regulation governing nonprofit corporations.

Section 3. Mission Statement

Inspire and facilitate Chinese language learning. Empower local communities by partnering with parents and concerned citizens.

Section 4. Nondiscriminatory Policy As To Student

Cary Chinese School (CCS) admits students of any race, color, gender, national and ethnic origin to all the rights, privileges, programs, and activities generally accorded or made available to students at the school. It does not discriminate on the basis of race, color, national and ethnic origin in administration of its educational policies, admissions policies, scholarship and loan programs, and athletic and other school-administered programs.

ARTICLE III Trustees

Section 1. Number

The corporation shall have at least three trustees and collectively they shall be known as the Board of Trustees.

Section 2. Qualifications

Trustees shall be of the age of majority in this state. None of the trustees shall be related to each other by blood, marriage, or adoption nor shall any trustee be in the employ of any other trustee.

Section 3. Powers

Subject to the provisions of the laws of this state and any limitations in the Articles of Incorporation and these Bylaws relating to action required or permitted to be taken, the activities and affairs of this corporation shall be conducted and all corporate powers shall be exercised by or under the direction of the Board of Trustees.

Section 4. Duties

The Board of Trustees shall define the duties, not herein defined, of all officials, agents, and others who participate in the operation of the corporation; shall have and exercise all the powers and perform all duties, or supervise such performance, relating to the management of the corporation, its property and concerns, the conduct of its business, and any other of its affairs not specifically provided for by these Bylaws.

Section 5. Term of Office

Each trustee shall serve for a term of three years. No trustee shall continue as a trustee for more than nine consecutive years.

Section 6. Compensation

Trustees shall serve without compensation except as provided in Article IV, Section 7. In addition, they shall be allowed reasonable advancement or reimbursement of expenses incurred in the performance of their duties.

Section 7. Conflict of Interest

No trustee may vote upon a matter coming before that body in which he or she has a direct financial interest. Immediately upon becoming aware that such a conflict may exist, a trustee must disclose the existence of the potential conflict to the remaining trustees, withdraw from further deliberation on the issue, and refrain from voting on the matter. Any such disclosure and withdrawal shall be fully documented in the organization minutes.

Section 8. Regular Meetings

Regular meetings of trustees shall be held on the last Saturday of each September and the last Saturday of each March, unless otherwise arranged.

If this corporation makes no provision for members, then, at the regular meeting of trustees held on the last Saturday of September every third year, trustees shall be elected by the Board of Trustees. Voting for the election of trustees shall be by written ballot. Each trustee shall cast one vote per candidate, and may vote for as many candidates as the number of candidates to be elected to the board. The candidates receiving the highest number of votes up to the number of trustees to be elected shall be elected to serve on the board.

Section 9. Special Meetings

Special meetings of the Board of Trustees may be called by the Chairperson of the Board, the President, the Secretary, by any two trustees, or, if different, by the persons specifically authorized under the laws of this state to call special meetings of the Board of Trustees. Such meetings shall be held at the place designated by the person or persons calling the special meeting.

Section 10. Notice of Meetings

Unless otherwise provided by the Articles of Incorporation, these Bylaws, or provisions of law, the following provisions shall govern the giving of notice for meetings of the Board of Trustees:

- (a) Regular Meetings. No notice need be given of any regular meeting of the board of trustees.
- (b) Special Meetings. At least one week prior notice shall be given by the Secretary of the corporation to each trustee of each special meeting of the board. Such notice may be oral or written, may be given personally, by first class mail, by telephone, by facsimile machine or by electronic mail, and shall state the place, date and time of the meeting and the matters proposed to be acted upon at the meeting. In the case of facsimile and electronic notification, the trustee to be contacted shall acknowledge personal receipt of the notice by a return message or telephone call.
- (c) Waiver of Notice. Whenever any notice of a meeting is required to be given to any trustee of this corporation under provisions of the Articles of

Incorporation, these Bylaws or the law of this state, a waiver of notice in writing signed by the trustee, whether before or after the time of the meeting, shall be equivalent to the giving of such notice.

Section 11. Quorum for Meetings

A quorum shall consist of two trustees. Except as otherwise provided under the Articles of Incorporation, these Bylaws or provisions of law, no business shall be considered by the board at any meeting at which the required quorum is not present, and the only motion which the Chair shall entertain at such meeting is a motion to adjourn.

Section 12. Majority Action As Board Action

Every act or decision done or made by a majority of the trustees present at a meeting duly held at which a quorum is present is the act of the Board of Trustees, unless the Articles of Incorporation, these Bylaws or provisions of law require a greater percentage or different voting rules for approval of a matter by the board.

Section 13. Conduct of Meetings

Meetings of the Board of Trustees shall be presided over by the Chairperson of the Board, or, if no such person has been so designated or, in his or her absence, the President of the corporation or, in the absence of each of these persons, by a Chairperson chosen by a majority of the trustees present at the meeting. The Secretary of the corporation shall act as secretary of all meetings of the board, provided that, in his or her absence, the presiding officer shall appoint another person to act as Secretary of the Meeting.

Meetings shall be governed by the latest edition of Robert's Rules of Order, insofar as such rules are not inconsistent with or in conflict with the Articles of Incorporation, these Bylaws or with provisions of law.

Section 14. Vacancies

Vacancies on the Board of Trustees shall exist (1) on the death, resignation or removal of any trustee, and (2) whenever the number of authorized trustees is increased.

Any trustee may resign effective upon giving written notice to the Chairperson of the Board, the President, the Secretary or the Board of Trustees, unless the notice specifies a later time for the effectiveness of such resignation. No trustee may resign if the corporation would then be left without a duly elected trustee or trustees in

charge of its affairs, except upon notice to the Office of the Attorney General or other appropriate agency of this state.

Trustees may be removed from office, with or without cause, as permitted by and in accordance with the laws of this state.

Unless otherwise prohibited by the Articles of Incorporation, these Bylaws or provisions of law, vacancies on the board may be filled by approval of the Board of Trustees. If the number of trustees then in office is less than a quorum, a vacancy on the board may be filled by approval of a majority of the trustees then in office or by a sole remaining trustee. A person elected to fill a vacancy on the board shall hold office until the next election of the Board of Trustees or until his or her death, resignation or removal from office.

Section 15. Nonliability of Trustees

The trustees shall not be personally liable for the debts, liabilities or other obligations of the corporation, except for willful and/or gross negligent acts that cause harm to the organization.

Section 16. Indemnification by Corporation of Trustees and Officers

The trustees and officers of the corporation shall be indemnified by the corporation to the fullest extent permissible under the laws of this state.

Section 17. Insurance For Corporate Agents

Except as may be otherwise provided under provisions of law, the Board of Trustees may adopt a resolution authorizing the purchase and maintenance of insurance on behalf of any agent of the corporation (including a trustee, officer, employee or other agent of the corporation) 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 corporation would have the power to indemnify the agent against such liability under the Articles of Incorporation, these Bylaws or provisions of law.

ARTICLE IV Officers

Section 1. Designation Of Officers

The officers of the corporation shall be a President and a Treasurer. The corporation may also have a Chairperson of the Board, one or more Vice Presidents, Academic Director, Secretaries, Assistant Treasurers and other such officers with such titles as may be determined from time to time by the Board of Trustees.

The Principal of the Cary Chinese School shall serve as the President of the corporation for the duration of his/her appointment as the Principal.

Section 2. Qualifications

Any person of the age of majority in this state may serve as officer of this corporation.

Section 3. Election and Term of Office

Officers shall be elected by the Board of Trustees, at any time, and each officer shall hold office until he or she resigns or is removed or is otherwise disqualified to serve, or until his or her successor shall be elected and qualified, whichever occurs first.

Section 4. Removal and Resignation

Any officer may be removed, either with or without cause, by the Board of Trustees, at any time. Any officer may resign at any time by giving written notice to the Board of Trustees or to the President or Secretary of the corporation. Any such resignation shall take effect at the date of receipt of such notice or at any later date specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. The above provisions of this Section shall be superseded by any conflicting terms of a contract which has been approved or ratified by the Board of Trustees relating to the employment of any officer of the corporation.

Section 5. Vacancies

Any vacancy caused by the death, resignation, removal, disqualification or otherwise, of any officer shall be filled by the Board of Trustees. In the event of a vacancy in any office other than that of President, such vacancy may be filled temporarily by appointment by the President until such time as the Board shall fill the vacancy. Vacancies occurring in offices of officers appointed at the discretion of the board may or may not be filled as the board shall determine.

Section 6. Duties

The Board of Trustees shall define the duties, not herein defined, of all officials, agents, and others who participate in the operation of the corporation; shall have and exercise all the powers and perform all duties, or supervise such performance, relating to the management of the corporation, its property and concerns, the

conduct of its business, and any other of its affairs not specifically provided for by these Bylaws.

Section 7. Compensation

The salaries of the officers, if any, shall be fixed from time to time by resolution of the Board of Trustees. In all cases, any salaries received by officers of this corporation shall be reasonable and given in return for services actually rendered to or for the corporation.

ARTICLE V Execution of Instruments, Deposits and Funds

Section 1. Execution of Instruments

The Board of Trustees, except as otherwise provided in these Bylaws, may by resolution authorize any officer or agent of the corporation to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances. Unless so authorized, no officer, agent or employee shall have any power or authority to bind the corporation by any contract or engagement or to pledge its credit or to render it liable monetarily for any purpose or in any amount.

Section 2. Deposits and Disbursements of Funds

All monies received by the corporation shall be deposited to the credit of the corporation in banks or trust companies approved by the Board of Trustees. No disbursements of corporation funds shall be made unless it has been approved by or is consistent with a policy decision made by the Board of Trustees.

The Cary Chinese School Financial Regulations shall be set forth to establish general rules, control policies, administrative procedures, and accountabilities of financial matters of the Cary Chinese School.

Section 3. Gifts

The Board of Trustees may accept on behalf of the corporation any contribution, gift, bequest or devise for the nonprofit purposes of this corporation.

Section 4. Fiscal Year

The corporation shall operate on a fiscal year basis from July 1st to June 30th of each year.

ARTICLE VI Corporate Records and Reports

Section 1. Maintenance of Corporate Records

The corporation shall keep at its principal office:

- (a) Minutes of all meetings of trustees, committees of the board and, if this corporation has members, of all meetings of members, indicating the time and place of holding such meetings, whether regular or special, how called, the notice given and the names of those present and the proceedings thereof;
- (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 copy of the corporation's Articles of Incorporation and Bylaws as amended to date, which shall be open to inspection by the members, if any, of the corporation at all reasonable times during office hours.

Section 2. Trustees' Inspection Rights

Every trustee 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 the corporation and shall have such other rights to inspect the books, records and properties of this corporation as may be required under the Articles of Incorporation, other provisions of these Bylaws and provisions of law.

Section 3. Right To Copy And Make Extracts

Any inspection under the provisions of this Article may be made in person or by agent or attorney and the right to inspection shall include the right to copy and make extracts.

Section 4. Periodic Report

The board shall cause any annual or periodic report required under law to be prepared and delivered to an office of this state or to the members, if any, of this corporation, to be so prepared and delivered within the time limits set by law.

ARTICLE VII IRC 501(c)(3) Tax Exemption Provisions

Section 1. Limitations on Activities

No substantial part of the activities of this corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation (except as otherwise provided by Section 501(h) of the Internal Revenue Code), and this corporation shall not participate in, or intervene in (including the publishing or distribution of

statements), any political campaign on behalf of, or in opposition to, any candidate for public office.

Notwithstanding any other provisions of these Bylaws, this corporation shall not carry on any activities not permitted to be carried on (a) by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code.

Section 2. Prohibition Against Private Inurement

No part of the net earnings of this corporation shall inure to the benefit of, or be distributable to, its members, if any, trustees, officers or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes of this corporation.

Section 3. Distribution of Assets

Upon the dissolution of this corporation, its assets remaining after payment, or provision for payment, of all debts and liabilities of this corporation shall be distributed for one or more exempt purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code or shall be distributed to the federal government, or to a state or local government, for a public purpose. Such distribution shall be made in accordance with all applicable provisions of the laws of this state.

ARTICLE VIII Amendment of Bylaws

Section 1. Amendment

Subject to the power of the members, if any, of this corporation to adopt, amend or repeal the Bylaws of this corporation and except as may otherwise be specified under provisions of law, these Bylaws, or any of them, may be altered, amended or repealed and new Bylaws adopted by approval of the Board of Trustees.

ADOPTION OF BYLAWS

We, the undersigned, are all of the initial trustees or incorporators of this corporation, and we consent to, and hereby do, adopt the foregoing Bylaws, consisting of eight (8) preceding pages, as the Bylaws of this corporation.

Dated: February 20, 2003

Spindler Yi

Wang Yuan