

*APPROVED ON 12.2.2020*

**BYLAWS**  
**OF**  
**SEJONG ACADEMY AFFILIATED BUILDING CORPORATION**  
(the “Corporation”)

**ARTICLE 1.**  
**PURPOSE**

Section 1.1. Compliance with Minnesota Law.

The purposes of the Corporation are as stated in its Articles of Incorporation. In the event that Minnesota law limits or enhances the powers of the Corporation’s Board of Directors set out herein, the law provisions shall prevail except to the extent that the Board of Directors exercises any options it may have to accept the law provisions or choose other options.

Section 1.2. Mission Statement.

To support the mission and vision of Sejong Academy through the ownership of real property.

**ARTICLE 2.**  
**OFFICES**

The registered office of the Corporation in the State of Minnesota is as stated in the Articles of Incorporation, or as amended. The Corporation may have such other offices within the State of Minnesota as the Board of Directors may determine or as the affairs of the Corporation may require. The registered office may be, but need not be, identical with the principal office in the State of Minnesota.

**ARTICLE 3.**  
**MEMBERSHIP**

The sole Member of the Corporation shall be as set forth in the Articles. The Member will conduct an annual meeting, and such additional meetings as may be required from time to time.

**ARTICLE 4.**  
**BOARD OF DIRECTORS**

Section 4.1. General Powers.

The affairs of the Corporation shall be managed by its Board of Directors. The Initial Board of Directors is named in the Articles of Incorporation. Except as limited by the Articles of Incorporation, these Bylaws, Minn. Stat. 124E.13, and by law, the Board of Directors shall have

the power and authority to do all acts and perform all functions that the Corporation may do or perform, including the general governance, management and direction of the Corporation.

Section 4.2. Number, Tenure and Qualifications.

The Board of Directors shall be comprised of at least three nonrelated persons, unless otherwise determined by the Member.

The Board of Directors will be selected or appointed in a manner that does not create a conflict of interest with the Board of Directors of any charter school that leases property from the Company as set forth in Minn. Stat. § 124E.07 Subd. 3.

Section 4.3. Regular Meetings.

Regular meetings of the Board of Directors shall be held at the call of the Board Chair, at the request of a majority of the Board of Directors by written notice received by e-mail, mail, in person or by facsimile at least five (5) days prior to the meeting, and at least one (1) time during the school year. The Annual meeting shall count as a regular meeting. The notice shall designate the time, place and date of such meeting.

Section 4.4. Special Meetings.

4.4.1. Special meetings of the Board of Directors may be called at any time, for any purpose, by the Board Chair. The Board Chair shall call a special meeting of the Board of Directors upon the written request of at least one-third (1/3) of the members of the Board. Notice of every special meeting of the Board of Directors shall be e-mailed or mailed to each director at least twenty-four (24) hours before the day on which the meeting is to be held, or be delivered in person or by telephone, not later than a reasonable time before the meeting is to be held.

4.4.2. In the case of an emergency situation involving health, safety, and security, the notification requirements of a Special Meeting may be waived by the Board Chair.

Section 4.5. Quorum and Adjourned Meeting.

A meeting at which at least a majority of the members of the Board of Directors are present shall constitute a quorum for the transaction of business at any meeting of the Board of Directors. If, however, such quorum shall not be present at any such meeting, the director or directors present thereat shall have the power to adjourn the meeting from time to time without notice other than announcement at the meeting, until a quorum shall be present. Notwithstanding the foregoing, if a quorum is present when a duly called meeting is convened, and later enough directors withdraw from the meeting so that less than a quorum remains, the directors remaining may continue to transact business until adjournment.

Section 4.6. Voting.

Each member of the Board of Directors shall have the power to exercise one (1) vote on all matters to be decided by resolution of the Board. The affirmative vote of a majority of a quorum of Board members shall constitute a duly authorized action of the Board.

Section 4.7. Compensation.

Directors shall not receive compensation for their services as a Director. However, the directors of the Corporation may be reimbursed for reasonable out-of-pocket expenses incurred by them in rendering services to this Corporation, as the Board of Directors from time to time determines such services to be directly in furtherance of the purposes and in the best interest of the Corporation.

Section 4.8. Meetings Without Notice.

Subject to the provisions of Minn. Stat. 317A.201 et. seq., any director may, in writing or orally, either before, at or after any meeting of the Board of Directors, waive notice thereof and, without notice, any director by attendance at such meeting and participation therein shall be deemed to have waived notice of the action or actions taken at any meeting of the Board of Directors.

Section 4.9. Committees of the Board.

The Board of Directors may, by resolution passed by a majority of the Board of Directors, designate, define the authority of, set the number and determine the identity of, members of one or more committee. Committee members must be natural persons, but need not be members of the Board of Directors. The Board may, by similar vote, designate one or more alternate members of any committee who may replace any absent or disqualified member at any meeting of the committee. Provided, however, no committee of the Board shall have membership greater than 49% of the members of the Board. All committees shall be chaired by a member of the Board.

4.9.1. Authority of Committees.

Any committee, to the extent provided in these Bylaws or in the resolutions creating such committee, shall have and may exercise all of the powers and authority granted by the Board of Directors in the management and business affairs of the Corporation; provided, however, that no committee shall be granted any powers or authority exceeding that granted to the Board of Directors. Unless otherwise stated in the resolutions creating it, or in these Bylaws, committee actions shall be taken only upon the affirmative vote of a majority of the members of the committee. Failure of a committee to reach an agreement upon any issue shall be required before it shall require referral of such issue to the entire Board of Directors.

4.9.2. *Procedures for Conducting Meetings.* The activities of all committees of this Corporation shall be conducted in such manner as will advance the best interest of the Corporation. Each committee shall fix its own rules of procedure and other regulations which shall be consistent with the Articles of Incorporation, these Bylaws and the policies of the Corporation. The Board Chair shall be an

ex-officio member of all committees, unless he serves as a member of such committee. The meetings of all committees shall be open to attendance by all directors, which directors may participate in any such meeting but may not vote unless such director is a member of the committee.

- 4.9.3. *Limitation on Authority of Committees.* Each committee shall be under the direction and control of the Board and shall keep regular minutes of their proceedings, and all actions of each committee shall be reported to the Board of Directors and shall be subject to revision and alteration by the Board of Directors. Each committee shall meet as provided by its rules or by resolution of the Board of Directors. Notice of all meetings of any committee shall be given to all members of that committee as determined by the committee, or pursuant to Section 4.4 above.

#### Section 4.10. Working Groups.

The Board of Directors may, by resolution passed by a majority of the Board of Directors, designate, define the authority of, set the number, and determine the identity of, members of one or more Working Groups. Working Group members must be a Board Member or any natural citizen the Board selects. Working Groups will function to collect information and submit information to the Board for any consideration of action. Working groups have no authority for action.

#### Section 4.11. Conflicts of Interest.

The purpose of the conflict of interest policy is to protect the ABC'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 ABC 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.

##### 4.11.1 *Definitions.*

Interested Person. 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, is an interested person.

Financial Interest. 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 ABC has a transaction or arrangement;
- b) A compensation arrangement with the ABC or with any entity or individual with which the ABC 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 ABC is negotiating a transaction or arrangement.

- d) Compensation includes direct and indirect remuneration as well as gifts or favors that aren't insubstantial. A financial interest isn't necessarily a conflict of interest. A person who has a financial interest may have a conflict of interest only if the ABC decides that a conflict of interest exists

#### 4.11.2 *Procedures.*

- a) 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.
- b) 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, the interested person shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board members shall decide if a conflict of interest exists.
- c) Procedures for Addressing the Conflict of Interest.
  - i. An interested person may make a presentation at the governing board or committee meeting, but after the presentation, the interested person shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
  - ii. The Chair shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
  - iii. After exercising due diligence, the governing board or committee shall determine whether the ABC can obtain, with reasonable efforts, a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
  - iv. If a more advantageous transaction or arrangement isn't 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 ABC'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.

#### 4.11.3 *Violations of the Conflict of Interest Policy.*

- a) If the ABC 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.

#### 4.11.4 *Records of Proceedings.*

The minutes of the governing board and all committees with board delegated powers shall contain:

- a) The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Board's decision as to whether a conflict of interest in fact existed.
- b) The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

#### 4.11.5 *Compensation*

- a) A voting member of the governing board who receives compensation, directly or indirectly, from the ABC for services is precluded from voting on matters pertaining to that member's compensation.
- b) A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the ABC for services is precluded from voting on matters pertaining to that member's compensation.
- c) No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the ABC, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

#### 4.11.6 *Annual Statements.*

Each director, principal officer, and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person:

- a) Has received a copy of the conflict of interest policy,
- b) Has read and understands the policy,
- c) Has agreed to comply with the policy,
- d) Understands the ABC is charitable and in order to maintain its federal tax exemption it must engage primarily in activities that accomplish one or more of its tax-exempt purpose.

4.11.7 *Periodic Reviews.*

To ensure the ABC operates in a manner consistent with charitable purposes, and doesn't engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a) Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining
- b) Whether partnerships, joint ventures, and arrangements with management organizations conform to the Organization's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and don't result in inurement, impermissible private benefit, or in an excess benefit transaction

**ARTICLE 5.**  
**OFFICERS AND EMPLOYEES**

Section 5.1. Number; Election.

The officers of the Corporation shall be elected by the Board of Directors at its annual meeting.

Section 5.2. Vacancies.

A vacancy in any office of this Corporation occurring by reason of death, disqualification, resignation or removal shall be filled for the unexpired portion of the term by appointment of a successor by the Board of Directors.

Section 5.3. President (and Board Chair).

The President shall:

- 5.3.1. Act as the chairman of the Board of Directors and exercise the functions of the office of the president of the Corporation;
- 5.3.2. Preside at all meetings of the Board of Directors if present;
- 5.3.3. Perform such duties and exercise such powers as are necessary or incident to the supervision and management of the business and affairs of the Corporation;
- 5.3.4. Sign and deliver, in the name of the Corporation, all deeds, mortgages, bonds, contracts or other instruments requiring an officer's signature, unless otherwise directed by the Board;
- 5.3.5. Have the general powers and duties usually vested in the office of the president;  
and

- 5.3.6. Have such other powers and perform such other duties as are prescribed by Minnesota Statutes, § 317A.305, Subd. 2, and as the Board of Directors may from time to time prescribe.

Section 5.4. Treasurer.

The Treasurer shall:

- 5.4.1. Keep accurate accounts of all monies of the Corporation received or disbursed;
- 5.4.2. Deposit all monies, drafts and checks in the name of, and to the credit of, the Corporation in such banks and depositories as the Board of Directors shall from time to time designate;
- 5.4.3. Have the care and custody of the corporate funds and securities;
- 5.4.4. Have the power to endorse for deposit all notes, checks and drafts received by the Corporation;
- 5.4.5. Disburse the funds of the Corporation as ordered by the Board of Directors, making proper vouchers therefore;
- 5.4.6. Render to the Board Chair and the Board of Directors, whenever requested, an account of all of his transactions as Treasurer and of the financial condition of the Corporation;
- 5.4.7. Perform such other duties and have such other powers as may from time to time be prescribed by the Board of Directors or by the Board Chair; and
- 5.4.8. Act as Board Chair in the absence of the President.

Section 5.5. Secretary.

The Secretary shall maintain the office of the Corporation and shall:

- 5.5.1. Attend all meetings of the members, the Board of Directors and all committees (when requested) or appoint an alternate member of the Board;
- 5.5.2. Record all proceedings of the minutes of the members, Board of Directors and committees in a book to be kept for that purpose;
- 5.5.3. Preserve all documents and records belonging to the Corporation;
- 5.5.4. Maintain a list of all members of the Corporation in good standing;
- 5.5.5. Give or cause to be given notice of all meetings of the members and all meetings of the Board of Directors and committees;



5.5.6. Perform such other duties as may be prescribed by the Board of Directors or the Board Chair from time to time; and

5.5.7. Act as Board Chair in the absence of the President and Treasurer.

Section 5.6. Management and Administrative Employees.

The Corporation may have such management and administrative employees as the Board of Directors deems necessary. Such employees shall be appointed in a manner, have the duties and responsibilities and hold their positions for the time, all as prescribed by the Board of Directors.

Section 5.7. Compensation.

The employees of the Corporation may be paid such reasonable compensation, if any, for their services rendered to the Corporation in such capacity, and may be reimbursed for reasonable out-of-pocket expenses, as the Board of Directors from time to time determines to be directly in furtherance of the purposes and in the best interests of the Corporation.

Section 5.8. Bond.

The Board of Directors of this Corporation shall from time to time determine which, if any, of the officers, agents or employees of this Corporation shall be bonded and the amount of each bond.

Section 5.9. Removal of Officer.

Any officer may be removed at any time, with or without cause, by the vote of a majority of a quorum of the Board of Directors at any regular meeting or at a special meeting called for that purpose.

Section 5.10. Resignation.

Any officer may resign at any time. Such resignation shall be made in writing to the President or the Secretary of the Corporation and shall take effect at the time specified therein or, if no time be specified, at the time of its receipt by the President or Secretary. The acceptance of a resignation shall not be necessary to make it effective.

**ARTICLE 6.**  
**DISTRIBUTION OF ASSETS**

Section 6.1. Right to Cease Operations and Distribute Assets.

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 a 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 of Directors shall set a date for commencement of the distribution.

Section 6.2. Cessation and Distribution.

When cessation of operations and distribution of assets has been called for, the Board of Directors and the designated officers shall cause the Corporation to discontinue its regular business activities and operations as soon as practicable, and 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.

**ARTICLE 7.**  
**INDEMNIFICATION**

Section 7.1. Indemnification.

Each director, officer and employee of the Corporation, past or present, and each person who serves or may have served at the request of the Corporation as a director, officer, partner, trustee, employee, representative or agent of another organization or employee benefit plan, and the respective heirs, administrators and executors of such persons, shall be indemnified by the Corporation in accordance with, and to the fullest extent permitted by, Minnesota Statutes, Section 317A.521. The Corporation shall not be obligated to indemnify any other person or entity, except to the extent such obligation shall be specifically approved by resolution of the Board of Directors. The Corporation shall have the power to advance such person's expenses incurred in defending any such proceeding to the maximum extent permitted by law. This Section is and shall be for the sole and exclusive benefit of the individuals designated herein and no individual, firm or entity shall have any rights under this Section by way of assignment, subrogation or otherwise, whether voluntarily, involuntarily or by operation of law.

Section 7.2. Insurance.

The Corporation may, but shall not be required to, purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, against any liability asserted against and incurred by such person in his or her official capacity, or arising out of his or her status as such, whether or not the Corporation would have the power to indemnify such person against liability under Minnesota Statutes, Section 317A.521, the Articles of Incorporation or these Bylaws.

**ARTICLE 8.**  
**AMENDMENTS**

Subject to the right of the Member to adopt, amend and repeal these Bylaws as set forth in Minnesota Statutes, Section 317A.181, Subd. 2(b), the power to adopt, amend or repeal the Bylaws is vested in the Board of Directors.

**ARTICLE 9.**  
**FINANCIAL MATTERS**

Section 9.1. Contracts.

The Board of Directors may authorize any officer or officers, agent or agents of the Corporation to enter into any contract or execute and deliver any instrument in the name and on behalf of the Corporation, and any such authority may be general or confined to specific instances. Unless so authorized by the Board of Directors or these Bylaws, 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 pecuniarily for any purpose or to any amount.

Section 9.2. Loans and Pledges.

No loans shall be contracted nor pledges or guarantees given on behalf of the Corporation unless specifically authorized by the Board of Directors.

Section 9.3. Authorized Signatures.

All checks, drafts or other orders for the payment of money, notes or other evidence of indebtedness issued in the name of the Corporation shall be signed by such person or persons and in such manner as shall from time to time be determined by the Board of Directors or these Bylaws.

Section 9.4. Deposits.

All funds of the Corporation shall be deposited to the credit of the Corporation in such banks, trust companies or other depositories as the Board of Directors may designate and shall be disbursed under such general rules and regulations as the Board of Directors may from time to time determine.

Section 9.5. Corporate Seal.

The Corporation shall not have a corporate seal.

Section 9.6. Documents Kept at Registered Office.

The Board of Directors shall cause to be kept at the registered office of this Corporation originals or copies of any document required by law, including, but not limited to:

- 9.6.1. Records of all proceedings of the Board of Directors and all committees;
- 9.6.2. Records of all votes and actions of the members;
- 9.6.3. All financial statements of this Corporation; and
- 9.6.4. Articles of Incorporation and Bylaws of this Corporation and all amendments and restatements thereof.

Section 9.7. Accounting System and Audit.

The Board of Directors shall cause to be established and maintained, in accordance with provisions of Minnesota law, and, to the extent not in conflict with the law, with generally accepted accounting principles applied on a consistent basis, an appropriate accounting and financial reporting system for the Corporation. The Board is required by law to and shall cause the records and books of account of the Corporation to be audited at least once each fiscal year as of June 30 of any year (or such other date as the law may require) and at such other times as it may deem necessary or appropriate, and may retain such person or firm for such purposes as it may deem appropriate.

**ARTICLE 10.**  
**MISCELLANEOUS**

Section 10.1. Gender References.

All references in these Bylaws to a party in the masculine shall include the feminine and neuter.

Section 10.2. Plurals.

All references in the plural shall, where appropriate, include the singular and all references in the singular shall, where appropriate, be deemed to include the plural.

**CERTIFICATE**

The undersigned members of the 2020-2021 Board of Directors of Sejong Academy ABC, a Minnesota nonprofit corporation, do hereby certify that the foregoing pages constituting the bylaws are the bylaws adopted for the Corporation.

Date NAME

Date NAME

Date NAME