

Adopted 9/9/2009

The Cheremoya Foundation, Inc.; EIN: 27-056198

**Bylaws
of
The Cheremoya Foundation**

Article I: Name & Principal Office

Section A: Name

The name of this organization is The Cheremoya Foundation, Inc.

Section B: Principal Office

The principal office is located at 6017 Franklin Avenue, Los Angeles, CA 90068.

Section B. Change of Address

The designation of the county or state of the corporation's principal office may be changed by amendment of these bylaws. The board of directors may change the principal office from one location to another within the named county by noting the changed address and effective date below, and such changes of address shall not be deemed, nor require, an amendment of these bylaws:

New Address: _____

Dated: _____, 20__

New Address: _____

Dated: _____, 20__

New Address: _____

Dated: _____, 20__

Article II: Purposes and Restrictions

Section A: IRC Section 501(c)(3) Purposes

This Corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the California Nonprofit Public Benefit Corporation Law for charitable and public purposes. This corporation is organized exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law). Notwithstanding any other provision in these Bylaws, this corporation shall not, except to an insubstantial degree, carry on or engage in any activities or exercise any powers that are not in

furtherance of the purposes of this corporation, and the corporation shall not carry on any other activities not permitted to be carried on (1) by a corporation exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law); (2) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law).

Section B. Specific Objectives and Purposes

The purpose of this corporation is to raise funds, seek donations, and build community efforts to support the educational mission of Cheremoya Avenue Elementary School (hereafter referred to as "Cheremoya School"). Activities will be coordinated with the governing body(ies) of Cheremoya School.

Section C: Requirements

The business and activities of the corporation shall be subject to all requirements and restrictions set forth in the Articles of Incorporation. In addition to such requirements and restrictions, the following requirements and restrictions shall apply to activities and programs designed, funded and/or operated by the corporation:

1. All activities and programs, and each of them, shall be made available on an equal basis to every student enrolled in Cheremoya School in the grade or grades for which such activity or program is designed.
2. No such activity or program shall discriminate on the basis of race, gender, religion, or national origin among students of Cheremoya School.
3. No such activity or program shall reflect the religious denomination of any party or organization.
4. The content and curriculum of all such activities or programs, and each of them, shall be the subject to the approval of the Principal and Governance Council of Cheremoya School.
5. Nothing in this Section shall preclude the exclusion of a student from any or all such activities or programs if such exclusion is based solely upon disciplinary considerations.

Section D: Limitations

1. Political Activity.

No substantial part of the activities of this corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation, and this corporation shall not participate in or intervene in (including the publishing or distributing of statements in connection with) any political campaign on behalf of any candidate for public office.

2. **Property.**

The property, assets, profits and net income of the corporation are dedicated irrevocably to the purposes set forth in Section B above. No part of the profits or net earnings of this corporation shall ever inure to the benefit of any of its directors, officers, members, or to the benefit of any private individual.

3. **Dissolution.**

Upon the winding up and dissolution of this corporation, after paying or adequately providing for the payment of the debts, obligations and liabilities of the corporation, the remaining assets of this corporation shall be distributed to a nonprofit fund, foundation or corporation which is organized and operated exclusively for charitable purposes and which has established its tax-exempt status under Section 501(c)(3) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law).

Article III: Members

Section A. Determination and Rights of Members

The corporation shall have one class of members, and each member shall have equal voting and other rights.

Section B. Qualifications of Members

Any person is qualified to be a member of the corporation.

Section C. Admission of Members

Applicants shall be admitted to membership upon payment of annual dues.

Section D. Fees and Dues

The annual dues payable to the corporation by members shall be \$10. The due date for annual dues is October 1.

Section E. Number of Members

There is no limit on the number of members the corporation may admit.

Section F. Membership Book

The corporation shall keep a membership book containing the name and address (and/or email address) of each member and indicate the most recent date of annual dues payment. Such book shall be kept at the corporation's principal office and may be kept electronically.

Section G. Nonliability of Members

No member of the corporation shall be personally or otherwise liable for any of the debts, liabilities and/or obligations of the corporation.

Section H. Termination of Membership

The membership of a member shall terminate upon a failure to pay dues on or before their due date. All rights of a member in the corporation shall cease on termination of membership as herein provided.

Section H. Rights of Members

Each member shall have voting rights, as set forth in these Bylaws, with respect to the election of directors, and the disposition of all or substantially all of the assets of the corporation on any merger and its principal terms and any amendment of those terms, on any election to dissolve the corporation, or any amendment to the Articles of Incorporation, except as otherwise specified in the California Nonprofit Corporations Law; and on the adoption, amendment or repeal of these Bylaws, except as otherwise specified in the California Nonprofit Corporations Law. In addition, members shall have all rights afforded members under the California Nonprofit Corporations Law.

Section I. Meeting of Members

1. Annual Meeting.

There shall be an annual meeting of the members, held at least once every school year in April or May, on a date set by the Board, for the purpose of informing members about the activities of the corporation and eliciting members' participation, the election of directors, and for transacting such other business as may come before the meeting.

2. Regular Meetings.

Other regular meetings of members shall be held from time to time at such times, places and dates as are fixed by the officers of the Board. There shall be no fewer than three (3) general membership meetings per year.

3. **Special Meetings.**

Special meetings may be called by the Board. Notice shall be given to members by posting notice two business days in advance at the school and by other appropriate means determined by the Executive Committee.

Section J: Notice of Meetings.

Notice of meetings shall be posted ten (10) calendar days in advance in a visible place at the school and by other appropriate means determined by the Board. Notice shall include the date, time, place and general nature of the business to be transacted.

Section K. Waiver by Attendance.

A member's attendance at a meeting shall also constitute a waiver of notice of that meeting, unless the member objects at the beginning of the meeting to the transaction of any business because the meeting was not lawfully called or convened. Also, attendance at a meeting is not a waiver of any right to object to the consideration of matters required to be included in the notice of the meeting but not so included, if that objection is expressly made at the meeting.

Section L. Quorum.

A quorum for the transaction of business at a meeting of members shall be constituted by the presence of seven (7) members, at least three of which must be officers of the corporation, entitled to vote at that meeting. If a quorum is present, the affirmative vote of a majority of the voting power represented at the meeting, entitled to vote and voting on any matter, shall be the act of the members, unless otherwise provided by the California Nonprofit Corporation Law or by the Articles of Incorporation.

Section M. Voting.

Every member shall have one vote at any meetings and no proxy voting shall be permitted. Voting may be by voice or ballot, except that any election of directors or officers must be by ballot if demanded by any member at the meeting before the voting begins.

Section N. Action by Members.

Except as otherwise provided by law or by these Bylaws, the decision of a majority of members present and voting at a duly held meeting at which a quorum is present is the decision of the membership. At a meeting at which a quorum was initially present, business may continue to be transacted after the loss of a quorum, provided that any action taken is approved by at least a majority of the number which constitutes a quorum.

Section O. Place of Meeting.

All meetings of members shall take place at such location in the Cheremoya School attendance area as shall be stated in the notice of meeting.

Section P. Open Meetings.

All meetings of members shall be open to any parent, faculty member or other interested person, but only members are entitled to receive notice and to vote.

Article III: Directors

Section A: Number

The authorized number of directors of the corporation shall be 9, and collectively they shall be known as the Board of Directors. The exact number of directors shall be set within these limits from time to time by approval of the Board of Directors. No reduction of the authorized number of directors shall remove any director prior to the expiration of such director's term of office.

Section B: Qualifications

Directors shall be of the age of majority in this state. Other qualifications for directors of this corporation shall be as follows:

- A. No person serving on the Board may be an interested person. An interested person is defined as:
 - 1. any person compensated by the organization for services within the last 12 months, whether as an employee or contractor;
 - 2. any person who stands to make financial gain based on the activities of the organization;
 - 3. any family member of any such person.Inquiry may be made from time to time to determine the existence of interested directors.

- B. Directors may not have a spousal relationship to each other.

Section C: Powers and Duties

Subject to the provisions of law and any limitations contained in the Articles of Incorporation or these Bylaws, the activities and affairs of the corporation shall be conducted and all corporate powers shall be exercised by or under the direction of the Board of Directors. The Board of Directors, each member of which also is an officer of the corporation, may delegate the management of the activities of the corporation to any person or persons, management company or committee, however composed, provided that the activities and affairs of the corporation shall be managed and all corporate powers shall be exercised under the ultimate direction of the Board of Directors. Subject to the same limitations, the Board shall have, but not be limited to, the following powers and duties in addition to the other powers and duties enumerated in these Bylaws:

1. To conduct, manage and control the affair and activities of the corporation and to make such rules and regulations therefore not inconsistent with law, the Articles or these Bylaws, as they deem best.
2. Perform any and all duties imposed on them collectively or individually by law, by the articles of incorporation, or by these bylaws;
3. Appoint and remove, employ and discharge, and, except as otherwise provided in these bylaws, prescribe the duties and fix the compensation, if any, of all officers, agents, and employees of the corporation;
4. Supervise all officers, agents, and employees of the corporation to assure that their duties are performed properly;
5. Meet at such times and places as required by these bylaws;
6. Register their addresses with the secretary of the corporation, and notices of meetings mailed or telegraphed to them at such addresses shall be valid notices thereof.
7. To appoint committees and to plan and implement specific educational enrichment programs.
8. To raise funds and solicit donations in support of the stated purposes of the foundation.
9. To adopt, make and use a corporate seal and to alter the form of such seal from time to time as they may deem best.

Section D: Election of Directors

1. Nominations.

The Board shall appoint an ad hoc Nominating Committee to generate candidates for Board membership. The Nominating Committee may consist of Board and non-Board members. The nominating committee shall make its report at least 7 days before the date of the election or at such other time as the Board of Directors may set and the Secretary shall present to each member, with the notice of meeting required by these Bylaws, a list of all candidates nominated by committee under this Section. Care should be given to have nominations reflect the richly diverse members of our community. Nominations may also be entertained from the floor of the annual membership meeting.

2. Number of Directors.

The authorized number of directors of the corporation shall be 9.

3. Specific Directors

In order to ensure wide representation of the community, the following seats and qualifications are established:

2 Directors - Parent Representative. Candidates must be parents of currently enrolled students for the duration of their term. The two candidates that receive the highest number of votes in this category will be elected.

2 Directors - Community Representatives – Candidates must live within the Cheremoya School attendance area boundaries and may not have students currently enrolled at Cheremoya School for the duration of their term. The two candidates that receive the highest number of votes in this category will be elected.

5 Directors –Representatives - Candidates must live within the Cheremoya School attendance area boundaries. The 5 candidates that receive the highest number of votes in this category will be elected.

4. Solicitation of Votes.

The Board shall formulate procedures that allow a reasonable opportunity for a nominee to communicate to members the nominee's qualifications and the reasons for the nominee's candidacy, a reasonable opportunity for the nominee to solicit votes, and a reasonable opportunity for all members to choose among the nominees.

5. Use of Corporate Funds to Support Nominee.

No corporate funds may be expended to support a nominee for director.

6. Term of Office.

Each director shall hold office for the term of one (1) year and until a successor has been elected and qualified. Directors may be elected for successive terms. Any member may be reelected without limitation on the number of terms they may serve. The term of office shall run from June 1 to May 30 of each year.

Section C: Meeting of Directors

1. Place of Meetings.

Meetings of the Board shall take place at such location in Cheremoya School attendance area as is stated in the notice of the meeting.

2. Calls of Meetings.

Meetings of the Board of Directors shall be called from time to time whenever necessary or desirable for the transaction of the business of the corporation. A meeting of the Board may be called by the President, any Vice-President, the Secretary, or any two (2) directors.

3. Notice.

A notice setting the time, date and place of the meeting and the general nature of the business to be transacted therein shall be given to each director in person, by telephone, or by e-mail at least forty-eight (48) hours prior to the time of the meeting, or by first-class mail at least four (4) days prior to the date of the meeting.

4. Waiver of Notice.

Notice of any meeting of directors may be waived in writing by any director prior to or subsequent to the time of the meeting. Attendance at any meeting shall constitute waiver of notice.

5. Regular Meetings.

The Board of Directors shall hold regular meetings for the purposes of regular transaction of business. Meetings will be open to all members. Members do not have voting privileges at a Board Meeting.

6. Annual Meeting.

The Board of Directors shall hold an annual meeting in May or June for the purposes of organization, appointment of officers, and transaction of other business. Notice of the day and time of the meeting will be made at least ten (10) calendar days prior to the meeting. Notice will be made to all Board members.

7. Organization.

Meetings of the board of directors 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 his or her absence, by the vice president of the corporation, or in the absence of each of these persons, by a chairperson chosen by a majority of the directors 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 such procedures as may be approved from time to time by the board of directors, insofar as such rules are not inconsistent with or in conflict with the articles of incorporation, these bylaws, or with provisions of law.

8. Quorum.

A majority of the authorized number of directors shall constitute a quorum.

9. Transaction of Business.

Except as otherwise provided, the act or decision of a majority of the directors present at a duly held meeting at which a quorum is present is the act of the Board. At any meeting at which a quorum is initially present, business may continue to be transacted notwithstanding the

loss of a quorum, if any action taken is approved by at least a majority of the number of directors constituting a quorum (or such greater number as may be required by law or by these Bylaws).

10. Adjournment.

Any meeting of the Board of directors, whether or not a quorum is present, may be adjourned to another time and place by the affirmative vote of a majority of the directors present. If the meeting is adjourned for more than twenty-four (24) hours, notice of such adjournment to another time or place shall be given prior to the time of the adjourned meeting to the directors who were not present at the time of the adjournment.

Section D. Compensation

Directors shall serve without compensation except that they shall be allowed reasonable advancement or reimbursement of expenses incurred in the performance of their duties.

Section E. Nonliability of Directors

The directors shall not be personally liable for the debts, liabilities, or other obligations of the corporation.

Section F. Indemnification by Corporation of Directors and Officers

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

Section G. Insurance for Corporate Agents

Except as may be otherwise provided under provisions of law, the board of directors may adopt a resolution authorizing the purchase and maintenance of insurance on behalf of any agent of the corporation (including a director, 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 V: Officers

Section A: Designation of Officers

The officers of the corporation shall be a president, a vice president, a secretary, and a treasurer. The corporation may also have a chairperson of the board, one or more vice presidents, assistant secretaries, assistant treasurers, and other such officers with such titles as may be determined from time to time by the board of directors. The Board may appoint these additional Directors to exercise such powers and perform such duties as it may direct, including but not limited to the day-to-day administration of specific enrichment and fundraising programs operated by the corporation.

All officers shall be elected by the Board of Directors for one-year terms at the annual meeting.

Section B. Qualifications

Any person may serve as officer of this corporation, except as follows:

At no time and under no circumstance may the President and the Treasurer be related to each other, **either by blood or through a financial relationship.**

Section C: President.

The President shall be the chief executive officer of the corporation. He or she shall preside over all meetings of the members of the Board, and shall have such other powers and perform such other duties as are stated elsewhere in these Bylaws or as the Board may direct. The President shall be the official spokesperson and carry out the policies of the Foundation. The President shall also schedule and cause to be called all meetings of the Foundation and its Board of Directors. Except as otherwise expressly provided by law, by the articles of incorporation, or by these bylaws, he or she shall, in the name of the corporation, execute such deeds, mortgages, bonds, contracts, checks, or other instruments which may from time to time be authorized by the board of directors. The President shall be elected from, and be a member of, the Board.

Section D: Vice President.

The Vice President shall assume all duties of the President in his/her absence or until any vacancy in that office is filled, and shall perform such additional duties as the Board may from time to time direct. He or she shall be elected from, and be a member of the Board.

Section E: Secretary.

The Secretary shall:

1. Have custody of all membership records, attendance records and documents of FOI and its Board of Directors;
2. Keep written minutes of meetings;

3. Be custodian of the corporate seal;
4. Receive and answer written communications;
5. Provide notice for meetings as set forth in the Bylaws and directed by the President.
6. Exhibit at all reasonable times to any director of the corporation, or to his or her agent or attorney, on request therefor, the bylaws, the membership book, and the minutes of the proceedings of the directors of the corporation.
7. In general, perform all duties incident to the office of secretary and such other duties as may be required by law, by the articles of incorporation, or by these bylaws, or which may be assigned to him or her from time to time by the board of directors.

Section F: Treasurer.

The Treasurer shall:

1. Have charge and custody of, and be responsible for, all funds and securities of the corporation, and deposit all such funds in the name of the corporation in such banks, trust companies, or other depositories as shall be selected by the board of directors.
2. Receive, and give receipt for, monies due and payable to the corporation from any source whatsoever.
3. Disburse, or cause to be disbursed, the funds of the corporation as may be directed by the board of directors, taking proper vouchers for such disbursements.
4. Keep and maintain adequate and correct accounts of the corporation's properties and business transactions, including accounts of its assets, liabilities, receipts, disbursements, gains, and losses.
5. Exhibit at all reasonable times the books of account and financial records to any director of the corporation, or to his or her agent or attorney, on request therefor.
6. Render to the president and directors, whenever requested, an account of any or all of his or her transactions as treasurer and of the financial condition of the corporation.
7. Prepare, or cause to be prepared, and certify, or cause to be certified, the financial statements to be included in any required reports.
8. In general, perform all duties incident to the office of treasurer and such other duties as may be required by law, by the articles of incorporation of the corporation, or by these bylaws, or which may be assigned to him or her from time to time by the board of directors.

Article VI: Committees

The Board may appoint one or more committees, each consisting of one or more directors, and delegate to such committees any of the authority of the Board. Committees may also include non-director members, but shall have at least one

director. The board of directors may adopt rules and regulations pertaining to the conduct of meetings of committees to the extent that such rules and regulations are not inconsistent with the provisions of these bylaws.

Article VII: Resignation or Removal of Directors/Officers; Filling of Vacancies

Section A: Resignations.

Any director of the corporation may resign effective upon giving written notice to the President, the Secretary or the Board of Directors of the corporation, unless the notice specifies a later time for the effectiveness of such resignation. If the resignation specifies effectiveness at a future time, a successor may be elected pursuant to these Bylaws to take office on the date the resignation becomes effective. Notwithstanding the foregoing, no director may resign if such resignation would leave the corporation without a duly elected director or directors in charge of its affairs.

Section B: Removal.

1. Ground for Removal

The Board of Directors may declare vacant the office of a director who has **missed three consecutive meetings**, who has been declared of unsound mind by a final order of court, or convicted of a felony, or who has been found by a final order or judgment of any court to have breached any duty under Article 3 (commencing with Section 5230) of Part 2 of Division 2 of the California Corporations Code.

2. Procedures for Removal

- a. At least two (2) members must sign and submit to the Secretary a written statement containing the grounds for removal;
- b. The Secretary, upon receipt of the statement, shall send to the director sought to be removed, by registered mail, a copy of the statement of grounds and a letter stating that he/she may resign or have a hearing before the remaining Board members;
- c. At the next meeting of the Board, the Board member sought to be removed shall be afforded an opportunity to respond to the statement of grounds for removal. After such hearing, upon motion for removal, the board member may be removed from office by a 2/3 majority of all Board members.

Section C: Vacancies.

A vacancy or vacancies on the Board of Directors shall be deemed to exist in case of the death, resignation or removal of any director, or upon increase in the authorized number of directors, or if, for whatever reason, there are fewer directors on the Board of Directors than the full number authorized. Such vacancy or vacancies may be filled by election of the members at the next regularly scheduled meeting of the members. Each director so selected shall hold office until the expiration of the term of the replaced director, if any, and until a successor has been selected and qualified.

Article VIII Corporate Records, Reports, and Seal

Section A. Maintenance of Corporate Records

The corporation shall keep at its principal office:

1. Minutes of all meetings of directors, 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;
2. 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;
3. A record of its members, if any, indicating their names and addresses and, if applicable, the class of membership held by each member and the termination date of any membership;
4. 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 B. Corporate Seal

The board of directors may adopt, use, and at will alter, a corporate seal. Such seal shall be kept at the principal office of the corporation. Failure to affix the seal to corporate instruments, however, shall not affect the validity of any such instrument.

Section C. Directors' Inspection Rights

Every director 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 D. Members' Inspection Rights

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If this corporation has any members, then each and every member shall have the following inspection rights, for a purpose reasonably related to such person's interest as a member:

1. To inspect the record of all members' names and voting rights, at reasonable times, upon written demand on the secretary of the corporation, which demand shall state the purpose for which the inspection rights are requested.
2. To inspect at any reasonable time the books, records, or minutes of proceedings of the members or of the board or committees of the board, upon written demand on the secretary of the corporation by the member, for a purpose reasonably related to such person's interests as a member.

Members 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 E. 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 IX: Financial Policies

Section A. Fiscal Year.

The fiscal year of The Cheremoya Foundation is July 1 through June 30.

Section B. Monetary Restrictions.

In all matters, The Cheremoya Foundation will be concerned with the protection of its tax-exempt status as a 501(c)(3) corporation. The Cheremoya Foundation will follow all federal and state regulations and guidelines for not-for-profit organizations.


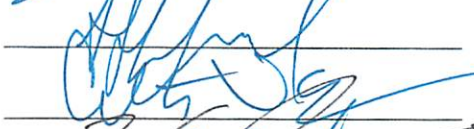



Article X: Amendment of Bylaws

Except as otherwise provided, these Bylaws may be amended by the Board by 2/3 vote, except that no provision of these Bylaws granting a right or privilege to members of the corporation may be amended except by a majority vote of at least a quorum of the members as defined in the bylaws.

ADOPTION OF BYLAWS

We, the undersigned, are all of the initial directors or incorporators of this corporation, and we consent to, and hereby do, adopt the foregoing bylaws, consisting of 16 preceding pages, as the bylaws of this corporation.

Dated: 9/9/09

	Andrew Glazier
	A.J. Handegard
	Celeste Vos
	Robert Salomon
	J.S. WALKER

**Conflict of Interest and
Compensation Approval Policies
Of
The Cheremoya Foundation, Inc.**

Article 1. Purpose of Conflict of Interest Policy

The purpose of this conflict of interest policy is to protect this tax-exempt corporation'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 corporation or any "disqualified person" as defined in Section 4958(f)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulations and which might result in a possible "excess benefit transaction" as defined in Section 4958(c)(1)(A) of the Internal Revenue Code and as amplified by Section 53.4958 of the IRS Regulations. 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.

Article 2. Definitions

- a. Interested Person.** Any director, principal officer, member of a committee with governing board delegated powers, or any other person who is a "disqualified person" as defined in Section 4958(f)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulations, who has a direct or indirect financial interest, as defined below, is an interested person.
- b. Financial Interest.** A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:
 - 1. An ownership or investment interest in any entity with which the corporation has a transaction or arrangement;
 - 2. A compensation arrangement with the corporation or with any entity or individual with which the corporation has a transaction or arrangement; or
 - 3. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the corporation is negotiating a transaction or arrangement.

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

A financial interest is not necessarily a conflict of interest. Under Section 3, paragraph B, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

Article 3. Conflict of Interest Avoidance 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, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.
- c. Procedures for Addressing the Conflict of Interest.** An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

After exercising due diligence, the governing board or committee shall determine whether the corporation 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.

If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the corporation'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.

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

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.

Article 4. Records of Board and Board Committee Proceedings

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

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- 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 governing board's or committee'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.

Article 5. Compensation Approval Policies

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

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

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

When approving compensation for directors, officers and employees, contractors, and any other compensation contract or arrangement, in addition to complying with the conflict of interest requirements and policies contained in the preceding and following sections of this article as well as the preceding paragraphs of this section of this article, the board or a duly constituted compensation committee of the board shall also comply with the following additional requirements and procedures:

- a. the terms of compensation shall be approved by the board or compensation committee prior to the first payment of compensation;
- b. all members of the board or compensation committee who approve compensation arrangements must not have a conflict of interest with respect to the compensation arrangement as specified in IRS Regulation Section 53.4958-6(c)(iii), which generally requires that each board member or committee member approving a compensation arrangement between this organization and a "disqualified person" (as defined in Section 4958(f)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulations):
 1. is not the person who is the subject of the compensation arrangement, or a family member of such person;
 2. is not in an employment relationship subject to the direction or control of the person who is the subject of the compensation arrangement;

3. does not receive compensation or other payments subject to approval by the person who is the subject of the compensation arrangement;
 4. has no material financial interest affected by the compensation arrangement; and
 5. does not approve a transaction providing economic benefits to the person who is the subject of the compensation arrangement, who in turn has approved or will approve a transaction providing benefits to the board or committee member.
- c. the board or compensation committee shall obtain and rely upon appropriate data as to comparability prior to approving the terms of compensation. Appropriate data may include the following:
1. compensation levels paid by similarly situated organizations, both taxable and tax-exempt, for functionally comparable positions. "Similarly situated" organizations are those of a similar size, purpose, and with similar resources;
 2. the availability of similar services in the geographic area of this organization;
 3. current compensation surveys compiled by independent firms;
 4. actual written offers from similar institutions competing for the services of the person who is the subject of the compensation arrangement;

As allowed by IRS Regulation 4958-6, if this organization has average annual gross receipts (including contributions) for its three prior tax years of less than \$1 million, the board or compensation committee will have obtained and relied upon appropriate data as to comparability if it obtains and relies upon data on compensation paid by three comparable organizations in the same or similar communities for similar services.

- d. the terms of compensation and the basis for approving them shall be recorded in written minutes of the meeting of the board or compensation committee that approved the compensation. Such documentation shall include:
1. the terms of the compensation arrangement and the date it was approved;
 2. the members of the board or compensation committee who were present during debate on the transaction, those who voted on it, and the votes cast by each board or committee member;
 3. the comparability data obtained and relied upon and how the data was obtained;
 4. If the board or compensation committee determines that reasonable compensation for a specific position in this organization or for providing services under any other compensation arrangement with this organization is higher or lower than the range of comparability data obtained, the board or committee shall record in the minutes of the meeting the basis for its determination;

5. If the board or committee makes adjustments to comparability data due to geographic area or other specific conditions, these adjustments and the reasons for them shall be recorded in the minutes of the board or committee meeting;
6. any actions taken with respect to determining if a board or committee member had a conflict of interest with respect to the compensation arrangement, and if so, actions taken to make sure the member with the conflict of interest did not affect or participate in the approval of the transaction (for example, a notation in the records that after a finding of conflict of interest by a member, the member with the conflict of interest was asked to, and did, leave the meeting prior to a discussion of the compensation arrangement and a taking of the votes to approve the arrangement);
7. The minutes of board or committee meetings at which compensation arrangements are approved must be prepared before the later of the date of the next board or committee meeting or 60 days after the final actions of the board or committee are taken with respect to the approval of the compensation arrangements. The minutes must be reviewed and approved by the board and committee as reasonable, accurate, and complete within a reasonable period thereafter, normally prior to or at the next board or committee meeting following final action on the arrangement by the board or committee.

Article 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 conflicts of interest policy;
- b. has read and understands the policy;
- c. has agreed to comply with the policy; and
- d. understands the corporation is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Article 7. Periodic Reviews

To ensure the corporation operates in a manner consistent with charitable purposes and does not 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 corporation's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes, and do not result in inurement, impermissible private benefit, or in an excess benefit transaction.

Article 8. Use of Outside Experts

When conducting the periodic reviews as provided for in Section 7, the corporation may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

The Undersigned, Secretary of this Corporation, hereby certify that
Conflic of Interest Policy of this Corporation was duly adopted as of the
9 day of SEPTEMBER, 2009.

By _____

Secretary