

**BYLAWS
OF THE ASSOCIATION FOR THE ADVANCEMENT
OF EDUCATION
A North Carolina Nonprofit Corporation**

ARTICLE 1:

NAME, PURPOSE AND OFFICE

Section 1. Name. The name of the corporation shall be the Association for the Advancement of Education, hereinafter referred to as the "Corporation."

Section 2. Purpose. The purpose of the Corporation is to manage, operate, guide, direct, and promote the Hawbridge School.

The Corporation, which is organized under the Non-Profit Corporation Act of North Carolina, shall operate exclusively for charitable and educational purposes and in a manner consistent with Chapter 55A of the General Statutes of North Carolina and Section 501(c)(3) or successor provisions of the Internal Revenue Code.

Section 3. Office. The principal office of the Corporation shall be located in Alamance County, North Carolina. The principal office of the Corporation shall be located at 1735 Saxapahaw-Bethlehem Church Road in Saxapahaw, County of Alamance, State of North Carolina. The Corporation may have other such offices either within or without of the State of North Carolina, as the Corporation may require. The Corporation shall have and continuously maintain in the State of North Carolina a registered office and registered agent as required by the North Carolina Non-Profit Corporation Act. The registered office may be identical to the principal office in the State of North Carolina. The address of the registered office may be changed by the Board of Directors.

ARTICLE 2:

MEMBERS OF THE CORPORATION

Section 1. Members. The Corporation has no members.

ARTICLE 3:

BOARD OF DIRECTORS

Section 1. General Powers. The property, business, and affairs of The Hawbridge School, hereinafter referred to as "Hawbridge," shall be overseen by the Corporation, Hawbridge's founding organization. The Corporation's Board of Directors, hereinafter referred to as the

“Board,” will oversee the Corporation in accordance with these bylaws. The Board is responsible for the organizational performance of Hawbridge and the Corporation. The Board may delegate responsibility for day-to-day operations of Hawbridge to the Executive Director.

Section 2. Rights of Inspection. Every member of the Board has the right to inspect and copy all books, records, and documents of every kind and to inspect the physical properties of Hawbridge, provided that such inspection is conducted at a reasonable time after reasonable notice, and provided that such right of inspection and copying is subject to the obligation to maintain the confidentiality of the reviewed information, in addition to any obligations imposed by any applicable federal, state, or local law.

Section 3. Number of Members, Qualifications, Elections, and Tenure.

(a) The Board will be comprised of at least seven (7) and no greater than nine (9) voting members.

(b) Neither current employees nor their spouses, domestic partners, or significant others may be appointed as voting members on the Hawbridge Board of Directors.

(c) Members of the Board shall be at least twenty-one (21) years of age.

(d) The process for appointments of Board members shall be as follows:

i. A Selection Committee will be formed by February 15 in years that open Board positions become available. The Committee will then appoint a Chair. The Selection Committee will be comprised of four (4) Board members (excluding those Board members up for re-appointment), one (1) PASTA representative, and two (2) Faculty members, for a total of seven (7) committee members. The Board and Selection Committee will recruit potential Board members and solicit applications in February and March. The Selection Committee will review candidates and identify nominees for open Board positions in April and May. The Board (apart from those Board members up for re-appointment) will either approve or reject the recommendations of the Selection Committee. If the Board rejects the recommendations, then the Selection Committee will reevaluate their recommendations and present revised recommendations back to the Board. Upon acceptance of nominees by the Board, then the new Board members will be announced during the June meeting, with appointments commencing in July.

ii. The desired qualifications for new Board members shall be determined by the current Board of Directors and posted on the school website as early as feasible to facilitate recruitment of Board members for open positions.

(e) The terms of Board members shall be as follows:

i. Members of the Board shall serve three-year terms, and no Board member may serve more than two (2) consecutive three-year terms. Additional terms, beyond the two three-year terms, must be separated by a period of at least one (1) year (July-June).

ii. Terms will commence on July 1 and end June 30 of the third year.

(f) The process for election of Board Officers shall be as follows:

i. Officers for Chair, Vice Chair, Treasurer, and Secretary will be elected by the current Board of Directors each May.

(g) The process and terms for the Faculty representative to the Board shall be as follows:

i. The non-voting Faculty representative to the Board shall be elected each June by the full-time Hawbridge Faculty, through a process that the Faculty deems appropriate.

Section 4. Duties.

(a) The Board shall perform any and all duties imposed on it collectively and individually by law or by these bylaws or by any policies adopted and implemented by the Board. Members of the Board shall stand in a fiduciary relation to the Corporation and shall discharge their duties in good faith, and with the diligence and care that reasonably prudent men and women would exercise in similar circumstances and in like positions.

(Details regarding the duties of the Board of Directors can be found in separate school document, entitled "Hawbridge Board of Directors Duties.")

(b) The Board has the power to appoint, employ and remove the Executive Director.

(c) The Board shall meet at such times and places as required by these bylaws.

(d) The Board may consider that a member, after three consecutive unexcused absences (as determined by the Board) from regular meetings, has resigned.

(e) Board members shall provide contact information to school officials.

Section 5. Annual Meeting. The Annual Meeting shall be held in May of each year in order to elect new members and to fill existing vacancies or to replace members whose terms have expired; and to conduct such business as may be appropriate.

Section 6. Regular Meetings. Regular meetings of the Board shall be held at Hawbridge on a monthly basis as determined at the May meeting of the Board. The Board may amend or change its schedule of regular meetings. The regular meeting in the month of June shall be the regular annual meeting of the Board. These meetings shall be conducted in accordance with the Open Meetings Laws of the State of North Carolina.

Section 7. Substitute Regular Meetings. If any regular meeting is not held as designated in Section 6 above, the Chairperson may call a substitute meeting, which shall be designated a regular meeting. All Board members must be notified not less than four (4) days in advance of the place and time of a substitute meeting, such notice to be made pursuant to Section 8, below.

Section 8. Special and Emergency Meetings. Special meetings of the Board may be called by the Chairperson or any two Board members. All Board members must be notified not less than four (4) days in advance of the place and time of a special Board meeting, such notice to be made pursuant to Section 9, below. All Board members must be notified not less than twenty-four (24) hours in advance of the place and time of an emergency Board meeting, such notice to be made pursuant to Section 9, below.

Section 9. Executive Sessions. Executive Sessions of voting members of the Board and all persons invited to attend must be compliant with North Carolina open meeting law.

Section 10. Notice of Meetings. At its regular annual meeting in May, the Board shall establish the schedule of dates and times for its regular meetings for the academic year, including its regular annual meeting to be held the following May. This schedule shall be made available to the Board and the public. Board members shall be given telephone and/or email notice of substitute regular meetings and of special and emergency meetings. For substitute regular meetings and special and emergency meetings, the school community and the public shall be given the best notice practicable under the circumstances, including notice by posting on the school's website.

Section 11. Open Meeting Law. The Board of Directors shall take all necessary action, including, if necessary, amending these bylaws, in order to comply with the North Carolina open meetings laws, N.C. Gen Stat. §§ 143-318.9 through 143-318-18.

Section 12. Quorum. A majority of current active Board members shall constitute a quorum for the transaction of business at any meeting of the Board. If a quorum is not present, except as otherwise provided by law or in these bylaws, the Board members present shall adjourn the meeting until a quorum is present. The Board may continue to transact business at a meeting at which a quorum was originally present, even though members withdraw, provided that any action taken is approved by at least a majority of the quorum required.

Section 13. Participation by Conference Telephone. Any one or more directors or members of a Committee may participate in a meeting of the Board of Directors or Committee by means of a conference telephone or similar communications device that allows all directors participating in the meeting to simultaneously hear each other during the meeting, and such participation in a meeting shall be deemed presence in person at such meeting.

Section 14. Voting. Except as otherwise provided by law or by these bylaws, the act of the majority of the Board members having voting authority who are present at a meeting or participating via conference telephone at which a quorum is present shall be the act of the Board. Board members may not vote by proxy.

Section 15. Resignation and Removal of Board Members.

(a) Except as otherwise provided by law, including the fiduciary duties owed by Board members to the Corporation, a Board member may resign at any time by giving notice in writing to the Chairperson or Secretary of the Board. Such resignation shall take effect at the time specified, or if no time is specified, at the time the Chairperson or Secretary receives such resignation.

(b) A two-thirds vote of the current Board members may remove a Board member. A member who fails to attend 75% of all board meetings in a year will be deemed to have resigned. A member may be reinstated at his or her request, but only once in a term.

Section 16. Vacancies.

Section 16. Vacancies. (a) Voting Members: When a vacancy occurs, either by death, resignation, removal from office, or for any reason other than the completion of a term in office (the "Vacant Term"), the remaining Board members shall give appropriate notice to the school community of such vacancy, shall allow appropriate time for persons to respond to such notice, shall accept application or expressions of interest from persons regarding such vacancy, shall allow interested persons to make reasonable presentation to, and/or be interviewed by, the remaining Board members. Thereafter, the remaining Board members shall elect an eligible person to fill the vacancy. Any person elected to fill a Vacant Term shall serve until May 30th of the current fiscal year or the end of the Vacant Term, whichever is shorter. If there are remaining years in the Vacant Term, the balance of the Vacant Term shall be filled by a candidate elected at the next regularly scheduled Board election to serve out the remainder of that term.

(b) Faculty Representative: When a vacancy occurs in the position occupied by the faculty representative to the Board of Directors, either by death, resignation, removal from office, or for any reason other than the completion of a term in office, the Hawbridge full-time faculty shall vote to elect another representative. The teacher elected to fill any

such vacancy shall be eligible to serve to the completion of the term of the teacher replaced and shall be eligible for reelection by the Hawbridge full-time faculty.

Section 17. Compensation. Members of the Board shall serve without compensation for their services to the Board except for the reasonable reimbursement for expenses as allowed by the policies of the Board.

Section 18. Conflict of Interest. The Conflict of Interest Policy can be found in a separate school document, entitled “Conflict of Interest Policy.”

Section 19. Approval. The Board may approve a self-dealing transaction if the Board determines that the transaction is in the best interest of, and is fair and reasonable to, the Corporation or Hawbridge and, after reasonable investigation under the circumstances, determines that the Corporation or Hawbridge could not have obtained a more advantageous arrangement with reasonable effort under the circumstances. Such determinations must be made by the Board, in good faith, with knowledge of the material facts concerning the transaction and the Board members’ interest in the transaction, and by a vote of the majority of the Board members then in office, provided that a quorum is present, without counting the vote of the interested Board member or members.

Section 20. Non-Liability of Board Members. The Board members shall not be personally liable for the Association for the Advancement of Education’s debts, liabilities, or other obligations.

ARTICLE 4:

OFFICERS

Section 1. Officers. The officers of the Corporation shall be a Chairperson, Vice Chairperson, a Secretary, a Treasurer, and such other officers as determined by the board or as may be deemed necessary by the Board.

Section 2. Chairperson. The Chairperson is accountable for the integrity of the Board’s process and represents the Board to outside parties. The job output of the Chairperson is that the Board behaves consistently with its own policies and bylaws and those rules legitimately imposed upon it from outside the organization.

Section 3. Vice Chairperson. The Vice Chairperson assumes all responsibilities of the Chairperson in the event that the Chairperson is temporarily unable to fulfill the duties.

Section 4. The Secretary. The responsibility and job output of the Secretary includes, but is not limited to, maintaining the records of public meetings and executive sessions.

Section 5. The Treasurer. The responsibility and job output of the Treasurer includes, but is not limited to, accountability for the integrity of required financial audit procedures.

ARTICLE 5:

GENERAL PROVISIONS

Section 1. Non-Discrimination. The Corporation shall maintain a policy by which no person will be discriminated against because of race, color, disability, sex, religion, sexual orientation or national origin.

Section 2. Indemnification.

(a) Subject to, and to the extent consistent with, the requirements for qualification of the Corporation as a tax-exempt Corporation described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, any person who at any time serves or has served as a director of the Corporation shall have a right to be indemnified by the Corporation to the fullest extent permitted by law against (i) expenses, including reasonable attorneys' fees, actually and necessarily incurred by him or her in connection with any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, whether formal or informal, and whether or not brought by or on behalf of the Corporation, arising out of his or her status as such director, or his or her status as an officer, employee or agent of the Corporation, or his or her service, at the request of the Corporation, as a director, officer, partner, trustee, employee or agent of any other corporation, partnership, joint venture, trust or other enterprise or as a trustee or administrator under an employee benefit plan, or his or her activities in any of the foregoing capacities, and (ii) any liability incurred by him or her, including without limitation, satisfaction of any judgment, money decree, fine (including any excise tax assessed with respect to an employee benefit plan), penalty or settlement, for which he or she may have become liable in connection with any such action, suit or proceeding.

(b) The Board of Directors shall take all such action as may be necessary and appropriate to authorize the Corporation to pay the indemnification required by these bylaws, including without limitation, to the extent necessary, making a good faith evaluation of the manner in which the claimant for indemnity acted and of the reasonable amount of indemnity due him or her.

(c) Subject to, and to the extent consistent with, the requirements for qualification of the Corporation as a tax-exempt Corporation described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, expenses incurred by a director in defending an action, suit or proceeding may be paid by the Corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of the director to pay such amount unless it shall ultimately be determined that he or she is entitled to be indemnified by the Corporation against such expenses.

(d) Any person who at any time after the adoption of these bylaws serves or has served as a director of the Corporation shall be deemed to be doing or to have done so in reliance upon, and as consideration for, the right of indemnification provided herein, and any modification or repeal of these provisions for indemnification shall be prospective only and shall not affect any rights or obligations existing at the time of such modification or repeal. Such right shall inure to the benefit of the legal representatives of any such person, shall not be exclusive of any other rights to which such person may be entitled apart from the provisions of these bylaws, and shall not be limited by the provisions for indemnification in Sections 55A-8-51 through 55A-8-56 of the North Carolina Nonprofit Corporation Act or any successor statutory provisions.

(e) Any person who is entitled to indemnification by the Corporation hereunder shall also be entitled to reimbursement of reasonable costs, expenses and attorneys' fees incurred in obtaining such indemnification.

Section 3. Gifts. The Board may accept on behalf of the Corporation any contribution, gift, bequest or device for the purposes of the Corporation of Hawbridge.

Section 4. Fiscal Year. The Board shall fix the fiscal year of the Corporation.

Section 5. Corporate Seal. The official seal of the Corporation shall have inscribed thereon the name of the Corporation. The official seal shall also contain such other words or figures as the Board may determine. The official seal may be used by placing, by any process whatsoever, an impression, facsimile, or other reproduction of said official seal.

Section 6. Amendments.

(a) These bylaws may be amended or repealed and new bylaws may be adopted by action of a vote of two-thirds of the Board members present and voting at a duly constituted Board meeting, provided that the content thereof be made available to Board members at least thirty (30) days prior to the meeting at which the proposed amendment will be considered and provided that no amendment may be made which would prevent the Corporation from qualifying as a tax-exempt corporation described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or which would otherwise be inconsistent with the Corporation's Articles of Incorporation.

(b) The Board of Directors may not amend the Corporation's Articles of Incorporation in a manner that has the same effect as any change or amendment referred to above without the approval required to make such change or amendment of the bylaws.

Section 7. Dissolution and Distribution of Assets. No part of the net earnings of the Corporation shall inure to the benefit of, or be distributed to its directors, officers, or other private persons, except that the Corporation shall be authorized and empowered to pay reasonable

compensation for services rendered to the Corporation and to make payments and distributions in furtherance of the purposes of the Corporation. The Corporation may be dissolved and its assets and liabilities liquidated in such manner as the Board shall resolve, provided that upon dissolution, after payment of all debts, no part of the remaining assets may be distributed to any Board member or officer of the Corporation but shall be distributed as the Articles of Incorporation direct in accordance with applicable laws and regulations (North Carolina General Statute 115C-238.29H (1)), provided, however that the distribution must be to another organization exempt under Section 501(c)(3) or successor provisions of the Internal Revenue Code, or to the United States, state or local governments, for a public purpose.