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BY-LAWS OF
E. A. SUTHERLAND EDUCATIONAL ASSOCIATION
(A NON-PROFIT CORPORATION)
State of Tennessee

ARTICLE I: INTRODUCTION

- 1.1 Definition of By-laws.** These By-laws constitute the code of rules adopted by E. A. Sutherland Educational Association, Inc., here after referred to as EASEA, for the regulation and management of its affairs.
- 1.2 Mission Statement.** It is the mission of EASEA to promote the improvement of educational and vocational programs that demonstrate a distinctly Christ-centered educational philosophy based on the Bible and writings of E. G. White.
- 1.3 Purpose and Powers.** This Corporation will have the purpose and powers as are stated in its Articles of Incorporation, such powers as are now or may be granted hereafter by law and as the Board of Directors may adopt from time to time.

The primary purpose of this Corporation is to:

- A. Promote the improvement of EASEA schools.
- B. Establish guidelines, criteria, and procedures for the evaluation of K-12 schools.
- C. Maintain a program for evaluating member schools according to their stated objectives and established standards.
- D. Provide accreditation to its member schools and oversee compliance.
- E. Give counsel, guidance, and encouragement in all areas of Christian education.
- F. Facilitate networking among member institutions.
- G. Work with the Seventh-day Adventist Church and its institutions.
- H. Act as a liaison with the State and other educational and compliance agencies.
- I. Establish and maintain policies, criteria for the membership, and by-laws for the operation of EASEA.
- J. Engage in such other services and activities that promote, support and develop EASEA programs as the Board of Directors may direct.

ARTICLE II: OFFICES AND AGENCIES

2.1 Principal and Branch Offices. The principle place of business of this Corporation will be located in Ooltewah, Tennessee. In addition, the Corporation may maintain other offices either within or without the State of Tennessee as its business requires.

2.2 Location of Registered Office. The location of the registered office of this Corporation is at 6101 Mountain View Road, Ooltewah, TN 37363-0747. Such office will be continuously maintained in the State of Tennessee for the life of this Corporation. The Board of Directors may from time to time change the address of its registered office by duly adapted resolution and filing the appropriate statement with the State.

ARTICLE III: MEMBERSHIP

3.1 Definition of Membership. The membership of EASEA shall be:

- A. The charter schools: Advent Home Youth Services, Fletcher Academy, Harbert Hills Academy, Heritage Academy, Laurelbrook Academy, Miracle Meadows School, and Ouachita Hills Academy.
- B. Any other institution, organization, or individual which subsequently becomes a member of EASEA in accordance with these by-laws.

3.2 Qualifications of Membership. To be eligible for membership applicants must:

- A. Believe in and practice the doctrines and mission of the Seventh-day Adventist Church.
- B. Not knowingly accept tithe from SDA church members and shall encourage their supporters to be faithful in returning tithe and appropriate offerings through the authorized channels of the Seventh-day Adventist Church.
- C. Support and cooperate with the goals and purposes of the Seventh-day Adventist Church by words, actions, and publications.
- D. Recognize that although each institution's program may vary, EASEA actions speak for its members in matters of educational standards.
- E. Recognize that the member institutions are accountable to EASEA for carrying out self-evaluations, annual reviews and compliance with the school improvement program.

- F. Accept requirements of EASEA as adopted by a majority vote of the Board of Directors.
- G. Recognize that The Layman Foundation was organized by the founders of Madison College for the purpose of promoting schools that are financially self-supporting and follow the principles given to Ellen G. White.

3.3 Membership Categories. There shall be four classes of membership in EASEA:

<u>Class of Membership</u>	<u>Description</u>
1. Member School	A Member School shall subscribe to the EASEA Statement of Faith, meet or exceed promulgated educational guidelines, and pay designated membership dues.
2. Accredited School	An Accredited School shall meet the requirement of a member school, and in addition, meet or exceed the requirements for Accreditation.
3. Agency-Approved School	An Agency-Approved School shall be located in the State of Tennessee; shall meet the requirements of a member school; meet or exceed the requirements established for Agency-Approved Schools, and meet or exceed the requirements established for Accredited Schools.
4. Affiliate Member	An Affiliate Member is any individual or organization whose interest and support are in harmony with the purposes and practices of EASEA and who agrees with the EASEA Statement of Faith. Affiliate Members shall not operate a school that would qualify as an EASEA school. Affiliate Members will be assessed a membership fee.

An institution, organization, or individual may apply for the appropriate class of membership in EASEA and be accepted by a majority vote of the Board of Directors.

Representatives from all classes of membership are members of the EASEA Education Council.

Termination of membership will be by majority vote of the Board of Directors or request in writing by the member.

ARTICLE IV: DIRECTORS

4.1 Definition of Board of Directors. The Board of Directors is that group of persons vested with the responsibility for governing EASEA and ensuring that it succeeds in its mission subject to the law, the Articles of Incorporation, and these By-laws.

4.2 Composition of the Board. The composition of the Board shall be:

- A. Two representatives of the Layman Foundation Board of Trustees.
- B. One representative from each charter member school as designated by the school.
- C. One representative from Outpost Centers International.
- D. The officers of the corporation.
- E. Others from subsequent EASEA membership and the Seventh-day Adventist Church educational and/or business community at large as the Board may desire to add.

4.3 Number of Directors. The number of Directors of this Corporation may vary from time to time between a minimum of twelve (12) and a maximum of seventeen (17) with the amount to be determined by the vote of two-thirds (2/3) of the incumbent Directors.

- 4.4 Term of Directors.** The Directors constituting the first Board of Directors, as named in the Articles of Incorporation, will hold office until the first annual election of Directors and thereafter will be elected for a term of three (3) years. One third of the Directors shall rotate each year. Each Director will hold his office for the term for which elected and until a successor has been selected and qualified.
- 4.5 Removal of Directors.** A Director may be removed from office by a majority vote of the Board of Directors when such action will serve the best interest of the Corporation. Before the Board is empowered to vote on the removal of a Director for such cause(s), written notice of the intended action to remove the Director shall be given by the Secretary specifying the time and place at least thirty (30) days prior to the day named for the meeting. Board membership is automatically rescinded for three successive absences.
- 4.6 Place of Directors Meetings.** Meetings of the Board of Directors, regular or special, will be held at the corporate office of EASEA or at any other place within or without the State of Tennessee as specified in the notice calling a meeting.
- 4.7 Regular Directors Meetings.** Regular meetings of the Board of Directors shall occur semi-annually.
- 4.8 Special Directors Meetings.** Special meeting of the Board of Directors may be at the call of the President or any five Directors at such times as they shall deem necessary. Only business specified in the notice for the meeting, given by the Secretary, may be discussed or transacted at a special meeting.
- 4.9 Notice of Meetings.** For all regular and special meetings of the Board of Directors, written notice thereof to all Directors shall be given by the Secretary, specifying the time and place. Such notice shall be deemed reasonable if given at least fourteen (14) days prior to the day named for the meeting.

4.10 Quorum of Directors. A majority of the whole Board of Directors shall constitute a quorum for the transaction of business. The acts of a majority of the Directors will be the act of the Board of Directors unless a greater number is required under the provisions of the Articles of Incorporation, or any provision of these By-laws.

Any action which may be taken at a meeting of the Directors may be taken without a meeting, if written consents setting forth the action so taken shall be signed by at least three-fourths (3/4) of all Directors and shall be filed with the Secretary of the corporation. Such action shall be presented at the next board meeting to be ratified and filed.

4.11 Distance Participation. One (1) or more persons may participate in a meeting of the Board or a committee of the Board by means of the conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this clause shall constitute presence in person at such meeting.

4.12 Vacancies of the Board. The Board of Directors may declare vacant the office of a Director if he or she is 1) declared of unsound mind by the order of law, 2) convicted of a felony, 3) or within sixty (60) days after notice of his or her selection, he or she does not accept such office either in writing or by attending a meeting of the Board of Directors.

Any vacancy occurring in the Board of Directors due to resignation or removal, and any Directorship to be filled by reason of an increase in the number of Directors, will be filled by appointment by a majority of the remaining Board of Directors. The new Director appointed to fill the vacancy will serve for the unexpired term of the predecessor in office.

ARTICLE V: OFFICERS

- 5.1 Roster of Officers.** The officers of the Corporation will consist of the following personnel: a) a President; b) one or more Vice-President(s); c) a Secretary; d) a Treasurer; e) a Director of Education; and f) such other officers as may be selected in accordance with the provisions of this Article.
- 5.2 Election of Officers.** Officers shall be elected according to a plan of rotation at the annual meeting of the Board of Directors. They shall hold their offices for three (3) years and shall have such authority to perform duties as are provided by these By-laws and from time to time prescribed by the Board of Directors. There shall be no limit on the number of terms an officer can serve.
- 5.3 Multiple Officeholders.** In any election of Officers, the Board of Directors may elect a single person to any two or more offices simultaneously, except that the offices of President, Vice-President, Secretary, and Treasurer must be held by separate individuals. The Director of Education may hold the office of Secretary, but no other office.
- 5.4 Executive Committee.** The Officers of this Corporation and one Director that is not an officer shall form an Executive Committee to conduct the business of the Corporation between Board meetings. The Executive Committee shall annually submit a suggested annual budget to the Board of Directors and The Layman Foundation.
- 5.5 President.** The President shall be the Chief Executive Officer and 1) preside at all meetings of the Directors and Executive Committee, 2) have general and active management of the affairs of EASEA, 3) see that all orders and resolutions of the Board and Executive Committee are carried into effect. The President shall be an EX-OFFICIO member of all committees and shall have the general powers and duties of supervision and management usually vested in the office of President.

- 5.6 Vice-President.** The Vice-President shall: 1) act in all cases for and as the President in the latter's absence or incapacity (In the event there is more than one Vice-President, the first Vice-President elected shall serve) and 2) perform such other duties as may be required from time to time by the President and Board of Directors.
- 5.7 Secretary.** The Secretary or designated appointee will: 1) keep minutes of all meeting of Members, Committees and of the Board of Directors, 2) be the custodian of the corporate records, 3) give all notices as are required by these By-laws, and 4) perform all duties incident to the office of Secretary and such other duties as may be required by law, by the Articles of Incorporation, by these By-laws, or which may be required from time to time by the President and Board of Directors.
- 5.8 Treasurer.** The Treasurer shall: 1) have custody of EASEA funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to EASEA, 2) keep the moneys of EASEA in a separate account to the credit of the corporation, 3) disburse the funds of EASEA as may be ordered by the Board, taking proper vouchers for such disbursements and shall render to the President and Directors, at the regular meeting of the Board, or whenever they may require it, an account of all transactions as Treasurer and of the financial condition of EASEA, and 4) perform such other duties which may be required from time to time by the President and Board of Directors.
- 5.9 Director of Education.** The Director of Education is a paid officer who shall: 1) assure that all business functions of the Board are fulfilled under the supervision of the president, 2) work in close cooperation with the president, 3) maintain an office with which to conduct the business of EASEA, 4) be responsible for supervising the accreditation process in EASEA schools, 5) be responsible for overseeing and administering the teacher and administrator certification program, 6) coordinate staff development opportunities, 7) coordinate inter-school programs and projects (i.e. Bible Conference, mission trip, music festival, work bee), 8) facilitate school improvement, 9) interface with other denominational, educational and State agencies, and 10) make reports to appropriate support organizations.

5.10 Removal of Officers. Any Officer or agent may be removed by the Board of Directors whenever in its judgment the best interest of EASEA will be served thereby. However, such removal shall be without prejudice to the contract rights of any person removed.

5.11 Vacancy. A vacancy in any office due to death, resignation, removal, disqualification, or otherwise, shall be filled by the Board of Directors for the unexpired portion of the term.

ARTICLE VI: OPERATIONS

6.1 Fiscal Year. The fiscal year of this Corporation will commence on January 1 and end on December 31 of the same year.

6.2 Execution of Documents. A) All contracts, note or bonds voted by the Board of Directors shall be signed by the President and the Secretary. B) All appropriations greater than \$5,000.00 must be approved by the Board of Directors. C) All money held by EASEA shall be used only for the accomplishment of the objectives as set forth in the EASEA Articles of Incorporation and these By-laws.

6.3 Records. This Corporation will keep, at its registered office or principle place of business: 1) correct and complete records of accounts, 2) minutes of the proceedings of its Members, Board of Directors, and Executive Committee, 3) a registry giving the names and respective addresses for all Members, Directors and Officers, 4) a copy of its By-laws including amendments to date certified by the Secretary of the Corporation, and 5) a copy of the Articles of Incorporation.

6.4 Nonprofit Operations – Compensation. This Corporation will not have or issue shares of stock. No dividend will be paid, and no part of the income of this Corporation will be distributed to its Members, Directors, or Officers. However, the Corporation may pay compensation in a reasonable amount to Members, Officers, or Directors for services rendered as authorized by the Board of Directors.

- 6.5 Limited Liability of Directors.** A Director shall not be personally liable for monetary damages for actions taken, or failure to take any action, unless the Director has breached or failed to perform the duties of office under section 8363 of the Directors Liability Act (relating to standards of care and justifiable reliance); and the breach or failure to perform constitutes self-dealing, willful misconduct or recklessness. The provision of this section shall not apply to the responsibility or liability of a Director pursuant to any criminal statute; or the liability of a member for the payment of taxes pursuant to local, State or Federal Law.
- 6.6 Statement of Non-Discrimination.** EASEA does not discriminate on the basis of race, color, gender, or national and ethnic origin in the administration of its educational policies, admissions policies, scholarship and loan programs, or any other programs which are sponsored by EASEA.
- 6.7 Dissolution.** The Board of Directors of EASEA may, at any time, dissolve this association by a conveyance of its assets and records to The Layman Foundation, a not for profit corporation, to be used exclusively for educational purposes at the member institutions.

ARTICLE VII: AMENDMENTS

- 7.1 Amendment of Articles of Incorporation.** The power to alter, amend or repeal the Articles of Incorporation of this Corporation is vested in the Board of Directors. Such action must be taken pursuant to a resolution approved by two-thirds (2/3) of the Board of Directors at a regular or special meeting.
- 7.2 Amendment of By-laws.** These By-laws may be altered, amended, or repealed or new By-laws may be adopted by two-thirds (2/3) of the Board of Directors at a regular or special meeting, provided written notice is given, by the Secretary, to all Directors of the intended alteration, amendment, repeal, or adoption.

Such notice shall be deemed reasonable if given at least fourteen (14) days prior to the day named for the meeting.