

AMENDED AND RESTATED BYLAWS OF
AUSTIN GIFTED, INC.
A NON-PROFIT CORPORATION

ARTICLE I – NAME AND OFFICES

1.01 Name. The name of this corporation is Austin Gifted, Inc. (the “Corporation”).

1.02 Principal Office. The principal office of the Corporation in the State of Texas shall be located at 3901 Shoal Creek Boulevard, Austin, Texas 78756-3815, or at such other location as may be determined by the Board of Directors from time to time, provided that notice of such new office location has been provided to the Officers of the corporation. The Corporation may have such other offices, either within or without the State of Texas, as the Board of Directors may determine or as the affairs of the corporation may require from time to time.

1.03 Registered Office and Registered Agent. The Corporation shall have and continuously maintain in the State of Texas a registered office, and a registered agent whose office is identical with such registered office, as required by the Texas Non-Profit Corporation Act. The registered office may be, but need not be, identical with the principal office of the corporation in the State of Texas, and the address of the registered office and the resident agent may be changed from time to time by the Board of Directors.

ARTICLE II – PURPOSES; LIMITATIONS

2.01 General and Specific Purposes. The purpose of the Corporation is to manage, operate, guide, direct and promote ACE Academy (the “School”), a Texas private school for the gifted and programs related to and/or associated with the School (such as the School’s summer program). The purpose of the Corporation is also to perform and promote programs directed to the gifted individuals both within and outside the State of Texas.

2.02 Limitations. The Corporation shall not carry on any other activities not permitted to be carried on by: (a) a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code; or (b) a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code, or the corresponding section of any future federal tax code. No substantial part of the activities of the Corporation shall consist of the carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in, or intervene in (including the publishing or distributing of statements) any political campaign on behalf of or in opposition to any candidate for public office.

ARTICLE III – CONSTRUCTION AND DEFINITIONS

3.01 Construction and Definitions. Unless the context indicates otherwise, the general provisions, rules of construction, and definitions in the Texas Business Organizations Code, Nonprofit Corporations Chapter, will govern the construction of these bylaws (the “Bylaws”).

ARTICLE IV – DEDICATION OF ASSETS

4.01 The Corporation’s assets are irrevocably dedicated to educational purposes and other General and Specific Purposes set forth above in Article 2.01. No part of the net earnings, properties, or assets of the Corporation, on dissolution or otherwise, shall inure to the benefit of any private person or individual, or to any director or officer of the corporation. On liquidation or dissolution, all properties and assets remaining after payment, or provision for payment, of all debts and liabilities of the Corporation shall be distributed to a nonprofit fund, foundation, or corporation that is organized and operated exclusively for educational purposes and that has established its exempt status under Internal Revenue Code Section 501(c)(3).

ARTICLE V – CORPORATION WITHOUT MEMBERS

5.01 No Members. The Corporation has no voting members within the meaning of the Texas Business Organizations Code, Nonprofit Corporations Chapter.

ARTICLE VI – BOARD OF DIRECTORS

6.01 General Powers. Subject to the provisions and limitations of the Texas Business Organizations Code and any other applicable laws, the affairs of the corporation shall be managed by its Board of Directors (the “Board”). Directors need not be residents of Texas. The Board may delegate the management of the Corporation’s activities to any person(s), management company or committees, 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.

6.02 SPECIFIC POWERS. The Board shall have the power to:

6.02.01. Ensure the financial stability of the School.

6.02.02. Appoint and remove, at the pleasure of the Board of Directors, all Corporate, School, and Auxiliary Programs officers, agents, and employees; prescribe powers and duties for them as are consistent with the law, the articles of incorporation, and these Bylaws; fix their compensation; and require from them security for faithful service. In addition, the Board is responsible for evaluating the performance of the Head of School, Chief Financial Officer, and Dean of Faculty. The Board shall not

delegate its authority and responsibilities expressed in this Article 6.02.02. Subject to further resolutions of the Board, the Board has delegated to the Head of School the authority, responsibility, and power expressed in this Article 6.02.02 directed to all other officers, agents, and employees. Notwithstanding the above, such delegation of the Board expressed in this Article 6.02.012 does not limit, effect, or otherwise change in any manner the Board's powers expressed in Articles 6.02.01 and 6.02.03-6.02.10 (including the Board's responsibility and authority to approve and monitor the Corporation's annual budget).

- 6.02.03 Borrow money and incur indebtedness on the Corporation's behalf and cause to be executed and delivered for the corporation's purposes, in the Corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations, and other evidences of debt and securities.
 - 6.02.04 Approve all material agreements, including indentures, leases, bank documents, mortgages, construction contracts and employment agreements.
 - 6.02.05 Approve and monitor the implementation of general policies of the Corporation, School, and Auxiliary Programs including human resources, conflict-of-interest and student discipline policies.
 - 6.02.06 Develop and monitor an operational business plan.
 - 6.02.07 Approve and monitor the Corporation's annual budget. Any major change in the budget must be approved by the Board or the Executive Committee.
 - 6.02.08 Contract with an external auditor to produce an annual or semi-annual financial audit according to generally accepted accounting practices.
 - 6.02.09 Establish Board committees.
 - 6.02.10 Create an Advisory Board (nonvoting).
- 6.03 Number, Tenure and Qualifications.
- 6.03.01 The number of Directors on the Board shall be no less than five and no more than twenty-five voting Directors, unless changed by amendments to these Bylaws.

- 6.03.02 All Directors will be elected by the existing Board of Directors.
- 6.03.03 All potential new Directors are to be nominated by the Nominating Committee of the Board of Directors.
- 6.03.04 Unless a Director resigns before the expiration of his or her Director Period, or unless a Director is removed from the Board in accordance with these Bylaws, each Director will hold office for a three-year period (the "Director Period") with the Director period expiring on the last day of the relevant fiscal year.
- 6.03.05 The Board shall distribute the terms of each of the Directors' Director Periods such that approximately one-third of the Directors' Director Periods expires each fiscal year.
- 6.03.06 The Directors of the Board may re-elect a Director to the Board for an additional Director Period at the Board meeting immediately before the expiration of that Director's Director Period or any Board meeting thereafter. The Director or Directors being voted on for re-election must abstain from such vote. A majority of the voting Directors present at such vote is required for a Director to be re-elected to the Board.
- 6.03.07 There is no limit to the number of terms that a Director may be re-elected to the Board.
- 6.03.08 No more than 33% of the Directors may be a parent of a child currently enrolled at the School.
- 6.03.09 The Head of School will be a Director.
- 6.03.10 The Chief Financial Officer (if such officer is optionally chosen by the Board under Article 8) and the Dean of Faculty (if such officer is optionally chosen by the Board under Article 8) will be Advisory Directors as defined by Article 6.24. Nothing however prevents or precludes the Board from independently voting the Chief Financial Officer and/or the Dean of Faculty to the Board, under the procedures set forth in this Article 6.03.
- 6.03.11 The President of the Parent Council will be a Director for the duration of their term of office, should they accept the position. If the President of the Parent Council is a parent of a child

currently enrolled at the school, they will be counted towards the limit defined in Article 6.03.08.

6.04 [THIS ARTICLE HAS BEEN INTENTIONALLY OMITTED]

6.05 Interested Persons Restriction. No more than 33% of the persons serving as Directors may be Interested Persons. An Interested Person is (a) any person compensated by the corporation for services rendered to it within the previous twelve months, whether as a fulltime or part-time employee, independent contractor, or otherwise; and (b) any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, or father-in-law of such person. However, any violation of this Article 6.05 shall not affect the validity or enforceability of transactions entered into by the corporation.

6.06 Nomination Committee. The Board shall establish a Nomination Committee for the purposes of nominating potential Directors as set forth in Article 6.03.03. The Nomination Committee shall consist of one or more Directors.

6.07 Use Of Corporate Funds To Support Nominee. No Corporation funds may be expended to support a nominee without the Board's authorization.

6.08 Events Causing A Board Vacancy. A vacancy or vacancies on the Board shall occur in the event of (a) a Director is not re-elected to the Board after that Director's Director Period has occurred; (b) the death, resignation, or removal of any Director; (c) the declaration by resolution of the Board of a vacancy in the office of a director who has been convicted of a felony, declared of unsound mind by a court order, or found by final order or judgment of any court to have breached a duty under Texas Nonprofit Corporations Code; or (d) the increase of the authorized number of directors.

6.09 Resignation of Director. Except as provided below, any Director may resign by giving written notice to the Chairperson of the Board, if any, or to the Head of School, or the Secretary of the Board. The resignation will be effective when the notice is given unless the notice specifies a later time for the resignation to become effective. If a Director's resignation is effective at a later time, the Board may elect a successor to take office as of the date when the resignation becomes effective.

6.10 Director May Not Resign If No Director Remains. Except on notice to the Texas Attorney General, no Director may resign if the Corporation would be left without a duly elected Director or Directors.

6.11 Removal of Directors. Any director may be removed, with or without cause, by the vote of the majority of the Directors of the entire Board at a special meeting called for that purpose, or at a regular meeting, provided that notice of that meeting and of the removal questions are given in compliance with the Bylaws. Any vacancy caused by the removal of a Director shall be filled as provided in these Bylaws, including Article 6.03.

6.12 [THIS ARTICLE HAS BEEN INTENTIONALLY OMITTED]

6.13 No Vacancy On Reduction Of Number of Directors. Any reduction of the authorized number of Directors shall not result in any Directors being removed before his or her term of office expires.

6.14 Annual Meeting. The Board will meet annually for the purpose of approving the budget for the next academic year, appointment of officers, and the transaction of such other business as may properly be brought before the meeting. This meeting shall be held at a time, date, and place as may be specified and noticed by resolution of the Board.

6.15 Regular Meetings. A regular monthly meeting of the Board may be held without other notice than this Bylaw, the third Wednesday of each month. The Board may provide by resolution the time and place, either within or without the State of Texas, for the holding of alternative or additional regular meetings of the Board without other notice than such resolution.

6.16 Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the Chair, any two Directors, or the Executive Committee. The person or persons authorized to call special meetings of the Board may fix any place, either within or without the State of Texas, as the place for holding any special meeting of the Board called by them.

6.17 Notice. Notice of any Special Meeting of the Board shall be given at least two days previously thereto by written notice delivered personally or sent by mail or e-mail to each Director at his address as shown by the records of the Corporation. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed with postage thereon prepaid. If notice be given by e-mail, notice shall be deemed to be delivered when the e-mail is sent. If notice be given personally, notice shall be deemed received at the time it is communicated, in person or by telephone to the person or to a person at the office of the recipient whom the person giving such notice has reason to believe will promptly communicate it to the receiver. Any Director may waive notice of any meeting. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in the notice or waiver of notice of such meeting, unless specifically required by law or by these Bylaws.

6.18 Quorum. A majority of the Board shall constitute a quorum for the transaction of business at any meeting of the Board; but if less than a majority of the Directors are present at said meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice. A Director may vote by proxy.

6.19 Teleconference Meetings. Subject to the requirements of the Texas Non-Profit Corporation Act, a meeting of the Board, or any committee designated by the Board, may be held by means of a remote electronic communications system, including videoconferencing technology or the Internet, only if: (1) each person entitled to participate in the meeting consents to the meeting being held by means of that system; and (2) the system provides access to the meeting in a manner or using a method by which each person participating in the meeting can communicate concurrently with each other participant.

6.20 Adjournment. A majority of the Directors present, whether or not a quorum is present, may adjourn any Board meeting to another time or place. If a meeting is adjourned for more than twenty-four hours, notice of such adjournment to another time or place shall be given, prior to the time schedule for the continuation of the meeting, to the Directors who were not present at the time of the adjournment, and to the public in the manner prescribed by any applicable public open meeting law.

6.21 Manner of Acting. The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board, unless the act of a greater number is required by law or by these Bylaws.

6.22 Compensation. Directors as such shall not receive any stated salaries for their services, but by resolution of the Board a fixed sum and expenses of attendance, if any, may be allowed for attendance at each regular or special meeting of the Board; but nothing herein contained shall be construed to preclude any Director from serving the corporation in any other capacity and receiving reasonable compensation therefore.

6.23 Action by Unanimous Written Consent. Any action required by law to be taken at a meeting of Directors, or any action which may be taken at a meeting of Directors, may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by all of the Directors. Such consent can be signed by a Director using an “electronic signature.” By way of example, an e-mail received from a Director from his or her e-mail address of the form “[Director’s Name]” or “/s/ [Director’s Name]” in the signature block of the e-mail shall constitute an electronic signature.

6.24 Advisory Directors. The Board of Directors may from time to time designate one or more persons to act as “Advisory Directors.” Advisory Directors shall receive notice of meetings of the board and shall be entitled to attend meetings and participate in discussions of the Board, but shall not be entitled to vote on any matter decided by the Board.

6.25 Electronic Approval of Minutes. Provided that all Board directors are provided a complete copy of the Board minutes and are further provided proper notice of the vote to approve such Board minutes by electronic means, the Board may vote for approval of such Board minutes by electronic means.

6.26 Advisory Board. The Board may establish an Advisory Board. The members of the Advisory Board can be appointed and removed from the Advisory Board at the Board's sole discretion. The members of the Advisory Board shall not be directors of the Board. The members of the Advisory Board shall have no voting rights.

ARTICLE VII – OFFICERS OF THE BOARD

7.01 Officers of the Board. The officers of the Board shall be a Chairperson, a Vice Chairperson, a Secretary, a Treasurer, and such other officers as may be elected in accordance with the provisions of this Article. The Board may elect or appoint such other officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable, such officers to have the authority to perform the duties prescribed, from time to time, by the Board. Any two or more offices may be held by the same person, except to offices of Chairperson and Secretary.

7.02 Election, Term of Office, and Eligibility. The officers of the Board shall be elected annually by the Board at the regular annual meeting of the Board. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as may be convenient. New offices may be created and filled at any meeting of the Board. Each officer shall hold office until his successor shall have been duly elected and shall have qualified. Directors become eligible for a position as an Officer of the Board only after serving as a member of the Board for the duration of a full year.

7.03 Removal. Any officer elected or appointed by the Board may be removed by the Board whenever in its judgment the best interests of the corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the officer so removed.

7.04 Vacancies. A vacancy in any office because of death, resignation, disqualification or otherwise, may be filled by the Board for the unexpired portion of the term.

7.05 Chairperson. The Chairperson shall be the chairperson of the Board. The Chairperson shall preside at all meetings of the Board. If there is no Head of School, the Chairperson of the Board shall also be the acting Head of School and shall have the powers and duties of the Head of School set forth in these Bylaws. The Chairperson may sign, with the Secretary or any other proper officer of the corporation authorized by the Board, any deeds, mortgages, bonds, contracts, or other instruments and agreements which the Board have authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board or by these Bylaws or by statute to some other officer or agent of the Corporation; and in general the Chairperson shall perform all duties incident to the office of Chairperson and such other duties as may be prescribed by the Board from time to time.

7.06 Vice Chairperson. There shall also be a Vice Chairperson of the Board. In the absence of the Chairperson or in the event of the Chairperson's inability or refusal to

act, the Vice Chairperson shall perform the duties of the Chairperson, and when so acting shall have all the power of and be subject to all the restrictions upon the Chairperson. The Vice Chairperson shall perform such other duties as from time to time may be assigned to him or her by the Chairperson or by the Board.

7.07 Treasurer. In the event there is a Chief Financial Officer, the Treasurer shall have charge and custody of and be responsible for overseeing the Financial Chief Financial Officer in properly performing its duties as provided for in Article 8.13 of these Bylaws, including reporting to the Board regarding such financial matters. In the event there is no Chief Financial Officer, the Treasurer shall oversee the Bookkeeper/Accountant's activities and the Head of School's activities, as provided for in Article 8.13 of these Bylaws. To the extent required, the Treasurer shall meet with the Bookkeeper/Accountant and Head of School no less than a week before any Board meeting in which the books, accounts, or financial statements of the Corporation are to be reviewed by the Board.

7.08 Secretary. The Secretary shall keep the minutes of the meetings of the Board in one or more books provided for that purpose; give all notices in accordance with the provisions of these Bylaws or as required by law; be custodian of the corporate records and of the seal of the Corporation, and affix the seal of the Corporation to all documents, the execution of which on behalf of the corporation under its seal is duly authorized in accordance with the provisions of these Bylaws; keep a register of the post-office address of each director of the Board and members of the Advisory Board, which shall be furnished to the Secretary by each director of the Board; and, in general, perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him or her by the Chairperson or by the Board.

7.09 Assistant Treasurers and Assistant Secretaries. If required by the Board, the Assistant Treasurers shall give bonds for the faithful discharge of their duties in such sums and with such sureties as the Board shall determine. The Assistant Treasurers and Assistant Secretaries in general shall perform such duties as shall be assigned to them by the Treasurer or the Secretary or by the Chairperson or the Board.

ARTICLE VIII – OFFICERS OF THE CORPORATION

8.01 Offices of the Corporation. The officers of the Corporation shall be a Head of School, optionally, a Dean of Faculty, and, optionally, a Chief Financial Officer. The officers in addition to the corporate duties set forth in this Article VIII will also have administrative duties as set forth in any applicable contract for employment or job specification.

8.02. Duplication of Office Holders. Any number of offices may be held by the same person, except that neither the Secretary nor the Chief Financial Officer may serve concurrently as either the Head of School or the Chairperson of the Board.

8.03 Election of Officers. The officers of the Corporation shall be chosen annually by the Board and shall serve at the pleasure of the Board, subject to the rights of any officer under any employment contract.

8.04 Appointment of Other Officers. The Board may appoint and authorize the Chairperson of the Board, the Head of School, the Dean of Faculty or another officer to appoint any other officers that the Corporation may require. Each appointed officer shall have the title and authority, hold office for the period, and perform the duties specified in the Bylaws or established by the Board.

8.05 Removal of Officers. Without prejudice to the rights of any officer under an employment contract, the Board may remove any officer with or without cause. An officer who was not chosen by the Board may be removed by any other officer on whom the Board confers the power of removal.

8.06 Resignation of Officers. Any officer may resign at any time by giving written notice to the Board. The resignation shall take effect on the date the notice is received or at any later time specified in the notice. Unless otherwise specified in the notice, the resignation need not be accepted to be effective. Any resignation shall be without prejudice to any rights of the Corporation under any contract to which the officer is a party.

8.07 Vacancies in Office. A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled in the manner prescribed in these Bylaws for normal appointment to that office, provided, however, that vacancies need not be filled on an annual basis.

8.08 Head of School.

8.08.01 Subject to such supervisory powers as the Board may give to the Chairperson of the Board, if any, and subject to the control of the Board, and subject to Head of School's contract of employment, the Head of School shall be the general manager of the Corporation and shall supervise, direct, and control the Corporation's activities, affairs, and officers as fully described in any applicable employment contract, agreement, or job specification. The Head of School will preside, in the absence of the Chairperson and the Vice Chairperson of the Board, at all Board meetings. The Head of School shall have such other powers and duties as the Board or the Bylaws may require or permit.

8.08.02 If there is no Dean of Faculty, the Head of School shall be the acting Dean of Faculty and shall have the powers and duties of the Dean of Faculty set forth in these Bylaws.

8.09. Dean of Faculty. Subject to such supervisory powers as the Board may give to the Chairperson of the Board, if any, subject to the control of the Board, subject to the control of the Head of School, and subject to Dean of Faculty's contract of employment, the Dean of Faculty shall be the general manager of the School and shall supervise, direct, and control the School activities and affairs as fully described in any applicable employment contract, agreement, or job specification. The Dean of Faculty shall perform such other duties as from time to time that may be assigned to him or her by the Chairperson, the Board, or the Head of School. Nothing prohibits the Dean of Faculty from being a voting Director on the Board.

8.10-8.12 [THESE ARTICLES HAVE BEEN INTENTIONALLY OMITTED]

8.13 Chief Financial Officer and Bookkeeper/Accountant.

8.13.1 In the event there is a Chief Financial Officer:

- (a) The Chief Financial Officer shall have charge and custody of and be responsible for all funds and securities of the Corporation; receive and give receipts for moneys due and payable to the corporation and from any source whatsoever, and deposit all such moneys in the name of the Corporation in such banks, trust companies, or other depositories as shall be selected in accordance with the provisions of Article 10 of these Bylaws; and in general perform all the duties incident to the office of Chief Financial Officer and such other duties as from time to time may be assigned to him by the Chairperson, the Board, or the Head of School. The Chief Financial Officer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and accounts of the Corporation's properties and transactions. The Chief Financial Officer shall send or cause to be given to the directors of the Board such financial statements and reports as are required to be given by law, by these Bylaws, or by the Board. The books of account shall be open to inspection by any Director at all reasonable times. The Chief Financial Officer shall (a) deposit, or cause to be deposited, all money and other valuables in the name and to the credit of the corporation with such depositories as the Board may designate; (b) disburse the Corporation's funds as the Board may order; (c) render to the Head of School, Chairperson of the Board, if any, and the Board, when requested, an account of all transactions as Chief Financial Officer and of the financial condition of the Corporation; and (d) have such other powers and perform such other duties as the Board, contract, job specification, or the Bylaws may require. If required by the Board, the Chief Financial Officer

shall give the Corporation a bond in the amount and with the surety or sureties specified by the Board for faithful performance of the duties of the office and for restoration to the corporation of all of its books, papers, vouchers, money, and other property of every kind in the possession or under the control of the Chief Financial Officer on his or her death, resignation, retirement, or removal from office.

- (b) The Chief Financial Officer shall oversee the duties performed by the Bookkeeper/Accountant (if any).
- (c) Nothing prohibits the Chief Financial Officer from being a voting Director on the Board.

8.13.2 In the event there is not a Chief Financial Officer:

- (a) The Head of School shall assume and oversee all responsibilities of the Chief Financial Officer specified above in Article 8.13.1(a) and shall further hire, or cause to be hired, a bookkeeper/accountant of the Corporation (the “Bookkeeper/Accountant”), whose duties shall include: to keep and maintain, or cause to be kept and maintained, adequate and correct books and accounts of the Corporation’s properties and transactions; to send or cause to be given to the directors of the Board such financial statements and reports as are required to be given by law, by these Bylaws, or by the Board. The Bookkeeper/Accountant shall not be a director of the Board, an Officer of the Corporation, or a member of the Advisory Board.

ARTICLE IX – COMMITTEES

9.01 Committees of Directors. The Board, by resolution adopted by a majority of the Directors in office, may designate and appoint one or more committees, each of which shall consist of two or more persons, a majority of whom are Directors, which committees, to the extent provided in said resolution shall have and exercise the authority of the Board in the management of the Corporation. However, no such committee shall have the authority of the Board in reference to amending, altering, or repealing the Bylaws; electing, appointing, or removing any committee member of any such committee or any director or officer of the corporation; amending the articles of incorporation; adopting a plan of merger or adopting a plan of consolidation with another corporation; authorizing the sale, lease, exchange, or mortgage of all or substantially all of the property and assets of the corporation; authorizing the voluntary dissolution of the corporation or revoking proceedings therefore; adopting a plan for the distribution of the assets of the corporation; or amending, altering or repealing any resolution of the Board which by its terms provides that it shall not be amended, altered, or repealed by such

committee. The designation and appointment of any such committee and the delegation thereto of authority shall not operate to relieve the Board, or any individual Director, of any responsibility imposed on it or him by law.

9.02 Other Committees. Other committees not having and exercising the authority of the Board in the management of the Corporation may be designated by a resolution adopted by a majority of the Directors present at a meeting at which a quorum is present.

9.03 Term of Office. Each committee member of a committee shall continue as such until the next annual meeting of the Board and until his successor is appointed, unless the committee shall be sooner terminated, or unless such committee member be removed from such committee, or unless such committee member shall cease to qualify as a member thereof.

9.04 Chairman. One committee member of each committee shall be appointed chairman by the person or persons authorized to appoint the committee members thereof.

9.05 Vacancies. Vacancies in the committee membership of any committee may be filled by appointments made in the same manner as provided in the case of the original appointments.

9.06 Quorum. Unless otherwise provided in the resolutions of the Board designating a committee, a majority of the whole committee shall constitute a quorum and the act of majority of the committee members present at a meeting at which a quorum is present shall be the act of the committee.

9.07 Rules. Each committee may adopt rules for its own government not inconsistent with these Bylaws or with rules adopted by the Board.

9.08 Executive Committee. As one of the Committees of Directors, the Board shall designate an Executive Committee of Executive Committee Directors.

9.08.01 The Executive Committee Members shall include the Chairperson, the Head of School, and at least two other Directors of the Board.

9.08.02 Except for the power to amend the Articles of Incorporation and Bylaws, the Executive Committee shall have all of the powers and authority of the Board of Directors in the intervals between meetings of the Board of Directors, subject to the direction and control of the Board of Directors.

9.08.03 The Executive Committee Members shall meet one week before each Board meeting to reviews the major issues facing the Corporation, weighing pros and cons and making preliminary

decisions, to be ratified by the Board as a whole at the Board meeting.

9.08.04 Any action by the Executive Committee shall be ratified by the Board at the next Board meeting. Nothing prohibits the Board from thereafter voting to rescind the Executive Committee's interim actions.

9.08.05 The Executive Committee meeting may, and typically, shall be conducted by teleconference.

9.09 Finance Committee. The Treasurer is chairperson of the Finance Committee, which shall include three other Directors of the Board. The Finance Committee is responsible for developing and reviewing fiscal procedures, a fundraising plan, and annual budget with staff and other directors of the Board.

9.10 Financial Assistance Committee. The Board shall establish a Financial Assistance Committee that is responsible for developing, implementing, and overseeing procedures, plans, and standards for providing financial assistance to students.

ARTICLE X – CONTRACTS, CHECKS, DEPOSITS AND FUNDS

10.01 Contracts. The Board may authorize any officer or officers, agent or agents of the corporation, in addition to the officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation provided that such contract or instrument is not in violation of these Bylaws, the Articles of Incorporation or applicable law. Such authority may be general or confined to specific instances.

10.02 Checks and Drafts. All checks, drafts, or orders for the payment of the money, notes, or other evidences of indebtedness issued in the name of the Corporation shall be signed by such officer or officers, agent or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board. Subject to further resolutions of the Board, the Head of School, the Chief Financial Officer are the only officers and agents of the Corporation that have authority to sign all checks, drafts, and order for the payment of the money, notes, or other evidences of indebtedness issued in the name of the Corporation.

10.03 Deposits. All funds of the corporation shall be deposited from time to time to the credit of the Corporation in such banks, trust companies, or other depositories as the Board may select.

10.04 Gifts. The Board may accept on behalf of the Corporation any contribution, gift, bequest, or devise for the general purposes or for any special purpose of the Corporation.

ARTICLE XI – CONTRACTS WITH DIRECTORS

11.01 Contracts With Directors Except for written employment agreements, the Corporation will not enter into a contract or transaction in which a Director directly or indirectly has a material financial interest (nor any other corporation, firm, association, or other entity in which one or more of this Corporation’s Directors are Directors have a material financial interest) unless all of the following apply:

- 11.01.01 The Director with a material financial interest in the proposed contract or transaction fully discloses his/her financial interest in such contract or transaction in good faith and said disclosure is noted in the Board meeting minutes.
- 11.01.02 The Director with a material financial interest in the proposed contract or transaction recuses himself/herself from any participation whatsoever in the proposed contract or transaction (i.e., the interested director who recuses himself/herself shall refrain from voting on the matter and shall leave the room during Board discussion and when the final vote is taken).
- 11.01.03 Such contract or transaction is authorized in good faith by a majority of the Board by a vote sufficient for that purpose.
- 11.01.04 Before authorizing or approving the transaction, the Board considers and in good faith decides after reasonable investigation that the corporation could not obtain a more advantageous arrangement with reasonable effort under the circumstances.
- 11.01.05 The Corporation for its own benefit enters into the transaction, which is fair and reasonable to the corporation at the time the transaction was entered into.

This Article 11.01 does not apply to a transaction that is part of an educational or charitable program of this Corporation if it (a) is approved or authorized by the Corporation in good faith and without unjustified favoritism and (b) results in a benefit to one or more directors or their families because they are in the class of persons intended to be benefited by the educational or charitable program of this Corporation.

ARTICLE XII – CONTRACTS WITH NON-DIRECTOR DESIGNATED EMPLOYEES

12.01 Contracts with Non-Director Designated Employees. The Corporation will not enter into a contract or transaction in which a non-director designated employee (e.g., officers and other key decision-making employees) directly or indirectly has a

material financial interest unless all of the requirements in Corporation's Conflict of Interest Policy have been fulfilled.

ARTICLE XIII – LOANS TO DIRECTORS AND OFFICERS

13.01 Loans to Directors and Officers. The Corporation shall not lend any money or property to or guarantee the obligation of any director or officer without the approval of the Texas Attorney General; provided, however, that the Corporation may advance money to a director or officer of the Corporation for expenses reasonably anticipated to be incurred in the performance of his or her duties if that Director or Officer would be entitled to reimbursement for such expenses of the Corporation.

ARTICLE XIV – BOOKS AND RECORDS

14.01 The Corporation shall keep correct and complete books and records of account in accordance with all applicable laws, and shall also keep minutes of the proceedings of its Board and committees having any of the authority of the Board, and shall keep at the registered or principal office a record giving the names and addresses of the Directors entitled to vote. All books and records of the corporation may be inspected by any Director or his agent or attorney for any proper purpose at any reasonable time.

ARTICLE XV – FISCAL YEAR

15.01 The fiscal year of the corporation shall begin on the first day of September and shall end on the last day of August in each year.

ARTICLE XVI – INDEMNIFICATION

16.01 Indemnification. To the fullest extent permitted by law, the corporation shall indemnify its directors, officers, employees, including persons formerly occupying any such positions, against all expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred by them in connection with any "proceeding," as that term is used in Chapter 8 of the Business Organizations Code (including § 8.001(8) therein), and including an action by or in the right of the Corporation by reason of the fact that the person is or was a person described in that section. "Expenses," as used in this Bylaw, shall have the same meaning as in Chapter 8 of the Business Organizations Code (including § 8.001(3) therein). On written request to the Board by any person seeking indemnification the Board will promptly decide whether the applicable standard of conduct has been met and, if so, the Board will authorize indemnification.

ARTICLE XVI – INSURANCE

17.01 Insurance. The Corporation must purchase and maintain insurance to the full extent permitted by law on behalf of its Officers, Directors, employees, and other agents, to cover any liability asserted against or incurred by any Officer, Director,

employee, or agent in such capacity or arising from the Officer's, Director's, employee's, or agent's status as such.

ARTICLE XVI – REQUIRED REPORTS

18.01 Annual Reports. The Board shall cause an annual report (the “Annual Report”) to be sent to the Board within 120 days after the end of the Corporation's fiscal year. That report shall contain the following information, in appropriate detail:

- 18.01.01 The assets and liabilities, including the trust funds, of the Corporation as of the end of the fiscal year;
- 18.01.02 The principal changes in assets and liabilities, including trust funds;
- 18.01.03 The Corporation's revenue or receipts, both unrestricted and restricted to particular purposes;
- 18.01.04 The Corporation's expenses or disbursement for both general and restricted purposes;
- 18.01.05 Any information required under these Bylaws; and
- 18.01.06 At the boards discretion, but at least once every three years, an independent accountant's audit report of the Corporation's books and records.
- 18.01.07 A report from the Head of School that outlines all major changes that have occurred during the past year and all important upcoming activities. At the Head of School's sole discretion, this “State of the Corporation” Report may be provided to the Board in a report separate from the annual report, if the State of the Corporation Report is provided to the Board around the same time.

“Appropriate detail” shall include, at a minimum, an income statement, a balance sheet, and cash flow for the current year and for at least the four (4) previous years (for comparison).

18.02 Annual Statement of Certain Transactions and Indemnifications. As part of the annual report to all Directors, or as a separate document if no annual report is issued, the Corporation shall, within 120 days after the end of the Corporation's fiscal year, annually prepare and furnish to each Director a statement of any transaction or indemnification of the following kind:

- 18.02.01 Any transaction (i) in which the Corporation, or its parent or subsidiary, was a party, (ii) in which an “Financially Interested Person” had a direct or indirect material financial interest, and (iii) which involved more than \$50,000 or was one of several transactions with the same interested person involving, in the aggregate, more than \$50,000.
- 18.02.02 For this purpose, a “Financially Interested Person” is either: (1) Any director or officer of the corporation, its parent, or subsidiary (but mere common directorship shall not be considered such an interest); or (2) Any holder of more than 10 percent of the voting power of the Corporation, its parent, or its subsidiary.
- 18.02.03 The statement shall include a brief description of the transaction, the names of the Financially Interested Persons involved, their relationship to the Corporation, the nature of their interest, provided that if the transaction was with a partnership in which the interested person is a partner, only the interest of the partnership need be stated.

ARTICLE XIX – WAIVER OF NOTICE

19.01 Whenever any notice is required to be given under the provisions of the Texas Non-Profit Corporation Act or under the provisions of the Article of Incorporation or the Bylaws of the Corporation, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE XX – AMENDMENTS TO BYLAWS

20.01 These Bylaws may be altered, amended or repealed and new Bylaws may be adopted by a majority of the Directors present at any regular meeting or at any special meeting, if at least two (2) days’ written notice is given of an intention to alter, amend or repeal these Bylaws or to adopt new Bylaws at such meeting.

CERTIFICATION OF SECRETARY

I hereby certify that I am the duly elected Secretary of the Corporation; that the above and foregoing amended and restated bylaws of the Corporation were adopted as the amended and restated bylaws of the Corporation by the Board of Directors on the ____ day of ____, ____; and that these amended and restated bylaws have not been amended or modified since that date.

Executed on _____, at _____, Texas

_____, Secretary

APPROVED:

_____, Chair