

## **BYLAWS OF HEADWATERS SCHOOL**

### **ARTICLE I. NAME AND OFFICE**

The name of this Corporation is Headwaters School. It is organized and chartered under the laws of the State of Texas. The registered office and principal place of business of the Corporation in the State of Texas is located in the city of Austin, County of Travis. The location of the registered office and the name of the registered agent may be changed by the Board from time to time and need not be identical to the principal place of business of the Corporation.

### **ARTICLE II. THE PURPOSE OF THE CORPORATION**

The purpose of the Corporation is to support, conduct, and maintain an educational undertaking for the formal, informal, and tutorial schooling of individuals at various levels of training.

Within these purposes, the mission of Headwaters School is to provide an effective, transformational, and community-oriented educational experience for children ages 18 months through high school. Our school is a community center in which people of all ages evolve in their relationship to themselves, each other, and the world. As a true community, each and every member's full participation is honored and required.

The assets and property of the Corporation are hereby pledged for use in performing its exempt purpose.

### **ARTICLE III. NONPROFIT CORPORATION**

The Corporation is a Texas nonprofit corporation and has all the powers, duties, authorizations and responsibilities as provided by the Texas Business Organizations Code; provided that the Corporation shall neither have nor exercise any power, nor engage directly or indirectly in any activity, that would invalidate its status as a corporation that is exempt from federal income tax as an organization described in Section 501(c)(3) of the Internal Revenue Code.

### **ARTICLE IV. MANAGEMENT OF CORPORATION**

#### **Section 1. Oversight by Board**

The Board of Trustees shall exercise general oversight of the management of the business and property of the Corporation and shall have all powers appurtenant thereto except such as are expressly reserved in these bylaws or in the Corporation's organic documents.

## **Section 2. Responsibilities**

The Board 's responsibilities include working with the Head of School to determine and guide the character, mission, and culture of Headwaters School, establish overall policies for the school, assure the financial stability of the school, and cause the policies that the Board adopts to be implemented effectively. Without limiting the foregoing or such other responsibilities as required by the laws of the State of Texas, the Board shall undertake the following responsibilities:

- a) Select, evaluate, support, retain, and terminate the Head of School; delegate administrative functions to the Head of School, including the power to admit or dismiss students and to appoint or remove other employees, and monitor and evaluate the Head of School's effectiveness and performance,
- b) Monitor the school's financial management, approve capital expenditures in accordance with the financial policies adopted by the Board, adopt annual capital and operating budgets for the school, institute, promote and initiate major fundraising for the school, and otherwise undertake such steps as may be necessary to protect the financial stability of the school.
- c) Work with the Head of School to establish the philosophy of education and the objectives of the school; work with the head of school to develop, implement, and update the school's strategic plan, and review the school's programs to ensure that the school is well-managed in accordance with the school's mission and purposes.
- d) Work with the Head of School to define and promulgate general policies for the school for the effective operation of the school, including financial, employment, operating, and educational policies and procedures, and ensure their effective implementation.
- e) Ensure that the school has adequate physical resources for the performance of its educational mission; adopt policies and procedures to maintain the physical plant of the school; provide the sound management of the assets of the school.
- f) Annually, assess the school's effectiveness, the Head's performance, and the Board's performance.
- g) Appropriately communicate with the faculty, staff, students, and parents to keep the Board's constituency informed.

The governing body of the Corporation is the Board of Trustees. The Board will adopt such policies, including a written policy manual, as it shall determine to be in the interests of the Corporation and shall monitor all business affairs of the Corporation. The Board may delegate to the Head of School or to others any functions or duties, as it shall determine to be in the best interests of the Corporation.

## **ARTICLE V. BOARD OF TRUSTEES**

### **Section 1. Number and Composition of the Board**

The Board of Trustees will consist of at least three (3) trustees. The Board may consist of up to twenty-five (25) trustees. At any time, the Board should have an odd number of trustees. Upon majority resolution of the Board of Trustees, the number of trustees may be increased or decreased from time to time, but in no event shall a decrease have the effect of shortening the term of an incumbent trustee or decreasing the total number of trustees to less than three trustees.

### **Section 2. Election and Eligibility of Voting Trustees**

At least ten (10) days prior to the annual meeting, the Board committee responsible for nominating new trustees shall recommend candidates for trustee positions that are or will become vacant on June 30 of the current year. At the annual meeting, no nominations from the floor will be allowed. At the annual meeting, nominations will be voted upon by the voting members present at the meeting by written ballot. Candidates will be elected trustees by a majority vote of voting members present at said meeting.

### **Section 3. Terms of Office**

The term of office for all Board members elected pursuant to the first paragraph of Section 2 will be three years beginning on July 1 of the year of their election to the Board. Trustees who are newly elected at the annual meeting for the first time will begin their duties effective on July 1 of the year of their election to the Board. Trustees elected other than at the annual meeting shall begin their respective terms and be elected to serve for such term as the Board shall designate as a part of the election process, provided that all Trustee terms shall end on June 30. Elected trustees may be reelected for consecutive terms that do not exceed six years before becoming ineligible for a further consecutive term. After the fulfillment of such six years of consecutive service, a trustee may not be reelected to a subsequent term unless the trustee has spent at least 12 months without serving on the Board; provided, that the Board by a 2/3rds vote may waive this limitation allowing such member to serve for an extended term as specified in the motion to waive the six-consecutive-year limitation.

With respect to the election of trustees, the Board may designate terms shorter than three years for new trustees as the Board in its discretion determines appropriate to maintain a reasonably staggered pattern of Board service as determined by the Board.

Nothing in these Bylaws shall prohibit Trustees elected prior to August 2014 from serving pursuant to the terms for which they were originally elected.

Any vacancy on the Board shall merely reduce the number of duly elected and acting Trustees until such time as the vacancy is filled. Vacancies existing from time to time for any reason may be filled by a majority vote of the voting trustees present, by election at any regular or special meeting of the Board. At least 10 days prior to the meeting, the Board committee responsible for nominating new trustees shall recommend any candidate (s) to fill vacant trustees position(s) of the Board, as part of the election process to fill a vacancy, will specify the term of the new trustee elected, not to exceed completion of such unexpired term, provided that all trustee terms shall expire on June 30.

Any Trustee may resign from a committee of the Board, an office of the Board, or the Board itself by giving written notice to the Chair or the Secretary of the Board. Any such resignation shall take effect at the date of the receipt of such notice or at any later time therein specified, and, unless otherwise specified, the acceptance of such resignation shall not be necessary to make it effective.

#### **Section 4. Emeritus, Ex-Officio, and Advisory Council Memberships**

Trustee emeritus status reflects a participatory but non-voting status of Board membership. Emeritus status is reserved for former Board members who, at the discretion of the Board, are asked to continue serving in a nonvoting status in committees or on the Board due to their particular experience or expertise. Candidates for Emeritus trustee positions are nominated by the Chair, and will be elected by a majority of the voting members present at the annual meeting. An Emeritus Trustee is elected to a term of one year, and may be elected for additional successive terms.

Administration Ex-Officio Board members shall be the Head of School and the person serving on staff as the school's principal business officer as so designated by the Board from time to time. These Ex-Officio Board members will participate fully in the Board and Committee activities and meetings, but will be ineligible to vote.

At least 10 days prior to a regular or special board meeting, the Board committee responsible for nominating members may recommend candidates for Headwaters School Advisory Council positions. No nominations from the floor will be allowed. The voting members present in the meeting will vote upon nominations by written ballot. Candidates will become Advisory Council members by a majority vote of voting members present at said meeting. Advisory Council memberships are reserved for individuals outside of the direct Headwaters School community who are supportive of Headwaters School's mission and goals, and are willing to support the school's efforts in pursuit of said goals but are unable, for whatever reason to participate in active committee or board work. Advisory Council members are named for terms of up to one year that will end at the annual meeting of the year for which they are elected, and may be re-nominated for as many successive terms as they agree to serve.

## **Section 5. Quorum**

Fifty percent of the voting members of the Board of Trustees shall constitute a quorum for the transaction of business at any meeting of the Board.

## **Section 6. Trustee Compensation**

Trustees shall not receive any salary or remuneration for their service on the Board of Trustees. Nothing in these Bylaws shall be construed to preclude any trustee from receiving fair compensation for doing business with the Corporation in another capacity.

A trustee shall not vote or debate on any matter in which the trustee has a direct or indirect financial interest. By the affirmative vote of the majority of disinterested Trustees, even if less than a quorum, the Board may approve a transaction in which a trustee has a financial interest if the material facts of the transaction and the trustee's interest are disclosed and if the trustees approving the transaction in good faith and with ordinary care reasonably believe that the transaction is fair to Headwaters School.

## **Section 7. Removal**

Any elected Trustee absent from 75% of regular meetings of the Board may be removed from the Board. Any trustee may be removed from the Board, with or without cause, at any regular or special meeting of the Board by a 2/3rds majority vote of those Trustees present and voting. The removal vote shall be taken by ballot. The trustee subject of the removal vote shall not be entitled to vote on his/her removal.

# **ARTICLE VI. MEETINGS OF THE TRUSTEES**

## **Section 1. Annual Meeting**

The annual meeting shall be held in the month of June of each year for the purposes of electing Trustees and officers of the Board and for the transaction of such other business as may come before the meeting. If the election of the Board of Trustees is not held on the day designated for any annual meeting, or at any meeting held within 30 days of the annual meeting date, then the Board of Trustees shall schedule the election for a special meeting of the Board to be held as soon as convenient.

## **Section 2. Regular Meetings**

The Chair shall call not less than four regular meetings during the school year, including the June annual meeting.

### **Section 3. Special Meetings**

Special meetings of the Board may be called by the Chair or by written request of any three Trustees. Such written request shall specify the matters to be considered at such meeting. Matters to be considered at any special meeting shall be limited to those defined in the call of the meeting. Notice of a special meeting should include notice of the agenda matters.

### **Section 4. Notice**

Notice of each regular Board meeting shall be given at least five days prior to such meeting. Special meetings may be held upon such notice as is practical under the circumstances. The notice of a meeting may be delivered personally or sent by certified or registered mail, telegram, telephonic document transfer, or email to each Trustee at his/her address, facsimile number, or email address as shown by the records of the Corporation. If mailed, the notice shall be deemed to be delivered when deposited in the U.S. mail in a properly addressed, sealed envelope with postage prepaid. If notice is by telephonic document transfer, the notice shall be deemed to be delivered when transmitted to the facsimile number carried on the corporate records. If notice be given by telegram, such notice shall be deemed to be delivered when delivered to the telegraph company. If notice is given by email, the notice shall be deemed delivered when sent.

### **Section 5. Meeting by Telephone**

The Board of Directors, and any committee of the Corporation may hold a meeting by telephone conference-call procedures in which all persons participating in the meeting can hear each other. Participation of a person in a conference-call meeting constitutes presence of that person at the meeting, except where the person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

### **Section 6. Written Consent for Decision Without Meeting**

Any action required or permitted to be taken at any meeting of the Board of Trustees or any committee may be taken without a meeting if consent in writing setting forth the action to be taken is signed by all of the persons entitled to vote on the matter. Such consent must be filed with the minutes of proceedings of the Board of Trustees or of the committee. Such consent shall have the same force and effect as a vote at a meeting where such directors or officers were present and voted, and may be stated as such in any document.

## **Section 7. Waiver**

Any Trustee may waive notice of any meeting by delivering in writing such waiver to the Secretary of the Corporation. The attendance of a Trustee at any meeting shall constitute a waiver of such notice, except where a Trustee attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. The transaction of business at any meeting or meetings of the Board, however called and noticed and whenever held, shall be valid as though held at a meeting after regular call and notice, if a quorum is present and if, either before or after the meeting, each of the Trustees not present signs a written waiver of notice and consent to the holding of the meeting or an approval of the minutes. All such waivers, consents, or approvals shall be expressed in writing and filed with the corporate records or made a part of the minutes of the meeting.

## **ARTICLE VII. OFFICERS**

### **Section 1. Officers**

The officers of the Board shall be a Chair, Vice Chair, Secretary, Treasurer and such other officers as may be designated and elected. The Board may create such other offices, including one or more assistant secretaries and one or more assistant treasurers, as it shall deem desirable, such offices to have the authority to perform the duties prescribed, from time to time, by the Board. Term of office for all officers shall be for two years.

### **Section 2. Election**

Immediately following the election of Trustees, the Board shall hold its election of officers. At least ten (10) days prior to the annual June meeting, the Trustees and Governance Committee of the Board shall recommend candidates for officer positions which are or will become vacant on June 30 of the current year. The voting members of the Board present will vote upon nominations at the June meeting by written ballot. Candidates will become officers by a majority vote of voting members present at said meeting. In the event an officer position becomes vacant, the vacancy shall be filled by a majority vote of the voting members of the Board present.

### **Section 3. Removal**

Any officer of the Board may be removed from office if the Board determines that the officer is failing to execute the duties of the office properly. The officer who is the subject of the removal vote must be given written notice of his/her potential removal and of the meeting at which the Board will deliberate the possible removal. The written notice must be sent at least three days prior to the scheduled meeting. The officer subject of the removal vote shall not be entitled to vote on his/her removal. The removal of an officer shall require a majority vote of the voting

members of the Board present and voting. The removal vote shall be conducted by written ballot.

#### **Section 4. Chair**

The Chair shall preside at all meetings of the Board, but shall not be entitled to vote other than to break a tie vote or to achieve a two-thirds vote when required by these Bylaws.

Subject to the necessary Board authorization, he/she may sign, with the Secretary or any proper officer, any deeds, mortgages, bonds, contracts, or other instruments except in cases where the execution shall be expressly required of or delegated to some other corporate officer or agent. In general, he/she shall perform all duties incident to the office of the Chair and such other duties as may be prescribed by the Board from time to time. He/she shall be an ex-officio member of all committees.

The Chair may from time to time establish new positions or committees within or associated with the board as necessary to ensure the board's and school's operations. Any changes to positions or committees should be communicated to the remainder of the board

#### **Section 5. Vice Chair**

There shall be a Vice Chair of the Board whose duties shall be to assist the Chair. In the event of the death, resignation, inability to perform or other absence of the Chair, the Vice Chair shall preside and perform all duties of the Chair until the absence or vacancy is cured.

#### **Section 6. Secretary**

The Secretary shall be the custodian of the corporate records and shall keep, in one or more records provided for that purpose, the minutes of each meeting of the Board. The Secretary shall also see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law. The Secretary shall obtain from each Trustee and shall keep a register of the regular mail and email addresses, telephone numbers, and telecopy number (if any) of each Trustee. In general, he/she shall perform all duties incident to the office of Secretary and any other duties as from time to time may be assigned to him/her by the Chair or by the Board.

#### **Section 7. Treasurer**

The Treasurer shall exercise oversight over all corporate funds, securities and assets, and over the receiving of monies due to the Corporation from any source whatsoever, the depositing of all such monies in the name of the Corporation in such banks, trust companies, or other depositories as shall be selected by the Board, and

the making of such disbursements as are necessary for the conduct of the Corporation. In general, the Treasurer shall perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him/her by the Chair or by the Board. He/she shall be an ex-officio member of all Board fund-raising committees. At each Board meeting the Treasurer shall be responsible for providing to the Trustees a current operating statement of Headwaters School which contains such information as may be requested from time to time by the Board.

## **ARTICLE VIII. STANDING COMMITTEES**

### **Section 1. Duties and Election**

The duties of the Board of Trustees may be implemented by standing committees. These standing committees shall include, but not be limited to, Financial Affairs Committee, Trustees and Governance Committee, Executive Committee, and any other committees authorized by the Board of Trustees to accomplish a specific purpose. The Chair shall appoint the standing committee chairperson for a one-year term. The standing committee members may be appointed or approved by the Chair for a one-year term.

### **Section 2. Executive Committee**

The Executive Committee shall be comprised of the Chair, Vice Chair, Secretary, and Treasurer. The Executive Committee may exercise all powers of the Board of Trustees during the interim between meetings of the Board in accordance with these bylaws and applicable law. The Executive Committee may act only between the regular meetings of the Board and only upon authority delegated by the Board. The Executive Committee may meet at the call of the Chair to advise the Chair or Head of School. The Executive Committee shall appoint all committee chairs and appoint or approve the appointment of all committee members.

At each Board meeting, the Executive Committee shall report in full to the Board on any actions taken by the Executive Committee since the preceding Board meeting.

### **Section 3. Finance and Facilities Committee**

The Finance and Facilities Committee shall be a standing committee of not less than four Trustees including the Treasurer and principal business officer. The Finance and Facilities Committee shall meet a minimum of four times per year. The Finance and Facilities Committee shall, in cooperation with the Head of School and the principal business officer, be responsible for reporting on the overall management and supervision of the financial affairs of the school, including fundraising. The Finance and Facilities Committee shall be responsible for the approval of an annual school budget for presentation to the Board for approval.

#### **Section 4. Trustees and Governance Committee**

The Trustees and Governance Committee shall be composed of no fewer than three Trustees of whom at least one who is not a parent of a current student. The main duties of the Trustees and Governance Committee are to lead the ongoing development of and planning for the Board, recommend and enforce standards of Board service, nominate trustee and officer candidates in accordance with these bylaws, and lead the Board 's efforts to support and evaluate the Head of School. The Trustees and Governance Committee shall lead the planning for any retreats or similar meetings of the Board.

#### **Section 5. Limitations**

No committee, including the Executive Committee, shall have the authority of the Board of Trustees to:

- a) Amend the articles of incorporation.
- b) Adopt a plan of merger or a plan of consolidation with another Corporation.
- c) Authorize the sale, lease, exchange, or mortgage of all of substantially all of the property and assets of the Corporation.
- d) Authorize the voluntary dissolution of the Corporation
- e) Revoke proceedings for the voluntary dissolution of the Corporation.
- f) Adopt a plan for the distribution of the assets of the Corporation.
- g) Amend, alter, or repeal the Bylaws.
- h) Elect, appoint, or remove a member of a committee or a director or officer of the Corporation or the Head of School.
- i) Approve any transaction to which the Corporation is a party and that involves a potential conflict of interest.
- j) Take any action outside the scope of authority delegated to it by the Board of Directors.

#### **Section 6. Duties**

Duties of other Standing Committees shall be determined by the Chair and approved by the Board.

#### **Section 7. Membership**

Non-members of the Board may serve on Board committees at the discretion of the Chair of the Board.

### **ARTICLE IX. HEAD OF SCHOOL**

#### **Section 1. Election of Head of School**

When the Board determines appropriate, it may, from time to time, elect a Head of School or Interim Head of School. When circumstances allow, such appointment shall follow, in the case of a new Head of School, an adequate search and utilization of a Search Committee, the composition and function of which is to be determined by the Board. A written ballot shall conduct the election of a new Head of School or Interim Head of School. A majority vote of the voting members of the Board present and voting is required to elect a new Head of School or Interim Head of School. It is anticipated that any Head of School or Interim Head of School will be subject to an employment agreement at all times while employed by the School. The Board thereof shall approve the employment agreement and any renewal or extension.

## **Section 2. Duties**

The Head of School shall execute the policies of the Board, shall serve as the chief executive officer of Headwaters School within limits of authority as established by the Board, and shall keep the Board informed about matters of school or Board policy which relate to the orderly and efficient operation of the school. Active communication and cooperation with the Trustees shall be maintained. The Head's specific duties may be established by the Board through contract or the Board Policy Manual or otherwise, but shall include the hiring, dismissal, and supervision of all faculty and staff, the maintaining of the high standards of the school 's curriculum and student body, the administering of the school budget, and the supervision of the day-to-day business activities of the school. All of the activities of Head of School are subject to the general direction and control of the Board. The Head of School shall abide by all written Board policies, which may be established or changed from time to time. He/she shall be an ex-officio member of the Board and all committees except a Search Committee. The Board of Trustees will evaluate annually the Head of School.

## **Section 3. Removal**

A decision not to renew the Head of School 's contract or to terminate or suspend the services of the Head of School can only be undertaken by the Board at a regular meeting or a special meeting, provided the notice of the contemplated action is given to the Board. No specific amount of time must expire between the giving of notice and the meeting being held other than as required by these by-laws. At the request of any Board member, a vote not to renew, to terminate or to suspend the Head of School shall be conducted by written ballot.

# **ARTICLE X. MISCELLANEOUS PROVISIONS**

## **Section 1. Fiscal Year**

The fiscal year of the Corporation shall begin on the first day of July and end on the last day of June.

## **Section 2. Books and Records**

The Corporation shall keep correct and complete books and records of account and shall keep minutes of the meetings of the Board, and shall keep at its principal place of business its financial records and books of account.

## **Section 3. Waiver of Notice**

Whenever any notice is required under the provisions of the applicable statutes, the Articles of Incorporation or the Bylaws of the Corporation, a written waiver of notice, signed by the person entitled to such notice, shall be deemed equivalent to the giving of the necessary notice. The waiver shall be valid even if it is signed after the time he/she was entitled to notice.

## **Section 4. Proxy Vote**

Voting by proxy at any meeting of the Board of Trustees shall not be allowed.

## **Section 5. Indemnification**

The Corporation shall indemnify to the fullest extent authorized by law any current or former director, officer, or employee of the Corporation, against reasonable expenses and costs (including attorney's fees) actually and necessarily incurred by him, and any reasonable amount paid in satisfaction of judgments in connection with any action, suit or proceeding, whether civil or criminal in nature, in which he is made a party by reason of his current or former corporate position, except for actions in which he is found to have committed gross negligence, willful misconduct, or conduct for which the Texas Non-Profit Corporation Act or any successor statute including the Texas Business Organizations Code, as amended, bars indemnification. The Corporation may also indemnify or reimburse any director, officer or employee the reasonable costs of settlement (including his reasonable expenses and costs and attorney's fees as explained above) of any such action, suit, proceeding or claim, if it shall be found by a majority of the voting members of the Board present not involved in the matter in controversy, whether or not a quorum, that it was in the best interests of the Corporation that such settlement be made and that such current or former director, officer or employee had not committed gross negligence, willful misconduct, or conduct for which indemnification is statutorily barred. Alternatively or additionally, the Corporation may purchase liability former Trustees, officers, and others to cover such risks as the Board in its sole discretion shall deem appropriate, at such time and on such terms as may be reasonably available in the exclusive judgment of the Board. The power to contract for such insurance shall not however create any obligation of the Corporation to any past, present, or future Trustee, officer, or other person to provide such insurance coverage.

## **Section 6. No Discrimination**

The Board will not discriminate in the selection of its members and declares as School policy that there be no discrimination in the employment of personnel, admissions of students, or in the administration of the School 's programs because of race, color, religion, national origin, sex, age, sexual orientation, or handicapped status in violation of any applicable law or regulation.

### **Section 7. Amendments**

These Bylaws may be amended by a 2/3rds vote of the voting members of the Board present at a meeting of the Board, provided that 2/3rds of the voting members of the Board are present. The proposed amendment and notice of the meeting at which it will be considered will be transmitted to all Trustees at least 14 days prior to the meeting.

### **Section 8. Exempt Status**

The Corporation's activities shall not include any activity that is inconsistent with the Corporation's status as a tax-exempt institution pursuant to local, state and federal laws and regulations, including Section 501(c)(3) of the Internal Revenue Code and regulations thereunder.

### **Section 9. Dissolution**

Upon dissolution of the Corporation or the winding up of its affairs, the assets of the Corporation shall be distributed exclusively to charitable, religious, scientific, literary, or educational organizations which would then qualify under the provisions of Section 501 (c)(3) of the Internal Revenue Code and its regulations as they now exist, or as they may hereafter be amended.

### **CERTIFICATION**

The undersigned, being the duly elected and qualified Secretary of the Corporation, hereby certifies that the Board of Trustees of the Corporation duly adopted the foregoing Restated Bylaws of the Corporation.

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Tracy Asamoah, Secretary, **Date**