

**AMENDED AND RESTATED  
BYLAWS OF  
GREAT HEARTS AMERICA—TEXAS**

formerly known as **THE SISTER CREEK  
CENTER FOR THE LIBERAL ARTS**

**ARTICLE I**

The name of this school will be GREAT HEARTS AMERICA—TEXAS, a Texas nonprofit corporation.

**ARTICLE II  
PURPOSE**

Great Hearts America—Texas (the "Corporation") is a tuition-free charter public school in one or more locations throughout the state that will enable students to: (1) acquire critical reasoning and communication skills; and (2) explore the cultural and scientific achievements at the heart of the liberal arts and sciences. The Corporation will promote a curriculum emphasizing personal integrity, creative imagination, community service, and a lifelong quest for learning. The Corporation will not deny admission based on ethnicity, national origin, gender, income level, disability, religion, academic ability, artistic ability, athletic ability or the public school district that the child would otherwise attend under Texas law, or any other factors prohibited by law. The Corporation may deny admission to a student with a documented history of criminal offense, a juvenile court adjudication or discipline problems under Texas Education Code Subchapter A, Chapter 37.

**ARTICLE III  
MEMBER**

The Corporation will have one member, Great Hearts America, an Arizona nonprofit corporation ("Great Hearts—America" or "Member"). The Member will have all the authority set forth in the Corporation's Articles of Incorporation (the "Articles of Incorporation") and these Bylaws.

**ARTICLE IV  
BOARD OF DIRECTORS**

**Section 1. Powers.** The Board of Directors of the Corporation, ("Board") will be responsible for the adoption and implementation of policy for the Corporation and for the management, operation and accountability of the charter school in all locations. Without limiting the Board's authority, the following powers and duties must generally be exercised by the Board, acting as a body corporate in meetings posted in compliance with Texas Government Code Chapter 551:

- Final authority to hear or decide employee grievances, citizen complaints or parental concerns;
- Final authority to adopt or amend the budget of the charter holder or the charter school;
- Final authority to authorize the expenditure or obligation of state funds or the use of public property;
- Final authority to direct the disposition or safekeeping of public records;
- Final authority to adopt policies governing charter school operations;
- Final authority to approve audit reports under Texas Education Code § 44.008(d); and
- Initial or final authority to select, employ, direct, evaluate, renew, non-renew, terminate, or set compensation for any chief executive officer or officers.

**Section 2. Number and Election Term.** There will be not less than three (3) or more than seven (7) Directors. The number of Directors may be increased or decreased in accordance with Section 3 of this Article, but in no case will the number of Directors be less than three (3). Each Director will serve for a one (1) year term and until his or her successor is appointed. A Director whose term has expired may be appointed to succeed him or herself.

**Section 3. Additional Directors and Vacancies.** The Board will appoint such additional Directors or replacement Directors as it deems necessary, subject to the Member's approval, which approval will not be unreasonably withheld, conditioned or delayed. A person appointed as a Board member to fill an unexpired term on the Board of less than one (1) year will hold office until the next annual meeting of the Board or until his or her successor is appointed.

**Section 3A. Appointment and Removal of Board Members.** All Directors must be annually appointed or reappointed according to the provisions of section 3 above. Directors may be removed as set forth in Section 4 below.

**Section 4. Removal and Resignation.** Any of the Directors may be removed with or without cause by the Board, subject to the Member's approval, which approval the Member may not unreasonably withhold, condition or delay. A Director who is removed in accordance with this section will also be deprived of his or her status as an officer of the Corporation. Any Director who is absent from more than three (3) consecutive meetings of a Board meeting in any fiscal year may be removed automatically, unless the Board acts affirmatively to retain the Director. A Director may resign at any time by written notification to the Corporation at its principal office, or to the Corporation's statutory agent. Unless otherwise specified in the notice, the notice will be effective upon receipt by the Corporation.

**Section 5. Compensation.** Directors will serve without compensation for their services as Directors, although they may be reimbursed for all necessary and reasonable expenses of attending meetings and otherwise performing their duties.

**Section 6. Quorum.** A quorum will consist of a majority of the Board members then in office. Unless otherwise specified in these Bylaws or the Articles of Incorporation, every act or decision made by a majority of the Directors present at a duly held meeting at which a quorum is present will be regarded as the act of the Board. Each Director will have one (1) vote.

**Section 7. Annual Meeting.** The annual meeting of the Board of Directors will be held in June of each calendar year or such other month as will be determined by the Board. At the annual meeting, the incumbent Directors will transact such business as may be properly brought before the meeting. If for any reason an annual meeting is not held on the day set forth above, a deferred annual meeting will be thereafter called and held in lieu thereof, at which the same proceedings may be conducted.

**Section 8. Regular Meetings.** Regular meetings of the Board will be held at least once a quarter each calendar year, on the campus of Corporation, or such other time or place as the Board by resolution may determine.

**Section 9. Special Meetings.** Special meetings of the Board may be held at any time or place upon the call of the President or the Vice President or at the written request of three (3) Directors or the Member.

**Section 10. Notice of Meetings to Directors.** Not less than 72 hours nor more than thirty (30) days (inclusive of the date of meeting) before the date of any meeting of the Board, the Secretary of the Corporation, or any other officer of the Corporation, will cause a written notice setting forth the time, place, and general purposes of the meeting to be delivered personally, to be sent by facsimile, or by e-mail, or to be deposited in the mail, with first class or airmail postage prepaid, addressed to each Director of record at his or her last address (including e-mail) or facsimile number as it appears in the Corporation's records. Notice that is mailed to a Director must be deposited in the mail no less than three (3) days (exclusive of the date of the meeting) before the date of the meeting. Such notice will also be given to the Member in the same manner as notice to the Directors.

**Section 11. Public Notice of Meetings.** Public notice of all meetings of the Board, of the Executive Committee, of the Member (when transacting business concerning the Corporation) and of all committees authorized by the Board (collectively, the "Applicable Meetings" and singly an "Applicable Meeting") will be given pursuant to and as required by the Texas Open Meetings Act, referred to as the "Open Meetings Act", for so long as the Open Meetings Act applies to charter schools. Notice of all the Applicable Meetings, except as otherwise provided by state law, regulation, the Articles on Incorporation, or these Bylaws, will be posted as described below at least 72 hours before the time of the meeting.

- (a) **Posting of Notice:** Notice to the public of any Applicable Meeting will be posted at the Corporation's administrative offices in a location convenient to the public at least 72 hours before the time of such meeting.
- (b) **Emergency Notice:** Emergency meetings as may be allowed under the Texas Open Meetings Act may be posted up to two hours before the meeting.
- (c) **Internet Posting:** Notice and the agenda of all meetings of the Board of Directors will also be posted on the Corporation's internet website, if any, concurrently with the notice posted at the Corporation's administrative

offices, or as otherwise required and authorized by the Texas Open Meetings Act.

- (d) Closed Meetings: The agenda will clearly state whether the Board intends to convene in a closed meeting, and will identify separately each matter to be deliberated by the Board in the closed meeting and whether the Board may take action on the identified matter upon returning to the open meeting. The Secretary will note the times in the open meeting that the Board convenes to and adjourns from the closed meeting.
- (e) Agenda: At each regular meeting of the Board, the Board will establish the order of business in an Agenda approved by the President and as presented in the notice of the meeting. However, the President may modify the order of business. The agenda will identify all matters to be presented to and considered by the Board. Matters not disclosed in the agenda and the meeting notice available to the public will not be deliberated or be considered by the Board, except as permitted by the Open Meetings Act.

**Section 12. Open Meetings Act.** The Corporation and the Board will comply in all respects with the Open Meetings Act.

**Section 13. Governing Rules.** The Directors may adopt, from time to time, rules to govern the conduct of their meetings. The rules will be binding, unless and until changed by a majority vote.

**Section 14. Minutes.** A written record of the discussions and decisions reached at each meeting of the Board in the form of minutes will be made, and will, upon approval by the Board at a legally-convened public meeting, be made a part of the records of the Corporation. The minutes will comply with the requirements set forth in the Open Meetings Act, Texas Education Code and other applicable Texas law.

## ARTICLE V OFFICERS

**Section 1. Designation of Titles.** The officers of the Corporation will be a President, a Vice President, and a Secretary and other officers, including Assistant Secretary, as from time to time, may be determined by the Board. The election of any officer of the Corporation will not of itself create contract rights in the office.

**Section 2. Election and Term.** The officers will be elected by the Board at the annual meeting of the Board of Directors, and each office will serve for a one (1) year term and until his or her successor is elected. Any officer may be elected to succeed him or herself.

**Section 3. Removal of Officers.** Any officer elected by the Board may be removed, with or without cause, at any time by the affirmative vote of two-thirds (2/3) of the voting Directors then in office. The officer in question will not vote on the question of removal, but may be present at the meeting and may be counted in determining the presence of a quorum.

**Section 4. Vacancies.** Any vacancy occurring in any office of the Corporation may be filled for the unexpired duration of the term by the Board.

**Section 5. President.** The President, subject to the direction of the Board, will have general charge of the business affairs and property of the Corporation and general supervision of its officers and agents. In general, he or she will perform all duties incident to the office of President, will see that all orders and resolutions of the Board and the Member are carried into effect, and will preside at meetings of the Board.

**Section 6. Vice President.** The Vice President, subject to the direction of the Board, will act for the President in his or her absence or incapacity and will have other duties as may be assigned to him or her by the Board.

**Section 7. Secretary.** The Secretary will attend all meetings of the Board and record all votes and proceedings of the Board in a book to be kept for that purpose, and will perform like duties for all committees of the Board, as necessary. He or she will give, or cause to be given, notice of the meetings to Directors and the Member and will perform such other duties as may, from time to time, be prescribed by the Board or the President, under whose supervision he or she will act. He or she will have custody of the seal of the Corporation, and authority to affix the same to any instrument requiring it, and, when affixed, the seal may be attested by his or her signature. The Board may give general authority to any officer to affix the seal of the Corporation and to attest the affixing thereof by his or her signature.

**Section 8. Other Officers.** The President will recommend to the Board for its approval such additional officers as may be necessary to the business of the Corporation, who will perform such duties and responsibilities as may be prescribed by the President.

## **ARTICLE VI COMMITTEES**

**Section 1. Standing Committees.** The Board may, in its discretion, authorize such standing committees and advisory boards as it deems appropriate. Membership on standing committees and advisory boards will be determined by the Board. The principal matters relating to that committee's or advisory board's areas of responsibility are for the purpose of making recommendations to the Board. Another purpose is to advise and make recommendations to the Board on any matters pertaining to the policy of the Corporation that may be requested from the Board. The chairmanship of each standing committee or advisory board will be determined by the Board. It will be the responsibility of the chairmen of standing committees and advisory boards to notify members of meetings. However, no quorum will be required in order for a standing committee or advisory board to meet or to act. Chairmen of standing committees and

advisory boards will decide whether or not minutes of a committee or advisory board meeting are to be recorded. The President will be an ex-officio member of all standing committees and advisory boards, except committees or advisory boards where he or she is specifically designated as a voting member by the Board.

**Section 2. Special Committees.** Special committees may be appointed and discharged by the Board for special tasks as circumstances warrant. A special committee will be limited to the accomplishment of the task for which it was created and will have no power to act except as specifically conferred by the Board. Upon the completion of the task for which appointed, the special committee will be discharged.

**Section 3. Extent of Authority.** No committee may exercise the authority of the Board in filling vacancies on any committee of the Board.

## **ARTICLE VII SOLICITATION, ACCEPTANCE AND INVESTMENT OF FUNDS**

**Section 1. Solicitation and Borrowing of Funds.** The Corporation may solicit contributions or borrow funds from any persons or corporations as the Directors deem appropriate, upon terms and conditions consistent with the provisions of the Articles of Incorporation and subject to the provisions of Sections 2 and 3 below.

**Section 2. Acceptance of Funds.** The Corporation may, upon prior, written approval from the Member (which approval will not be unreasonably withheld, conditioned or delayed), accept contributions, grants, and gifts from any persons, partnerships, corporations, government entities, or other entities upon such terms and conditions consistent with the provisions of the Articles of Incorporation and these Bylaws.

**Section 3. Borrowing Funds.** The Corporation may, upon the prior written approval from the Member (which approval will not be unreasonably withheld, conditioned or delayed), borrow funds for capital improvement, operations or other uses which the Board deems reasonably necessary and consistent with the provisions of the Articles of Incorporation and these Bylaws.

**Section 4. Investment of Funds.** The board will direct all investments of the Corporation's funds subject to the Member's periodic review and in accordance with Texas law.

## **ARTICLE VIII INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS**

**Section 1. Non-Liability for Debts.** The private property of the Directors and Officers will be exempt from execution or the liability of any debts of the Corporation, and no Director or Officer will be liable or responsible for any debts or liabilities of the Corporation.

**Section 2. Indemnification.** Each Director, Officer, employee, and agent of the Corporation will be indemnified by the Corporation to the fullest extent permitted by law, as provided in the Articles of Incorporation.

## **ARTICLE IX FISCAL YEAR**

30. The fiscal year of the Corporation will commence on July 1 of each year and end on June

## **ARTICLE X AMENDMENT**

The Bylaws and the Articles of Incorporation may be amended by the Member, in consultation with the Board and subject to the Board's final, written approval.

## **ARTICLE XI CONFLICT OF INTEREST**

### **Section 1. Definitions.**

(a) "Conflict of Interest" - A conflict of interest occurs when a Director places himself or herself in a position where his or her personal financial interests or those of his or her family are or may be antagonistic to his or her fiduciary duty to the Corporation.

(b) "Family" - Includes, but is not limited to, grandparents, parents, spouses, partners, children, aunts, uncles, siblings, in-laws, and other relatives of a similar degree of closeness.

**Section 2. Reporting and Disqualifications.** Directors will report possible conflicts of interest to the President, or if the President is the interested individual, to a Vice-President. The President (or Vice-President) will make a full report to the Board prior to any action on the transaction by the Corporation. Upon report of a possible conflict, the Board will conduct an investigation and determine whether a conflict of interest does exist and whether it is substantial. If the Board determines that a substantial conflict of interest exists, the interested individual will not vote on the transaction presenting the conflict. The interested individual may vote only if the Board determines that no conflict exists or the conflict is not substantial. No investigation or determination by the Board will be required if the interested individual voluntarily agrees to refrain from voting on the transaction presenting the potential conflict of interest. The interested individual may be counted in determining the presence of a quorum.

**Section 3. Valid Transactions.** Any transaction undertaken by the Corporation in which a Director or member of his or her family has a financial interest, will be valid, notwithstanding the presence of the interested person at any meeting at which the transaction is acted upon, if the procedures outlined in Section 2 of this Article have been complied with prior to the meeting.



**ARTICLE XII  
MISCELLANEOUS**

**Section 1.** The Corporation may establish categories of support so that persons who regularly contribute may receive due recognition for the continuing support of the Corporation.

**Section 2.** It will be the policy of the Corporation to cooperate with other individuals, agencies, and organizations sharing its goals in whole or substantial part so as to avoid needless duplication of effort and to make maximum use of limited resources.

**Section 3. Prohibition Regarding Lending.** The Corporation will specifically not lend money or use its credit to assist its Directors, whether or not employees or officers.

**Section 4.** These Bylaws of the Corporation will supplement the Articles of Incorporation, and will provide for and govern the basic operation of the Corporation.

**Section 5.** The Corporation will not be authorized to issue memberships.

**Section 6.** The Corporation will comply in all respects with the Open Meetings Act, the Texas Public Information Act and other law applicable to Texas' open-enrollment charter schools chartered to corporations which qualify under § 501(c)(3) of the Internal Revenue Code.

GREAT HEARTS AMERICA—TEXAS

By: \_\_\_\_\_



Date: \_\_\_\_\_

2/20/12