

HERITAGE FAMILY SCHOOL

Fredericksburg, Texas

BYLAWS

Revised and adopted by the Board of
Trustees of Heritage Family School on

PREAMBLE

We recognize that God has called parents to train their children in both the content and application of His Word in every aspect of life and that He is actively involved in equipping parents to fulfill this responsibility. In support of this, parents may choose Heritage Family School as a means to train their children in both the academic and spiritual realms. Heritage Family School can accomplish this by setting before students the highest academic standards in an orderly environment, and by providing Christ-like examples in word and deed, pointing them to God who is the source of all wisdom, knowledge and understanding. (Eph. 6:4; Deut. 6:1-9; Prov. 9:10)

MISSION STATEMENT

Heritage Family School provides a distinctive classical Christ-centered education that prepares students for servant leadership and lives that glorify God.

ARTICLE 1
GENERAL

1.1 Name. The name of the school shall be Heritage Family School.

1.2 Principal Office. The principal office of the Corporation in the State of Texas shall be located in Gillespie County, Texas. The Corporation may have such other offices, either within or without the State of Texas, as the Board of Trustees may determine or as the affairs of the Corporation may require from time to time.

1.3 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 Business Organizations Code. 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 may be changed from time to time by the Board of Trustees.

1.4 Purpose of Organization. The purpose of the Corporation is to maintain, support, and operate Heritage Family School, a private Christian educational institution.

1.5 Foundational Principles. All corporation members, board members, and staff of Heritage Family School must subscribe to these foundational principles by written statement (Certification). The Statement of Belief shall not be modified or amended, nor shall additional beliefs be adopted as fundamental to the School, unless such modification, amendment or adoption is approved by the vote of at least 90% of the Board of Trustees. The Foundational Principles include the Statement of Belief, Educational Philosophy, and Organizational Philosophy.

1.6 Statement of Belief. The following are the essential beliefs on which Heritage Family School is based. They are also the key elements of Christianity that will be taught unapologetically in various ways through all grade levels. The substance of these statements constitutes the primary doctrine at Heritage Family School. Secondary or divisive doctrines and issues will not be presented as primary doctrine. When such issues arise, teachers will refer students to the family and their pastor for final authority.

- a. We believe in the verbal, plenary inspiration of both the Old and New Testaments, i.e., that the very words of the original Scriptures are infallible and inerrant and that they are our final and absolute authority in every area of life and knowledge.

- b. We believe in one God, eternally existing in three co-equal persons: Father, Son, and Holy Spirit.
- c. We believe that Jesus Christ was conceived by the Holy Spirit, born of the Virgin Mary, and that He is both undiminished deity and genuine humanity in one person forever.
- d. We believe that God, the Holy Spirit, is a personal being who convicts the world of sin and who regenerates, indwells, empowers, guides, gifts, and seals believers for God.
- e. We believe that man was created by a direct act of God in His image, not from previously existing life; that all men sinned in Adam (the historical father of the entire human race) and thus incurred both physical and spiritual death; and that all men have inherited a sin nature.
- f. We believe that Jesus Christ died as a substitutionary sacrifice for our sins and that through faith in Him as Lord and Savior, we are declared righteous by God.
- g. We believe that salvation is by grace through faith in Jesus Christ, totally apart from human merit, and that the experience of regeneration produces a new creature in Christ.
- h. We believe that faith without works is dead
- i. We believe that Jesus Christ rose from the dead – physically and bodily – and that He ascended in like form into heaven, where He continually ministers as our Great High Priest and Advocate.
- j. We believe in the literal, visible, bodily return of Jesus Christ to this earth.
- k. We believe in the bodily resurrection of the just and the unjust, the everlasting blessedness of the saved, and the everlasting punishment of the lost.
- l. We believe in the spiritual unity of all believers in our Lord Jesus Christ.
- m. We believe that all believers are under the mandate of Jesus Christ to proclaim the Gospel to all the world.

1.7 Educational Philosophy. As a Christ-centered school, Heritage embraces the Bible as the authority for life and teaching. Education is never neutral, and more than simply engaging in a transmission of doctrine, Heritage values Christian character and the communication of life principles and values both through integrated teaching and through the godly example of staff members who model Christianity through their lives and demeanor. Education is not indoctrination, but the equipping of students to love God with all their minds [Matthew 22:37], to ask probing questions, and to explore boldly the various aspects of knowledge from the conviction that all truth is in essence God's truth. Heritage Family School seeks to integrate faith and learning so that our students may graduate with a stronger, deeper faith, ready to glorify God in service to mankind.

Students are expected to adhere to the rules and show respect and kindness to all students, parents, and adults. We expect the older students to model excellent character since our campus includes young children who learn by watching the older students. We expect our students to look people in the eye and greet them cordially in the halls. Heritage Family School maintains a low student-teacher ratio and is committed to maintaining a small overall population which will encourage strong relationships and community. No less important than community is the high value Heritage Family School places on honesty and integrity. In all this, the atmosphere at Heritage Family School is one of "firmness with freedom" and is a community full of life. The Heritage Family School firmly believes that financial struggles should not prevent anyone from receiving a quality education. We embrace financial diversity and we are excited that over the last several years 25% of our student body has received half of their tuition in scholarships.

In our Statement of Belief, we uphold the most basic tenets of historical, orthodox Christianity. We strive to encourage an atmosphere of unity in Jesus Christ which emphasizes our common convictions and is respectful of our diversity.

1.8 Organizational Philosophy. The mission of the Board of Trustees of Heritage Family School is to ensure that the school faithfully carries out its mission and purpose and has the financial capacity to enable it to do so. The Board's primary duties include the hiring and evaluation of the Head of School, the setting of general institutional policies, strategic planning, fund-raising, and assessment of the school's effectiveness in manifesting the Heritage Family School mission. The purpose of the Board is strategic and visionary, not operations or the day-to-day workings of the school. The Board has no direct authority over the Faculty and/or staff of the school. Those employees report directly to the Head of School. It is the responsibility of the Head of School to manage academics / curriculum, daily operations, issues and opportunities, and the faculty and staff including coaches employed by Heritage. The only

employee that reports to the Board of Trustees is the Head of School.

Because our Board is strategic in nature, the “profile” of the Board should closely match the strategic mission of our school. For that reason, qualified Board members are nominated, approved, and appointed to a committee or a chair based upon the requirements of the school and vacancies on the Board. The Board consists of a good mix of leaders in the community who can make a significant difference to Heritage through their proven ability, leadership, stewardship, and character, and their dedication to the standards, philosophy, mission, and Statement of Belief of Heritage Family School.

ARTICLE 2 **BOARD OF TRUSTEES**

2.1 Powers and Responsibilities of Trustees. Subject to limitations imposed by law, a charter of this corporation, or these bylaws, all corporate powers shall be exercised by or under the authority of the Board of Trustees. All of the affairs and business of the School will be managed by the Board in a manner consistent with these bylaws and other applicable state and local regulations. The Board will focus on: (a) planning and the annual agendas derived from the resulting strategic planning document(s); (b) setting and implementing policy consistent with and pursuant to the strategic planning document(s); (c) employing and evaluating of the Head of School, who will function, on the Board’s behalf, as the Chief Executive Officer, of the operations-level implementation of the strategic planning document’s component parts, and (d) review the mission every four years.

Without limiting the foregoing, the Board of Trustees shall:

- a. maintain the goals and parameters which determine the nature of the School consistent with its charter and mission;
- b. receive and hold by purchase, gift, devise, bequest, or grant, real or personal property for the benefit of the School;
- c. reject on behalf of the School any contributions, gifts, bequests, or devises that are not consistent with the either the general or specific purposes of the School;
- d. develop and revise, as needed, both the overall strategic planning document(s) and strategic financial plan derived therefrom;

- e. oversee the operation of the School, assuring that the outcomes are mission appropriate;
- f. fix the Head's annual compensation package;
- g. support, nurture, and annually review and evaluate the performance of the Head;
- h. extend the Head's contract in a systematic and timely manner or, in likewise manner, bring it to closure;
- i. delegate to the Head the full range of day-to-day management functions, avoiding encumbrances;
- j. render governance advice at the request of the Head and provide management perspective through the Board President's close contact with the Head;
- k. identify the means of funding student programs and support services;
- l. develop the annual budget, with the assistance of the administration, and approve a version consistent with the strategic financial plan;
- m. approve major capital expenditures and loans, and assure the fiscal integrity of the operation through oversight and periodic professional audits;
- n. set prudent investment policies to preserve the real-dollar value of the school's assets and regularly review such policies;
- o. approve appropriate insurance programs;
- p. monitor the condition and character of the physical plant to be certain that student and program needs are being met;
- q. communicate the Board's direction, financial position, and plans to all constituencies;
- r. evaluate constituents' and constituencies' concerns for relevance;
- s. keep the relationship between major expenditures for plant and personnel in perspective lest resources devoted to one area deter resources being devoted to the other;

- t. approve major employee benefits, including employee contribution options deducted from pay;
- u. cultivate, nominate, appoint, and orient Board members who possess the talent, skills, and means to further the work of the Board, specifically the School's mission and its currently approved planning document(s);
- v. identify and cultivate potential donors and solicit gifts that are appropriate to fulfill the School's mission;
- w. assess annually the performance of each Trustee and that of the Board as a whole, and take corrective action as needed;
- x. establish bylaws and review them annually for effective operation.

2.2 Membership of the Board of Trustees.

- a. Types of Trustees. The Board of Trustees shall consist of General Trustees, Life Trustees and Trustees Emeriti.
- b. Eligibility. The Trustees of the School shall be the only members of the corporation and, upon ceasing to be a Trustee, any such person shall cease to be a member. The Trustee shall, for the purpose of any statutory provision or rule of law relating to non-profit corporations, be a member of the corporation and shall have and exercise all the rights, privileges, powers, and immunities of members thereof. No person shall be eligible who is employed by the School. Persons under age 21 are not eligible for membership on the Board of Trustees. No person shall be qualified to serve as a Trustee if such person has ever been convicted of any felony crime or misdemeanor crime of moral turpitude under state or federal law.
- c. Certification. Each Trustee shall, before accepting a position as a Trustee, execute a written instrument (the "Certification") certifying to the Corporation that (i) such person trusts in Jesus Christ for their salvation, (ii) has read, understands and agrees with, the Statement of Belief, and (iii) has not been convicted of any felony crime or misdemeanor crime of moral turpitude under state or federal law.
- d. Liability. No Trustee shall be liable for the debts, liabilities, or obligations of the School.

- e. Number of General Trustees. The Board of Trustees shall consist of not less than 9 nor more than 20 members, as General Trustees.
- f. Election. Nomination for members of the Board shall be made by the Committee on Trustees. The guiding principle for such recommendations, and for the full Board's subsequent approval, will be each (potential) new Trustee's willingness and capacity to further both the School's mission and its currently approved planning document(s).
- g. Term. Trustees shall be elected to the Board for a term of three years, with no Trustee serving more than six consecutive years. However, any Trustee may be elected to complete a term as an officer for up to two years (See Article 2, Section 2.2, Letter i). Election will be by the then-existing Board at the Annual Meeting. A new Trustee's term shall begin at the end of the Annual Meeting. To be elected, a person must receive affirmative votes from a majority of the full Board.
- h. Vacancies. A vacancy occurring in the Board shall be filled by a majority vote of the full Board upon the recommendation of the Committee on Trustees. A member of the Board elected to fill a vacancy shall be appointed for the unexpired term of such member's predecessor in office.
- i. Extension. The service of a Trustee may be extended for two additional years (beyond the 6 consecutive years mentioned in Article 2, Section 2.2, Letter f) in order to fulfill a position as an officer of the Board.
- j. Resignations. Any Trustee may resign from a committee of the Board, an office of the Board, or the Board itself by giving a written notice to the Board President or Secretary. Any such resignation shall take effect at the date of receipt of such notice or at a later time therein specified by the resigning Trustee. Announcement of the vacancy to the remaining Board shall be made by direct communication from the Board President or Secretary.
- k. Removal. A Trustee may be removed from the Board prior to the expiration of his term, upon recommendation of the Committee on Trustees, by an affirmative vote of at least two-thirds of the full Board, provided that such removal shall be for cause - including, but not limited to, excessive absenteeism or conduct prejudicial to the best interests of the School.

1. Compensation. Trustees shall serve without compensation. A Trustee may be reimbursed by the School for his travel, out-of-pocket, and other expenses incurred serving as a Trustee.

2.3 Life Trustees. Life Trustees shall be former Trustees who, because of their long service to the School, as well as their demonstrated commitment to Christian education and the foundational principles of the School, are determined by the Board of Trustees to be valuable in helping maintain consistency with foundational principles of the School. The Life Trustees category is closed to new members.

2.4 Powers of Life Trustees. Life Trustees are appointed for life. Life Trustees shall have the right, but shall not be obligated, to attend and vote at any meeting of the Board of Trustees. Life Trustees shall have the right to vote on (or consent to) all matters or issues on which General Trustees may vote (or consent). Life Trustees shall not be counted for purposes of determining whether or not a quorum exists at any meeting of the Board of Trustees.

2.5 Trustees Emeriti. A Trustee who has served with eminent distinction, whose continued assistance and expertise is sought by the Board, and who is anxious to remain involved with the School may be elected by a majority of the full Board as a Trustee Emeritus. Trustees Emeriti shall be elected for a one-year term and may be re-elected without limit. They are entitled to receive minutes of all Board meetings and may attend any regular or special meeting of the Board. A Trustee Emeritus shall be considered a member of the Board and serves with voting privileges. The number of Trustees Emeriti shall not exceed 25% of the number of regularly authorized Board members.

ARTICLE 3 OFFICERS

3.1 Officers. The officers of the Board shall be members of the Board and shall include at least the following: President, Vice President, Treasurer, and Secretary.

3.2 Election. The officers of the Board shall be nominated by the Committee on Trustees and shall be elected for a one-year term at the Annual Meeting by a majority vote of the full Board. No person may serve more than three consecutive years in any one or combination of the offices of Vice President, Secretary, and Treasurer. No one may serve more than three consecutive years as Board President.

3.3 Vacancies. A vacancy in any of the offices of the Board may be filled by nominee(s) from the Committee on Trustees for the unexpired term by a majority

vote of the full Board, provided that a notice of the election and qualifications of the nominee(s) is distributed to the members 10 calendar days prior to the election.

3.4 President. The President shall preside at all meetings and shall oversee, with the assistance of the Committee on Trustees and the Executive Committee, all committees. The President shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board from time to time. In the event that the Board appoints a Head Search Committee, the Committee on Trustees shall nominate and the Board shall elect the succeeding President (if the current President's term is due to expire before the end of the new Head's first year in office). The President-elect shall serve as the Chair of the Search Committee. (See Article 6, Section 2)

3.5 Vice President. In the absence, disability, or death of the President, the Vice President shall perform all the duties of the President.

3.6 President Pro Tem. In the absence of the President and Vice president, the Board of Trustees may appoint a President Pro Tem.

3.7 Treasurer. The Treasurer shall be the custodian of all funds and securities of the School. Funds of the School shall be disbursed only on checks or other withdrawal orders of the School signed by such officers or other persons as may be specifically authorized by the Board. The Treasurer shall generally supervise the accounting and bookkeeping of the School and shall regularly report to the Board of Trustees as to the financial condition and results of the operation of the School. With the approval of the Board and the Head, the Treasurer may delegate to an administrative, salaried employee of the School such of the foregoing duties, excluding the signing of checks or other orders of payment for money. All such delegations shall be recorded in the minutes. The Treasurer shall function as the Chair of the Finance Committee.

3.8 Secretary. The Secretary shall keep or cause to be kept a record of the proceedings of the Board and shall ensure delivery of all notices as may be necessary and proper. The recording, transcription, and distribution of Board meeting minutes may be delegated to a qualified clerical person hired to perform these duties with great discretion. The individual shall not be otherwise employed by the School.

ARTICLE 4 MEETINGS

4.1 Regular Meetings. Regular meetings of the Board of Trustees may be held at such times and at such regular place as the Board of Trustees may determine from time to time. Board meetings are closed to the public except by invitation and prior approval from the Board President.

4.2 Special Meeting. Special meetings of the Trustees may be called by the President or by two (2) or more Trustees.

4.3 Place of Meeting. All meetings of the Board of Trustees shall be held at the School, unless a different place is approved by the Board of Trustees.

4.4 Notice of Meetings. In the case of a regular meeting, no notice shall be required. In case of a special meeting or when required by statute or these Bylaws, written or printed notice stating the place, day, and hour of such special meeting shall be given to each Trustee at least three (3) days before the date of the special meeting. The purpose or purposes for which a special meeting is called shall be stated in the notice. The notice of a meeting shall be given either by depositing such notice in the United States mail, addressed to the recipient, postage paid, or by delivering the notice to the recipient in person, by courier, by email (receipt confirmed), or by facsimile transmission (receipt confirmed). If mailed, the notice shall be deemed to be given three (3) days after the date of mailing. If delivered in person, by courier, by email, or by facsimile transmission, such notice shall be deemed to be given upon the date of delivery. In the event a special meeting is called prior to the required notice period, the notice may be waived in accordance with Article 9, Section 9.3.

4.5 Informal Act By General Trustees. Any action required by law to be taken at a meeting of the Trustees or any action which may be taken at a meeting of the Trustees may be taken without a meeting, if consent in writing, setting forth the action so taken, shall be provided by all of the Trustees.

4.6 Quorum. A Majority of the General Trustees shall constitute a quorum for the transaction of business of any meeting of the Board; but if less than a majority of the General Trustees are present at said meeting, a majority of the General Trustees present may adjourn the meeting from time to time without further notice.

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

4.8 Telephone Meetings. Members of the Board of Trustees may participate in and hold a meeting of the Board of Trustees by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this section shall constitute presence in person at such meeting, except where a 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.

4.9 Voting By Proxy. A Trustee may vote in person or by proxy executed in writing by the Trustee. An email, facsimile or similar reproduction of a writing executed by the Trustee, shall be treated as an execution in writing for purposes of this section. A proxy expires at the conclusion of the next regular or special meeting. A proxy is revocable unless otherwise provided by the proxy or made irrevocable by law. A Trustee present by proxy at a meeting shall not be counted toward a quorum.

ARTICLE 5 COMMITTEES

5.1 Special Committees. There may be such special or ad hoc committees as the Board may from time to time establish for the discharge of particular duties.

5.2 Committees. Committee structure and function will be determined annually by a process that begins with the Executive Committee's re-examination of the planning document(s). The review, normally conducted each summer, results in the creation of the annual Board agenda – the schedule of actions to be taken by the Board in the coming year. Committees are expected to report periodically to the Board and it is expected such reports should take the form of recommendations that call for specific Board action.

Once the Board agenda has been set, the Executive Committee shall determine what committees will be needed to complete the agenda. The Executive Committee shall select Trustees to serve as committee Chairs. The Committee Chair shall then develop lists of Trustees and non-Trustees to fill the roles in each committee. The Executive Committee will approve the committee members. The goal is to appoint the individuals best suited to advance the committee's charge – and thereby, the overall planning document(s) – during the year. There shall be at least one Board member(s) on each committee. No Trustee may serve on more than four committees except the Board President who, along with the Head, shall be an ex-officio member of every committee. The President shall have vote at all times and the Head shall have a vote only when the committee is recommending action by the Board.

5.3 Standing committees:

a. Executive Committee. The Executive Committee shall be composed of four members. The Board President shall be the Chair with the power to vote. The President shall appoint three additional Trustees – who need not be officers – to serve on the committee. The Head serves as the fifth member, without vote. Appointments to the Executive Committee are subject to endorsement by the Board.

Along with the Committee on Trustees, in its role of annually evaluating the Board, the Executive Committee will serve as an integral part of the Board’s management unit, annually reviewing the planning document(s), determining the annual Board agenda, developing committee structure, selecting committee leadership, and, with that leadership, determining committee membership and overseeing committees’ progress toward accomplishing their portion of the annual Board agenda.

The Executive Committee shall meet as needed between each meeting of the full Board. Special meetings may be called by the President or by two or more members of the committee.

The Executive Committee shall have general supervision of the School, except and unless specifically not empowered by the Board to do so. However, the committee may not take any action inconsistent with a prior act of the Board or the bylaws; remove or appoint the Head; buy, sell, or otherwise dispose of assets of the School having value in excess of \$30,000; or take any action which has been reserved to the Board by Board action. In the absence of such limitations, the Executive Committee shall have and exercise all the powers of the Board when the Board is not in session.

Three members of the Executive Committee shall constitute a quorum, but an affirmative vote of the majority of the whole committee shall be necessary in every case.

The Executive Committee shall annually draft the Head’s contract, having first received the report of the Head Evaluation Committee, and after having consulted with the Chair of the Finance Committee.

The minutes of the meetings of the Executive Committee shall be distributed promptly after each meeting of the committee to all Board members. At each and every meeting of the Board, the proceedings and

actions taken by the Executive Committee since the last meeting of the Board shall be reported to the Board.

b. Committee on Trustees. The Committee on Trustees shall consist of four members who must be current or past Board members selected by an affirmative vote of a majority of the full Board. The Head of School shall be a member without a vote. (The Committee on Trustees may recommend to the Board successors for members rotating off the committee.)

The Committee on Trustees will periodically review the planning documents to determine the Board's personnel needs and then profile the Board, listing the ideal characteristics needed for the fulfillment of the planning document's goals. The committee will then identify individuals whose characteristics and backgrounds (cumulatively) fulfill the profile. The committee will formulate and oversee a cultivation plan to bring those individuals to eventual Board membership. At the appropriate time, the committee will nominate cultivated individuals for Board and/or committee membership.

The Committee on Trustees shall direct training for the Board, with special orientation for all newly elected members.

The Committee on Trustees, in conjunction with the Head, shall conduct an annual evaluation of the Board based on the level of excellence with which the Board has fulfilled annual agenda. The evaluation will focus upon the Board's overall activity – individual Board members, all committees, and the President –as needed and appropriate. The objective of the evaluation will be the ongoing strengthening of the Board.

c. Head Support and Evaluation Committee. The Head Support and Evaluation Committee shall be appointed by the President and consist of not more than five members, a minority of whom may be determined by the Head. A minority of the members may be non-Board members. All members should qualify as having been involved with the Head on multiple occasions and projects throughout the year.

The Head Support and Evaluation Committee shall solicit observations from other members of the Board and then work in concert with the Head to delineate several annual major objectives, each of which clearly advances the planning documents and/or corrects perceived operation-level weaknesses or problems.

d. Finance. The Finance Committee shall be composed of not less than three nor more than five members, a minority of whom may be non-

Board members. It shall develop the details of a strategic financial plan; review the annual operation and capital budgets drafted by the Head to assure that they conform to, and efficiently advance, the planning documents and their financial components; and make recommendations with respect thereto to the Board. It shall review major financial or property transactions not provided for in the budget and submit proposed variances, with recommendations, to the Board.

The Finance Committee shall have charge of the investment of all funds of the School, including the power to affect purchases, sales, and exchanges of securities and other investment assets of the school, except real property. The committee may employ investment counsel and may delegate authority to purchase and sell securities for the account of the School to such investment counsel or any officer of the Board, subject to such financial and other limitations as the committee may impose. The committee shall report changes in the investments to the Board in a timely manner. The Financial Administrator shall be an ex-officio member of the committee, without vote.

The majority of the members of the committee shall constitute a quorum, but an affirmative vote of a majority of the whole committee shall be necessary in every case.

e. Development Committee. The Development Committee shall consist of four to six members, a minority of whom may be non-Board members. The committee shall review, recommend, and supervise (1) the scheduling of all fund-raising programs, (2) gift acceptance policies, (3) capital campaigns, and (4) endowment and planned giving programs. The committee may create a major gifts subcommittee with a specific focus on identifying, cultivating, and soliciting special, major donations. (The amount of a major gift will be recommended by the Development Committee to the Board.) The Director of Development shall be an ex-officio member of the committee, without vote.

f. Other committees may be formed at the discretion of the executive committee necessary to fulfill the strategic plan.

ARTICLE 6 HEAD OF SCHOOL

6.1 Executive Functions. The Head of School shall be the Chief Executive Officer and official advisor and executive agent of the Board. The Head shall exercise general superintendence over all the affairs of the school and bring such matters to the attention of the Board as are appropriate to keep the Board fully

informed to meet its responsibilities. The Head shall have the power, on behalf of the Board, to sign any and all contracts for which funds have been allocated and authorized by the Board in the approved budget, or in any capital budget or emergency expenditure authorized and approved by the Board. The Head shall be an ex-officio member of the Board, without vote.

6.2 Appointment and Contract. In the event of a permanent vacancy in the office of the Head, the Board shall elect a replacement from among candidates submitted for consideration by a special Search Committee appointed by the Board (see Article 3, Section 4). An affirmative vote of at least two-thirds of the full Board is required for appointment. The elected candidate shall receive a two-year contract. The Head's employment contract shall be renewed annually, subject to satisfactory annual performance review by the Head Evaluation Committee and by an affirmative vote of a majority of the Trustees present at the meeting during which renewal is considered. Each new contract will be completed between March 1 and April 1 and apply through June of the following academic year, and supercede all prior contracts.

6.3 Administrative Responsibilities. Within the policy guidelines established by the Board, the Head shall develop the instructional program, provide administrative and educational leadership, employ and discharge personnel, enroll and dismiss students, draft the annual budget with the assistance of the Financial Administrator for Finance Committee and Board approval, and be responsible for the day-to-day operation of the school.

6.4 Assistance to the Board. The Head shall work in close conjunction with the Board President and the Board, support the work of all Board committees, guide the Board President in the preparation of agendas for meetings, and assist in developing and fulfilling the School's planning documents.

6.5 Annual Review of Performance and Compensation. The Head shall, in June of each year, submit to the Executive Committee a written self-assessment of his performance with respect to the achievement of goals mutually agreed upon by the Head and the Head Support and Evaluation Committee (see Article 5, Section 3, Letter c) the previous July. Following a satisfactory final annual report of the Head Support and Evaluation Committee and endorsement of the Executive Committee, the Board shall renew the Head's contract and set annual compensation

6.6 Dismissal of the Head. A decision not to renew the Head's contract or to terminate the services of the Head can only be undertaken at a special meeting called for that purpose. An affirmative vote of a majority of the full Board is required for either non-renewal or termination. In the event of termination, the Board will comply with any and all provisions set forth in the employment contract.

ARTICLE 7
CONTRACTS, CHECKS, DEPOSITS AND FUNDS

7.1 Contracts. The Board of Trustees 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 or on behalf of the Corporation. Such authority may be general or confined to specific instances.

7.2 Checks and Drafts. All checks, drafts, or orders for the payment of 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 of Trustees.

7.3 Deposits. All funds of the Corporation shall be deposited from time to time to credit of the Corporation in such financial institutions or other depositories as the Board of Trustees may select.

7.4 Gifts. The Board of Trustees 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 8
CONFLICT OF INTEREST

8.1 Purpose. The purpose of the conflict of interest policy is to protect this tax-exempt organization's (Organization) interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a Trustee, Life Trustee, Trustee Emeriti, Head of School, Committee Member or any person with authority to enter into such transaction or arrangement or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

8.2 Definitions.

- a. Interested Person. Any Trustee, Life Trustee, Trustee Emeriti, Head of School or member of committee with Board of Trustees delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

- b. Financial Interest. A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:
 - i. An ownership or investment interest in any entity with which the Organization has a transaction or arrangement,
 - ii. A compensation arrangement with the Organization or with any entity or individual with which the Organization has a transaction or arrangement, or
 - iii. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Organization is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. Under Article 8, Section 3, a person who has a financial interest may have a conflict of interest only if the Board of Trustees or committee decides that a conflict of interest exists.

8.3 Procedures.

- a. Duty to Disclose. In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with Board of Trustees delegated powers considering the proposed transaction or arrangement.
- b. Determining Whether a Conflict of Interest Exists. After disclosure of the financial interest and all material facts, and after any discussion with the interested person, s/he shall leave the Board of Trustees or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.
- c. Procedures for Addressing the Conflict of Interest
 - i. An interested person may make a presentation at the Board of Trustees or committee meeting, but after the presentation, s/he shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
 - ii. The chairperson of the Board of Trustees or committee shall, if appropriate, appoint a disinterested person or committee

to investigate alternatives to the proposed transaction or arrangement.

- iii. After exercising due diligence, the Board of Trustees or committee shall determine whether the Organization can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
 - iv. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board of Trustees or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Organization's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.
- d. Violations of the Conflicts of Interest Policy
- i. If the Board of Trustees or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
 - ii. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the Board of Trustees or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

8.4 Records of Proceedings. The minutes of the Board of Trustees and all committees with board delegated powers shall contain:

- a. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Board of Trustees' or committee's decision as to whether a conflict of interest in fact existed.

b. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

8.5 Compensation.

a. A voting member of the Board of Trustees who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.

b. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.

c. No voting member of the Board of Trustees or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

8.6 Annual Statements. Each Trustee and member of a committee with Board of Trustees delegated powers shall annually sign a statement which affirms such person:

- a. Has received a copy of the conflicts of interest policy,
- b. Has read and understands the policy,
- c. Has agreed to comply with the policy, and
- d. Understands the Organization is charitable and in order to maintain its federal tax exemption, it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

8.7 Periodic Reviews. To ensure the Organization operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining,
- b. Whether partnerships, joint ventures, and arrangements with management organizations conform to the Organization's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

8.8 Use of Outside Experts. When conducting the periodic reviews as provided for in Section 8.7, the Organization may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Board of Trustees of its responsibility for ensuring periodic reviews are conducted.

ARTICLE 9 MISCELLANEOUS

9.1 Fiscal Year. The fiscal year of the Corporation shall begin on July 1 and end on June 30, unless otherwise determined by the Board of Directors.

9.2 Indemnification. Each Trustee and officer of the Board shall be indemnified against all expenses actually and necessarily incurred by such Trustee or officer in connection with the defense of any action, suit, or proceedings to which he has been made party by reason of his being or having been such Trustee or officer, except when the Trustee or officer is judged liable for gross negligence or willful misconduct in the performance of duty.

9.3 Waiver of Notice. Whenever any notice is required to be given under the provisions of the Texas Business Organizations Code or the Texas Non-Profit Corporation Act, or under the provisions of the Articles 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.

9.4 Books and Records. The Corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its Board of Trustees, and shall keep at the registered or principal office a record giving the names and addresses of the Trustees. All books and records of the Corporation may be inspected by any Trustee for any proper purpose at any reasonable time.

9.5 Discrimination Prohibited. In administering its affairs, the School shall not discriminate against any person on the basis of race, creed, color, national or ethnic origin, sex, disability, or age.

9.6 Terminology. In interpreting these bylaws, all masculine pronouns shall be deemed to refer equally to the feminine gender.

ARTICLE 10 DEFINITIONS

10.1 Definitions. The terms set forth below are defined as indicated for the purposes of this document unless otherwise required by the context in which they are used:

- a. Board means the Board of Trustees of the School, a self-perpetuating entity charged with the strategic, long-term protection and strengthening of the financial, physical, and programmatic assets of the School. (The terms "Director" or "Governor" may be substituted for "Trustee.")
- b. Full Board means all Trustees currently serving (not just those in attendance).
- c. Head of School means the School's Chief Executive Officer and the Board's only employee, with all other employees being hired by the Head or his designee.
- d. Majority means in excess of 50% of the applicable total number.
- e. School means "Heritage Family School".
- f. Planning Document(s) means the School's current list of viability-related tasks and decision points most likely to advance the school's mission over the next five- to eight-year period.
- g. Trustee means an individual who is a member of the Board as described in Article 2.

ARTICLE 11
AMENDMENT OF BYLAWS

11.1 These Bylaws may be altered, amended, or repealed and new Bylaws may be adopted, by the affirmative vote of at least seventy five percent (75%) of all of the Trustees, with the exception of altering, amending or repealing Foundational Principals (See Article 1), which require a vote of at least 90% of the Board or Trustees.

ARTICLE 12
DISSOLUTION

12.1 In the event of the dissolution or final liquidation of the corporation, after all liabilities of the corporation have been paid, all remaining assets which are not held upon a condition requiring return, transfer or conveyance by reason of the dissolution, shall be transferred to some such other religious, charitable or educational organization qualifying for exemption under Section 501(c)(3) of the Internal Revenue Code and engaged in activities substantially similar to those of the dissolving corporation, pursuant to a plan of distribution adopted by the Board of Trustees.