

**FRIENDSWOOD ISD
EDUCATION FOUNDATION**

**MISSION STATEMENT
and
BYLAWS**

Amended January 12, 2017

**MISSION STATEMENT
OF THE
FRIENDSWOOD ISD EDUCATION FOUNDATION, INC.**

The mission of the Friendswood Independent School District Education Foundation is to generate funds and award resources toward the the Friendswood Independent School District goals. The resources will be directed toward the implementation of learning opportunities to enrich and support effective opportunities for all students to work in pursuit of an unlimited potential. The Foundation will increase public awareness and strengthen confidence in our schools by engaging the community in assuring a quality education for the leaders of the 21st century.

**BYLAWS
OF THE
FRIENDSWOOD ISD EDUCATION FOUNDATION, INC.**

These Bylaws govern the affairs of the FRIENDSWOOD ISD EDUCATION FOUNDATION, INC. (the "Corporation"), a nonprofit Corporation organized under the Texas Non-Profit Corporation Act. The name of the Corporation, its corporate purpose, and the terms of its existence are set forth in the Articles of Incorporation filed with the Secretary of State of Texas, as the same may from time to time be amended. These Bylaws are subject to the provisions of the Articles of Incorporation.

**ARTICLE I
OFFICERS, CORPORATE SEAL**

Section 1.01. Registered Office. The registered office of the Corporation in Texas shall be that set forth in the Articles of Incorporation, or in a resolution of the Directors filed with the Secretary of State changing the registered office.

Section 1.02. Other Offices. The Corporation may have such other offices, within the State of Texas, as the Directors shall from time to time determine.

**ARTICLE II
BOARD OF DIRECTORS**

Section 2.01. Members. The Corporation shall have no members. All corporate actions shall be approved by the Board of Directors as provided in these Bylaws. All rights which would otherwise rest in the members shall rest in the Directors.

Section 2.02. General Powers. The property, affairs and business of the Corporation shall be managed by the Directors.

Section 2.03. Property. No Director shall have any right, title or interest in or to the property of the Corporation.

Section 2.04. Number, Qualification and Term of Office. The number of Directors shall be at least seventeen (17) and not more than thirty-three (33); however, the number of voting Directors may be increased or decreased to any odd number, by amendment of these Bylaws. Directors to serve until the first annual meeting shall be elected by the initial Directors named in the Articles of Incorporation. Thereafter, all Directors shall be elected by those remaining duly qualified Directors. The Superintendent of Schools of the Friendswood Independent School District shall hold a permanent official seat with vote. A trustee representative of the Friendswood Independent School District Board of Trustees shall hold permanent official seat without vote. These two Directors shall be known as Permanent Directors. All other Directors shall be known as elected Directors. Each elected Director shall hold office until the annual meeting three (3) years following his or her election and until a successor is elected, or until his or her death, or until resignation, or until he or she is removed in the manner hereinafter provided. Each permanent Director shall hold office until his or her designated position with the School District is changed. The initial elected Directors shall draw lots for initial terms of office. The term of office for approximately one-third of the elected Directors shall expire each year. Elected Directors may be re-elected to successive terms. Persons, including representatives and directors of banks or trust companies who serve as investment advisors, custodians, or agents for or with respect to funds of or held for the benefit of this Corporation, shall never constitute more than one-half of the Directors of this Corporation.

Section 2.05. Resignation. Any Director of the Corporation may resign at any time by giving written notice to the President or to the Secretary of the Corporation. The resignation of any Director shall take effect at the time specified therein; and, unless other specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 2.06. Founding Director and Director Emeritus. A member of the Board of Directors of the Foundation may retire and keep active status by declaring so at the end of their third three-year term or at the end of any fiscal year following. Founding members shall be known as Founding Directors and any other retiring Director shall be known as Director Emeritus. A Founding Director and a Director Emeritus shall have all rights and privileges of active directors. However, a Founding Director or a Director Emeritus shall not count toward the quorum of a meeting and shall not be a voting member.

Section 2.07. Vacancies. Any vacancy in the position of an appointed director caused by death, resignation, disqualification, removal, or any other cause, shall be filled by appointment by the Executive Committee and the Director so elected shall hold office for the remaining term of that Directorship and until his or her successor shall be duly elected and qualified by the remaining Directors. Any vacancy in the position of permanent Director as noted in Section 2.04 shall be filled by the same person filling the school district position.

Section 2.08. Place of Meeting. The Board of Directors may hold its meetings at such place or places, within the State of Texas, as it may choose.

Section 2.09. Annual Meeting. In May of each year, the annual meeting of the Corporation shall be held for the purpose of election of officers of the Corporation and any other business or transactions as shall come before the meeting. Notice of the annual meeting shall be given in writing, by facsimile or Email by the Secretary to all Directors not less than ten (10) days prior to the meeting.

Section 2.10. Regular Meetings. Regular meetings of the Board of Directors shall be held at such time and place, within the state of Texas, as the Board may determine by resolution adopted by a majority of the members of the Board of Directors. Notice of regular meetings shall be given by the Secretary not less than five (5) days prior to the meeting in writing, by facsimile or Email.

Section 2.11. Special Meetings Notice. Special meetings of the Board of Directors shall be held whenever called by the President or by twenty-five per cent (25%) of the Directors. Notice of such meeting shall be mailed to each Director, addressed to the Director at his or her residence or usual place of business, at least five (5) days before the day on which the meeting is to be held, or to be delivered personally or electronically no later than two (2) days before the day on which the meeting is to be held, except as otherwise provided by these Bylaws. Each such notice shall state the time, place, and purpose of the meeting. Any meeting of the Board shall be a legal meeting without any notice thereof having been given, if a quorum of sixty-six (66%) of the Directors of the Corporation then in office shall be present thereat (except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened) or waive such notice in writing before, at, or after such meeting.

Section 2.12. Quorum and Manner of Acting. Except as otherwise provided by statute or by these Bylaws, a minimum of thirty-three (33%) of the directors must be present to constitute a quorum for the transaction of business at any meeting and the act of a majority of the Directors present at any meeting at which a quorum is present shall be the act of the corporation. In the absence of a quorum, a majority of the Directors present may adjourn any meeting, and reconvene once a quorum is assembled, without giving further notice.

Section 2.13. Meeting Attendance. It shall be the policy of the Corporation to require attendance at all Directors meetings. It shall also be the policy of the Corporation to attempt to accommodate the schedules of its Directors who demonstrate continuing interest in the affairs of the corporation. Any member whose attendance falls below fifty per cent (50%) shall relinquish their position. The Executive Committee will consider the circumstances of the absent director and may waive the attendance requirement for that year. The Board member will be notified of the waiver.

Section 2.14. Absent From Meeting Notice. A Director who cannot attend any regular meeting must notify the Secretary to the Superintendent of the school district no less than one hour prior to the meeting that he or she will not be in attendance.

Section 2.15. Removal of Directors. Any Director, with the exception of the permanent seats, as outlined in Section 2.04 of these Bylaws, and the exception of attendance, as outlined in 2.12 of these Bylaws, may be removed with or without cause at any time. Removal of a director for any other reason shall be by a vote of a majority of all Directors of the

Corporation at a regular meeting or a special meeting of the directors called for that purpose. Written notice setting the place, date, hour and the purpose any special meeting called for the purpose of removing one or more directors must be delivered to all Directors at least twenty (20) days prior to such meeting. If mailed, the notice of a meeting shall be deemed delivered when deposited in the United States mail addressed to the Director member at his or her address as it appears on the records of the Corporation, with postage thereon prepaid. Electronic mail to the email address on file that appears on the records of the Corporation may be used to notify members in the same manner. The vacancy in the Board of Directors caused by any such removal shall be filled in the manner specified in Section 2.06 hereof. Any Director who is removed from the Board of Directors for any reason shall be notified by letter through the United States mail addressed to the Director at his or her address as it appears on the records of the Corporation, with postage thereon prepaid.

Section 2.16. Proxies. Voting by Proxy shall be allowed. The voting member that anticipates absence from a meeting shall notify the Secretary to the Superintendent of Schools of the pending absence. Before a vote is taken, a signed notice from the voting member naming a voting director as Proxy must be in the hands of the secretary of the Board of Directors. Electronic notice from the email address on record for the Director shall be sufficient. Only two (2) proxies per voting member may be used at any given meeting. However, any other voting member may be given the proxy. Proxy votes shall not count to the quorum in accordance with section 2.12 of these Bylaws. If a quorum is present, then proxies will not be allowed unless the quorum constitutes less than the number needed to take action on a pass/fail item.

Section 2.17. Action of Board by Consent. Any action required by the Texas Non-Profit Corporation Act to be taken at a meeting of the Directors of the Corporation or any action that may be taken at a meeting of the Directors or of any committee may be taken without a meeting if a consent in writing, setting forth the action to be taken, is signed by a sufficient number of Directors or committee members, respectively, as would be necessary to take that action at a meeting at which all of the Directors or members of the committee were present and voted. Each written consent shall conform to the requirements of the Texas Non-Profit Corporation Act as it is amended from time to time.

ARTICLE III OFFICERS

Section 3.01. Number. The officers of the Corporation shall be a President, a Secretary, a Treasurer and, if the Board shall so elect, one (1) or more Vice Presidents and such other officers as may be appointed by the Board of Directors. Any two (2) or more offices, except those of President and Secretary, may be held by the same person.

Section 3.02. Election, Term of Office and Qualification. All officers shall be elected annually in May by the Directors of the Corporation, except in the case of officers appointed in accordance with the provisions of sections 3.05 or 3.10. Each shall hold office for a period on one (1) year and until his or her successor shall have been duly elected and qualified, or until his or her death, or until he or she shall resign, or until he or she shall have been removed in the manner hereinafter provided. Officers shall be Directors.

Section 3.03. Resignation. Any officer may resign at any time by giving written notice of his or her resignation to the Board of Directors, to the President, or to the Secretary of the Corporation. Any such resignation shall take effect at the time specified therein; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 3.04. Election and Removal. Election of an officer shall not, of itself, create contract rights. Any officer elected by the Board of Directors may be removed by the Board whenever in its judgment, the best interests of the Corporation would be served thereby. Such removal shall be without prejudice to the contract rights, if any, of the person so removed.

Section 3.05. Vacancies. A vacancy in any office because of death, resignation, removal or any other cause shall be filled for the unexpired portion of the term in the manner prescribed in these Bylaws for election or appointment to such office.

Section 3.06. President. The President shall not be an employee, trustee, agent or member of the Board of Trustees of the Friendswood Independent School District. The President shall assume all duties normally associated with that office.

The President shall be the Chief Executive Officer of the Corporation and shall have general active management of the business of the Corporation. He or she, shall, when present, preside at all meetings of the Directors. He or she shall see that all orders and resolutions of the Board of Directors are carried into effect. He or she, with the proper signature of one other duly qualified officers of the Corporation, may execute and deliver in the name of the Corporation, any deeds, mortgages, bonds, contract or other instruments pertaining to the business of the Corporation, including without limitation, any instruments necessary or appropriate to enable the Corporation to donate income or principal of the Corporation to or for the account of any organizations, causes and projects described in the Articles of Incorporation of the Corporation which the Corporation was organized to support. He or she shall perform such other duties as may from time to time be prescribed by the Board of Directors.

Section 3.07. Vice President. The Vice President shall not be an employee, trustee, agent or member of the Board of Trustees of the Friendswood Independent School District. Each Vice President, if any, shall be elected by the Board of Directors, shall have such powers and shall perform such duties as may be specified in the Bylaws or prescribed by the Board of Directors or by the President. Upon the event of absence or disability of the President, the Vice Presidents shall succeed to their power and duties in the order designated by the Board of Directors.

Section 3.08. Secretary. The Secretary shall not be an elected position but shall be filled on a permanent basis by the Friendswood ISD Superintendent of Schools. The Secretary shall see that the proceedings of the meetings of the Board of Directors are kept. He or she shall, when directed to do so, notify the Directors of all meetings and perform such other duties as may from time to time be prescribed by the Board of Directors or by the President and in general, shall perform all duties incident to the office of the Secretary. The Friendswood Independent School District will provide an Assistant Secretary to assist with related administrative details.

Section 3.09. Treasurer. The Treasurer shall cause to be kept accurate accounts of all funds of the Corporation received or disbursed. He or she shall deposit all funds, drafts and checks in the name of, and to the credit of, the Corporation in such banks and depositories as the Board of Directors, by resolution, shall from time to time designate. He or she shall have power to endorse for deposit all notes, checks and drafts received by the Corporation. He or she shall cause to be rendered to the President and the Directors, wherever required, an account of all his or her transactions as Treasurer and of the financial condition of the Corporation, and shall perform such other duties as may from time to time be prescribed by the Board of Directors or by the President, and in general, shall perform all duties incident to the office of the Treasurer.

Section 3.10. Other Officers. The Corporation may have such other officers and agents as may be deemed necessary by the Board of Directors, who shall be appointed in such manner, have such duties and hold their offices for such terms as may be determined by resolution of the Board of Directors.

Section 3.11. Election Procedure. The Nominating Committee shall provide each Director with a list of officers not less than thirty (30) days prior to the annual meeting. The slate of proposed officers shall be presented for vote at the annual meeting. A vote of the Board of Directors shall be required to elect officers.

ARTICLE IV COMMITTEES

Section 4.01. Standing Committees. The Directors may establish one or more Standing Committees and determine the duties and authority of any such committee. Standing committees of the Corporation shall be as follows:

- (a) **The Executive Committee**, to be composed of at least five (5) and not more than seven (7) Directors. Directors shall be charged with the duties of managing the Corporation in the ordinary course of business, employment of personnel and the general handling of the affairs of the Corporation and the carrying out of the purposes of the Corporation and the performance of such other duties as may be imposed upon it or authorized by the Board of Directors. The Executive Committee shall be subject to the control of and be responsible to the Board of Directors and shall keep minutes and make reports to the Board of Directors, but there shall be no necessity of a further resolution specially authorizing its actions in the general handling of the affairs of the Corporation. The Executive Committee shall be comprised of those persons who hold the offices of President, Vice President of

Administrative Affairs, Vice President of Development, Secretary, Treasurer and two (2) Directors At-Large, as recommended by the Executive Committee and approved by the Board of Directors.

- (b) **Donor Program Committee**
- (c) **Fundraiser Committee**
- (d) **Finance Committee**
- (e) **Special Events Committee** (Chairman and Co-Chair made up of each of the committees as the Board of Directors determine.)
- (f) **Grant Selection Committee**
- (g) **Communications Committee**
- (h) **The Nominating Committee**, shall be charged with the duty of making nominations by the Board of Directors for elective offices and for vacancies in the board of Directors. Such nominations shall not preclude the right of additional nominations being made at any meeting of the Board where an election of an officer or a Director is being considered. The Nominating Committee shall be composed of the Friendswood ISD Superintendent of Schools, a representative of the Friendswood ISD Board of Trustees and at least three (3) foundation directors, who shall be appointed by the President of the Foundation Board.
- (i) **The Finance Committee**, The Finance Committee shall be comprised of the Executive Committee plus other members of the Board appointed by the President for a total of 10 committee members. The Finance Committee shall meet no less than 2 times per year. The committee members shall develop and present an investment policy to the Board of Directors for approval. Once an investment policy is approved, the finance committee shall monitor the investments of the Foundation, annually review the policy, and prepare and present a financial health report or make recommendations about financial investments to the entire Board. The Financial Committee will provide to the Board, by the Foundation's Tax Preparer, a Financial Statement, within 60 days of each year's Foundation Tax Return that shows the current condition of the Investment Portfolio.

The Standing Committees, other than the Executive Committee, and the Nominating Committee, shall be composed of such numbers of member as may be determined by the Board of Directors, and shall be appointed by the President. The Executive Committee and the Nominating Committee shall be composed exclusively of members of the Board of Directors. Membership of the remaining standing committees need not be composed entirely of the members of the Board of Directors; provided, at least two (2) Directors shall be member of each of said standing committees.

Section 4.02. Special Committees. The Board of Directors may from time to time authorize special committees to be appointed by the President. The Board of Directors shall specify the number of persons composing such special committees and the terms and duties of such special committees. While the membership of the special committees need not be composed entirely of members of the Board of Directors, at least a majority of members of each special committee of such Board shall be Directors.

Section 4.03. Term of Office. Each member of a committee shall continue to serve on the committee until the next annual meeting of the Directors and until a successor is appointed. However, the term of a committee member may terminate earlier if a committee member is terminated, dies, ceases to qualify, resigns, or is removed as a member. A vacancy on a committee may be filled by an appointment made in the same manner as an original appointment. A person appointed to fill a vacancy shall serve for the unexpired position of the previous committee member's term.

Section 4.04. Committee Meetings. Committee meetings shall be called and presided over by the Chairman of the committee, or in his or her absence or disability, by the Vice Chairman, or in case of absence and/or disability of both the Chairman and Vice Chairman by any member thereof after reasonable notice to all of the committee members. Committees shall meet as often as necessary to properly discharge their duties. A simple majority of committee members present in person shall constitute a quorum for any committee meeting and a simple majority vote of those present and voting at any committee meeting at which a quorum is present shall constitute the action or report of the committee.

Section 4.05. Chair and Vice Chair. The Chairman and Vice Chairman of each committee shall be appointed by the President of the Corporation.

Section 4.06. Proxies. Proxies shall not be allowed or used by any committee member.

Section 4.07. Reference to Committees. While it shall not be required, it is recommended, when applicable, that matters be referred to appropriate committees for consideration and recommendations prior to Board action.

Section 4.08. Action in Lieu of Meeting. If all the members of a committee consent in writing to any action, such action shall be as valid as if authorized at a meeting of the committees. Such consent, setting forth the action so taken, shall be filed with the minutes of the proceedings at the next committee meeting.

ARTICLE V FISCAL AGENTS

This Corporation may designate such fiscal agents, investment advisors and custodians as the Board of Directors may select by resolution. The Board of Directors may at any time, with or without cause, discontinue the use of the services of any such fiscal agent, investment advisor, or custodian.

ARTICLE VI FUDICIARY RESPONSIBILITY

It shall be the policy of this Corporation that the Board of Directors shall assume and discharge fiduciary responsibility with respect to all funds and other assets held or administered by this Corporation.

ARTICLE VII POLICIES WITH RESPECT TO DISTRIBUTION OF PRINCIPAL, INCOME AND RELATED MATTERS

Section 7.01. Distribution Policy. Distributions shall fund programs and projects that are aligned with the mission, Strategic Plan and education philosophy of the Friendswood Independent School District.

Section 7.02. Annual Distributions. It shall be the policy of this Corporation to make annual distributions for one or more of the educational purposes for which it is organized, including administrative expenses and amounts paid to acquire an asset used (or held for use) directly in carrying out one or more of its purposes, in an amount determined by the Board of Directors to be appropriate. In any such distribution of funds no discrimination shall be made on account of the age, sex, color, religious affiliation, disability or national origin of the individuals or programs to be benefited thereby.

Section 7.03. No Self-Dealing. It shall be the policy of the Corporation, not to engage in any act which would constitute "self-dealing" as defined in Section 4941(d) of the Internal Revenue Code of 1986, as now enacted or as hereafter amended.

Section 7.04. No Jeopardy Investments. It shall be the policy of this Corporation to assure that no funds, whether title thereto is vested in this Corporation or is vested in a trust for the benefit of this Corporation, are invested or reinvested in such a manner as to jeopardize the carrying out of any education purposes for which this Corporation is organized. Any investment shall be at no loss to principal.

Section 7.05. Expenditure Responsibility. Through its Board of Directors, this Corporation shall exercise “expenditure responsibility” as defined in Section 4945(h)(1) and (2) of the Internal Revenue Code of 1986, as now enacted or as hereafter amended, with respect to all grants and distribution.

Section 7.06. Reasonable Return. The Board of Directors shall take steps to assure that each Director, agent, or custodian of the unrestricted funds that are a component part of this Corporation, will administer them in accordance with accepted standard of fiduciary conducts to produce a reasonable (as determined by the Board of Directors) return of net income.

ARTICLE VIII BOOKS OF RECORD, AUDIT, FISCAL YEAR, BOND

Section 8.01. Books and Records. The Board of Directors of this Corporation shall cause to be kept:

- (a) records of all proceedings of the Board of Directors and Committees thereof, and
- (b) all financial statements of this Corporation; and
- (c) Articles of Incorporation and Bylaws of this Corporation and all amendments thereto: and
- (d) Such other records and books of account as shall be necessary and appropriate to the conduct of the corporate business.

Section 8.02. Audit and Publication. The Board of Directors shall cause the records and books of account of this Corporation to be audited at least once in each fiscal year in such a manner as may be deemed necessary or appropriate and also shall make such inquiry as the Board of Directors deems necessary or advisable into the condition of all funds held by any agent or custodian for the benefit of this Corporation. The audit may be completed by the finance committee or the Directors may retain a person or firm for such purposes as they may deem appropriate. Not later than six (6) months after the close of each fiscal year of this Corporation, the Board of Directors shall furnish to the Board of Trustees of the Friendswood Independent School district, copies of the Corporation’s financial statements for its immediately preceding fiscal year. The executive committee will determine how the audit will be completed.

Section 8.03. Fiscal Year. The fiscal year of the Corporation shall begin on September 1 and end on August 31 of each year.

Section 8.04. Bond. The Corporation shall obtain a bond(s) on such people and in such amounts as may from time to time be deemed necessary by the Board of Directors.

ARTICLE IX TRANSACTIONS OF THE CORPORATION

Section 9.01. Contracts. The Board of Directors may authorize any officer or agent of the Corporation to enter into a contract or execute and deliver any instrument in the name of and on behalf of the Corporation.

Section 9.02. Gifts. The Board of Directors may accept on behalf of the Corporation any contribution, gift, bequest or devise for the general purpose or for a specific purpose of the Corporation. The Board of Directors may make gifts and give charitable contributions that are not prohibited by the Bylaws, the Articles of Incorporation, state or federal law, and any requirements for maintaining the Corporation’s federal and state tax status.

Section 9.03. Conflicts of Interest. The Corporation’s affirmative policy shall be to require that all actual or potential conflicts be discussed promptly and disclosed fully to the Board of Directors and all other necessary parties. Any

Director having a conflict on any matter shall neither participate in the deliberation nor vote on any such matter. The Board of Directors may from time to time, establish such rules and regulations in furtherance of this policy, as deemed appropriate.

Section 9.04. Nonprofit Operation. The Corporation will not or issue shares of stock. No dividends will be paid. No part of the income or assets of the Corporation will be distributed to its Directors or officers without full consideration. No Director or officer of the Corporation has any vested right, interest or privilege in or to the assets, property, function or activities of the Corporation.

Section 9.05. Approval of Investment Policy. An investment policy shall be developed by the Finance Committee and presented to the Board of Directors for approval. Upon $\frac{2}{3}$ vote of the Board, the proposed Investment Policy will be enacted. The Investment Policy will be on file and attached to the By-Laws to evidence the financial investment policy of the Foundation.

ARTICLE X WAIVER OF NOTICE

Whenever any notice is required to be given by these Bylaws or any of the corporate laws of the State of Texas, such notice may be waived in writing, signed by the person or persons entitled to said notice, whether before, at, or after the time stated, or before, at, or after the meeting. If mailed, the notice of a meeting shall be deemed delivered when deposited in the United States mail addressed to the Director at his or her address as it appears on the records of the Corporation, with postage thereon prepaid.

ARTICLE XI INDEMNIFICATION AND INSURANCE

Section 11.1. Indemnification and Representation. The Corporation shall indemnify and provide for the defense of any person who was or is a party, or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) as a result of his or her actions or omissions within the scope of his or her official capacity for the Corporation as a Director, officer, employee, or agent of the Corporation, to the full extent permitted under Texas state laws, as in effect from time to time.

Section 11.2. Insurance. The Corporation shall purchase and maintain insurance on behalf of any person who is or was a Director, officer employee or agent of the Corporation, or who is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against such person and incurred by such person in any such capacity, or arising out of his or her status as such, whether or not the Corporation would have the power to indemnify such person against such liability under the provisions of paragraph 11.1 of Article XI of these Bylaws.

ARTICLE XII AMENDMENTS

The Board of Directors may amend this Corporation's Articles of Incorporation and these Bylaws to include or omit any provision which could be lawfully included or omitted. Any number of amendments or an entire revision or restatement of the Articles of Incorporation or Bylaws, may be adopted at such meeting a quorum being present, upon receiving the affirmative vote of not less that two-thirds of the whole number of Directors, provided notice of the proposed amendments shall have been given not less that ten (10) days prior to the meeting. However, amendment of

Article III (Purposes) of the Articles of Incorporation may be made only with the unanimous approval and resolution of all Directors.

**ARTICLE XIII
MISCELLANEOUS PROVISIONS**

Section 13.01. Governing Law. The Bylaws of the Corporation shall be governed by and construed in accordance with the laws of the State of Texas.

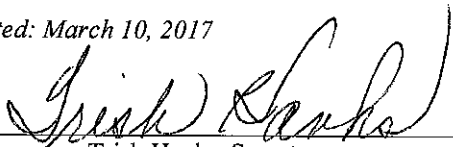
Section 13.02. Severability. If any Bylaw provision is held to be invalid, illegal, or unenforceable in any respect, the invalidity, illegality, or unenforceability shall not affect any other provision and the Bylaws shall be construed as if the invalid illegal, or unenforceable provision had not been included in the Bylaws.

Section 13.03. Gender. Whenever the context requires, all words in the Bylaws in the male gender shall be deemed to include the female or neuter gender, all singular words shall include the plural, and all plural nouns shall include the singular.

Section 13.04. Diversification. It is the aim and intent of the Friendswood ISD Education Foundation to reflect and embrace racial, religious and gender diversification within all levels of its governing body, staffing grant recipient allocation and selection process including vendor selections and corporate sponsors.

The undersigned certifies that she is the Secretary of the Friendswood ISD Education Foundation and that the foregoing Bylaws were duly adopted as the revised Bylaws of the Corporation at a duly called meeting of the Board of Directors held on January 12, 2017.

Dated: March 10, 2017



Trish Hanks, Secretary

INVESTMENT POLICY STATEMENT

March 9, 2017

I. PURPOSE

The purpose of this Investment Policy Statement is to provide guidance to the Friendswood ISD Education Foundation (FEF) Board of Directors and its authorized investment manager(s) regarding the foundation's investment decisions, objectives, allocations, guidelines, restrictions, limitations, and tolerances associated with all current and future endowment funds.

This policy is written and in place to ensure that the funds of the FEF are invested prudently and consistently, concentrating on long-term growth and income, with a special emphasis on capital preservation.

The overall investment direction of this policy is to:

- a. Set forth and govern the investment objectives, policies and guidelines for which the FEF Board of Directors deem to be appropriate and prudent, in consideration of the needs of the foundation;
- b. Establish the criteria by which investment management professionals retained by the FEF are expected to meet and against which their performance is to be measured;
- c. Communicate the investment objectives, guidelines, performance and restriction criteria to the investment manager(s); and
- d. Serve as a guide for FEF executives, directors, and investment manager(s) entrusted to handle the oversight of the investment assets of the foundation.

II. INVESTMENT OBJECTIVES

The primary policy objective is to provide the blueprint for reasonable and consistent endowment growth through investment grade securities with a special focus on capital preservation. The secondary objective is capital appreciation of the FEF investment portfolio over the period of 5 (five) to 10(ten) years or as recommended by finance committee, providing a hedge against the effects of inflation.

Portfolio management is expected to utilize principals of diversification in order to mitigate risks from a single security, issuer, or sector. The investment manager(s) shall operate with full discretion within these guidelines, assuming a moderate risk posture in order to provide for income with growth over time. This posture may result in sacrificing some potential for investment gains during rising market periods in order to avoid significant declines during falling markets.

III. ASSET ALLOCATION

Asset allocation and selection of investments will be made solely by the FEF investment manager(s), who are instructed to consistently use the guidelines, restrictions, and objectives set forth within this policy.

Asset mix may be changed based on the economic and security market outlook, as well as income requirements. The overall risk level of the assets, in terms of potential for price fluctuation, should fall within a low to moderate range of risk or expected volatility. The portfolio should achieve a balance between fixed income and equity investments after meeting the FEF income needs.

The FEF will have a minimum aggregate of \$500,000, dispersed among a minimum of four (4) different local financial institutions.

The mix of assets regarding the FEF portfolio's return objectives and risk parameters should be generally maintained as follows:

Cash or Cash Equivalent	0%-10%
Fixed Income	20%-50%
Equity	30%-60%
Large Cap	30%-60%
Mid Cap	0%-20%
Small Cap	0%-10%
International	0%-20%

Alternative Investments: The primary purpose of the FEF investment policy is to achieve absolute returns with low volatility and correlation to the equity and fixed income markets. Due to the inherent volatility and unpredictability of alternative investments, this policy forbids investing in such sectors.

IV. INVESTMENT GUIDELINES

Investment guidelines and restrictions include the following and shall be strictly adhered to unless waived by the FEF Board of Directors by a 2/3's (66%) vote.

To insure appropriate evaluation for future growth, the FEF investment funds will not be available for withdrawal for a minimum of five (5) years from the date of account opening.

- a. Subject to the guidelines in this section and the policies set forth within this statement, any investment manager(s) retained by the FEF is to have full discretionary investment authority over the assets of the FEF endowment.
- b. Any equity investment manager(s) should have an adequate, but not excessive level of equity diversification.

- c. Any equity investment manager(s) may diminish the holdings of equity securities in the face of negative market forecasts or experience.
- d. Permissible Investments: Investments may be made in publicly traded common or preferred stocks, convertible bonds, guaranteed investment contracts, or similar investment vehicles and non-convertible fixed income securities, whether interest-bearing or discount instruments, including money market instruments. Classes of investments authorized are also to include:
 - 1. Debt obligations issued by the United States;
 - 2. Cash or cash equivalents;
 - 3. Commercial paper;
 - 4. Negotiable certificates of deposit;
 - 5. Mortgage backed securities.
- e. Bonds must be rated investment grade by at least two of the following Nationally Recognized Security Ratings Organizations (Moody's, S&P, Fitch, DBRS) at time of purchase.

V. RESTRICTIONS

Without prior approval from the FEF Board of Directors, the following types of investments of the endowment assets are prohibited:

- a. Investments in any major sector classification that are greater than 15% of the equity allocation's market value;
- b. Investments in any single common or preferred security that exceed 5% or ETF that exceeds 10% of the investment accounts total market value;
- c. Common stock in non-public corporations;
- d. Short sales of any type;
- e. Restricted stock;
- f. Buying or selling on margin;
- g. Investing in securities of companies involved in the manufacture, sale, or providing of tobacco, alcoholic beverages, pornography, gambling, or the products and services of moral turpitude;
- h. All investments must be U.S. dollar denominated

VI. MANAGEMENT

The FEF Board of Directors reserve the right to make investment manager(s) changes as they deem in FEF's best interest. To be considered for appointment and or replacement, an investment management firm shall have demonstrated financial stability, no potential conflicting affiliations, low turnover of personnel, capacity to understand the FEF account, a competitive record of performance over at least five (5) years, and relevant experience and expertise.

Subject to this policy statement, the FEF Board of Directors grant full investment discretion to the external investment manager(s) within the above asset mix ranges and investment

restrictions in regards to the selection of securities and the timing of transactions so long as no transaction would jeopardize the tax-exempt status of the endowment's portfolio.

VII. EVALUATION AND MONITORING

The investment manager(s) performance and compliance as it relates to the investment policy statement, will be monitored by the FEF finance committee on a semi-annual basis, at a minimum.

At the inception of each new investment manager(s) relationship, a quarterly review of the portfolio and performance is required with the FEF finance committee and annual review with the FEF Board of Directors. Beginning in year two and subsequent years, a semi-annual review with the FEF finance committee and an annual review with the FEF Board of Directors will be required but not limited to.

The following key points should be addressed at each periodic review:

- a. Determine that the investment manager(s) performed in adherence with the investment philosophy and policy reflected in the FEF Investment Policy Statement;
- b. Review the current asset mix, and its compliance with this policy;
- c. Review the suitability of current assets and net cash flow of the portfolio;
- d. Discuss the current economic outlook and investment strategy;
- e. Review relevant statistics on the investment performance including comparisons to market based indices;
- f. Review shortcomings of the policy that emerge in its practical application or significant modifications that are recommended to the FEF finance committee by the investment manager(s).

Investment performance shall be measured primarily by comparing investment results over a moving annualized three and five-year time period to standardized benchmarks for each component of the portfolio:

The cash/money market segment will be compared to the 90-day T-Bill index.

Overall fixed income exposure will be compared primarily to the Barclays Aggregate Bond Index.

Overall equity exposure will be compared primarily to the S&P 500 Index.

Specific equity segments will be compared to the Russell 1000 Value, Russell 1000 Growth, MSCI EAFE, and Russell 2000.

50% MSCI World/50% Barclays International

The FEF Finance Committee shall review the Investment Policy Statement annually to determine if modifications are necessary or desirable. If modifications are recommended or necessary, either self-imposed or advised by the investment manager(s), they shall be promptly

communicated to the FEF Executive Board and Board of Directors. Any modification requires approval by a 2/3's (66%) vote. Any ratified modifications are to be communicated to all investment manager(s) promptly.

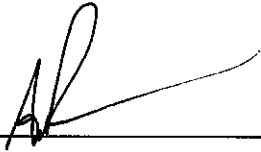
Investment manager(s) will produce, upon written request from FEF, copies of any documentation in support of its buy/sell/hold decisions as they relate to issues from organizations other than the United States Treasury and agencies of the United States Government.

VIII. GIFTS AND DONATIONS

All new monies, in the form of cash, stocks, bonds, investment accounts and the like, falling under the control of the FEF via gifts or donations, after the adoption of this Investment Policy, shall conform to this policy to the extent that the FEF Board of Directors shall deliver to the Investment Manager(s).

ADOPTED AT FRIENDSWOOD, TX THIS 9 day of March, 2017.

TRUSTEES:



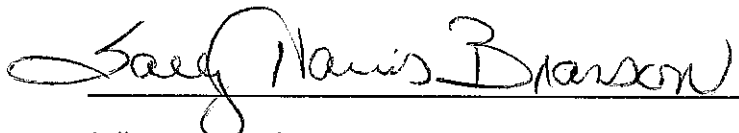
Allan Rasmussen, President, Friendswood ISD Education Foundation



Russ Hillenburg, Treasurer, Friendswood ISD Education Foundation



Paige Ridout, Executive Director, Friendswood ISD Education Foundation



Sally Branson, Chair, FEF Finance Committee