

**Proposed Amendments to the
Clear Creek Education Foundation Bylaws
October 2010**

Recommendation 1

ARTICLE III: Officers, Section 3.01. Number and Title

Amend by inserting "Chairman-Elect" after "Board," and before "Vice-Chairman" to read

"Section 3.01. **Number and Title.** The officers of the Corporation shall be a Chairman of the Board, Chairman-Elect, Vice Chairman, Secretary, Treasurer, and Past Chairman. The Board may create additional officer positions, define the authority and duties of each such position, and elect or appoint persons to fill the positions."

Rationale: By creating a position of Chairman-Elect, the Clear Creek Education Foundation Board of Directors will have a commitment from an individual for a three-year leadership position (Chairman-Elect, Chairman and Past Chairman) that will allow the organization to effectively plan for a period of greater than one (1) year.

Recommendation 2

ARTICLE III: Officers, Section 3.07. Chairman-Elect

Amend by inserting a new section, 3.07. Chairman Elect and re-numbering sections 3.07. Vice Chairman, 3.08. Secretary, 3.09. Treasurer, 3.10. Past Chairman and 3.11. Other Officers to 3.08. Vice Chairman, 3.09. Secretary, 3.10. Treasurer 3.11. Past Chairman and 3.12. Other Officers after "Section 3.06. Chairman" to read

"Section 3.07 **Chairman-Elect.** The Chairman-Elect shall perform the duties of the office of Chairman when the Chairman is unable to do so. When acting in the Chairman's place, the Chairman-Elect has all the powers of, and is subject to all the restrictions on, the Chairman. The Chairman-Elect will serve as a member of the board development committee. The Chairman-Elect will perform other duties as assigned by the Chairman of the Board. The Chairman-Elect will assume the duties of Chairman at the end of the term of office of Chairman-Elect."

Rationale: If the position of Chairman-Elect is approved, a description of duties shall be contained in the bylaws. Subsequent sections of the description of officers shall also be re-numbered.

Recommendation 3

ARTICLE III: Officers, Section 3.08. Vice Chairman

Amend by striking "When the Chairman is absent or cannot act, the Vice Chairman will perform the Chairman's duties. When acting in the Chairman's place, the Vice Chairman has all the powers of, and is subject to all the restrictions on, the Chairman." after "Section 3.08 Vice Chairman" to read

"Section 3.08. **Vice Chairman.** The Vice Chairman will serve as a member of the finance committee and will assist in developing and recommending policies and procedures for the overall management of the foundation. Responsibilities will also include maintaining a Five-Year Plan. The Vice Chairman will perform other duties as assigned by the Chairman of the Board."

Rationale: If the position of Chairman-Elect is approved, duties previously listed with the Vice Chairman position will be reassigned to the Chairman-Elect.

BYLAWS OF THE CLEAR CREEK EDUCATION FOUNDATION

Developed in June 19, 1997
Amended December 2009
Amended October 2010

The Clear Creek Education Foundation's mission is to generate resources through effective communications and enduring community-wide partnerships in order to recognize and actively promote excellence in education across the Clear Creek Independent School District.

ARTICLE I OFFICES, 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 or without the State of Texas, as the Directors shall from time to time determine.

Section 1.03. **Corporate Seal.** The Corporation may have a corporate seal of a design and form to be determined by the Board of Directors.

ARTICLE II BOARD OF DIRECTORS

Section 2.01. **Members.** This Foundation 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 thirteen (13) and not more than twenty-one (21); however, the number of voting Directors may be increased or decreased to any odd number, by amendment of these Bylaws. Any change in the number of Directors will be voted on and approved by no less than two-thirds of the whole number of the Directors before it becomes effective. New Directors shall be appointed by those remaining duly qualified 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. The initial appointed Directors shall draw lots for initial terms of office. The term of office for approximately one-third of the appointed Directors shall expire each year. A director may be re-elected for a second additional three (3) year term. Directors will roll-off after a second three (3) year term unless one of the exceptions described below exists. Directors will be ineligible for one year to be considered for re-election to the Board of Directors. The Clear Creek Education Foundation follows the calendar year.

Exceptions to Terms of Office. If recommended by the Board Development Committee, described in Article IV, Section 4.01(e) in these bylaws, a director serving as Chairman in his/her sixth year may serve a seventh year as Past Chairman. Also, a director, if recommended by the Board Development Committee, is nominated and elected in their sixth year as Chairman for the next year, their seventh year, that director will continue to serve an additional two years as Chairman in their seventh year and as Past Chairman in their eighth year. In either of these situations above, such Director will not be eligible to be reelected to the Board until after two years has passed.

Section 2.05. **Resignation.** Any Director of the Corporation may resign at any time by giving written notice to the Chairman of the Board or to the Secretary of the Corporation. The resignation of any Director 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 2.06. **Vacancies.** Any vacancy in the appointed Board of Directors caused by death, resignation, disqualification, removal, or any other cause, shall be filled by a majority vote of the Board of Directors. The Director elected shall hold office for the remaining term of that Directorship or until his or her successor shall be duly elected and qualified by the remaining Directors.

Section 2.07. **Place of meeting.** The Board of Directors may hold its meetings at such place or places, within or without the State of Texas, as it may choose.

Section 2.08. **Annual Meeting.** As soon as practical and not more than sixty (60) days after the beginning of a new fiscal year, the annual meeting of the Corporation shall be held for

the purpose of planning and organizing corporate activities. Notice of the annual meeting shall be communicated by the Secretary to all Directors not less than ten (10) days prior to said meeting date.

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Section 2.09. **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 whole Board of Directors. Notice of regular meetings shall be communicated by the Secretary not less than five (5) days prior to the meeting.

Section 2.10. **Special Meetings; Notice.** Special meetings of the Board of Directors shall be held whenever called by the Chairman of the Board or by two or more of the Directors. Notice of each such special meeting shall be communicated by the Secretary to each Director at least forty-eight (48) hours before the day on which the meeting is to be held. Each notice shall state the time and place of the meeting, and state the purposes thereof, except as otherwise herein expressly provided. Any meeting of the Board shall be a legal meeting without any notice thereof having been given, if all 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 2.11. **Notice.** Mailed, facsimile or electronic notice of all meetings of the Board, save, and except Special Called Meetings, will be delivered to each Director not less than five (5), nor more than thirty (30) days, before the date of the meeting. Notice for Special Called Meetings shall be delivered to each Director not less than 48 hours, no more than 24 days before the date and time of the Special Called Meeting. The notice will state the place, day, and time of the meeting; who called it; and the purpose or purposes for which it is called.

Section 2.12. **Quorum and Manner of Acting.** Except as otherwise provided by statute or by these Bylaws, a minimum of 51% of the Directors present in person or by proxy shall be required 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 Board of Directors. In the absence of a quorum, a majority of the Directors present may adjourn any meeting until a quorum can be made. Notice of any adjourned meeting need not be given.

Section 2.13. **Meeting Attendance.** It shall be the policy of the Foundation to require attendance at all Foundation meetings. In the event a Director misses three (3) or more meetings, the Board of Directors shall, if deemed appropriate, ask for the resignation of that Director. It shall be at the discretion of the Board of Directors to invoke this provision.

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Section 2.14. **Removal of Directors.** Any Director with the exception of the "ex-officio" Directors, as outlined in Section 2.04 of these Bylaws, may be removed with or without cause at any time. Good cause for removal of a Director includes, but not limited to, the following: (1) unexcused failure to attend three (3) consecutive Board meetings; (2) conflict of

interest; (3) violation of these Bylaws; and (4) conduct that the Board finds is inconsistent with the mission, goals and best interest of the Corporation. Removal shall be by a vote of a majority of the Directors of the Corporation at a regular or special meeting of the Directors called for that purpose according to Section 2.10. Written notice stating the place, date, hour, and purpose of any special meeting called for the purpose of removing one or more Directors must be delivered to all Directors at least forty-eight (48) hours 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 at his or her address as it appears on the records of the Corporation, with postage thereon prepaid. The vacancy in the Board of Directors caused by any such removal shall be filled in the manner specified in Section 2.06 hereof.

Section 2.15. **Proxies.** A Director may not vote by proxy.

Section 2.16. **Board Member Agreements.** All Directors of the Board will be required to execute a Board Member Agreement prior to the start of their term on the Foundation Board. Failure to execute the agreement will be considered a resignation from the Board.

Section 2.17. **Compensation.** Directors may not receive salaries or any other compensation for their services as a member of the Board. A Director may serve the Corporation in any other capacity and receive compensation for professional services. Any compensation that the Corporation pays to a Director will be reasonable and commensurate with the services performed.

ARTICLE III OFFICERS

Section 3.01. **Number and Title.** The officers of the Corporation shall be a Chairman of the Board, **Chairman-Elect**, Vice Chairman, Secretary, Treasurer, and Past Chairman. The Board may create additional officer positions, define the authority and duties of each such position, and elect or appoint persons to fill the positions.

Section 3.02. **Election, Term of Office and Qualifications.** All officers shall be elected annually by the Directors of the Corporation on or before the last meeting of the calendar year. In the case of officers appointed in accordance with the provisions of Section 3.10, each shall hold office for a period of one (1) calendar 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. A person may not hold the same office for more than two (2) consecutive years except for the office of Treasurer.

Section 3.03. **Resignations.** Any officer may resign at any time by giving written notice of his or her resignation to the Board of Directors, to the Chairman of the Board 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. **Chairman of the Board.** The Chairman of the Board shall assume all duties associated with that office. The Chairman of the Board shall conduct the meetings of the Corporation. The Chairman of the Board 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 officer of the Corporation, may execute and deliver in the name of the Corporation any deeds, mortgages, bonds, contracts or other instruments pertaining to the business of the Corporation as authorized by the board. However, the Chairman may not execute instruments on the Corporation's behalf if this power is expressly delegated to another officer or agent of the Corporation by the Board, these bylaws or statute. He or she shall be responsible for appointing committee chairs. He or she shall have such other duties as may from time to time be prescribed by the Board of Directors. Except for the first two nominated and elected Chairmen, all subsequently nominated and elected Chairmen must have served at least two (2) years as a Director , one of which must have been as an officer, prior to being nominated and elected as Chairman.

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Section 3.07 **Chairman-Elect.** The Chairman-Elect shall perform the duties of the office of Chairman when the Chairman is unable to do so. When acting in the Chairman's place, the Chairman-Elect has all the powers of, and is subject to all the restrictions on, the Chairman. The Chairman-Elect will serve as a member of the board development committee. The Chairman-Elect will perform other duties as assigned by the Chairman of the Board. The Chairman-Elect will assume the duties of Chairman at the end of the term of office of Chairman-Elect.

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Section 3.08. **Vice Chairman.** The Vice Chairman will serve as a member of the finance committee and will assist in developing and recommending policies and procedures for the overall management of the foundation. Responsibilities will also include maintaining a Five-Year Plan. The Vice Chairman will perform other duties as assigned by the Chairman of the Board.

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Section 3.09. **Secretary.** 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 Chairman and, in general, shall perform all duties incident to the office of the Secretary.

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Section 3.10. **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 a majority of 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 Chairman of the Board and the Directors on a monthly and annual basis, an account of all his or her transactions as Treasurer and of the financial condition of the Corporation. However, funds may be drawn from the Corporation or its accounts only upon the signature of at least two persons, one of which must be an officer of the Corporation. The Treasurer shall perform such other duties as may from time to time be prescribed by the Board of Directors or by the Chairman of the Board, and, in general, shall perform all duties incident to the office of the Treasurer.

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Section 3.11. **Past Chairman.** The duties of the Past Chairman shall be to assist and advise the other officers of the Corporation and provide a historical perspective of the Corporate activities for the executive committee.

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Section 3.12. **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.

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ARTICLE IV COMMITTEES

Section 4.01. **Standing Committees** of the Board of Directors shall be:

(a) **The Executive Committee** shall be composed of the officers of the Board of Directors. The Executive Committee shall be charged with the duties of managing the Foundation in the ordinary course of business, employment of personnel other than an Executive Director, and the general handling of the affairs of the Foundation and the carrying out of the purposes of the Foundation 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 carrying on of the affairs of the Foundation.

(b) The Programs Committee shall recommend and implement identified programs that reflect the mission of the Clear Creek Education Foundation.

Responsibilities of the Programs Committee:

1. Develop specific criteria, guidelines and applications for each Foundation program.
2. Develop and implement a plan for dissemination of applications and pertinent information to district staff.
3. Receive, review and evaluate requests for funding and make recommendations to the Foundation Board.
4. Work with the Community Outreach Committee to plan publicity and recognition of recipients for Foundation funds.
5. Identify program priorities and levels of funding for Foundation Board approval.
6. Modify and revise programs as appropriate.
7. Annually review programs and determine effectiveness of each one.
8. Provide feedback in regard to why funding requests are denied.
9. Work with the Executive Committee in arranging an annual meeting with the Superintendent and/or designated instructional staff to review and evaluate Foundation programs and to determine needs of the District
10. Work with the Fundraising committee to coordinate levels of funding for each program on an annual basis.

(c) The Finance Committee shall review and guide the financial management of the Foundation.

Responsibilities of the Finance Committee:

1. Assure that systems are in place to accurately record all financial transactions in accord with applicable policies and accounting standards as well as all laws and government regulations.
2. Solicit proposals and procure annual auditing services. Work with auditors to respond to queries and collaborate with the Executive Committee to prepare and implement Foundation responses to audit findings.
3. Work in concert with other committees to develop an annual budget that reflects revenue and expense projections.
4. Assure written policies and procedures are in place to manage and record financial transactions including receipt and disbursement of funds and monitor activities via annual audits to ensure that these written policies and procedures are followed.

5. Monitor approved investment and spending policies to assure safeguarding of the Foundation's financial assets.
6. Utilize plans and forecasts of the Foundation committees, to compile long range financial projections.

(d) The Community Outreach Committee shall educate the citizens in CCISD about what the Clear Creek Education Foundation is and how they can be involved.

Responsibilities of the Community Outreach Committee:

1. To interface with other committees and to help with marketing the Foundation.
2. To develop marketing materials.
3. To develop a press packet regarding the Foundation for different audiences in CCISD.
4. To develop press releases as appropriate and develop rapport with the media in order to promote the Foundation through feature articles, television interviews and PSA's.
5. To form a speakers' bureau, develop the content of the speeches, and contact various organizations within the community to schedule presentations in order to promote the Foundation.
6. To assist the Fundraising Committee in developing marketing materials for each fundraising activity, such as a contribution envelope, payroll deduction form for staff, etc.
7. Plan and maintain permanent recognition of donors.
8. To maintain website content and update as necessary.
9. To maintain and revise presentations for various audiences.

(e) Board Development Committee shall recruit and sustain effective members of the board.

Responsibilities of the Board Development Committee:

1. Develop and revise expectations for the board members.
2. Implement and periodically revise the process for selecting and evaluating board members and officers.
3. Develop and use a matrix that defines the desired skills, expertise, and diversity of the board membership.
4. Plan and conduct orientation of new board members.
5. Monitor overall performance of board members relative to the Board Member Agreement.
6. Recommend officers and Directors to the board prior to the election of officers as outlined in Section 3.02.

(f) Fundraising Committee shall develop a plan for soliciting funds to meet the funding priorities, investment plans and the endowment goals established by the Foundation's Board of Directors.

Responsibilities of the Fundraising Committee are as follows:

1. Develop specific plans and guidelines for donations, which include monetary, in-kind, planned giving, will and bequests.
2. Develop and implement an annual campaign with different levels of giving.
3. Develop a plan for requesting funds from various groups in the community including the following: Businesses, Civic Groups, School District Vendors, Other Foundations, Alumni, and School District Employees.
4. Work in cooperation with the Community Outreach Committee to plan an annual campaign, as well as other annual fundraising activities.
5. Maintain a list of current and potential donors.
6. Ensure that donations are acknowledged within 48 hours.
7. Provide a contribution report to the Board of Directors at each Board Meeting, and publish a complete list of all contributions in the Foundation's annual newsletter and/or website.
8. Work with the Community Outreach Committee to recognize donors in various ways.

The standing committees, other than the Executive Committee, and the Board Development Committee, shall be composed of such numbers as may be determined by the Board of Directors and shall be appointed by the Chairman. The Executive Committee and the Board Development 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; nevertheless, at least two (2) Directors shall be members of each of said standing committees.

Section 4.02. **Special Committees.** The Board of Directors, the Executive Committee and/or the Chairman may from time to time authorize and create special committees. The Chairman will appoint the members and the Chairman of any special committee and 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, nevertheless at least one (1) Director shall be a member of each special committee of such Board.

Section 4.03. **Committee Meetings.** Committee meetings shall be called and presided over by the Chairman of the committee, or in his 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 these present and voting at any committee meeting at which a quorum is present shall constitute the action or report of the committee.

Section 4.04. **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 4.05 **Senior Advisory Council** The Senior Advisory Council shall be appointed annually by the Corporation's Board of Directors. The purpose of the Senior Advisory Council shall be to support the Corporation in areas to include, but not be limited to, history, community contacts, advice and opinions, and informal advocacy. Members of the Senior Advisory Council shall be past Chairmen of the Board and other community leaders as determined by the Corporation's Board of Directors. The Senior Advisory Council shall establish and maintain a Charter for the group to address its authority, purpose, membership, and meetings. The Senior Advisory Council will be provided minutes of the Corporation's monthly meetings and invited to attend such meetings as deemed appropriate by the Corporation's Board of Directors. The Senior Advisory Council will serve at the discretion of the Corporation's Board of Directors, and will not be voting members of the Corporation's Board of Directors.

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 FIDUCIARY 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 held or administered by this Corporation.

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

Section 7.01. **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 there by.

Section 7.02 **No Self-Dealing.** It shall be the policy of this 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.

Section 7.03 **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 educational purposes for which this Corporation is organized.

The Foundation may purchase, sell, and invest its funds and funds under its control in the following:

- (a) Obligations of the United States or its agencies and instrumentalities.
- (b) Direct obligations of the state of Texas or its agencies.
- (c) Other obligations, the principal of and interest on which are unconditionally guaranteed or insured by the state of Texas or the United States.
- (d) Obligations of states, agencies, counties, cities and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than "A" or its equivalent.
- (e) Certificates of deposit issued by state and national banks domiciled in the state of Texas that are:
 - (1) Guaranteed or insured by the Federal Deposit Insurance Corporation or its successor; or
 - (2) Secured by obligations that are described by items a-d above which are intended to include all direct agency or instrumentality issued mortgage backed securities rated "AAA" by a nationally recognized rating agency or by Art. 2529b-1, V.A.T.S., and that have a market value of not less than the principal amount of the certificates.

- (f) Fully collateralized direct repurchase agreements having a defined termination date, secured by obligations described by item (a) above, pledged with a third party selected or approved by the Board, and placed through a primary government securities dealer as defined by the Federal Reserve.
- (g) Mutual funds registered with a nationally recognized Board of Exchange.

Section 7.04.**Expenditure Responsibility.** It shall be the policy of this Corporation that this Corporation, through its Board of Directors, will 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 distributions.

Section 7.05.**Reasonable Return.** The Board of Directors shall take steps to assure that each agent or custodian with respect to the aggregate of the unrestricted trusts or funds that are, a component part of this Corporation, administer such trust or fund in accordance with accepted standards of fiduciary conduct to produce a reasonable return of income, (as determined by the Board of Directors) in furtherance of this Corporation's educational; purposes.

ARTICLE VIII BOOKS OF RECORD, REVIEW, 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 restatements thereof; 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.**Review and Publication.** The Board of Directors shall cause the records and books of account of this Corporation to be audited by an independent certified public accountant annually. The Board of Directors shall make such inquiry as the Board of Directors deems necessary or advisable into the condition of all trusts and funds held by any agent or custodian for the benefit of this Corporation, and shall retain such person or firm for such purposes as it may deem appropriate. Not later than six months after the close of each fiscal year of this Corporation, the Board of Directors of this Corporation shall furnish to the Board of

Trustees of Clear Creek ISD. Copies of the Corporation's audited financial statements for its immediately preceding fiscal year and may, if determined necessary or appropriate by the Board of Directors, cause such financial statement to be published in one or more local newspapers having general circulation and distribution, as may be selected by the Board of Directors.

Section 8.03. **Fiscal Year.** The fiscal year of the Corporation shall end on December 31 of each year.

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

ARTICLE IX 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 therein, or before, at, or after the meeting.

ARTICLE X INDEMNIFICATION AND INSURANCE

(a) The Corporation shall indemnify 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) by reason of the fact that he or she is or was a Director, officer, employee, members of the Senior Advisory Council, or agent of the Corporation, to the full extent permitted under Texas state law, as in effect from time to time.

(b) The Corporation may purchase and maintain insurance on behalf of any person who is or was a Director, officer, employee, members of the Senior Advisory Council 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 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 (a) of Article X of these Bylaws.

ARTICLE XI AMENDMENTS

Upon thirty (30) days written notice, the Board of Directors may amend this Corporation's Articles of Incorporation, as heretofore or hereafter from time to time amended or restated, and these Bylaws as from time to time amended or restated, to include or omit any lawful provision of the Articles of Incorporation or Bylaws. The Articles of Incorporation or Bylaws may be submitted and voted upon at a single meeting of the Board of Directors and be adopted at such meeting a quorum being present, upon receiving the affirmative vote of not less than two-thirds of the whole number of Directors; provided, however, that amendment of the Purpose clause of the Articles of Incorporation may be made only with the unanimous approval and resolution of all qualified Directors.

Secretary, Clear Creek Education Foundation