

**BYLAWS OF
Bells Independent School District Education Foundation**

ARTICLE I

NAME, PURPOSE, OFFICES

1.1 Name

This organization is incorporated under the laws of the State of Texas and shall be known as the Bells Independent School District Education Foundation also known as Bells ISD Education Foundation, hereinafter referred to as the “Foundation”.

1.2 Purpose

The Foundation is established for the purpose of inspiring academic excellence of students and teachers of Bells Independent School District.

1.3 Limitations of Methods

The Foundation shall observe all local, state and federal laws which apply to a nonprofit organization as defined in Section 501(c)(3) of the Internal Revenue Code. All such efforts shall be for charitable or educational purposes.

1.4 Offices

The principal office of the Foundation shall be located in Grayson County, Texas, but may be changed from time to time by resolution of the Board of Directors. The Foundation may have such other offices either within or without the State of Texas as the business of the Foundation may require from time to time.

The registered office of the Foundation (required by the *General Not-For-Profit Corporation Act*) maintained in the State of Texas, may be, but need not be, identical with the principal office in the State of Texas, and the address of the registered office may be changed from time-to-time by the registered agent of the Board of Directors.

ARTICLE II

BOARD OF DIRECTORS

2.1 General Powers

The business and affairs of the Foundation, and all corporate powers, shall be managed by its Board of Directors (hereinafter, “Board of Directors”). Each individual member of the Board of Directors shall be referred to as a “Director”). As used in these bylaws, the term “Board of Directors” or “Board” shall mean the elected directors and the ex officio directors with full voting rights, collectively. The Foundation Board of Directors shall have the power to enter into any and all contracts necessary to carry out the purposes of the Foundation.

2.2 Number of Elected Directors

The initial Board of Directors shall be appointed by the Incorporators. The minimum number of Directors on the Board of Directors shall be five (5), the maximum shall be fifteen (15) except that if an immediate past Chair of the Board of Directors is serving ex officio with voting rights, the number of directors may be as high as sixteen (16). The incorporators will determine the number of initial directors.

Additionally, so as to maintain independence between the Foundation and the District it serves, over three-quarters of Directors are not otherwise employed by the Bells Independent School District or a member of the Bells Independent School District School Board.

The total number of Directors on the Board of Directors may be increased or decreased within the range set forth in this Section upon a vote of the entire Board of Directors. Such vote will become effective immediately upon the Board of Directors’ action.

2.3. Qualifications

Each director must be a natural person who is eighteen years of age or older.

2.4 Election and Term

Each director shall be elected by a simple majority vote of the Board.

The terms of all Directors shall expire at the annual meetings of the Board of Directors, as determined by the staggered terms below. Despite the expiration of a Director’s term, he or she will continue to serve until he or she is reappointed, until a new Director is appointed to fill the directorship, or the Board of Directors votes to reduce the number of Directors and eliminate this Directorship. If a Director does not complete his or her term for any reason, including, but not limited to, death, resignation or removal, the new Director appointed to fill the resulting vacancy will be appointed for the remainder of the term of the prior Director.

The initial Directors of the Foundation shall be appointed to serve staggered terms as follows: approximately one-third (1/3) of the Directors shall serve one (1) year; approximately one-third (1/3) of the Directors shall serve two (2) years; and approximately one-third (1/3) of the Directors shall serve three (3) years.

After an initial Director has completed his or her first term, all subsequent terms, whether held by the initial Director or another taking the place of the Director, shall be for three (3) years.

No elected director may serve as a director for more than three consecutive three-year terms, except that any partial term served by reason of an election to fill a vacancy for an unexpired term, and any terms followed by a period out of office of one year or more, shall not be counted. Also, the past Chair can serve one more year ex-officio even if his or her regular term has expired.

Directors shall assume office as soon as they are declared elected. As required to accommodate resignations and other events, directors may be elected at any regular Board meeting.

2.5 Ex Officio Directors

Each of the persons serving in the following offices or capacities shall automatically be a director of the Foundation with full voting rights, so long as such person continues to serve in such office or capacity:

- Superintendent of Bells ISD or their designate
- Immediate Past Chair of the Board shall be a director of the Foundation for a one (1) year term following their term of service as the Chair of the Board.

2.6 Attendance and Participation

Each director shall attend a minimum of seventy-five percent (75%) of the Board meetings on a per annum basis, either in person or by phone. At the discretion of the Nominating and Governance Committee, application of this rule may be waived due to extenuating circumstances.

2.7 Diversity and Inclusivity

The Foundation recognizes that high performing organizations prioritize diversity and exemplify inclusivity. With diversity of experience, expertise, and perspectives, the Foundation is in a stronger position to plan for the future, manage risk, make prudent decisions and take full advantage of opportunities. We strive for a Board that is diverse not only in gender, race, ethnicity, sexual orientation, disability, religion and age, but also in cultural backgrounds, life experiences, thoughts and ideas.

2.8 Resignation, Removal and Vacancies

A Director may resign at any time by written notice delivered to the Board of Directors or the Chair or Secretary of the Foundation. A resignation will be effective when the notice is delivered unless the notice specifies a future date. The pending vacancy may be filled before the effective date, but the successor shall not take office until the effective date of the resignation.

A director shall be deemed to have resigned a) in the event of such director's incapacity as determined by any legal means, including determination by a court of competent jurisdiction or b) in the event such director fails at any time to comply with the director qualifications in this article and/or c) in the event of such director not performing his or her duties.

Any director may be removed at any time, with or without cause, by the affirmative vote of two-thirds (2/3) majority of the other directors then in office.

Any vacancy of an elected director may be filled by the affirmative vote of a majority of the remaining directors. A vacant office that was held by an ex officio director shall remain vacant unless and until a successor satisfies the criteria for designation to such office. A director elected to fill a vacancy shall hold the office until the board meeting immediately preceding the annual board meeting in which they will be eligible to be elected for their first term

2.9 Annual and Regular Meetings

Officers and new directors shall be elected at the board meeting immediately preceding the annual board meeting. The annual meeting of the Board of Directors shall be held at such time and place as may be fixed by the Board of Directors. The annual meeting shall be held for the purpose of setting the direction, goals and committees for the upcoming year, and for the transaction of such other business as may come before the meeting.

Regular meetings of the Board shall be held not less frequently than bi-annually at the times and places designated by the Board.

2.10 Special Meetings

Special meetings of the Board of Directors may be called, subject to the provisions of these bylaws concerning notice, by the Chair of the Board of Directors or by a majority vote of the Board. The Chair of the Board of Directors may fix any place and time for holding any special meeting of the Board of Directors.

2.11 Action without a meeting

Except when required otherwise by these Bylaws, any action required to be taken at a meeting of the Board of Directors, or any other action which may be taken at a meeting of the Board of Directors or a committee thereof, may be taken without a meeting if a consent in writing, including electronic signatures, setting forth the action so taken, shall be signed by not less than

the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all Directors entitled to vote thereon were present and voting.

2.12 Notice of Meetings

Written notice of all meetings stating the place, day and hour of the meeting, and in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered to each Director not less than five (5) days prior to the date of the meeting. In the case of a removal of one or more Directors, a merger, consolidation, dissolution, or sale, lease or exchange of assets, written notice shall be delivered to each Director not less than twenty (20) before the date of the meeting. The notice shall either be delivered personally, mailed or transmitted by facsimile or other electronic means to each Director at his or her address as it appears on the records of the Foundation. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed with postage thereon prepaid. Any Director may waive, in writing, notice of any meeting. The attendance of a Director at any meeting shall also constitute a waiver of notice of such meeting, 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. Neither the business to be transacted nor the purpose of any regular meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

2.13 Participation in Meetings

Directors may participate in and act at any meeting of the Board of Directors or a Committee through the use of a conference telephone or other communications equipment by means of which all persons participating in the meeting can communicate with each other. Participation in such manner shall constitute attendance and presence in person at such meeting of the person or persons so participating. Directors may not act by written proxy on any matter.

2.14 Quorum

Forty percent (40%) of the Board of Directors then in office shall constitute a quorum for the transaction of business at such meeting, and the vote of the majority of the directors of the Board present at a meeting at which a quorum is present shall be the acts of the Board, unless otherwise required by the Act, the articles of incorporation or these bylaws.

If, at any meeting of the directors of the Board, there shall be less than a quorum present, the majority of those present may adjourn the meeting from time to time without further notice other than an announcement at the meeting, until a quorum shall be present. In all circumstances, if a quorum is not present, those at the Board meeting may not conduct official business requiring motions. They may, however, provide committee updates and share information.

2.15 Manner of Acting

The act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors unless the act of a greater number is required by the Articles of Incorporation or these Bylaws.

2.16 Conflict of Interest

(a) **Definition.** A conflict of interest arises when any "responsible person" or any "party related to a responsible person" has an "interest adverse to the Foundation." A "responsible person" is any individual in a position to exercise substantial influence over the affairs of the Foundation, and specifically includes, without limitation, directors and officers of the Foundation. A "party related to a responsible person" includes his or her extended family (including spouse, ancestors, descendants and siblings, and their respective spouses and descendants), an estate or trust in which the responsible person or any member of his or her extended family has a beneficial interest or a fiduciary responsibility, or an entity in which the responsible person or any member of his or her extended family is a director, trustee or officer or has a financial interest. "An interest adverse to the Foundation" includes any interest in any contract, transaction or other financial relationship with the Foundation, and any interest in an entity whose best interests may be impaired by the best interests of the Foundation including, without limitation, an entity providing any goods or services to or receiving any goods or services from the Foundation, an entity in which the Foundation has any business or financial interest, and an entity providing goods or services or performing activities similar to the goods or services or activities of the Foundation.

(b) **Disclosure.** If a responsible person is aware that the Foundation is about to enter into any transaction or make any decision involving a conflict of interest, (a "conflicting interest transaction"), such person shall: (i) immediately inform those charged with approving the conflicting interest transaction on behalf of the Foundation of the interest or position of such person or any party related to such person; (ii) aid the persons charged with making the decision by disclosing any material facts within the responsible person's knowledge that bear on the advisability of the Foundation entering into the conflicting interest transaction; and (iii) not be entitled to be present at the Board discussion on or to vote on the decision to enter into such transaction.

(c) **Approval of Conflicting Interest Transactions.** The Foundation may enter into a conflicting interest transaction provided either:

(i) The material facts as to the responsible person's relationship or interest and as to the conflicting interest transaction are disclosed or are known to the Board or to a committee of the Board that authorizes, approves or ratifies the conflicting interest transaction, and the Board or committee in good faith authorizes, approves or ratifies the conflicting interest transaction by the affirmative vote of a majority of the disinterested directors on the Board or committee, even though the disinterested directors are less than a quorum; or

(ii) The conflicting interest transaction is fair as to the Foundation.

2.17 Committees

The Board of Directors may, by resolution, create committees as needed. The minimum number of committee members is three (3) individuals. The board chair shall appoint the chair of each committee with the approval of the Board.

Individuals who are not Foundation Directors may serve on committees. At least two (2) Foundation Directors must serve on each committee.

There will be two standing committees:

- Nominating and Governance Committee—nominate officers and directors, recommend any bylaw changes and/or policies, and ensure that sound governance is practiced by the Foundation. This committee shall consist of an odd number of members no less than three (3) or more than seven (7), a majority of whom shall be directors. They shall be chosen for a term of one (1) year. No one shall serve more than two (2) consecutive terms on the committee, but reappointment is permissible after an absence of one (1) year. No person shall serve more than two (2) consecutive terms as chair of the Nominating Committee.
- Resource Development Committee—develop fundraising plan, recruit corporate sponsors and individual donors, and oversee fundraising events.

2.18 Compensation

The Board of Directors of the Foundation will not be compensated for service to the Foundation as Directors, officers, or otherwise. Directors, however, may be reimbursed for expenditures incurred related to Foundation business, as approved by the Board of Directors. Such reimbursements and substantiation of expenditures shall conform to applicable state and federal law.

2.19 Governing Members

The Foundation does not have members.

2.20 Management

The Board of Directors may employ staff as it deems necessary, and shall fix the salary, responsibilities and other considerations of employment.

ARTICLE III

OFFICERS

3.1 Officers

All Officers of the Foundation shall be Directors. The Officers of the Foundation shall include a Chair, a Vice Chair, a Treasurer, a Secretary, and any such other Officers as may be appointed by the Board of Directors. Any two or more offices may be held by the same person except the offices of Chair and Secretary. No person may hold the same office for more than four (4) consecutive one-year terms.

3.2 Election and Term

The Officers of the Foundation shall be elected by the Board of Directors at the meeting preceding each annual meeting of the Board of Directors. If the election of Officers shall not be held at such meeting, such election shall be held as soon thereafter as convenient. Each elected officer shall hold office from the end of the meeting at which such officer is elected until the end of their one year term and thereafter until such officer's successor shall have been duly elected or appointed and shall have qualified, or until such elected officer's earlier death, resignation or removal.

3.3 Removal

Any Officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors, with or without cause. Election or appointment of an officer or agent shall not of itself create any contract rights. Removal of an Officer shall require an affirmative vote of a majority of the Directors then in office present and voting at a meeting of the Board of Directors at which a quorum is present.

3.4 Vacancies

Vacancies may be filled or new offices filled at any meeting of the Board of Directors. A vacancy in any office because of death, resignation, removal or otherwise, may be filled by the Board of Directors for the unexpired portion of the term. If a resignation is made effective at a later date, the Board may permit the officer to remain in office until the effective date and may fill the pending vacancy before the effective date with the provision that the successor does not take office until the effective date, or the Board may remove the officer at any time before the effective date and may fill the resulting vacancy.

3.5 Chair

The Chair, or in his/her absence, the Vice Chair, shall preside at all meetings of Directors and shall be the chief elected executive Officer of the Foundation, and in general supervise and control all business and affairs of the Foundation, perform all duties incident to the office of Chair and such other duties as may be prescribed by the Board of Directors from time to time. He/she shall be ex-officio member of all standing committees.

3.6 Vice Chair

The Vice Chair shall assist the Chair and shall perform such duties as may be assigned by the Chair and/or the Board. The Vice Chair shall, at the request of the Chair, or in the Chair's absence or inability or refusal to act, perform the duties of the Chair and when so acting shall have all the powers of and be subject to all the restrictions on the Chair. The Vice Chair participates closely with the Chair and Board to guide the organization's strategy and to develop and implement officer transition plans.

3.7 Treasurer

The Treasurer shall: (a) have charge and custody of and be responsible for all funds and securities of the Foundation; receive and give receipts for money due and payable to the Foundation from any sources whatsoever and deposit all such moneys in the name of the Foundation in such banks, trust companies or other depositories as shall be selected by the Board of Directors; (b) furnish each Director with a copy of the annual report of the finances of the Foundation; (c) sign checks and approve expenditures; (d) ensure all tax forms are prepared accurately and filed in a timely manner; and (e) in general perform all duties incident to the office of Treasurer and such other duties as from time-to-time may be assigned to him/her by the Board of Directors. If the Treasurer is unavailable to sign checks or approve expenditures, another individual authorized by the Board may perform these tasks.

3.8 Secretary

The Secretary shall: (a) keep the minutes of the meetings of the Board of Directors; (b) see that all notices are given in accordance with the provisions of these Bylaws and as required by law; (c) be custodian of the corporate records; (d) certify the Bylaws, resolutions of the Board of Directors and any committees thereof and other documents of the Foundation as true and correct copies thereof; and (e) in general perform all duties incident to the office of Secretary and such other duties as may from time-to-time be assigned to him or her by the Board of Directors.

ARTICLE IV

RECORDS OF THE FOUNDATION

4.1 **Minutes**

The Foundation shall keep as permanent records minutes of all meetings of the Board, a record of all actions taken by the Board without a meeting, a record of all actions taken by a committee of the Board in place of the Board on behalf of the Foundation, and a record of all waivers of notices of meetings of the Board.

4.2 **Accounting Records**

The Foundation shall maintain appropriate accounting records.

4.3 **Records in Written Form**

The Foundation shall maintain its records in written form or in another form capable of conversion into written form within a reasonable time.

4.4 **Records Maintained**

The Foundation shall keep a copy of each of the following records at its principal office:

- (a) The articles of incorporation;
- (b) These bylaws;
- (c) A list of the names and business or home addresses of the current directors and officers;
- (d) A copy of the most recent corporate report delivered to the Texas Secretary of State;
- (e) All financial statements prepared for periods ending during the last three years;
- (f) All other documents or records required to be maintained by the Foundation at its principal office under applicable law or regulation.

Article V

FINANCES

5.1 Contracts

The Board of Directors may authorize any Officer or Officers, agent or agents, to enter into any contracts or execute and deliver any instrument in the name of and on behalf of the Foundation, and such authority may be general or confined to specific instances.

5.2 Loans and Property Transactions

The Foundation shall have the power to contract for loans, and to purchase, sell, rent or lease real or personal property.

5.3 Checks

All checks, drafts or orders for payment of money, notes or other evidences of indebtedness issued in the name of the Foundation shall be signed by the Treasurer or by such Officer or agent of the Foundation and in such manner as shall from time-to-time be determined by the Board of Directors. All expenditures over \$1000 require the approval of the Chair as well as the Treasurer.

5.4 Deposits

All funds of the Foundation shall be deposited from time-to-time to the credit of the Foundation in such banks, trust companies, investment companies or other depositories as the Board of Directors may select.

5.5 Fiscal Year

The fiscal year of the Foundation shall be from January 1st to December 31st.

5.6 Annual Budget

As soon as practicable after election of a new Board of Directors and officers at the annual meeting, the Board of Directors shall adopt the budget for the coming year.

5.7 Annual Audit

The accounts of the Foundation shall be audited annually as of the close of the Fiscal Year by either an internal audit committee or a certified accountant to be decided by the Board of Directors. Once the balance of Fiscal Year funds exceeds \$200,000, an external auditor decided by the Board of Directors shall conduct an audit.

ARTICLE VI

DISSOLUTION

The Foundation may be dissolved upon approval of two-thirds (2/3) of the entire Board of Directors. Upon dissolution of the corporation, the Board of Trustees, after paying or making provisions for the payment of all liabilities of the corporation, will dispose of all assets of the corporation exclusively for the purposes of the corporation in such a manner, or to such an organization or organizations organized and operated exclusively for charitable, educational, religious or scientific purposes as shall at the time qualify as an exempt organization or organizations under section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Law), as the Board of Trustees shall determine.

ARTICLE VII

ELECTRONIC COMMUNICATION

Whenever any action under the provisions of these Bylaws is required to be “written” or “in writing” or whenever these Bylaws require “written consent” or “written approval” from any Director or committee member, the term “written” shall include communication transmitted or received by electronic means. [This section does not apply when a signature is required.]

ARTICLE VIII

Fiduciary Matters

8.1 Indemnification

The Foundation shall indemnify each director, officer, employee and volunteer of the Foundation to the fullest extent permissible under the laws of the State of Texas, and may in its discretion purchase insurance insuring its obligations hereunder or otherwise protecting the persons intended to be protected by section. The Foundation shall have the right, but shall not be obligated, to indemnify any agent of the Foundation not otherwise covered by this section to the fullest extent permissible under the laws of the State of Texas. Proof of director and officer insurance shall be reviewed at each annual meeting.

8.2 Savings Clause; Limitation

If any provision of the Act or these bylaws dealing with indemnification shall be invalidated by any court on any ground, then the Foundation shall nevertheless indemnify each party otherwise entitled to indemnification hereunder to the fullest extent permitted by law or any applicable provision of the Act or these bylaws that shall not have been invalidated.

8.3 General Standards of Conduct for Directors and Officers

- (a) Discharge of Duties. Each director shall discharge the director's duties as a director, including the director's duties as a member of a committee of the Board, and each officer with discretionary authority shall discharge the officer's duties under that authority (i) in good faith; (ii) with the care an ordinarily prudent person in a like position would exercise under similar circumstances; and (iii) in a manner the director or officer reasonably believes to be in the best interests of the Foundation.

- (b) Reliance on Information, Reports, Etc. In discharging duties, a director or officer is entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, if prepared or presented by: (i) one or more officers or employees of the Foundation whom the director or officer reasonably believes to be reliable and competent in the matters presented; (ii) legal counsel, a public accountant or another person as to matters the director or officer reasonably believes are within such person's professional or expert competence; or (iii) in the case of a director, a committee of the Board of which the director is not a member if the director reasonably believes the committee merits confidence. A director or officer is not acting in good faith if the director or officer has knowledge concerning the matter in question that makes reliance otherwise permitted by this Section 2(b) unwarranted.

- (c) Liability to Foundation. A director or officer shall not be liable as such to the Foundation for any action taken or omitted to be taken as a director or officer, as the case may be, if, in connection with such action or omission, the director or officer performed the duties of the position in compliance with this Section.

- (d) Director Not Deemed to Be a "Trustee." A director, regardless of title, shall not be deemed to be a "trustee" within the meaning given that term by trust law with respect to the Foundation or with respect to any property held or administered by the Foundation including, without limitation, property that may be subject to restrictions imposed by the donor or transferor of such property.

ARTICLE IX

AMENDMENTS

These Bylaws may be altered, amended or repealed by the affirmative vote of a majority of the Board of Directors then in office, when taken at a meeting at which a quorum is present, of which written notice setting forth the proposed alteration, amendment or repeal shall be given to each Foundation Director twenty (20) days ahead.

ADOPTION OF BYLAWS

ADOPTED AND APPROVED by the Board of Directors on this sixth day of January, 2020.