MEMORANDUM OF UNDERSTANDING

Between the

Conroe Independent School District

and the

Conroe ISD Education Foundation, Inc.

This Memorandum of Understanding ("MOU") is between the Conroe Independent School District ("Conroe ISD" or the "District"), and the Board of Directors ("Foundation Board") of the Conroe ISD Education Foundation, Inc. (the "Foundation").

WHEREAS, Conroe ISD is a political subdivision of the State of Texas and an independent public school system located in Montgomery County, Texas; and

WHEREAS, the Foundation is a Texas nonprofit corporation recognized under section 501(c)(3) of the Internal Revenue Code as exempt from federal income taxes; and

WHEREAS, the Foundation is organized and operated exclusively for charitable purposes to support Conroe ISD; and

WHEREAS, the Conroe ISD Board of Trustees (the "Board") has authorized the Superintendent to enter into this Memorandum of Understanding on behalf of Conroe ISD, and to administer Conroe ISD's ongoing relationship with the Foundation consistent with the terms below; and

WHEREAS, the parties desire to enter into this MOU to memorialize the nature of the parties' relationship, and mutually acknowledge the respective obligations and rights of the parties in the future, including a governance structure that ensures appropriate Conroe ISD oversight;

THEREFORE, in consideration of the mutual covenants, promises, and conditions contained herein, Conroe ISD, acting through the Superintendent, and the Foundation agree as follows:

A. Conroe ISD's Public Purposes:

The Conroe ISD, recognizes that a strong, well-maintained partnership with the Foundation supports Conroe ISD's educational programs and activities, advances the goals of the Conroe ISD Board of Trustees, serves the best interests of Conroe ISD, and fulfills a public purpose that benefits the District.

Conroe ISD further recognizes the following educational public purposes served by Conroe ISD's support of the Foundation:

1. The partnership maximizes the revenue available to Conroe ISD for educational purposes, including support for staff, students, and educational programs and activities.
2. Conroe ISD has benefited from the Foundation's support and expects to continue receiving such benefits in the future.
3. Sustaining the progress, the Foundation has achieved for Conroe ISD requires the District's continued commitment and support.

4. Community involvement in raising money for Conroe ISD educational programs creates a legitimate community expectation that the District will support the Foundation.

5. Locating the Foundation's office on Conroe ISD premises facilitates community support.

6. Fundraising efforts by the Foundation Board, employees, and volunteers relieve Conroe ISD's Superintendent, administrators, teachers, and staff of fundraising responsibilities, allowing them to remain focused on the District's educational mission.

7. The Foundation directs the funds it raises toward the betterment of Conroe ISD's educational programs, staff, and students, and the tangible and intangible benefits the Foundation returns to the District will exceed the financial support Conroe ISD provides to it.

B. Term and Termination:

This Memorandum of Understanding shall be effective as of the last date executed below and, except as otherwise provided herein, shall continue until either party provides written notice to the other of its intention to withdraw. The Conroe ISD Board of Trustees may withdraw from this agreement for any reason or no reason, without liability. Such withdrawal shall be effective 60 business days after receipt of the written notice. (Annual review requirement dropped).

C. Conroe ISD Commitments:

Conroe ISD will provide the following support to the Foundation:

8. District financial staff shall monitor and account for all Conroe ISD assistance provided to the Foundation and maintain records of in-kind or other assistance.

9. Reasonable office space, furnishings, equipment, facilities (the location of which to be determined by the District), and utilities provided without rental or lease charge for the Foundation's Director and Executive Assistant. The District may provide additional office space at its discretion.

10. Access to Conroe ISD meeting facilities for Foundation Board meetings and other activities without charge, subject to relevant provisions of School Board Policy GKD(Local).

11. Conroe ISD will assign District employees to serve as the Director and Executive Assistant for the Foundation, provided the Foundation reimburses the District for the full cost of the time expended by such employees in pursuit of Foundation activities (including, without limitation, costs of salary, benefits, state and federal taxes, statutorily required pension/retirement contributions, and other actual costs of employment) in accordance with paragraph 19 below. The Superintendent or designee shall hire the Director and Executive Assistant.

12. The Superintendent or designee shall have the final decision regarding any employment or disciplinary action taken with respect to the Director or Executive Assistant. Prior to implementing any employment or discipline action, the Superintendent or designee will meet and confer with the Foundation President to inform the Foundation of the final action.

13. Upon execution of this MOU, Conroe ISD commits to working with the Foundation to honor all student scholarships or other awards through the Foundation, so long as the pledges or donations

that fund those scholarships or awards continue to be provided by the donors, as listed on the attached Exhibit "A." If the pledges or donations associated with a scholarship are not provided, neither Conroe ISD nor the Foundation shall be responsible for honoring the scholarship or award, and the scholarship or award may be discontinued.

D. Responsibilities of the Foundations:

14. The Foundation is a nonprofit educational corporation organized in Conroe, Texas, for educational and charitable purposes exclusively to support the District, and must maintain its IRC § 501(c)(3) status at all times under this MOU.

15. The Foundation agrees that, during the term of this MOU, the Foundation will use its best efforts to solicit, collect, invest, and administer funds, which shall be used to enrich the educational programs of the District.

16. The Director will collaborate with District staff to ensure all solicitation and fundraising efforts are coordinated with Conroe ISD programs.

17. The Foundation will recognize Conroe ISD, or other non-profit organization benefiting the District, its employees, volunteers, and/or students, as the sole beneficiaries of its solicitation programs conducted in furtherance of its charitable purposes.

18. The Foundation shall be responsible for employing persons it determines are necessary for the Foundation, other than the Director and Executive Assistant, who are employees of Conroe ISD.

19. The Foundation may reimburse Conroe ISD for up to 100% of the employment costs of the Director and Executive Assistant attributable to Foundation activities. Such reimbursement shall be made quarterly, within 30 days of the date on which the District notifies the Foundation in writing of the quarterly amount expended for the employment of the Director and Executive Assistant.

20. Each fiscal year, the Foundation shall ensure that it contributes amounts at least equal to the support that the District provides to the Foundation. The Foundation, with support from the District, shall prepare an annual analysis of the benefits the Foundation returned to the District in the prior year and provide it to the Board of Trustees and the Superintendent. If such benefits are less than the value of the District's contribution to the Foundation, the Superintendent will terminate the agreement, or the Foundation will reimburse the District.

21. At a minimum of once every five (5) years, the Foundation Board shall submit to the Board of Trustees and Superintendent, no later than August 31 of that year, a written strategic plan that details the Foundation's goals and plans for obtaining those goals, along with any additional information the Superintendent or Board of Trustees may request from time to time. The first strategic plan shall be provided within one year of executing this MOU.

22. The Foundation Board, upon request, shall provide to the Conroe ISD Board of Trustees or Superintendent or designee an IRS Form 990.

23. The Foundation shall provide the Conroe ISD Board of Trustees and the Superintendent with a copy of the Foundation's annual independent financial audit, prepared by a certified public accountant, within a reasonable time following the close of the Foundation's fiscal year.

24. In administering programs involving Conroe ISD student information, the Foundation shall comply with the Family Educational Rights and Privacy Act (FERPA), 20 U.S.C. § 1232g, and its implementing regulations, and shall not disclose personally identifiable student information except as permitted by law.

25. The Foundation shall amend its bylaws as necessary to conform to this MOU, and shall provide the Superintendent with a copy of the amended bylaws upon adoption.

E. Foundation Board Composition and Appointment:

26. The Conroe ISD Superintendent shall establish an application process for new prospective Foundation Board member candidates pursuant to this MOU. At the first meeting of the Foundation Board following execution of this MOU, the Foundation Board then in office shall appoint new Foundation Board members from the candidates recommended by Conroe ISD Superintendent through that application process. The Foundation Board, then in office, shall not appoint any individual to the Foundation Board who has not been recommended by the Conroe ISD Superintendent through this process. Upon selection of new Foundation Board members, under this section, the term of office of each incumbent member of the Foundation Board shall expire, unless that member is appointed by the Conroe ISD Superintendent as part of the application process.

27. The Foundation Board may include, in its own discretion, up to two (2) ex officio members of the Conroe ISD Board of Trustees. Trustees so appointed shall serve on the Foundation Board in an ex officio capacity for the duration of their appointment and shall not vote on Foundation matters. Any member of the Conroe ISD Board of Trustees serving as an ex officio member of the Foundation Board shall avoid conflicts of interest and shall recuse himself or herself from any Foundation Board discussion in which such a conflict of interest exists. The number of Conroe ISD Trustees serving as ex officio members of the Foundation Board is intended to remain below a quorum of the Conroe ISD Board of Trustees. Trustees serving on the Foundation Board shall not use their service on the Foundation Board to deliberate Conroe ISD business among themselves in a manner that would constitute a meeting of the Conroe ISD Board of Trustees under the Texas Open Meetings Act, Texas Government Code Chapter 551.

28. After the initial Foundation Board selection described above in (a), all subsequent candidates for appointment to the Foundation Board shall be selected in accordance with the Foundation's bylaws.

29. Members of the Foundation Board shall serve terms as set forth in the Foundation's bylaws and may be reappointed.

30. A Foundation Board member may be removed, and any vacancy on the Foundation Board may be filled at any time.

F. Insurance and Indemnity:

31. The Foundation will maintain commercial general liability insurance coverage at all times during the pendency of this MOU. Conroe ISD shall be named as an additional insured on any policy of insurance obtained to satisfy the Foundation's obligations hereunder. The Foundation shall provide proof of the required insurance coverage promptly upon obtaining same.

32. The Foundation will maintain professional liability insurance on the Board of Directors in an amount typical for similar charitable boards of directors in the area in which the Foundation is located, but no less than the amount required under Texas Civil Practice and Remedies Code § 84.007(g).

33. The Foundation shall indemnify and hold Conroe ISD and its employees, agents, and the Conroe ISD Board of Trustees harmless for any and all claims, damages, negligence, complaints, causes of action, costs, and expenses, including reasonable attorney's fees, connected with or arising out of any aspect of this Agreement or the Foundation's or its employees' or agents' presence on Conroe ISD premises. This section shall survive the termination of this Agreement. This indemnity specifically includes, without limitation, any claims or complaints arising out of or connected in any way to the District's agreement to hire and employ persons on behalf of or for the benefit of the Foundation.

G. Controls:

Conroe ISD and the Foundation Board agree on the following controls to ensure that a proper public educational purpose is served by this Memorandum of Understanding:

34. Nothing in this Memorandum of Understanding shall be construed to create any employment relationship between Conroe ISD and any Foundation employee other than the Director and Executive Assistant, or otherwise entitle any Foundation employee to participate in any of the District's employee benefit plans or programs.

35. In conducting Foundation business, the Foundation's employees, volunteers, or Board Members have no authority to and may not represent or otherwise hold themselves out as employees or agents of the District and shall not enter into any agreement, contract, or obligation of any kind on behalf of Conroe ISD. Nor will any Foundation employee, Board Member, volunteer, or agent have or exercise the authority to supervise or direct the activities of any District employee.

36. Except as otherwise expressly provided herein, any Conroe ISD personnel who may from time to time provide assistance to the Foundation shall remain employees of Conroe ISD, under the direct supervision and control of the Superintendent or designee. Employees of the District who are working with the Foundation shall not be entitled to receive additional income directly from the Foundation. Any employees of the District who are supporting the work of the Foundation shall also devote their work time to support the District's mission.

37. The duties and responsibilities of the Director shall include fiduciary oversight of the activities of the Foundation.

38. Any Foundation employee, volunteer, agent, or contractor must comply with School Board Policies EMB(Local), CH(Local), CJ(Local), DBAA(Local) and DH(Local), and other Board Policies or District procedures as appropriate, including safety provisions, and all applicable federal, state, and local laws and regulations.

39. The Foundation and its employees, Foundation Board, volunteers, and agents shall abide by all relevant Board Policies and District procedures, including those related to the use of District facilities and equipment (See Board Policy GKD(Local)), the use of electronic communications systems, and any other applicable Board Policies or District procedures. However, the Foundation may purchase and sell alcohol and/or alcoholic-style beverages at or in support of its fundraising events that are held at facilities other than those owned by the District.

40. The Foundation may use the name, logo, and mascot of Conroe ISD in its own name and in materials related to its fundraising and charitable activities, solely to support Conroe ISD, subject to Conroe ISD's trademark and branding procedures. The Foundation shall not use Conroe ISD's name, logo, or mascot in any manner that Conroe ISD, in its discretion, determines is inappropriate for any reason.

41. The Superintendent and the Foundation Board hereby designate the Director of the Foundation as the fiscal agent with the authority to accept grants and funds to the Foundation.

42. The Foundation, without first collaborating with the District, shall not apply for or accept any grant or funds that require Conroe ISD to contribute or expend any funds, agree to take future actions, or hire personnel, unless it first obtains written authorization from the Superintendent or designee.

43. This MOU, and the attached Exhibit "A," contain the complete agreement of the parties with respect to the subject matter contained herein and replace and supersede any prior agreements, oral or in writing. This Agreement may only be amended by written instrument executed by both parties.

H. General Provisions:

44. Notices. Any notice required or permitted under this MOU shall be in writing and delivered by hand, by certified mail return receipt requested, or by email with confirmation of receipt, to the Superintendent (in the case of notice to Conroe ISD) or the President of the Foundation Board (in the case of notice to the Foundation), at the address on file for each party. Notice shall be deemed effective upon receipt.

45. Governing Law and Venue. This MOU shall be governed by and construed in accordance with the laws of the State of Texas. Venue for any dispute arising under this MOU shall lie exclusively in Montgomery County, Texas.

46. Severability. If any provision of this MOU is held to be invalid or unenforceable, that provision shall be enforced to the maximum extent permissible, and the remaining provisions of this MOU shall continue in full force and effect.

47. No Assignment. Neither party may assign this MOU, or any of its rights or obligations hereunder, without the prior written consent of the other party.

48. Non-Appropriation. Nothing in this MOU shall be construed as creating a debt or other financial obligation of Conroe ISD in violation of Article XI, Section 5 of the Texas Constitution or other applicable law. All financial commitments of Conroe ISD under this MOU are subject to the annual budget and appropriation of funds by the Conroe ISD Board of Trustees, and this MOU does not obligate Conroe ISD beyond funds appropriated by the Conroe ISD Board of Trustees in any given fiscal year.

49. Successor Superintendent. References in this MOU to the "Superintendent" mean the Superintendent of Schools of Conroe ISD, or such person's designee, from time to time serving in that capacity, and are not limited to the individual named in the first paragraph of this MOU.

CONROE INDEPENDENT SCHOOL DISTRICT

By: _____

Name: Dr. Vinson, Ed.D.

Title: Superintendent of Schools

Date Signed: 7-23-26

CONROE ISD EDUCATION FOUNDATION, INC.

By: Celeste Grabowski

Name: Celeste Grabowski

Title: President

Date Signed: 8-5-2026

EXHIBIT "A"

Named Scholarships – Final Disbursements and Continuing Scholarships (carried forward from the prior Exhibit A; unchanged by this restated MOU).