

Form **990-EZ**

**Short Form
Return of Organization Exempt From Income Tax**
Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code
(except black lung benefit trust or private foundation)

OMB No 1545-1150

2009

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

▶ Sponsoring organizations of donor advised funds and controlling organizations as defined in section 512(b)(13) must file Form 990. All other organizations with gross receipts less than \$500,000 and total assets less than \$1,250,000 at the end of the year may use this form.
▶ The organization may have to use a copy of this return to satisfy state reporting requirements.

A For the 2009 calendar year, or tax year beginning 07/01/09, and ending 06/30/10

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Termination <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	Please use IRS label or print or type. See Specific Instructions.	C Name of organization HOUSTON FRIENDS OF CHAMBER MUSIC		D Employer identification number 74-6050208
		Number and street (or P O box, if mail is not delivered to street address) Room/suite 2714 SACKETT		E Telephone number 713-522-1031
		City or town, state or country, and ZIP + 4 HOUSTON TX 77098-1124		F Group Exemption Number ▶

• Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

G Accounting method. Cash Accrual
Other (specify) ▶

I Website: ▶ **N/A**

J Tax-exempt status (check only one) — 501(c) (**3**) ◀ (insert no.) 4947(a)(1) or 527

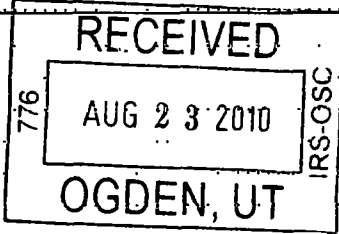
H Check if the organization is not required to attach Schedule B (Form 990, 990-EZ, or 990-PF).

K Check if the organization is not a section 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000. A Form 990-EZ or Form 990 return is not required, but if the organization chooses to file a return, be sure to file a complete return.

L Add lines 5b, 6b, and 7b, to line 9 to determine gross receipts; if \$500,000 or more, file Form 990 instead of Form 990-EZ. ▶ \$ **373,467**

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See the instructions for Part I.)

Revenue	1	Contributions, gifts, grants, and similar amounts received	1	232,505
	2	Program service revenue including government fees and contracts	2	134,783
	3	Membership dues and assessments	3	
	4	Investment income	4	6,179
	5a	Gross amount from sale of assets other than inventory	5a	
	5b	Less: cost or other basis and sales expenses	5b	
	5c	Gain or (loss) from sale of assets other than inventory (Subtract line 5b from line 5a)	5c	
	6	Special events and activities (complete applicable parts of Schedule G). If any amount is from gaming, check here <input type="checkbox"/>		
	6a	Gross revenue (not including \$ _____ of contributions reported on line 1)	6a	
6b	Less: direct expenses other than fundraising expenses	6b		
6c	Net income or (loss) from special events and activities (Subtract line 6b from line 6a)	6c		
7a	Gross sales of inventory, less returns and allowances	7a		
7b	Less: cost of goods sold	7b		
7c	Gross profit or (loss) from sales of inventory (Subtract line 7b from line 7a)	7c		
8	Other revenue (describe ▶ _____)	8		
9	Total revenue. Add lines 1, 2, 3, 4, 5c, 6c, 7c, and 8	9	373,467	
Expenses	10	Grants and similar amounts paid (attach schedule)	10	
	11	Benefits paid to or for members	11	
	12	Salaries, other compensation, and employee benefits	12	61,630
	13	Professional fees and other payments to independent contractors	13	
	14	Occupancy, rent, utilities, and maintenance	14	
	15	Printing, publications, postage, and shipping	15	
	16	Other expenses (describe ▶ See Statement 1)	16	244,059
17	Total expenses. Add lines 10 through 16	17	305,689	
Net Assets	18	Excess or (deficit) for the year (Subtract line 17 from line 9)	18	67,778
	19	Net assets or fund balances at beginning of year (from line 27, column (A)) (must agree with end-of-year figure reported on prior year's return)	19	307,511
	20	Other changes in net assets or fund balances (attach explanation)	20	
	21	Net assets or fund balances at end of year. Combine lines 18 through 20	21	375,289



Part II Balance Sheets. If Total assets on line 25, column (B) are \$1,250,000 or more, file Form 990 instead of Form 990-EZ

(See the instructions for Part II.)

	(A) Beginning of year		(B) End of year	
22 Cash, savings, and investments	307,511	22	375,289	
23 Land and buildings		23		
24 Other assets (describe ▶ _____)		24		
25 Total assets	307,511	25	375,289	
26 Total liabilities (describe ▶ _____)	0	26	0	
27 Net assets or fund balances (line 27 of column (B) must agree with line 21)	307,511	27	375,289	

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

Form **990-EZ** (2009)

SCANNED SEP 16 2010

14

Part V Other Information (Note the statement requirements in the instructions for Part V.)

		Yes	No
33	Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity		X
34	Were any changes made to the organizing or governing documents? If "Yes," attached a conformed copy of the changes	X	
35	If the organization had income from business activities, such as those reported on lines 2, 6a, and 7a (among others), but not reported on Form 990-T, attach a statement explaining why the organization did not report the income on Form 990-T.		
a	Did the organization have unrelated business gross income of \$1,000 or more or was it subject to section 6033(e) notice, reporting, and proxy tax requirements?		X
b	If "Yes," has it filed a tax return on Form 990-T for this year?		
36	Did the organization undergo a liquidation, dissolution, termination, or significant disposition of net assets during the year? If "Yes," complete applicable parts of Schedule N		X
37a	Enter amount of political expenditures, direct or indirect, as described in the instr. ▶ 37a		
b	Did the organization file Form 1120-POL for this year?		X
38a	Did the organization borrow from, or make any loans to, any officer, director, trustee, or key employee or were any such loans made in a prior year and still outstanding at the end of the period covered by this return?		X
b	If "Yes," complete Schedule L, Part II and enter the total amount involved ▶ 38b		
39	Section 501(c)(7) organizations. Enter:		
a	Initiation fees and capital contributions included on line 9 ▶ 39a		
b	Gross receipts, included on line 9, for public use of club facilities ▶ 39b		
40a	Section 501(c)(3) organizations. Enter amount of tax imposed on the organization during the year under: section 4911 ▶ _____ ; section 4912 ▶ _____ ; section 4955 ▶ _____		
b	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year or is it aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I		X
c	Section 501(c)(3) and 501(c)(4) organizations. Enter amount of tax imposed on organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 ▶ _____		
d	Section 501(c)(3) and 501(c)(4) organizations. Enter amount of tax on line 40c reimbursed by the organization ▶ _____		
e	All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction? If "Yes," complete Form 8886-T		X
41	List the states with which a copy of this return is filed. ▶ None		
42a	The organization's books are in care of ▶ NATHANS & NATHANS, PC, CPAS Telephone no. ▶ 713-522-1031 2714 SACKETT Located at ▶ HOUSTON, TX ZIP + 4 ▶ 77098-1124		
b	At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? If "Yes," enter the name of the foreign country: ▶ _____ See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		X
c	At any time during the calendar year, did the organization maintain an office outside of the U.S.? If "Yes," enter the name of the foreign country: ▶ _____		X
43	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-EZ in lieu of Form 1041—Check here ▶ <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the tax year ▶ 43		
44	Did the organization maintain any donor advised funds? If "Yes," Form 990 must be completed instead of Form 990-EZ		X
45	Is any related organization a controlled entity of the organization within the meaning of section 512(b)(13)? If "Yes," Form 990 must be completed instead of Form 990-EZ		X

Part VI Section 501(c)(3) organizations and section 4947(a)(1) nonexempt charitable trusts only. All section 501(c)(3) organizations and section 4947(a)(1) nonexempt charitable trusts must answer questions 46-49b and complete the tables for lines 50 and 51.

	Yes	No
46 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I		<input checked="" type="checkbox"/>
47 Did the organization engage in lobbying activities? If "Yes," complete Schedule C, Part II		<input checked="" type="checkbox"/>
48 Is the organization operating a school as described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E		<input checked="" type="checkbox"/>
49a Did the organization make any transfers to an exempt non-charitable related organization?		<input checked="" type="checkbox"/>
b If "Yes," was the related organization a section 527 organization?		

50 Complete this table for the organization's five highest compensated employees (other than officers, directors, trustees and key employees) who each received more than \$100,000 of compensation from the organization. If there is none, enter "None."

(a) Name and address of each employee paid more than \$100,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
None				

f Total number of other employees paid over \$100,000


51 Complete this table for the organization's five highest compensated independent contractors who each received more than \$100,000 of compensation from the organization. If there is none, enter "None."

(a) Name and address of each independent contractor paid more than \$100,000	(b) Type of service	(c) Compensation
None		


d Total number of other independent contractors each receiving over \$100,000

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature of officer: 
 Date: 8/13/2010
DON RUTLEDGE
 Type or print name and title: **TREASURER**

Paid Preparer's Use Only

Preparer's signature: 
 Date: 07/30/10
 Check if self-employed:
 Preparer's Identifying Number (See instr): **P00605433**
 Firm's name (or yours if self-employed): **Nathans & Nathans, PC, CPAs**
 EIN: **74-1810649**
 address, and ZIP + 4: **2714 Sackett St**
 Phone: **713-522-1031**
Houston, TX 77098-1124
 no: **713-522-1031**

May the IRS discuss this return with the preparer shown above? See instructions Yes No

SCHEDULE A
(Form 990 or 990-EZ)

Public Charity Status and Public Support

OMB No 1545-0047

2009

Open to Public Inspection

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

Department of the Treasury
Internal Revenue Service

Name of the organization

HOUSTON FRIENDS OF CHAMBER MUSIC

Employer identification number

74-6050208

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

- 1 A church, convention of churches, or association of churches described in section 170(b)(1)(A)(i).
- 2 A school described in section 170(b)(1)(A)(ii). (Attach Schedule E.)
- 3 A hospital or a cooperative hospital service organization described in section 170(b)(1)(A)(iii).
- 4 A medical research organization operated in conjunction with a hospital described in section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state:
- 5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in section 170(b)(1)(A)(iv). (Complete Part II.)
- 6 A federal, state, or local government or governmental unit described in section 170(b)(1)(A)(v).
- 7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in section 170(b)(1)(A)(vi). (Complete Part II.)
- 8 A community trust described in section 170(b)(1)(A)(vi). (Complete Part II.)
- 9 An organization that normally receives: (1) more than 33 1/3 % of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3 % of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Complete Part III.)
- 10 An organization organized and operated exclusively to test for public safety. See section 509(a)(4).
- 11 An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See section 509(a)(3). Check the box that describes the type of supporting organization and complete lines 11e through 11h.
 - a Type I
 - b Type II
 - c Type III—Functionally integrated
 - d Type III—Other
- e By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).
- f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box
- g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?
 - (i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?
 - (ii) A family member of a person described in (i) above?
 - (iii) A 35% controlled entity of a person described in (i) or (ii) above?

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

h Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1–9 above or IRC section (see Instructions))	(iv) Is the organization in col (i) listed in your governing document?		(v) Did you notify the organization in col (i) of your support?		(vi) Is the organization in col (i) organized in the U.S.?		(vii) Amount of support
			Yes	No	Yes	No	Yes	No	
Total									

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)
 (Complete only if you checked the box on line 5, 7, or 8 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public support. Subtract line 5 from line 4						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
11 Total support. Add lines 7 through 10						
12 Gross receipts from related activities, etc (see instructions)					12	
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here <input type="checkbox"/>						

Section C. Computation of Public Support Percentage

14 Public support percentage for 2009 (line 6, column (f) divided by line 11, column (f))	14	%
15 Public support percentage from 2008 Schedule A, Part II, line 14	15	%
16a 33 1/3 % support test—2009. If the organization did not check the box on line 13, and line 14 is 33 1/3 % or more, check this box and stop here. The organization qualifies as a publicly supported organization <input type="checkbox"/>		
b 33 1/3 % support test—2008. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3 % or more, check this box and stop here. The organization qualifies as a publicly supported organization <input type="checkbox"/>		
17a 10%-facts-and-circumstances test—2009. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization <input type="checkbox"/>		
b 10%-facts-and-circumstances test—2008. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization <input type="checkbox"/>		
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions <input type="checkbox"/>		

Part III Support Schedule for Organizations Described in Section 509(a)(2)
(Complete only if you checked the box on line 9 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants")	107,683	149,202	172,391	157,152	232,505	818,933
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose	118,369	146,565	149,592	136,689	134,783	685,998
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5	226,052	295,767	321,983	293,841	367,288	1,504,931
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year	113,369	141,565	144,592	131,689	129,783	660,998
c Add lines 7a and 7b	113,369	141,565	144,592	131,689	129,783	660,998
8 Public support (Subtract line 7c from line 6.)						843,933

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
9 Amounts from line 6	226,052	295,767	321,983	293,841	367,288	1,504,931
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	7,211	8,648	7,983	4,172	6,179	34,193
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b	7,211	8,648	7,983	4,172	6,179	34,193
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on					0	
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 Total support. (Add lines 9, 10c, 11, and 12.)	233,263	304,415	329,966	298,013	373,467	1,539,124

14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here

Section C. Computation of Public Support Percentage

15 Public support percentage for 2009 (line 8, column (f) divided by line 13, column (f))	15	54.83%
16 Public support percentage from 2008 Schedule A, Part III, line 15	16	52.42%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2009 (line 10c, column (f) divided by line 13, column (f))	17	2%
18 Investment income percentage from 2008 Schedule A, Part III, line 17	18	2%

19a 33 1/3 % support tests—2009. If the organization did not check the box on line 14, and line 15 is more than 33 1/3 %, and line 17 is not more than 33 1/3 %, check this box and stop here. The organization qualifies as a publicly supported organization

b 33 1/3 % support tests—2008. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3 %, and line 18 is not more than 33 1/3 %, check this box and stop here. The organization qualifies as a publicly supported organization

20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions

74-6050208

Federal Statements

FYE: 6/30/2010

Statement 1 - Form 990-EZ, Part I, Line 16 - Other Expenses

<u>Description</u>	<u>Amount</u>
Expenses	\$
ADMINISTRATIVE EXPENSES	11,683
CONCERT COSTS	137,155
FUND RAISING	14,352
MASTER CLASSES	2,768
PUBLICITY EXPENSES	73,263
CREDIT CARD/BANK FEES	4,838
Total	\$ <u>244,059</u>

Federal Statements

Statement 2 - Form 990-EZ, Part III, Line 31 - Statement of Program Service Accomplishments

Description

PROGRAM CONSISTS OF A NINE CONCERT SUBSCRIPTION SERIES OF
CHAMBER MUSIC

74-6050208

Federal Statements

FYE: 6/30/2010

Schedule A, Part III, Line 7b - Excess Gross Receipts

<u>Donor Name</u>	<u>Total</u>	<u>Excess</u>
	\$	\$
2009	134,783	129,783
2008	136,689	131,689
2007	149,592	144,592
2006	146,565	141,565
2005	118,369	113,369
Total	\$ <u>685,998</u>	\$ <u>660,998</u>

Houston Friends of Chamber Music

Officers & Directors, 1 July 2009 to 30 June 2010

Officers:

Dr. Ann Fairbanks, President
Dr. Daniel Musher, VP Programming
Peter Kadetsky, VP Marketing
Dr. Nora Klein, VP Concert Arrangements
Dr. Anita Werch, VP Operations
Kirk Weinert, VP Development
Elizabeth Duerr, Secretary
Milton D. Rosenau, Jr., Treasurer (resigned effective 30 June 2010)
Curtis W. Robinson, Immediate Past President

Board Members:

Dr. Francisco Aviles-Roig
Jeanne Bauer (elected October 2009)
Margaret Bragg
Philip Cowdin
Dr. Clifford Dasco
David Fox (resigned effective 9 June 2010)
Cantor Robert Gerber
Barbara Kauffman
Dr. Tomas Klima
Dr. James Krause
Tom Littman (ex officio)
Dr. Jack Mazow
Bobbie Newman
Don Rutledge (elected October 2009)
Marc Sofia
Deirdre Spann (elected October 2009)
Marsha Tsuchida
Pieter Louis Vranken
Steve Waas

ADOPTED November 3, 2009

**HOUSTON FRIENDS OF CHAMBER MUSIC, INC.
BY-LAWS**

ARTICLE I

NAME

The name of this organization shall be the Houston Friends of Chamber Music, Inc. (HFCM)

ARTICLE II

STATUS

The Houston Friends of Chamber Music, Inc. shall be a non-profit corporation.

ARTICLE III

DURATION

The Houston Friends of Chamber Music, Inc.'s duration shall be perpetual.

ARTICLE IV

PURPOSES

The Houston Friends of Chamber Music, Inc. is a non-profit organization whose primary purposes shall be to present chamber music by ensembles of national and international renown for the enjoyment of the chamber-music loving public, at an affordable cost, and to foster the appreciation of chamber music.

ARTICLE V

POWERS AND RESTRICTIONS

I. Powers

The Houston Friends of Chamber Music, Inc. shall have in its powers its stated purposes and all powers implicit in its stated purposes as are granted by law to non-profit corporations in the State of Texas that are exempt from federal income tax by virtue of being an organization described in section 501 (c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), and, without limiting the generality of the foregoing, to take and hold, by bequest, devise, gift, purchase, lease or any other means, any property, real, personal, tangible, or intangible, without limitation as to amount or value; to sell, convey, or dispose of any such property; to invest and re-invest the principle thereof; and to deal with and expend any such property or the income therefrom for any of the aforementioned purposes, without limitation, except such limitations, if any, as may be contained in the instrument under which such property is received, the Articles of Incorporation or the By-Laws of the HFCM or any law applicable thereto.

II. Restrictions

No part of the net earnings of the HFCM shall inure to the benefit of, or be distributed to, any of the HFCM officers or board members or any other private person; except that the HFCM shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the HFCM's purposes as set forth in Article IV. No

substantial part of the activities of the HFCM shall be the carrying on of propaganda or otherwise attempting to influence legislation, and the HFCM shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office.

Notwithstanding any other provisions of the Articles of Incorporation or the By-Laws of the HFCM, the organization shall not conduct or carry on any activities not permitted to be conducted or carried on by an organization exempt from taxation by virtue of being an organization described in section 501 (c)(3) of the Code and its regulations as they now exist or as they may hereafter be amended, or by an organization contributions to which are deductible under section 170 (c)(2) of the Code and Treasury Regulations promulgated thereunder as they now exist or as they may hereafter be amended.

III. Dissolution

The dissolution of HFCM will require votes of seventy-five (75%) of the Board Membership present at two consecutive meetings. Upon dissolution or other termination of the HFCM, no part of the property of the HFCM or any of the proceeds thereof, shall be distributed to or inure to, the benefit of, any of the Directors of the HFCM, but all such property and proceeds shall, subject to the discharge of valid obligations of the HFCM and to applicable provisions of law, be distributed as directed by the Board of Directors of the HFCM to other organizations, foundations, or corporations in the Houston area (preferably organizations involved in presenting chamber music) established for those purposes set forth in section 501 (c)(3) of the Code and, at the time of such distribution, being qualified as an organization exempt from taxation under section 501 (c)(3) of the Code.

ARTICLE VI

MEMBERSHIP OF THE BOARD

I. Members of the Board

A. The affairs of the organization shall be conducted by a Board of Directors, which shall consist of the following:

1. Elected officers, plus
2. Elected members

The total number of Board members of the HFCM shall not be fewer than 15 or more than 30. Those members granted emeritus status pursuant to Article VI: Section IV[A] or ex-officio status pursuant to Article VI: Section I[C] shall not be counted in calculating the number of Board members.

B. All members of the Board will be full voting members, except those members granted emeritus or ex-officio status.

C. The Dean and the Concert Manager of the Shepherd School of Music at Rice University shall be ex-officio members of the Board for so long as the Shepherd School of Music remains a co-sponsor of HFCM's concert series.

II. Expiration of Board Members Terms

A. Elected members of the Board of HFCM shall serve terms of two (2) years or until such time as a member fails to maintain qualifications as set by Article VI: Section III. The regular election of Board members shall take place during the months of May or June of each year at a regularly scheduled meeting of the Board. A majority of the Board members shall be necessary for the election of officers, which may be done either by open or secret ballot pursuant to Article VIII: Section IV.

B. New Board members may be elected by a majority of Board members present at any meeting. Board members elected to their first term on the Board shall serve an initial term of one (1) year and thereafter until the regular election of Board members, at which time they will be elected to the odd or even class, as the Board shall decide.

- C. A Board member may be removed from the Board by votes of seventy-five percent (75%) of the Board members present at two (2) consecutive meetings. Any Board member may resign at any time by filing written notification of same with the Secretary of HFCM.

III. Qualifications for Board Membership

- A. Elected members of the Board must subscribe to the HFCM full season.
- B. Elected Board members must attend at least two-thirds (2/3) of the regularly scheduled Board meetings and may not be absent for three (3) consecutive regularly scheduled meetings of the Board. The Board may grant any elected Board member a temporary exemption of not more than one (1) year from this attendance requirement. Additional absences for good cause may be excused at the discretion of the President.
- C. Elected Board members of HFCM are required to make at least one financial contribution to HFCM during each calendar year in addition to their ticket subscription(s).
- D. Elected members of the Board are required to participate actively as needed in support of HFCM activities and operations. Examples of such work include but are not limited to fund raising, marketing, accounting, special events, concert assistance, and ticket sales.

IV. Other Categories

- A. Persons who have served one (1) or more full terms as President of the HFCM or who have served as active Board members for ten (10) years shall have the option of serving as emeritus status Board members. This status will be granted by the President upon request of a qualified individual. Emeritus Board members shall not be entitled to vote at Board meetings, but

shall be entitled to all other rights and privileges of Board membership. Those choosing to serve in an emeritus status position shall be exempted from all requirements of elected Board membership except the requirements for subscribing to a concert series.

- B. An Advisory Board shall be established to acknowledge those individuals whose interest and support enhance HFCM. Members will be recommended and elected by Board members. Advisory Board members do not vote at Board meetings, but shall be entitled to all other rights and privileges of Board membership. Those elected to advisory status shall be exempted from all requirements of elected Board membership.

V. Compensation

The Board members shall not receive compensation for their services as such but the Board may authorize reimbursement for expenses incurred by members in connection with the performance of their duties.

ARTICLE VII

OFFICERS

I. Officers

The elected officers of the HFCM shall be the President, Vice-President (Programming), Vice-President (Concert Programs), Vice-President (Marketing), Vice-President (Development), Vice President (Hospitality), Secretary, Treasurer, and Immediate Past President. No person may hold more than one of the aforesaid offices concurrently.

II. Election of Officers

The Board of Directors shall elect all officers in May or June of odd numbered years. They shall serve for a term of two (2) years beginning on the July 1st immediately following their election. The President shall serve no more than three (3) consecutive terms. Nominations shall be made by a committee appointed by the Immediate Past President and shall consist of two additional Board members. Additional nominations may be made from the floor. A majority of the Board members shall be necessary for the election of officers, which may be done either by open or secret ballot pursuant to Article VIII: Section IV.

III. Officer Vacancies

It shall be the obligation of all officers to keep the President informed of their activities and problems as they affect each office. Should any officer be unable or unwilling to perform his or her duties, he or she shall notify the President so that additional committee members may be appointed, or if necessary, a new officer can be elected. The Board may remove any officer from his or her position by majority votes of the Board as stated in Article VIII: Section IV who are present at two (2) consecutive meetings. Meetings to remove an officer must be held at least fourteen (14) days apart. Any officer elected to fill a vacancy caused by resignation or removal of an officer shall be elected for the time remaining in the unexpired term, after which he or she may be reelected at the next election meeting.

IV. President

A. The President shall oversee operations of the organization including, but not limited to functions performed by paid staff. The President shall preside at all meetings of the Board of Directors and shall be the official spokesperson for the HFCM. The President shall appoint committees, coordinate the activities of all officers and committee chairs, call meetings as needed, and perform such duties as are customary for a presiding officer. The President is authorized to sign on bank accounts. The President may authorize expenditures without a

vote of the Board in an amount to be determined from time to time by Board resolution.

- B. The President shall vote in the case of a tie, or may vote to make a tie if he or she desires a motion to fail.
- C. The President shall oversee and assure HFCM's compliance with all on-going obligations of HFCM, for example, but not limited to, any on-going compliance requirements related to any policies such as conflict of interest, ethics, and document retention policies.

V. Vice-President (Programming)

- A. The Vice-President (Programming) shall assist the President in performing his or her duties and shall preside in the President's absence. In the event the office of President becomes vacant, the Vice-President (Programming) shall serve as President until a new President is elected to fill the unexpired term.
- B. The Vice-President (Programming) shall handle arrangements with artists' managers and artists to perform. In this regard, the Vice-President (Programming) shall communicate with the necessary individuals in the preliminary selection of artists for each season. The final selection of artists and selections to be performed shall be made by the Board of Directors, which may delegate the making of selections to the Vice-President (Programming). The Vice-President (Programming) shall sign the necessary artists' contracts and documents on behalf of the Board, permanently file them, and carry on all pertinent correspondence with respect to those contracts.

VI. Vice-President (Concert Programs)

The Vice-President (Concert Programs) shall be responsible for all aspects of the concert programs, including program notes.

VII. Vice-President (Marketing)

The Vice-President (Marketing) shall be responsible for all activities dealing with the effort to persuade people to attend concerts. Areas of responsibility for the Vice-President (Marketing) include but are not limited to advertising, public relations, community relations and special promotions.

VIII. Vice-President (Development)

The Vice-President (Development) shall be responsible for all fund raising activities other than ticket sales and program advertisements, including, but not limited to, grant applications and donation campaigns.

IX. Vice-President (Hospitality)

The Vice-President (Hospitality) shall oversee arrangements for all refreshments and dinners for artists, scheduling of meetings, coordinating receptions and organizing social events.

X. Secretary

A. The Secretary shall record the minutes of all meetings of the Board of Directors and keep a permanent record of those in attendance. The Secretary shall distribute the meeting minutes to the members of the Board prior to the following meeting.

B. The Secretary shall give due notice to the Board members as to time and place of each meeting.

XI. Treasurer

The Treasurer shall administer the financial affairs of the organization. The duties of the Treasurer shall include, but not be limited to: handling of funds received, maintenance of bank accounts, paying appropriate expenditures, being responsible for filing of necessary tax returns, providing the Board of Directors with written financial reports at least quarterly, and assisting the Vice-President (Development) with grant applications. The Treasurer is authorized to sign on bank accounts. The Treasurer may authorize expenditures without a vote of the Board up to an amount to be determined from time to time by Board resolution.

XII. Immediate Past President

The Immediate Past President shall serve as the Chair of the Nominating Committee for the election of officers as provided in Article VII: Section II. If the Immediate Past President is not available to serve, the President shall appoint a chair.

ARTICLE VIII

MEETINGS

I. Meetings

The President shall call for regular Board meetings at least five (5) times per year. Extra meetings may be called at the discretion of the President or by written petition signed by a majority of the elected Board members.

II. Open Meeting

There shall be one (1) scheduled annual meeting of the Board of Directors to which all subscribers [full season and create-your-own] are invited for the purpose of fostering communication with the membership.

III. Quorum

A quorum of the Board of Directors shall be constituted by fifty percent (50%) of the elected Board members.

IV. Voting

- A. A majority of the elected Board of Directors shall be necessary to vote on matters pertaining to financial problems of such magnitude as to affect the solvency of the organization. A majority vote shall also be required for the adoption of the annual budget, election of officers, amendment of By-Laws, and policies. One-month notice must be provided prior to the said vote. Each elected Board member will have one vote.
- B. A simple majority of the quorum present will be required for all business of the HFCM Board of Directors unless designated in Article V: Section II, Article VI: Section II, Article VIII: Section IV [A], Article XII, or Article XIII: Section II.
- C. Proxy voting shall not be permitted.

ARTICLE IX

COMMITTEES

I. Standing Committees

The following standing committees shall be established:
Programming, Concert Programs, Marketing, Development, and

Hospitality. The officers named in Article VII: Sections V – IX, shall head the five (5) committees, and the committee members shall be appointed by each respective Vice-President of the organization.

- II. The President as necessary may appoint special committees.

ARTICLE X

DIRECTOR LIABILITY

No director shall be liable to the organization for monetary damages for an act of omission in the director's capacity as a director of the organization, except and only for the following:

- A. A breach of the director's duty of loyalty to the organization.
- B. An act or omission not in good faith by the director or an act or omission that involves intentional misconduct or knowing violation of the law by the director.
- C. A transaction from which the director gained any improper benefit whether or not such benefit resulted from an action taken within the scope of the director's office.
- D. An act or omission by the director for which liability is expressly provided for by the statute.

In addition to these express circumstances as set forth in the preceding sentences in which a director shall not be liable, a director shall not be liable to the organization to the fullest extent allowed by the laws of the State of Texas, including, but not limited to, any that may further limit the liability of a director.

ARTICLE XI

DIRECTOR INDEMNIFICATION

Each present and former director and officer of the organization shall be indemnified and may be advanced reasonable expenses by the organization against liabilities imposed upon him or her and expenses reasonably incurred by him or her in connection with any claim against him or her, or any action, suit, or proceeding to which he or she may be a party by reason of his or her being, or having been, such director or officer, and against such sum as independent counsel selected by the directors shall deem reasonable payment made in settlement of any such claim, action, suit, or proceeding primarily with the view of avoiding expenses of litigation; provided, however, that no present or former director or officer of the organization shall be indemnified (a) with respect to matters as to which he or she shall be adjudged in such action, suit or proceeding to be liable for negligence or misconduct in performance of duty, (b) with respect to any matters which shall be settled by the payment of sums which independent counsel selected by the directors shall not deem reasonable payment made primarily with a view to avoiding expenses of litigation, or (c) with respect to matters for which such indemnification would be against public policy.

Such rights of indemnification shall be in addition to any other rights to which present or former directors or officers may be entitled, under HFCM By-Laws, agreement, resolution, vote of the Board of Directors, insurance policy, or otherwise, and shall be interpreted to include and incorporate, but not be limited by, all applicable provisions of Article 1396-2.22A of the Texas Non-Profit Corporation Act.

The organization shall have the power to purchase or maintain at its cost and expense insurance on behalf of such persons to the fullest extent permitted by this Article and applicable state law.

ARTICLE XII

AMENDMENTS OF THE BY-LAWS

The Board of Directors may amend any of the By-Laws by a majority vote of the Board members provided such amendments shall have been submitted in writing and distributed to the Board at least one (1) month prior to the scheduled meeting which will include the discussion and vote on the amendment(s) as required in Article VIII: Section IV.

ARTICLE XIII

MISCELLANEOUS

I. Means of Delivery of Written Communication

All written communication required herein may be delivered by any means reasonably sufficient to ensure delivery to the intended recipient(s), including, but not limited to, by hand, by electronic means such as email, by U.S. mail such as by First Class mail, by courier such as by Federal Express, or by any other means reasonably sufficient to ensure delivery to the intended recipient.

II. Policies

Any committee as provided for in Article IX, including special committees, may recommend to the Board that the Board adopt or modify specific written policies, including, but not limited to, policies such as those regarding conflicts of interest, ethics, and document retention. Adoption of a policy by the Board requires a majority vote of the elected Board members provided such proposed policy shall have been submitted in writing and distributed to the Board at least one (1) month prior to the scheduled meeting which will include the discussion and vote on the policy as required in Article VIII: Section IV.