

**DESIGNATED AGENCY FUND AGREEMENT
BETWEEN
SOUTH CENTRAL COMMUNITY FOUNDATION
AND
ST. JOHN – HUDSON COMMUNITY U.S.D. 350 EDUCATION FOUNDATION**

THIS AGREEMENT is made on 5-13-04, by and between South Central Community Foundation (hereinafter referred to as the "Foundation"), and **St. John-Hudson Community U.S.D. 350 Education Foundation** (hereinafter referred to as the "Donor").

The Donor desires to create a charitable Designated Agency Fund in the Foundation; and the Foundation is a nonprofit Kansas corporation exempt from taxation under the Internal Revenue Code ("Code") section 501(c)(3), a public charity described in section 170(c)(A)(vi) of the Code, and is an appropriate institution within which to establish such a charitable endowment.

The Foundation is willing and able to create this endowment as a Designated Agency Fund, subject to the following terms and conditions:

1. **NAME OF THE FUND.** There is hereby established in the foundation, and as a part thereof, a fund designated as **St. John-Hudson Community U.S.D. 350 Education Foundation Agency Fund** (referred to as the "Fund") to receive and administer gifts, in whatever form of money or property.
2. **PURPOSE.** The primary purpose of the Fund shall be to provide support to the charitable purposes of the organization(s) listed below within the meaning of Code section 509(a)(1), or 509(a)(2), or 509(a)(3) to carry out the role and mission of the organization(s) as described by the organization(s) governing documents.
3. **GIFTS.** The Donor transfers to the Foundation the following property to establish the Fund. Subject to the right of the Foundation to reject any particular gift, and person whether an individual, corporation, trust, estate, or organization (hereinafter referred to as "Donor") may make additional gifts to the Foundation for purposes of the Fund by a transfer to the Foundation of property acceptable to the Foundation in whole or in part for the Fund.

Initial contribution: See attached sheet.

4. **DISTRIBUTION.** Distributions from the Fund shall be made only upon receipt of written recommendation from the St. John-Hudson Community U.S.D. 350 Board of Directors, (corpus is distributable, see attachment), and may be committed, granted, or expended only for purposes described in Code section 170(c)(1) or (2)(B) to organizations described in Code section 509(a)(1), 509(a)(2), or 509(a)(3); provided however, that such purposes are consistent with the exempt status and purposes of the Foundation. If any gifts to the Foundation for the purposes of the Fund are received and accepted subject to a Donor's conditions or restrictions as to the use of the gift or income therefrom, these conditions or restrictions will be honored, subject, however to the authority of the Foundation's Board of Directors ("Board") to vary the terms of any gift if continued adherence to any condition or restriction is in the judgment of the Foundation's Board unnecessary, incapable of fulfillment, or inconsistent with the charitable or other exempt purposes of the Foundation or needs of the community served by the Foundation. No distribution shall be made from the Fund to any individual or entity if such distribution will in the judgment of the Foundation endanger the Foundation's Code section 501(c)(3) status.

5. **ADMINISTRATIVE PROVISIONS.** Notwithstanding anything herein to the contrary, the Foundation shall hold the Fund, and all contributions to the Fund, subject to the provisions of the applicable Kansas laws and the Foundation's Articles of Incorporation and Bylaws. The Board shall monitor the distribution of the Fund to ensure it is used exclusively for charitable or other exempt purposes (within the meaning of Codes section 170(c)(1) or (2)(B)), and shall have all powers of modification and removal specified in United States Treasury Regulations Section 1.170A-9(e)(11)(v)(B).

Upon request, the Board agrees to provide the Donor a copy of the annual examination of the finances of the Foundation as reported upon by independent certified public accountants.

6. **CONDITIONS FOR ACCEPTANCE OF FUNDS.** The Donor and Donors agree and acknowledge that the establishment of the Fund is made in recognition of, and subject to, the terms and conditions of the Articles of Incorporation and Bylaws of the Foundation as from time to time amended. The Fund shall at all times be subject to various terms and conditions concerning presumption of donor's intent; variance from donor's direction; and amendments agreed upon by Donor and Foundation.
7. **CONTINUITY.** The Fund shall continue so long as assets are available in the Fund and the purposes of the Fund can be served by its continuum. If the designated charitable organizations cease at any time to exist or are unable to fulfill their charitable purpose, the Foundation shall distribute the assets in the Fund for charitable or other exempt purposes that: (a) are within the scope of the charitable or other exempt purposes of the Foundation's Articles of Incorporation; and, (b) most nearly approximate, in the good faith opinion of the Board, the original purpose of the Fund.
8. **NOT A SEPARATE TRUST.** The Fund shall be a component part of the Foundation. All money and property in the Fund shall be held as general assets of the Foundation and not segregated as a separate trust; provided that for purposes of determining the share of the Foundation's earnings allocable to the Fund and the value of the principal of the Fund, the interest of the Fund in the General assets of the Foundation shall be a percentage determined by dividing the gift to the Fund by the then value of the total assets of the Foundation. This percentage interest will be adjusted at the time of each addition to or reduction of the assets of the Foundation.
9. **ACCOUNTING.** The receipts and disbursements of this Fund shall be accounted for separately and apart from those of the gifts to the Foundation.
10. **INVESTMENTS OF FUNDS.** The Foundation shall have all powers necessary, or in its sole discretion desirable, to carry out the purposes of the Fund, including, but not limited to, the power to retain, invest, and reinvest the Fund and the power to commingle the assets of the Fund with those of other funds for investment purposes.
11. **COSTS OF THE FUND.** It is understood and agreed that the Fund shall share a fair portion of the total investment and administrative costs of the Foundation (see attachment). Those costs annually charged against the Fund shall be determined in accordance with the current fee schedule identified by the Foundation as applicable to funds of this type. Any costs to the Foundation in accepting, transferring, or managing property donated to the Foundation for the Fund shall also be paid from the Fund.
12. **PUBLICITY.** The Donor agrees to be listed in the publications of the South Central Community Foundation, Inc. All distributions made by the Foundation shall be given in the name of **St. John-Hudson Community U.S.D. 350 Education Foundation**

The Donor has executed this Agreement and the Foundation Board has approved it as indicated by the signatures below.

Rick C. Russell
Donor

5/13/04
Date

Approved by the Board of Directors of South Central Community Foundation on 5/11/04.

SOUTH CENTRAL COMMUNITY FOUNDATION

By [Signature]
Chairman

[Signature]
Executive Director

ATTACHMENT TO AGENCY FUND AGREEMENT

It is the intent of the **St. John-Hudson Community U.S.D. 350 Education Foundation** to invest the corpus of the Agency Fund according to the Investment Policy of South Central Community Foundation.

It is the intent of the **St. John-Hudson Community U.S.D. 350 Education Foundation** to leave the corpus intact for the purpose of growing the asset. The Education Foundation does, however, have the right to access the corpus, if necessary.

Should the **St. John-Hudson Community U.S.D. 350 Education Foundation** choose to remove the entire Agency Fund from management by South Central Community Foundation, they will give the Community Foundation thirty days written notice of their intent to withdraw the funds. Due to the size of the Agency Fund, **St. John-Hudson Community U.S.D. 350 Education Foundation** agrees to liquidate the Agency Fund over the course of one year.

The South Central Community Foundation agrees to establish the management fee for the Agency Fund at 1% for the first \$250,000 of the fund and ½% for amounts above \$250,000. The South Central Community Foundation will give the **St. John-Hudson Community U.S.D. 350 Education Foundation** thirty days written notice of any fee adjustments.