

THE LUCAS LOCAL SCHOOL DISTRICT SUSTAINING FUND
OF THE RICHLAND COUNTY FOUNDATION

CHARTER

The Founders (herein referred to as “Donors”) of THE LUCAS LOCAL SCHOOL DISTRICT SUSTAINING FUND (herein referred to as the “Fund”) give and grant to THE RICHLAND COUNTY FOUNDATION of Mansfield, Ohio (herein referred to as the “Foundation”) the sum of one hundred and eighty-one thousand five hundred and thirty-nine and 54/100 dollars (\$181,539.54) to be held by the Foundation, together with future additions to the Fund in the manner as hereinafter set forth.

The Donors desire to establish, in cooperation with the Foundation, a Designated Fund, within the Foundation, to be known and identified as THE LUCAS LOCAL SCHOOL DISTRICT SUSTAINING FUND. The initial deposit to the Fund and all future deposits, from whatever source, shall constitute irrevocable gifts to the Foundation upon acceptance by the Foundation.

The designation, purpose and concept upon which the Fund is created are as follows:

- (1) The Fund is established for the benefit of all students enrolled in the Lucas Public Schools. The Donors hope and expect that many individuals, organizations and corporations will contribute to the Fund over the years, thereby confirming their interest in the educational and informational programs for which the Fund has been established.
- (2) The Fund is established to strengthen the schools by funding programs which ensure excellence in the classroom and by expanding the liaison between the community and the schools. The specific purposes of the Fund are described in detail in the *Appendix*.
- (3) The Fund shall include the property received from the Donors, such property as may from time to time be transferred to the Foundation by the Donors for inclusion in the Fund, such property as may from time to time be received by the Foundation from any other source and accepted by it for inclusion in the Fund, and all income from the foregoing property. Periodic distributions from the fund may be of net income and principal. It is the intent that the principal be used sparingly, however, to avoid depletion of the Fund.
- (4) Contributions to the Fund shall vest in the Foundation upon receipt and acceptance by it. The Fund shall be the property of the Foundation and shall be held by it in its normal corporate capacity. The Fund shall not be deemed a trust fund and shall not be held by the Foundation in a trust capacity.

(5) Each Donor, by making a contribution to the Foundation for inclusion in the Fund accepts and agrees to all of the terms of the Articles of Incorporation and the Code of Regulations and Policies of the Foundation and that the Fund shall be subject to the provisions for the presumption of a Donor's intent, for variance from a Donor's directions, and for amendment and termination, and to all other terms of the Articles of Incorporation and Code of Regulations and policies and resolutions of the Foundation, each as from time to time amended.

(6) The property of the Fund may be co-mingled for investment purposes and the Foundation may delegate investment management of the property to Foundation committees, officers, or Foundation employees, or contract with independent third parties to invest and reinvest the Foundation's Funds.

(7) The Fund shall be presumed to be intended (a) to be used only for charitable purposes, (b) to be productive of a reasonable return of net income which is to be distributed at least annually for a charitable purpose, and (c) to be used only for such of those purposes and in such a manner as not to disqualify any contribution from deduction as a charitable contribution, gift or bequest in computing any federal income, gift or estate tax of a Donor or a Donor's estate and not to disqualify the Foundation from exemption from federal income tax as a qualified charitable organization described in Section 501(c)(3) and 509(a)(1) of the Internal Revenue Code of 1954 and shall not be otherwise applied. If a direction by a Donor, however expressed, would, if followed, result in use contrary to the intent so presumed, or if the Foundation is advised by counsel that there is a substantial risk of such result, the direction shall not be followed, but shall be varied by the Foundation so far as necessary to avoid such result, except if a donor has clearly stated that compliance with the direction is a condition of the gift, then the gift shall not be accepted unless an appropriate judicial or administrative body first determines that the condition and direction need not be followed. Reasonable charges and expenses of counsel for such advice and proceedings shall be proper expenses.

(8) Nothing herein shall cause the Foundation to be treated other than as a single entity; and the Fund shall at all times be treated as a component part of the Foundation. The Fund may not be directly or indirectly subjected by any donor to any material restriction or condition within the meaning of Internal Revenue Regulation 1.507-2(a)(8) with respect to the transferred assets to the Fund.

(9) It is intended that the Fund shall be a component part of the Foundation and not a separate trust, and nothing in this Transfer Document shall affect the status of the Foundation as an organization described in Section 501(c)(3) of the Internal Revenue Code of 1954 and as an organization which is not a private foundation within the meaning of Section 509(a) of the Internal Revenue Code. This Agreement shall be interpreted in a manner consistent with

the foregoing intention and so as to conform to the requirements of the foregoing provisions of the Federal Tax Laws and any regulations issued pursuant thereto. The Foundation is authorized to take whatever steps may be necessary to conform the Fund to the provisions of any applicable law or government regulation in order to carry out the foregoing intention. References herein to provisions of the Internal Revenue Code of 1954 shall be deemed reference to the corresponding provisions of any future Internal Revenue Code.

(10) Whenever the Foundation decides that any direction, restriction or condition on the distribution of the Fund has become, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the Richland County Community, it may order such modification of the direction, restriction or condition and such application of the whole or any part of the principal or income of the Fund to such other charitable purposes as, in its judgment, will then more effectively serve the charitable needs of the Richland County Community.

(11) It is suggested that there be formed a special committee consisting of no less than five (5) and no more than nine (9) individuals which committee will have the right to suggest distributions and programs and activities to be supported by the Fund in carrying out the charitable purposes of the Fund and the Foundation. It is further suggested that such special committee be designated as the Board of Governors of the Lucas Local School District Sustaining Fund and the original members of the committee be selected by the Superintendent of the Lucas Local School District, and that such Board of Governors consist of representatives of the Lucas Community so as to provide a broad community based committee of experienced individuals and that such members be designated and replaced periodically according to the by-laws of the Fund and approved by the Foundation.

(a) The suggestions made by the Board of Governors, from time to time, to the Foundation as to the distribution of the Fund as well as the programs and activities recommended in furtherance of the purposes of the Fund shall be made upon the concurrence of a majority of the Board of Governors and shall be in writing and forwarded to the Foundation.

(b) The suggestions made from time to time by the Board of Governors to fulfill the purposes of this Designated Fund and achieve the charitable and educational goals for which the Fund is established, shall not be binding upon the Foundation; provided, however, the Foundation will devote serious attention to such suggestions as well as pursue other actions and activities to achieve the designated charitable and educational purposes for which the Fund is created.

The Board of Governors, if appointed for the above purposes, should consider

adopting its own committee procedures and regulations to include, among other things, the election of officers, the maintaining of records, the calling of meetings and other organizational details. Any such organizational procedures and regulations shall be consistent with the general purposes of the Foundation and shall be subject to all of the governing instruments of the Foundation.

This document and the guidelines stated herein shall serve as the founding charter for the Lucas Local School District Sustaining Fund executed and agreed to by the Board of Governors as of the ____ day of _____, 2006.

Signed:

Appendix

Purpose of Lucas Local School District Sustaining Fund

A Sustaining Fund has been established to benefit the Lucas Local School District. The purposes of the Sustaining Fund are to:

1. Benefit all students enrolled in Lucas Schools
2. Strengthen the Lucas Schools by funding programs which ensure excellence in the classroom.
3. Build a supplementary, non-tax base of financial support for Lucas Schools.
4. Bring new resources for enrichment activities to all Lucas students.
5. Establish a close tie between the community and Lucas Schools.
6. Establish creative partnerships between Fund donor and Lucas Schools.
7. Provide additional support to teachers and students.
8. Provide a vehicle for Lucas alumni to be involved with Lucas schools.
9. Enhance Lucas Schools to attract businesses and people to the Lucas school district.