

STATE OF SOUTH CAROLINA)
)
COUNTY OF SPARTANBURG)

DESIGNATED FUND AGREEMENT

THIS AGREEMENT made and entered into as of the ____ day of _____, 200__, between **THE SPARTANBURG COUNTY FOUNDATION** (the "Foundation") and _____ (the "Sponsor").

WHEREAS, the Sponsor is an eleemosynary corporation organized exclusively for charitable purposes and _____ purposes for the benefit and use of _____ Spartanburg, South Carolina; and

WHEREAS, the Sponsor desires the creation of a designated fund in the Foundation to be devoted primarily to the special support of those charitable _____ purposes; and

WHEREAS, the Foundation judges and believes that the creation of such a designated fund by the Sponsor will benefit the citizens of this area and make for public good and improvement.

NOW, THEREFORE, in consideration of the premises, it is mutually agreed as follows:

1. Establishment of Fund. Contemporaneously with the execution hereof, the Sponsor has transferred funds in the amount of \$ _____ to the Foundation. Such funds and any other funds which may be transferred to the Foundation pursuant to this agreement by the Sponsor or any other person, and all other undistributed income and/or appreciation (or depreciation) from the foregoing property shall be held by the Foundation and shall be known as the _____ (the "Fund").

2. Property of the Fund. The Fund shall be held, managed, administered, applied and disbursed as a designated fund under the general powers and duties of the Foundation.

3. Designation of Purposes. The principal and net income of the Fund shall be devoted to the stated purposes of this fund as specified in the preamble of this Agreement.

THIS AGREEMENT IS SUBJECT TO ARBITRATION PURSUANT TO §§ 15-48-10, et seq., CODE OF LAWS OF SOUTH CAROLINA (1976), AS AMENDED.

4. Investment and Administration. The Fund shall be held, managed administered, applied, and disbursed as a designated fund under the general powers and duties of the Foundation. The Foundation shall have all powers necessary or in its sole discretion desirable to carry out the purposes of the Fund, including the power to invest and reinvest in such manner as it deems fit, without being subject to investment restrictions, statutory or judicial, which would otherwise be applicable as a fiduciary, along with the power to co-mingle the assets of the Fund with those of other funds for investment purposes so long as the Fund is allocated its appropriate shares of principal and income. The Foundation shall have a right to select appropriate organizations, committees or officers to administer the Fund. Without limiting the generality of the foregoing, the Foundation may delegate investment management discretion to investment managers, cause the assets of the Fund to be placed in trust with investment managers, including banks with fiduciary powers, and cause the assets of the Fund to be invested in so-called common or collective funds of such managers.

5. Awards from the Fund. Awards from the Fund will be made by the Foundation upon recommendation of an Awards Committee of the Foundation. The Trustees of the Foundation will appoint an Awards Committee consisting of _____ members for such terms as the Trustees of the Foundation shall designate. Appointments to the Awards Committee will be made by the Trustees of the Foundation on nomination by the Sponsor, provided, however, in the event of failure of the Sponsor to submit a nomination for appointment within sixty (60) days after a vacancy occurs, then the Foundation may proceed to fill such vacancy by appointment without nomination by the Sponsor. The original members of the Awards Committee shall be the following: _____,

_____, _____.

Notwithstanding anything in this Agreement to the contrary, all awards and benefits from the Fund shall be of such eleemosynary character and so related to the Spartanburg community as to fall within the purposes of the Foundation.

6. Promotion of the Fund. The Sponsor at all times will use its best efforts to promote the Fund and cooperate with the Foundation in a common effort to attain the maximum benefit from the existence and operation of the Fund.

7. **Fund Size.** The parties hereto acknowledge that the intended functioning of the Fund for the purposes designated herein is not practicable unless and until the principal of the Fund is at least \$_____. Accordingly, the parties agree that there shall be no disbursements from the Fund of any kind whatsoever until the amount of the Fund is at \$_____. In the event that the principal amount of the Fund shall not equal or exceed \$_____ at any time after two (2) years from the date of this Agreement, or in the event that the principal amount of the Fund shall be less than \$_____ at any time thereafter, the Foundation, after considering any recommendation which the Sponsor may wish to make, reserves the right to terminate this Agreement by (a) transferring the residue of the Fund to the _____ if then in existence and still qualified as an exempt organization under Section 501(c)(3) of the *Internal Revenue Code of 1986* (or the corresponding provision of any future United States Internal Revenue Law), or (b) transferring the residue of the Fund to _____ if then in existence and still qualified as an exempt organization under Section 501(c)(3) of the *Internal Revenue Code of 1986* (or the corresponding provision of any future United States Internal Revenue law), such residue to be held by the successor charitable organization as a special endowment for the same purposes as set forth herein, or (c) holding the residue for the general purposes of the Foundation.

8. **Variance.** In the event that the charitable use of the Fund as provided in Paragraph 3 hereinabove shall, in the judgement of the majority of the Board of Trustees of the Foundation, become unnecessary, undesirable, impracticable, or no longer adapted to the needs of the community, the Foundation reserves the right to terminate this Agreement by (a) transferring the residue of the Fund to the _____ if then in existence and still qualified as an exempt organization under Section 501(c)(3) of the *Internal Revenue Code of 1986* (or the corresponding provision of any future United States Internal Revenue Law), or (b) transferring the residue of the Fund to the _____ if then in existence and still qualified as an exempt organization under Section 501(c)(3) of the *Internal Revenue Code of 1986* (or the corresponding provision of any future United States Internal Revenue law), such residue to be

held by the successor charitable organization as a special endowment for the same purposes as set forth herein, or (c) holding the residue for the general purposes of the Foundation,

9. Arbitration. Any controversy or claim arising out of or relating to this Agreement or the breach thereof shall be settled by arbitration pursuant to the provisions of Chapter 48, Title 15, *Code of Laws of South Carolina, 1976*, as amended by Act No. 492 of 1978, or such other laws of the State of South Carolina as shall govern arbitration proceedings and be in effect at the time of such arbitration, and judgement upon the award rendered may be entered in any court having jurisdiction thereof.

10. Modification or Amendment. This Agreement may be modified or amended by a written instrument signed by the appropriate representatives of the Foundation and the Sponsor. In addition, upon written request by the Sponsor, the Trustees of the Foundation shall transfer the Fund as then constituted to _____ if then in existence and still qualified as an exempt organization under Section 501(c)(3) of the *Internal Revenue Code of 1986* (or the corresponding provision of any future United States Internal Revenue Law), or if not then in existence, to some suitable entity which shall be organized and operated exclusively for charitable, educational, religious or scientific purposes and which shall at the time qualify as an exempt organization under Section 501(c)(3) of the *Internal Revenue Code of 1986* (or the corresponding provision of any future United States Internal Revenue law).

11. Contribution to General Fund. The Foundation and the Sponsor agree that the Sponsor shall make an annual contribution to the General Fund of the Foundation in an amount as defined on the attached Exhibit "1".

12. Indemnity. The Sponsor covenants and agrees that it will indemnify and hold the Foundation, its officers, trustees, agents, successors and assigns, harmless against any and all damages, claims, expenses, and liabilities of every kind and nature, including attorneys' fees and litigation costs, arising out of the administration of the Fund, except for gross negligence or willful misconduct.

IN WITNESS WHEREOF, the parties have executed this Agreement the date first above written.

IN THE PRESENCE OF:

THE SPARTANBURG COUNTY FOUNDATION

By: _____
Its Chairman

ATTEST:

Secretary

(SPONSOR)

By: _____
Its _____

EXHIBIT 1

The Spartanburg County Foundation Contribution Schedule

Donor Advised Funds – minimum annual contribution of \$500
Supporting Organization Funds

Fund Value	Rate	%	Contribution Amount (Calculated on Highest Figure)
\$1,000 - \$1,000,000	0.015	1.5	\$15,000 (\$1,000,000)
next \$500,000	0.010	1	\$20,000 (\$1,500,000)
next \$500,000	0.0075	7.5/10 of 1	\$23,750 (\$2,000,000)
over \$2,000,000	0.006	6/10 of 1	

Agency Endowment Funds
Restricted Purpose Funds
Designated Funds
Unrestricted Funds

Fund Value	Rate	%	Contribution Amount (Calculated on Highest Figure)
\$1,000 - \$1,000,000	0.01	1	\$10,000 (\$1,000,000)
next \$500,000	0.0075	7.5/10 of 1	\$13,750 (\$1,500,000)
next \$500,000	0.006	6/10 of 1	\$16,750 (\$2,000,000)
over \$2,000,000	0.004	4/10 of 1	

Scholarship Funds – Rate of 0.015 or 1.5% of Fund Value

This schedule is subject to annual review by The Trustees.
Adopted by The Trustees April 26, 2004

RESOLUTION REGARDING CONTRIBUTIONS TO NON-COMPONENT FUNDS

RESOLVED, that it shall be the firm policy of the Foundation not to accept direct public contributions to funds established by and for the benefit of public charities which have retained a power to withdraw such funds, and the Foundation's officers and agents shall be, and they hereby are, authorized and directed to accept additions to any such funds only from the charity which established such fund.

Adopted November 23, 1998