

**GIFT FOR DESIGNATED PURPOSE**

THE STATE OF TEXAS

COUNTY OF TOM GREEN

This Agreement is made on the 21<sup>st</sup> day of March, 2006, by and between the **San Angelo Area Foundation**, a Texas nonprofit corporation having its principal place of business in Tom Green County, Texas hereinafter called "**the Foundation**" and the **San Angelo Christian Academy of Tom Green County, Texas**, herein called "**the Donor**", each acting by and through its duly authorized officers or representatives, as follows:

**WITNESSETH:**

ARTICLE ONE

Section 1. The Donor hereby gives, assigns, transfers and conveys to the Foundation \$10,000 in cash, as a gift from the Donor to the Foundation. The gift and additions thereto, shall be known as the **San Angelo Christian Academy Endowment Fund** (hereinafter called "**the Fund**"). It is the intent of the Donor that the Fund is an endowment for the **San Angelo Christian Academy** (hereinafter called "**the Charity**") and the net earnings from the endowment shall be distributable as provided for under Article Four of this agreement to the Charity or as the Charity directs for qualified charitable purposes.

Section 2. All provisions of the Articles of Incorporation, Bylaws, and other rules, regulations and procedures of the Foundation which are now in effect and which may be adopted or amended hereafter shall apply to the Fund.

Section 3. From time to time the Donor or other donors may make gifts of cash or other property acceptable to the Foundation to or for the use of the Fund by naming or otherwise identifying the **San Angelo Christian Academy Endowment Fund**. Such gifts will be held and administered as part of the Fund in accordance with this Agreement.

## ARTICLE TWO

The Fund and all net earnings in addition thereto will be held exclusively for the benefit of the Charity. The assets of the Fund shall be held and administered by the Foundation, acting by and through its Board of Directors, and its authorized officers, and agents. Assets of the Fund may be kept separate from other Foundation assets, or alternatively, may be commingled with other Foundation assets. However, the Foundation shall at all times maintain accurate records showing the proportions of the assets to be included within the Fund, both as to principal and income. The assets of the Fund may be invested and reinvested from time to time in any securities, obligations or other property of any kind that the Foundation may deem advisable, including, but not limited to, interest bearing accounts, certificates of deposit, and common trust funds administered by the Foundation. The Investment Policy of the Foundation as they exist from time to time shall guide the Foundation and its Investment Managers in order to maximize total return while providing professional management and preservation of capital for the benefit of the Fund. The Foundation shall provide financial reports of the Fund and shall provide for an annual audited financial statement of the Foundation to the Charity.

## ARTICLE THREE

It is the Donor's intent that, except as provided in Article Four, the Fund shall be perpetual in nature.

## ARTICLE FOUR

Section 1. The Charity may withdraw annually an amount not greater than five percent of a rolling twelve quarter average of the value of the Fund as of the previous December 31st. Any withdrawal in excess of the said five percent annually must be requested in writing certifying that the requested withdrawal has the approval of the Charity board of trustees. Said certification shall document that at a meeting of the board of trustees, at which a quorum was present, adopted such a resolution. However, such distribution shall not invade the corpus of any original gift(s) intended to be perpetual. Such distribution will be made by the Foundation not more than thirty days after the Foundation has received such a request.

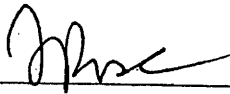
Section 2. Should the Charity ever cease to exist or to perform its charitable functions, the Foundation shall make available distributions of this endowment fund to the Southgate church of Christ in San Angelo, Texas. Should the Southgate church of Christ cease to exist or perform its charitable functions, the Foundation shall make available distributions of this endowment to other qualified charitable organizations that provide for a Christian education in San Angelo that are defined as a public charity in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, and as may be amended from time to time. The Foundation will consider the original purpose of the Fund and those individuals, groups, or causes that the Donor previously sought to benefit in making such distributions.

ARTICLE FIVE

If deemed necessary by the Board of Directors of the Foundation, the Fund will bear its proportionate share of such services and expenses. The Fund will be assessed fees by the Foundation in accordance with the fee schedule set by the Board of Directors as defined in the Financial Administration Policy of the Foundation from time to time. In the event it is determined it is necessary, in the sole discretion of the Foundation, to employ attorneys or accountants for purposes of determining distributions, values, or opinion as to the rights and obligations of the Foundation as to the funds described under this Agreement, the Charity agrees to reimburse the Foundation for all such reasonable expenses

Executed this 21<sup>st</sup> day of March, 2006.

San Angelo Area Foundation  
By: Frank W. Rose Chairman-Board of Directors



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San Angelo Christian Academy  
By: Herschel Duckworth - Board President

