

BLUE GRASS COMMUNITY FOUNDATION

499 East High Street, Suite 112

Lexington, Kentucky 40507

(859) 225-3343

ESTABLISHMENT OF A NON-ENDOWED DESIGNATED FUND

This NON-ENDOWED DESIGNATED FUND AGREEMENT ("Agreement") is made this ____ day of May 2025, between Blue Grass Community Foundation, Inc., a charitable community foundation, ("Foundation") and Lexington Fayette Urban County Government ("Donor") to create an expenditure fund ("Fund").

- 1) Name of the Fund. Donor has the privilege of naming their Fund. Grants made from the Fund to charity are accompanied by a letter which includes the name (e.g. "The Smith Family Fund"), unless anonymity is requested. The name of the Fund created hereby is:

Kelley's Landing Fund

- 2) Initial Contribution. Upon signing this Agreement, Donor will irrevocably transfer to Foundation the property described as follows: future contributions

- 3) Donor Contact:

Abby Kerins
LFUCG Parks and Recreation
469 Parkway Drive
Lexington, KY 40504
akerins@lexingtonky.gov

- 4) Investment Pool Selection. Donor hereby requests that the Fund and any and all assets contributed to the Fund be invested as follows:

X Cash Reserve Pool (0-3 years)

The primary investment objective of this Pool is stability of principal. This Pool will invest exclusively in cash and cash equivalents and will have no risk of loss of capital. Donors with immediate liquidity needs or no expectations of growth of capital should consider this strategy.

☐ **Conservatively Balanced Pool (3+ years)**

The primary investment objective of this Pool is to provide preservation of principal. This Pool will invest in a combination of equities, fixed income,

cash and cash equivalent assets. This Pool is appropriate for donors who have a time horizon of more than three years.

□ **Balanced Pool (5+ years)**

The primary investment objective of this Pool is to provide a moderate level of risk and a balanced mixture of equities, fixed income, and an occasional allocation to cash. This Pool may experience moderate year to year volatility. This Pool is generally appropriate for donors with an intermediate time horizon of more than five years.

□ **Environmental Social Governance Pool (ESG):** Foundation also provides an opportunity to select a balanced pool using investment strategies with investment allocations sensitive to environmental, social and governance (ESG) issues.

□ **Long Term Growth Pool (7+ years)**

The primary investment objective of this Pool is long-term capital appreciation. There will be some inevitable volatility in principal value in this Pool, but it may offer the potential for higher returns over the long term. This Pool is appropriate for donors with a time horizon of more than seven years.

□ **Environmental Social Governance Pool (ESG):** Foundation offers the ESG Long-Term Pool with an investment allocation that is sensitive to environmental, social and governance (ESG) issues and follows socially responsible investment strategies. This Fund will have approximately the same overall stock/bond allocation as the Long-Term Pool.

□ **Equity Pool (7+ years)**

This pool is generally appropriate for donors with a time horizon of more than seven years who desire long term capital growth. Due to the 100% allocation to equities, this Pool is only appropriate for donors willing to accept higher short and intermediate term volatility.

The Foundation shall have the right to make any and all investment decisions in the selected Pool regarding the Fund. All income and capital gains or losses will be allocated to the Fund on a monthly basis.

5) **Purposes.** The purpose of the Fund is to support Kelley's Landing, a public park overseen by the department of Parks of Recreation of Lexington Fayette County Urban County Government.

6) **Management.** Foundation hereby agrees to accept cash and other valuable property transferred to it by Donor and others who wish to participate in the Fund. Gifts to the Fund shall be subject to the same policies for investment, determination of current distribution amount, and allocation to cover Foundation's administrative costs, as shall be adopted

from time to time for such funds. The Fund is open-ended and can be added to at any time.

- 7) Grant Distributions. Distributions must be for charitable purposes and in accordance with the procedures for the administration and operation of such funds of Foundation as may be in effect from time to time.

Distributions from the Fund shall be made in the name of the Fund, unless otherwise directed in writing.

This Fund is prohibited from making grants, compensation, or similar payments to Donor, advisor(s), or persons related to them. Donor may request distributions of any amount, up to 100% of Fund balance.

The designated Donor Contact has the ability to recommend grant distributions from the Fund to the following Designated Organization:

LFUCG Department of Parks and Recreation

- 8) Compensation to Foundation. As compensation for its services, Foundation shall charge an annual community support fee according to the fee schedule in effect at the time of the Agreement and as amended from time to time by Foundation. Investment fees are charged separately.

Donor hereby acknowledges receipt of a current Fund Schedule in effect at the time of the signing of this Agreement.

- 9) Fundraising. Donor agrees not to perform any fundraising activity for this Fund or any other fund held by Foundation without receiving express written permission from Foundation for each fundraising event. Foundation understands that if such fundraising events are not approved by Foundation, Foundation will not be held liable for any monetary or insurance losses and Foundation reserves the right to refuse acceptance of any money raised from such fundraiser(s). Under federal law, Foundation may not reimburse donors or advisors for any expenses or liabilities incurred by them with respect to a fundraising event. As a result, Foundation must contract directly with third party providers for any approved expenses and services related to fundraising events. Foundation will not be responsible for any expenses incurred directly by donors or advisors.

- 10) Variance Power. Foundation shall use and apply said funds only in accordance with the expressed wishes of the donor, grantor or other transferor; provided, however, the Board of Directors shall have the power

to modify any restriction or condition on the distribution of funds for any specified charitable purpose or to any specified organization if in the sole judgment of the Board of Directors such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment or inconsistent with the charitable needs of the community or area served. Upon such determination, the Board of Directors shall exercise its judgment to select a similar use for the funds that will most nearly fulfill the original charitable intent of the Fund and may re-direct the funds to those purposes most closely related to the donors, grantors or other transferor's original intent.

It is intended that nothing in this Agreement shall affect the status of Foundation as a 501(c)(3) organization, as defined in the Internal Revenue Code. This Agreement shall be interpreted in a manner consistent with the foregoing intention and so as to conform to the provisions of any and all applicable law or government regulation. Foundation shall have all the powers provided in its charter, Articles of Incorporation and Bylaws or otherwise by law in connection with its administration of the Fund.

DONOR

BLUE GRASS COMMUNITY
FOUNDATION

By _____

By _____
President/CEO

Date _____

Date _____