

**TRUST AGREEMENT FOR THE
EAU CLAIRE COMMUNITY FOUNDATION**

Established: April 17, 1997

WHEREAS, the undersigned citizens of Eau Claire, Wisconsin, as well as other citizens of Eau Claire, Wisconsin, propose the creation of a trust fund for the purpose of encouraging and promoting worthwhile charitable enterprise in and around the Eau Claire area and for the purpose of providing a mechanism for people of goodwill interested in said area to make donations for the improvement of quality of life within said area for present and future generations;

NOW, THEREFORE, the undersigned do hereby create and establish the EAU CLAIRE COMMUNITY FOUNDATION.

**ARTICLE I.
NAME**

The name of this foundation shall be the EAU CLAIRE COMMUNITY FOUNDATION.

**ARTICLE II.
DEFINITION**

- A. "Trust" and "Foundation" mean the Eau Claire Community Foundation.
- B. "Gifts" includes the transfer of money or other property of any kind, real, personal or mixed, or any interest in property whether made by gift, delivery, grant, conveyance, devise, bequest or any other method of transfer.
- C. "Fund" means property from time to time held by the trust hereunder regardless of the nature of the property or its investment.
- D. "Effective date" means April 17, 1997.
- E. "Donor" means the maker of any gift to the foundation whether an individual, corporation, partnership, trust or other person or organization.
- F. "Trust Agreement" means this agreement.
- G. "Charitable Purposes" includes all purposes defined as deductible under Section 170 (2) (b) of the Internal Revenue Code of 1986.

H. “Qualified Charitable organization” means an organization which is described in Section 170 (c) (1) or (2) of said Code.

I. “Reasonable Return of Net Income” means such reasonable return of net income (or appreciation when not inconsistent with the Foundation’s need for current income) with due regard to safety of principal, and furtherance of charitable purposes of the Foundation, as determined from time to time by the Foundation Board.

J. Any reference in this Trust Agreement to a provision of the Internal Revenue Code of 1986 includes the corresponding provisions in effect as of the date of the adoption of this provision and any subsequent changes to said law.

K. The “Eau Claire Area” is defined as Eau Claire County and the surrounding area as deemed appropriate from time to time by the Board of Trustees.

ARTICLE III. PURPOSE OF THE FOUNDATION

The purpose of the Foundation is to receive and accept property to be administered exclusively for charitable purposes, primarily in, and for the benefit of the people of the Eau Claire area, including for such purposes:

A. To administer for charitable purposes property donated to the Foundation, especially to meet charitable needs of a new or innovative nature and generally to fulfill unmet needs and develop programs in educational, literary, arts, scientific and other charitable fields.

B. To distribute property for such purposes in accordance with the terms of gifts to the Foundation not inconsistent with its purposes, as set forth in this Trust Agreement, or in accordance with determinations made by the Board of Trustees pursuant to this Trust Agreement.

C. To distribute property to qualified charitable agencies or organizations.

ARTICLE IV. THE BOARD OF TRUSTEES

A. Powers and Duties of the Board of Trustees:

1. Except as otherwise provided in the Trust Agreement, all the powers, duties and functions of the Foundation conferred by State Statutes, Common Law, court decisions, or otherwise shall be exercised, performed or controlled by the Board of Trustees to carry out the aims and purposes of the Foundation, and to this end, manage and control all of its property and assets.

2. In addition to its other responsibilities, the Board of Trustees shall designate the charitable uses and purposes to which the income and corpus of the trust may be applied and shall appoint the beneficiaries who shall receive the income and corpus from the trust as particularly provided in Article VI hereof.

3. The Board of Trustees is hereby committed to exercise in the best interest of the Foundation, the powers described in Treasury's Regulations Section 1.170A-9(e)(11)(v)(B), (C) and (D).

4. The Board of Trustees is hereby committed to obtain information and to take other appropriate steps with the view to seeing that the administration of funds of this Foundation is in accordance with the provisions of Treasury Regulations Section 1.170A-9(e)(11)(v)(F).

5. The Board of Trustees shall prepare a written statement of the goals and guidelines to be followed in investing and managing the Foundation's funds, embodying such matters as the acceptable degree of risk to be assumed, the desired return on investment, the proportions of debt and equity securities to be maintained, the maximum amounts to be invested in a single security or industry, and a statement of the types of investments which the Board is not permitted to make with the Foundation's funds, and to revise and update such a statement from time to time as it deems appropriate.

6. The officers of the Foundation shall be a Chairman of the Board, a Vice-Chairman, a Treasurer, and a Secretary, who shall also be members of the Board. Said officers shall be chosen by a duly adopted motion of the Board of Trustees and shall hold office until the later of the next annual meeting of the Board following their election or until their successors are elected and qualified. The Board may also elect or appoint other officers, who need not be members of the Board.

7. The Board is authorized to employ such persons, including an executive officer, attorneys, accountants, money managers, agents and assistants, as in its opinion are needed for the administration of the Foundation and to pay reasonable compensation for services and expenses thereof. The Board of Trustees may also, from time to time, appoint, as advisors, persons whose advice, assistance and support may be deemed helpful in determining policies and formulating programs for carrying out the Foundation's purposes, including an "Advisory Counsel" of local citizenry who, in the opinion of the Board, represent the interest of the community as a whole; such as subcommittees of the Board, as the Board may deem appropriate; and "Ex-officio" members to the Board, all as the Board deems reasonable and prudent. Such individuals' tenure, authority and responsibilities will be solely within the discretion of the Board.

8. The Trustees, as such, shall receive no compensation for their services. Members of any executive, standing or special committee may by resolution of the Board, be allowed such compensation for out of pocket expenses as the Board may deem reasonable.

9. Should any question arise concerning the qualifications of any member of the Board of Trustees, a decision in respect thereto by a majority of the members of the Board of Trustees shall be final.

B. Number and Terms of Office: The initial Board of Trustees shall consist of eleven (11) members, thereafter the Board shall consist of such uneven numbers as agreed upon by two-thirds of the Board, no fewer than nine (9) nor more than ~~fifteen (15)~~ Seventeen (17). The term of office for Trustees shall be three (3) years. The initial Board of Trustees shall have five (5) members selected to serve one year, three (3) members selected to serve for two (2) years, and three (3) members selected to serve for a full three (3) year term, thereafter, all terms shall be three (3) years.

A Board member may serve no more than a maximum of two (2) consecutive full terms and at an expiration of the successive years of such service a Board member shall not be eligible to be appointed or elected for a period of two (2) years. The exception to this rule shall be to allow a retiring member to fulfill his or her elected term as Board of Trustees Chair or, if newly elected or serving as the Vice-Chair, to allow the Vice-Chair to succeed to the position of Chair. The term of office for the Chair and Vice-Chair shall be two (2) years.

After the appointment of the original Board of Trustees, being the signatures to this Agreement, the election or appointment to the Board of Trustees shall be made by a vote of the remaining members of the Board of Trustees.

C. Qualifications: Members of the Board of Trustees shall be appointed or elected on the basis of knowledge of the educational, cultural, civic, moral, recreational, public and other charitable needs of the Eau Claire area, or on the basis of activity in or representation of public institutions or organizations in such areas. The purpose of this provision is to make the Board of Trustees generally representative of the public interest in these needs in the Eau Claire area. In considering the composition of the Board of Trustees, consideration shall be given to the need for representation of service clubs and representation of commercial and citizens groups.

D. Termination: Members of the Board of Trustees who by change of residence no longer resides within 20 miles of the Eau Claire area shall automatically cease to be members of the Board of Trustees. Failure without excuse acceptable to the Board of Trustees to attend three (3) consecutive regular meetings of the Board of Trustees shall operate as a tender of resignation.

E. Removal: Directors may be removed from office with or without cause by an affirmative vote of a majority of the Board members taken at a meeting of the Board called for that purpose with notice to all Board members of such a meeting at least three (3) days in advance indicating the purpose of the same. Removal shall be solely in the discretion of the Board.

F. Vacancies: Vacancies in the Board of Trustees occasioned by death, resignation, refusal to serve, or otherwise, shall be filled for the unexpired term in the same manner as

members of the Board are selected for regular terms. In addition to the unexpired term served by a new Board member, said Board member shall be eligible to serve an additional two (2) consecutive full terms as provided in Section B.

G. Community Representation: All members of the Board shall represent the entire Eau Claire area as that term is defined by the Board of Trustees.

H. Meetings:

1. The Board of Trustees shall act only at a duly called meeting at which a quorum is present or by electronic vote in which a quorum participates. A majority of the members of the Board of Trustees in office shall constitute a quorum. A vote of a majority of the votes entitled to be cast (a) by the members present or represented by proxy at a meeting at which a quorum exists, or (b) on an electronic motion on which no less than a quorum vote within five (5) business days of the motion, shall be an action of the Board of Trustees, unless a greater vote is required otherwise by this Trust Agreement.

2. Any Board meeting may be conducted by conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time and participation by such means shall constitute such member being present in person at such meeting

3. Notice of all Board meetings, except as otherwise provided herein, shall be given forty-eight (48) hours before the meeting to the usual business or residence address of each Trustee, but such notice may be waived by any Trustee either orally or in writing. With the prior agreement of the Trustee, such notice may be given electronically to the electronic address provided by such Trustee. At any meeting at which every Trustee shall be present, or at a vote in which every Trustee participates, even without notice or waiver thereof, any business may be transacted. Presence at any meeting or participation in any electronic vote shall constitute a waiver of notice for that meeting or vote, as applicable.

4. A proxy appointment shall become effective when received by the Executive Director of the Foundation. Unless otherwise provided in the appointment form, a proxy appointment may be revoked at any time before it is voted by written notice provided to the Executive Director. A proxy appointment shall be only for the meeting of the Board immediately following the delivery of the proxy to the Executive Director, after which time it shall expire.

5. The Board of Trustees shall have the power to fix the time for its annual meeting and such other meetings as it shall deem necessary and to adopt rules and bylaws for the conduct of its business, and to amend the same. At each annual meeting, the Board of Trustees shall elect officers. It shall keep complete records of its proceedings, receipts, and disbursements.

6. A special meeting may be called by the Chairman of the Board, the Treasurer, or any three members of the Board acting in concert by giving 48 hour written notice specifically stating the purpose of such meeting.

I. Liability for Actions: Neither the Board of Trustees, not any Trustee individually, shall be liable for negligent acts or failures to act of any employee, agent, or representative selected with reasonable care; nor shall they be liable for errors in judgment, acts done or committed in good faith on advice of counsel, or mistakes of fact or law made in good faith. The Foundation shall indemnify and hold harmless its Trustees, officers and agents consistent with the limitations set forth in this Agreement.

ARTICLE V. GIFTS OF THE FOUNDATION

A. Donors may make gifts to the Foundation by naming or otherwise identifying the Foundation. Gifts shall vest in the Foundation upon receipt and acceptance by its Board of Trustees or designees, (whether signified by a Foundation officer, employee or agent), and each gift to the Foundation shall be and constitute a component part of the Foundation subject to the terms and conditions of the Trust Agreement. Each donor by making a gift to the Foundation accepts and agrees to all the terms of the Trust Agreement which provides that any fund so created shall be subject to the provisions for presumption of donor's intent, for modification of donor's restrictions, or conditions for amendments and termination and to all other terms of the Trust Agreement.

B. If a gift is made to the Foundation in trust to make income or other payments for a period of a life or lives or other defined period, to any individuals or for non-charitable purposes, followed by payment to the Foundation, or in trust to make income or other payments to the Foundation followed by payments to any individual or for non-charitable purposes, only the payments to the Foundation shall be regarded as Foundation funds, subject to the Trust Agreement, and then only when the Foundation becomes entitled to their use. The Board of Trustees may take such action as it from time to time deems necessary to protect the Foundation's rights to receive such payments.

C. Subject to the Foundation's policies and procedures, any donor (including any other qualified charitable organization) may, with respect to a gift made by such donor to the Foundation, place restrictions or conditions in the instrument of gift or transfer as to:

1. Field of charitable purposes or particular charitable purposes to be supported, including the charitable purpose of any charitable organization who so donates;
2. Particular charitable organizations to be supported;
3. Manner of distribution including amounts, times, conditions or payments and whether from principal and/or income; and

4. A name as a memorial or as an endowment fund account or otherwise for a fund given, or addition to a fund previously held, or anonymity for the gift.

D. Each fund of the Foundation shall be presumed to be intended:

1. To be used only for charitable purposes;

2. To be productive of a reasonable return of net income which (except during the period referred to in Section B of this article V) is to be distributed at least annually or if accumulated is to be accumulated only in a reasonable amount and for a reasonable period for a charitable purpose or purposes; and

3. To be used only for such of those purposes and in such manner as not to disqualify the gift from deduction as a charitable contribution, gift, or bequest in computing any Federal income gift or estate tax of the donor or his estate and not to disqualify the Foundation from exemption from Federal Income Tax as a qualified charitable organization described in Sections 501(c)(3) and 509(a)(1) or (2) of the Internal Revenue Code of 1986, and shall not be otherwise applied. If a restriction or condition by the donor, however expressed, would, if followed, result in use contrary to the intent so presumed, or if the Board of Trustees is advised by counsel that there is substantial risk of such result, the restriction shall not be followed, but shall be modified by the Board of Trustees so far as necessary to avoid such result, except that if the donor has clearly stated that compliance with the restriction is a condition of the gift, then the gift shall not be accepted unless an appropriate judicial or administrative body first determines that the restrictions need not be followed. Reasonable charges and expenses of counsel for such advice and proceedings shall be proper expenses.

E. Notwithstanding any provision in the Trust Agreement or in any instrument of transfer creating or adding to a fund of this Foundation, and in accordance with Article III entitled Purpose of the Foundation, the Board of Trustees shall have the power to modify any restriction or condition on the distribution of funds for any specified charitable purposes or to any specified organizations if in the sole judgment of the Board of Trustees such restriction or condition becomes, in effect, incapable of fulfillment. The Board of Trustees shall exercise this power by a duly adopted motion. The Board shall have the unilateral right to reject any gifts which, in the opinion of the Board, will not fulfill the objective or will compromise the intent of the Foundation.

F. The Board of Trustees shall have the authority to enter into relationships with other organizations which are operated for the benefit of and to carry out the purposes of the Foundation.

**ARTICLE VI
DISTRIBUTIONS AND DISBURSEMENTS**

A. The Board of Trustees shall, not less frequently than yearly, (i) determine all distributions to be made from net income and principal of the Foundation pursuant to provisions of the Trust Agreement, and the donors' restrictions or conditions if and to the extent applicable as provided herein, and authorize payments to organizations or persons to whom payments are to be made, in such amounts and at such times and with such accompanying restrictions, if any, as it deems necessary to assure use for the charitable purposes and in the manner intended; and (ii) determine all disbursements to be made for administrative expenses incurred by the Foundation and funds to be charged.

B. All determinations shall be on a duly adopted motion adopted as set forth in Article IV, paragraph H, subparagraph 1, unless otherwise expressly provided for in the Trust Agreement or by restriction or condition of the donor as a condition of the gift, which restriction or condition has been accepted by the Board of Trustees. Every authorization and direction of the Board of Trustees shall be in writing and kept in the office of the Board of Trustees.

C. Determinations may be made to distribute principal from funds given without directions as to principal or income as well as pursuant to the directions expressly permitting use of principal.

D. The Board of Trustees shall gather and analyze facts and conduct investigation and research as from time to time is necessary in order to determine the most effective agencies and means for meeting the needs of the Eau Claire Area through distribution of funds given for charitable purposes, and may direct disbursements for such fact gathering and analysis, investigation, and research from funds given for such purposes or from funds given without direction as to purpose. Disbursements for other proper administrative expenses incurred by the Board of Trustees, including salaries for such professional and other assistance as it from time to time deems necessary, shall be directed to be paid so far as possible first from any funds restricted by donors for such purpose, with any balance being paid from principal.

E. The Board of Trustees may, in furtherance of the Foundation's charitable purposes when needs therefore have been determined and with appropriate provisions to assure use solely for such purposes, direct distributions to such persons, organizations, governments or governmental agencies as in the opinion of the Board of Trustees can best carry out such purposes or help create new qualified charitable organizations to carry out such purposes.

**ARTICLE VII
POWERS AND DUTIES OF THE BOARD OF TRUSTEES**

A. The Board of Trustees shall accept gifts only in accordance with and subject to the terms and conditions set forth in this Trust Agreement.

B. All gifts made to the Foundation for charitable purposes may be held and dealt with as a single fund, and the Board of Trustees shall not be under any obligation to retain any gift as a separate investment or in such manner that it shall be identified as a separate gift unless so directed by the terms of the gift, and in such case the Foundation shall be the legal and equitable owner thereof and shall exercise ultimate and direct authority and control over the funds provided by the gift. Directions for naming a fund as a memorial or otherwise may be satisfied by keeping under such name accounts reflecting appropriately the interest of such fund in each common investment or in the funds of the Foundation.

C. In administering the property of the Trust, unless a donor shall have provided otherwise, the Board of Trustees, in addition to any power and authority conferred by law, shall have the following powers:

1. To invest and reinvest the corpus and income of the Foundation in any type of real or personal property, including, among other things, securities, common trust funds, and any other property, whether or not eligible for trust investment under the laws of the State of Wisconsin, and to appoint money managers, including trust companies to actively manage some or all of the assets of the Foundation.

2. To retain gifts in the form and condition in which they may be made, notwithstanding such gifts which may not be a lawful investment for trusts under the laws of the State of Wisconsin.

3. To sell, lease for any period, convey, transfer, exchange, deliver and dispose of all or any part of the funds of the Foundation and make contracts concerning any such funds, all at such prices and upon such terms and conditions as it shall deem expedient and proper; and to purchase, sell or write covered call options.

4. To consent to the extension, refunding or renewal of obligations or security therefor, and to the extension or renewal of any mortgage or lien securing the same.

5. To make, execute and deliver all proper receipts, bills of sale, conveyances, assignments, transfers, proxies, powers of attorney and agreements as it shall deem best in the management and control of the securities and property of the Foundation. To this end, the Board shall direct any two of the ~~three~~ four officers of the Board to execute necessary documents to accomplish the foregoing.

6. To vote or refrain from voting any corporate or other securities held by it; to give restricted or unrestricted proxies; to hold property, including stocks and other registered securities, in the name of a nominee without disclosing the interest of the

Foundation except in its account or to hold such property in bearer form; to participate in reorganizations, mergers, consolidations, foreclosures, and liquidations; and to join with other security holders in delegating authority to depositing securities with, and acting through committees, depositories, voting trustees, and the like, and to accept and hold property or securities in lieu of any property or securities surrendered in accordance with any such plan; to exercise or sell subscription rights and pay security assessments.

7. To allocate receipts and disbursements to income or principal and to apportion losses to principal or income in accordance with reasonable accounting principles.

8. In general, subject to the terms and conditions hereof, to manage and control any and all funds or property deposited with the Board of Trustees if said Board were the absolute owner thereof, provided only that all such funds and property shall be devoted exclusively to the purposes set forth in the Trust Agreement.

ARTICLE VIII. MISCELLANEOUS

A. Financial Reports: The independent auditor appointed or approved by the Board of Trustees shall prepare for the Foundation at least annually a financial statement, including a statement of assets and liabilities, and a statement of income, expenses, and distributions, and a list of projects and/or organizations to or for which funds were used or distributed for charitable purposes, and such other additional reports or information as may be ordered from time to time by the Board of Trustees. The auditor shall also prepare such financial data as may be necessary for returns or reports required by state or federal government to be filed by the Foundation. The auditor's charges and expenses shall be proper expenses.

B. Annual Reports: The Board of Trustees shall at least annually distribute a written report of its financial condition, activities, and distributions to representative persons and organizations in the Eau Claire area as selected by the Board of Trustees.

C. Dissemination Of Information: The Board of Trustees shall take all other appropriate actions to make the Foundation and its purposes known to the people of the Eau Claire area and in that connection seek gifts to the Foundation from a wide segment of the population of the Eau Claire area.

D. Compliance with State Statutes: The Foundation shall comply with the requirements of Wisconsin Statute 440.42 regarding charitable organizations, including all filings called for therein.

E. Incorporation:

1. The Board of Trustees of the Foundation may, with the approval of the Circuit Court for Eau Claire County and upon notice to the Attorney General for the State of Wisconsin, by a vote of two-thirds of its members, form and organize a non-profit corporation

for the purposes of the Foundation as set forth in the Trust Agreement. Such corporation shall be organized under the laws of the State of Wisconsin and shall, when organized, have the power to administer and control the affairs and property, and to carry out the purposes of the Foundation.

2. Upon the creation and organization of such corporation, the Board of Trustees of the Foundation is authorized and empowered to convey, transfer and deliver to such corporation all the property and assets then owned by or to which the Foundation is, or may be or become entitled, and upon the completion of such transfer, this trust shall terminate. Such corporation, if formed, shall have the same powers and authority as are vested in the Board of Trustees.

3. The articles of incorporation, the by-laws, rules and regulations, and any other provisions for the management of such corporation and its affairs and property, shall, subject to the provisions of Paragraph 1 of this Article, be such as the Board of Trustees of the Foundation then in office shall determine.

F. Status of Foundation: It is intended that the Foundation shall have, and continue to have, the status of an organization which is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code of 1986 and which is other than a private foundation as defined in Section 509 of the Internal Revenue Code of 1986. All terms and provisions of the trust instrument of the Foundation, and all operations of the Foundation, shall be construed, applied and carried out in accordance with such intent.

ARTICLE IX.

This Trust Agreement may be amended or modified from time to time by the affirmative vote of two-thirds ($\frac{2}{3}$) of all persons then constituting the Board of Trustees of the Foundation voting (a) at a properly noticed meeting, (b) by electronic vote within five (5) business days of the motion, or (c) by written action without such notice whenever necessary or advisable for the more convenient or efficient administration of the Foundation, or to enable the Board of Trustees to carry out the purpose of the Foundation more effectively, but no such amendments or modification shall alter the purpose stated in the Trust Agreement that this Foundation be operated exclusively for charitable purposes.

ARTICLE X.

The assets of the Eau Claire Community Foundation, in the event the Foundation is dissolved, for any reason, shall be dispersed exclusively for the purposes of the Eau Claire Community Foundation in such a manner or to such organization or organizations established and operated exclusively for charitable, educational, religious, or scientific purposes and shall at the time qualify as an exempt organization under Section 501(c)(3) of the Internal Revenue Code.

Dated this 17th day of April, 1997

The following signatures constitute the initial members of the Board of Trustees of the Eau Claire Area Foundation.

Jon N. Homstad

John B. Young, Jr.

Kaye Senn

Kenneth Vance

Richard Cable

Jack Postlewaite

Thomas H. Barland

Susan K. Tietz

Richard D. Larson

Bryan J. Farmer

Amended 4/27/2006	Board of Trustee Minutes & Resolution Name Change
Amended 7/27/2006	Board of Trustee Minutes- Article IV -9B
Amended 5/27/2004	Board of Trustee Minutes- Page 4 Section B
Amended 12/19/2002	Board of Trustee Minutes- Page 3 Section 8
Amended 5/27/2010	Board of Trustee Minutes- Page 4 Section B
Amended 3/17/2011	Unanimous Consent to Action, Article IV, Paragraph H, sub paragraphs 5 and 6 noted in Board of Trustee Minutes-3/31/2011
Amended 3/31/2011	Board of Trustee Minutes- Article X
Amended 3/27/2012	Unanimous Consent to Action, as stated in the Amendment to the Eau Claire Community Foundation Trust Agreement noted in Board of Trustee Minutes- 4/26/2012
Amended 4/26/2012	Article VII section C 5
Amended 5/1/2014	Article IV section B