

CAPITAL GIFT AGREEMENT TO SUPPORT THE CLEVELAND JEWISH DAY SCHOOL TRANSFORMATION INITIATIVE

This Agreement ("**Agreement**") is entered into as of _____, 202____, (the "**Effective Date**") between _____ (the "**Donor**") and _____ (the "**School**") (collectively referred to as the "**Parties**") to set forth the terms of the Donor's capital gift to the School. The term "Donor" or "Donors" as used in this Agreement shall mean the singular or plural interchangeably unless the context clearly indicates otherwise.

I. BACKGROUND AND PURPOSE OF GIFT

The Cleveland Jewish Day School Transformation Initiative (the "**Initiative**") is a community wide general transformation project of the Jewish Federation of Cleveland (the "**Federation**") supported by the Jack, Joseph and Morton Mandel Supporting Foundation (the "**Mandel Supporting Foundation**"). One of its purposes is to provide support for capital projects of Federation beneficiary Jewish day schools (the "**Schools**"), including the School.

The Mandel Supporting Foundation has committed up to Forty Million Dollars (\$40,000,000) to support capital projects of the Schools by matching funds contributed or pledged by Initiative donors to support such capital projects (the "**Capital Match**").

The Federation, the Mandel Supporting Foundation, and the Schools have agreed that funds contributed to support the capital projects element of the Initiative and funds committed for the Capital Match will be administered in accordance with guidelines agreed to among and between the Federation, the Schools, and the Mandel Supporting Foundation (the "**Initiative Guidelines**"), incorporated by reference and summarized in Attachment A.

In consideration of contributions by the Mandel Supporting Foundation and other Initiative donors for capital projects, the Donor wishes to make the gift described in Section II, below, to support capital projects of the School (the "**Gift**"). The Donor recognizes that the School will rely upon this Agreement in securing gifts of others and in authorizing expenses to be paid in anticipation of payment of the gift, and agrees that such reliance constitutes adequate consideration for this agreement to make a gift.

II. AMOUNT, FORM, AND SCHEDULE OF GIFT

The Donor agrees to make the Gift to the School of _____ Dollars (\$ _____), to support Initiative capital projects of the School. The Donor further agrees that the Gift shall be paid in the manner provided in Attachment B and, once funded, shall be administered as provided in Section IV, below.

III. RECOGNITION

The School and the Federation will recognize the Donor in accordance with their respective policies for recognition of donor support of the Initiative.

IV. ADMINISTRATION OF GIFT AND CAPITAL GIFT MATCH

The Gift will be administered by the School as part of the School's capital fund (the "***School's Capital Fund***"), for the purpose of funding its capital projects. The Capital Match for the Gift will be an amount equal to the Gift (the "***Capital Gift Match***"), to be distributed to the School's Capital Fund and administered in accordance with the Initiative Guidelines.

V. MISCELLANEOUS

- A. Material Change of Circumstance. If an event constituting a "material change of circumstance" (as defined in the Initiative Guidelines) should occur, the Parties agree that: (i) the assets of the School's Capital Fund shall be transferred to the Federation, to be used for Initiative purposes as determined by the Federation and the Mandel Supporting Foundation, provided that any assignments to lenders for capital projects shall continue to be effective; (ii) the Donor shall take such actions as the Federation may reasonably request to effectuate that the Gift will be made to the Federation; and (iii) the Donor's obligations under this Agreement shall continue until the Gift is paid in full.
- B. Modifications/Assignment. Modifications to this Agreement must be in writing and agreed to by the Parties. This Agreement shall be assignable by the School as collateral for loans to finance its capital projects but shall not be assignable to any person for any other purpose.
- C. Applicable Law and Binding Effect. This Agreement shall be construed and interpreted in accordance with the laws of the State of Ohio (excluding conflict of laws provisions). This Agreement shall inure to the benefit of and be binding upon the Parties and their respective heirs, successors, and assigns.
- D. Entire Agreement. The Parties agree that they will not rely on any statements, representations, or agreements other than those contained in or referred to in this Agreement.
- E. Attachments. Any Attachment to this Agreement shall be considered part of this Agreement, but the provisions in the Agreement shall prevail in the event of any conflict with the provisions in an Attachment.
- F. Counterparts. This Agreement may be signed in multiple identical counterparts each of which shall be deemed an original and all of which, when taken together, shall constitute one document. Photocopies of this Agreement (or counterparts) bearing the signatures of all Parties shall be as binding as originals.

[Remainder of this page intentionally left blank; signature page follows.]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

DONOR(S)

SCHOOL

By: _____

Title: _____

ATTACHMENT A

Summary of The Cleveland Jewish Day School Transformation Initiative Guidelines (“Initiative Guidelines”)

Background

For decades, the Cleveland Jewish community has prioritized Jewish education. It has developed a vibrant, expanding, enriching Jewish Day School ecosystem that inspires families near and far to see Cleveland as a wonderful place to raise a family. We are building on this success by taking the next step in responding to increased enrollment, more complex learning needs, insufficient capital infrastructure, and the call for continued excellence through the Cleveland Jewish Day School Transformation Initiative (the “Initiative”). The Initiative, described below, is the response to meeting these needs in the five beneficiary Jewish Day Schools—Fuchs Mizrahi School, Gross Schechter Day School, Hebrew Academy of Cleveland, Joseph and Florence Mandel Jewish Day School, and Yeshiva Derech Hatorah (the “Schools”).

The core element of the Initiative is the commitment of the Jack, Joseph, and Morton Mandel Supporting Foundation (“Mandel Supporting Foundation”) to provide up to \$90 million in matching funds for endowments (\$50 million) and capital needs (\$40 million) to benefit the Schools. The goal is to incentivize donors to make comparable commitments to provide the Schools with the resources needed to foster a love of learning, inquisitiveness, and deep Jewish knowledge that adds meaning and value to students’ day-to-day lives and guides them throughout their lifetimes.

Use of Endowment Funds Raised

The endowment funds raised will be used to enhance the following areas in the Schools:

- Elevate teacher/administrator salaries to ensure the highest quality educators are recruited and retained to educate our students.
- Ensure Schools can serve differentiated learning needs.
- Educational quality enhancements, including smaller class sizes, new programmatic initiatives in Judaic and general studies, as well as extracurriculars, and specialized programs such as STEM, fine arts, and internships.
- Professional and lay leader development initiatives.
- Increased opportunities to engage families in Jewish learning.
- Increased social-emotional learning and other initiatives to support the mental health needs of students, families, and educators.
- Other educational initiatives that enhance Day School education as determined by the Jewish Education Center in consultation with the Schools and Mandel Supporting Foundation.

Use of Capital Funds Raised

The capital funds raised will be used to support the capital needs of four of the Schools, pending completion of Federation's Capital Validations Process: Fuchs Mizrachi School, Gross Schechter Day School, Hebrew Academy of Cleveland, and Yeshiva Derech Hatorah.

- Funds will be used to acquire new facilities and expand buildings to add more classroom and communal spaces for increased numbers of students.
- Funds also will be used to add equipment and upgrade spaces to support innovative programming and differentiated learning.

Administration of School Endowment Funds and Mandel Supporting Foundation Endowment Matching Funds

Initiative Endowment Gifts from Donors

Gifts to a School for the endowment element of the Initiative will be held in an endowment fund established by the School (the "Initiative Endowment Fund"). This fund will be administered on behalf of the School by the Federation in a custodial fund in accordance with the following Initiative Endowment Fund guidelines which each School will adopt in order to qualify for matching funds.

- Annual distributions shall not exceed 5% of the average net asset value over a 20-quarter period (including expenses).
- Annual distributions are to be used only for Initiative purposes.
- A fund's assets are to be invested in accordance with the Federation's Endowment Fund investment policies.
- Distributions from secured cash gifts can begin twelve months following receipt of the cash gifts.

Matching Endowment Fund Gifts from Mandel Supporting Foundation

Mandel Supporting Foundation matching funds for eligible gifts to each School (as determined by the Mandel Supporting Foundation), will be held by the Federation in an endowment fund for the benefit of the School (the "Match Endowment Fund"), to be administered in accordance with the same guidelines set forth above for the School's endowment fund established for donor gifts. Distributions will begin twelve months after the \$10 million match has been reached, except for matching dollars of cash gifts secured by the Schools. Distributions from matching dollars of secured cash gifts can begin twelve months following receipt of the cash gifts.

Administration of School Capital Funds and Mandel Supporting Foundation Capital Matching Funds

Gifts to a School for capital purposes will be used to fund Federation-validated capital projects. Matching funds will be distributed to the School to the extent that cash or a signed qualified agreement for deferred gifts is received. Gifts for capital projects may be pledged by a School to lenders as collateral for loans for its capital projects.

Material Change of Circumstance

If a School experiences a “material change of circumstances” as described below, the School’s Initiative Endowment Fund, its Match Endowment Fund and the undisbursed portion of its capital fund may be reallocated as determined by the Federation and the Mandel Supporting Foundation, to the Federation for an Initiative purpose. But any assignment of a School’s capital fund or deferred gifts to lenders as collateral for loans for capital projects shall continue to be effective.

A “material change of circumstance” will be deemed to occur if a School: (a) ceases to operate as a Jewish Day School for a period of one (1) academic school year (without the approval of the Federation); (b) publicly announces that it will no longer be operating as a Jewish Day School; (c) enters into an agreement to merge into or consolidate with another school which is not an agency of the Federation in good standing; (d) ceases to be an agency of the Federation in good standing; or (e) ceases to be recognized as an organization described in Internal Revenue Code Section 501(c)(3) as a public charity classified as an “educational organization.”

The Donor acknowledges that this Attachment is a part of the Agreement.

DONOR(S)

DATE

ATTACHMENT B

Current Gift (or gift to be paid within 1 year)

The Donor agrees to pay the Gift on or before _____ 202___. The Donor agrees that any portion of the Gift remaining unpaid at the time of the Donor's death shall be considered a binding obligation of the Donor's estate (and any revocable trust established by the Donor in existence at the Donor's death) payable to the School, as soon as reasonably practicable after the Donor's death.

Installment Payment Gift [5 year maximum]

The Donor agrees to pay the Gift in annual installments of _____ Dollars (\$_____), commencing no later than _____, with payment of the Gift in full to occur no later than _____. The Donor agrees that any portion of the Gift remaining unpaid at the time of the Donor's death shall be considered a binding obligation of the Donor's estate (and any revocable trust established by the Donor in existence at the Donor's death) payable to the School, as soon as reasonably practicable after the Donor's death.

The Donor acknowledges that this Attachment is a part of the Agreement.

DONOR(S)

DATE
