

Los Toros Foundation – EIN 68-0623817 - 1023 Application attachments

Part I

Line 7 - Authorized Representative
Attorney John Gallo; 1214 13th Ave.; Grafton, WI 53024

Part II

Line 1 & 5 - Articles of Incorporation and By Laws attached.

Part III

Articles with certification attached.

Part IV –Narrative of Activities

Statement of Purpose

The Purpose of the Los Toros Foundation is to perform acts of charity and support to a community located in the Dominican Republic. The focus of our work will be centered on acts that improve the living conditions through community development.

Organization

The Los Toros Foundation was started in December of 2005 and became active in March of 2006. It started to accept Project Proposals in June of 2006 and intends to start funding projects by October of 2006.

Current proposals for Projects to be funded by the Foundation include:

Water purification – funding to improve the municipal water system and to furnish water filters for families.

Educational Project – to improve attendance at schools and developing good teachers and parent participation in the educational process.

Medical Assistance Project – to better equip the current medical clinic and train staff to function better in their roles of service to the community.

The Los Toros High School Project – to help build a facility for secondary education and relieve overcrowded conditions in current primary school which is used as a dual facility.

The Los Toros Sewing Project – provides support and resources to the Los Toros Sewing Class and the Los Toros Sewing Machine Committee with assistance in the education and training of persons in the craft of sewing as well as help in acquiring equipment including sewing machines.

The Los Toros Cement Floors Project – provides support and resources to the Los Toros Cement Floor Committee in the renovation of homes with the intention of eliminating “dirt” floors from housing in Los Toros.

All of these projects have been accepted and approved by the Los Toros Foundation Board of Directors. Each project is administered by a Project Leader and a Project Committee in Los Toros, Azua, Dominican Republic. Once a project is funded it will be audited at least twice a year and a report will be issued to the Board of Directors.

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Part IV –Narrative of Activities - Continued

Funding - Solicitation

The Foundation is funded by contributions from individual donors (general public), corporations and grants from other foundations.

Solicitations are made in accordance with out by laws and are outlined on our web page.

The Foundation expects to receive contributions in September 2006. Financial data is attached in the form of projected budgets.

Part V – List of Board Members - Continued

<u>Name</u>	<u>Title</u>	<u>Mailing Address</u>	<u>Compensation</u>
Haidee Schlecht	Trustee	1605 16 th Ave. Grafton, WI 53024	None
Michael S. Mayer	Trustee	1975 Wisconsin Ave. Grafton, WI 53024	None

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Part V - Line 5a – Conflict of Interest Policy

Los Toros Foundation - Conflict of Interest Policy

Article I

Purpose

The purpose of the conflict of interest policy is to protect this tax-exempt organization's (Organization) interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Organization or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

Article II

Definitions

1. Interested Person

Any director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

2. Financial Interest

A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- a.** An ownership or investment interest in any entity with which the Organization has a transaction or arrangement,
- b.** A compensation arrangement with the Organization or with any entity or individual with which the Organization has a transaction or arrangement, or
- c.** A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Organization is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. Under Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

Article III

Procedures

1. Duty to Disclose

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest

and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

2. Determining Whether a Conflict of Interest Exists

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave

the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

3. Procedures for Addressing the Conflict of Interest

- a.** An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- b.** The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- c.** After exercising due diligence, the governing board or committee shall determine whether the Organization can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- d.** If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Organization's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

4. Violations of the Conflicts of Interest Policy

- a.** If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- b.** If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

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Conflict of Interest Policy - continued

Article IV

Records of Proceedings

The minutes of the governing board and all committees with board delegated powers shall contain:

- a.** The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.
- b.** The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

Article V

Compensation

- a.** A voting member of the governing board who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.
- b.** A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.
- c.** No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

Part V – Compensation etc.

At this time the Foundation is run by volunteers who donate their time and services. All volunteers have agreed to pay their own expenses for travel and work they perform for the Foundation.

Part VI - Solicitations

Line 1b - Projects are listed and described under activities in Part IV. Funds are granted to the Project Groups managing the project.

Part VIII - Solicitations

We conduct solicitations for contributions through letters (mail), personal meetings with potential contributors, etc. and through our web site located at www.lostorosfoundation.com.

The solicitations express the needs of the community of Los Toros, our past history and experience of working with the people of Los Toros, the benefits to the Los Toros community and the collaboration between that community and the Foundation.

Information about Foundation projects is communicated through our web site.

Line 4d - Fundraising is conducted in the state of Wisconsin. We fundraise only for our own organization.

Line 4e - Donors contribute toward the general fund and/or to a specific Project. They do not determine the types of investments made with their donation. Donors may specify which Project is to receive their funds and how often the distribution is to be made but must be in accordance with our by laws and all legal statutes.

Line 12b – We operate in the Dominican Republic in the province of Azua, municipality of Los Toros.

Line 12c – We operate through the sponsorship of community projects as listed in section IV.

Line 12d - The Projects we sponsor fulfill our charitable purpose and objectives.

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Specific Activities

13b – The distributions made by the Foundation are acts of charity to a poverty stricken area of the world. These distributions fulfill the objective and mission of the Foundation in giving resources to those who lack them.

13d – The recipient organizations are the Project Groups described in Part IV. The relationship we have with those organizations includes assistance with project proposals in definition and organization and assistance in management and reporting of projects.

13e – The records involved with our distributions include; Project Proposals, Project Acceptance, Project Report, Project Visit Reports, Project Budget, Distribution accounting and Project Closing Report (copies attached).

13f (ii) The Project Acceptance defines how the project will be funded, requires quarterly reports, names the Project Manager, lists a Foundation Contact person responsible for the project and includes assurance that all funds will only be used for the specified project. It requires the Project Leader's participation in writing the Project Closing Report. It also includes a statement that if funds are misused they must be replaced and returned to the Foundation.

14b – The Foundation operates in one location; Los Toros, Azua, Dominican Republic.

14d – Contributors are notified exactly how their contribution is used through the Contribution Acceptance.

14e – The Project Proposal includes information about the recipients and clarifies if they are consistent with the Objectives and Mission of the Foundation.

14f – The Foundation will authorize visits to examine and audit Projects at least two times each year. The required reports will examine compliance and the projects success.