

# TEMPLATE

*THIS FORM HAS IMPORTANT  
LEGAL CONSEQUENCES AND THE PARTIES  
SHOULD CONSULT LEGAL AND TAX OR OTHER  
COUNSEL BEFORE SIGNING.*

## AGREEMENT ESTABLISHING THE

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### AN AGENCY ENDOWMENT FUND WITHIN THE COMMUNITY FOUNDATION

THIS AGREEMENT is entered into by \_\_\_\_\_ (“the Agency”) and The Community Foundation (“The Community Foundation”), on this \_\_\_\_ day of \_\_\_\_\_, year 2009. The agreement establishes an agency endowment fund to be known as the \_\_\_\_\_ (the “Fund”) within The Community Foundation, with the intention that its net income be distributed at least annually to the Fund’s beneficiary, \_\_\_\_\_ (the “Beneficiary”). The Agency may request that a portion or all of the Fund’s net income be reinvested in the Fund, and that distributions from the principal be made from the Fund. Distributions from the Fund shall be made exclusively for charitable purposes as defined in The Community Foundation’s Articles of Incorporation and Bylaws and Section 501( c ) of the Internal Revenue Code.

The Fund shall include the property described in attached Schedule A, together with any property that may later be added to the Fund and accepted by The Community Foundation, all of which shall be irrevocable gifts to The Community Foundation. Cash gifts may be added to the Fund at any time by anyone. The Board of Trustees of The Community Foundation shall have complete discretion to accept or refuse any non-cash gift and shall have complete authority and discretion as to the investment and reinvestment of the assets of the Fund as part of The Community Foundation’s investment portfolio.

The Community Foundation shall hold, manage, invest and reinvest the assets of the Fund which may be commingled with the assets of other component funds within The Community Foundation; provided, however, that the separate identity of the Fund shall be maintained and distributions from the Fund shall be clearly identified to the recipients. A separate account shall be established to report the Fund’s earnings and distributions. The Community Foundation shall report annually to the Colorado Department of Revenue and the Internal Revenue Service regarding the Fund as a component fund within The Community Foundation.

In the event of the dissolution of the Agency, The Community Foundation shall thereafter continue to hold the assets of the Fund in its Community Trust, its general unrestricted endowment fund, and shall distribute the net income and principal therefrom to such organizations as the Board of Trustees of The Community Foundation may select with primary consideration being given to such organizations as, in its discretion, shall consider appropriate.

It is intended that the Fund continue as long as the need for it exists and as long as assets continue to be held in the Fund for its charitable purposes. If, for any reason, the Fund is terminated or The Community Foundation dissolves, or ceases to hold or administer the Fund or otherwise to function under this agreement, then the net assets of the Fund shall be distributed to such charitable organizations as the Board of Trustees of The Community Foundation determines most nearly reflect the purposes and objectives of the Beneficiary.

The Fund's assets shall be the property of The Community Foundation to be held by it in its corporate capacity and shall not be deemed a trust fund held by it in a trustee capacity. It is intended that the Fund shall be a component fund within The Community Foundation and that nothing in this agreement shall affect the status of The Community Foundation as an organization described in Sections 509 (a)(1) and 170 (b)(1)(A)(vi) of the Internal Revenue Code. This agreement shall be interpreted in a manner consistent with the foregoing intention so as to conform with any applicable requirements of the Internal Revenue Code and its regulations.

It is understood and agreed that all assets held in the Fund shall be subject to the Articles of Incorporation and Bylaws of The Community Foundation, including the variance power contained therein permitting the governing board of The Community Foundation to modify or remove any restriction or condition regarding the distribution of funds if, in its sole judgment, such restriction or condition becomes unnecessary, incapable of fulfillment or inconsistent with the charitable purposes and needs served by The Community Foundation.

The Fund shall share a fair portion of the total administrative costs of The Community Foundation. Such administrative costs shall be charged annually against income from the Fund and shall at all times be reasonable and in accordance with The Community Foundation's current fee schedule. If the Donor prefers not to diminish the Fund by the payment therefrom of the administrative costs, they may instead be paid directly by the Donor to The Community Foundation.

The Agency

The Community Foundation

By \_\_\_\_\_  
Board President

By \_\_\_\_\_  
Josephine W. Heath, President

Date \_\_\_\_\_

Date \_\_\_\_\_

## SCHEDULE A

DESCRIPTION OF PROPERTY TO BE DELIVERED TO  
THE COMMUNITY FOUNDATION

FOR THE

\_\_\_\_\_,  
A DESIGNATED AGENCY ENDOWMENT FUND

Assets to be given:

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Expected date for transfer of assets: \_\_\_\_\_