

TEMPLATE

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

AGREEMENT ESTABLISHING THE

A DONOR ADVISED ENDOWED FUND WITHIN THE COMMUNITY FOUNDATION

THIS AGREEMENT is entered into by _____, ("the Donor") and The Community Foundation ("The Community Foundation"), on this ____ day of _____, 20___. The agreement establishes a Donor Advised Endowed Fund, to be known as the _____ (the "Fund"), within The Community Foundation and is viewed as an opportunity to build a philanthropic partnership between The Community Foundation and the Donor. While The Community Foundation must and does retain sole and absolute discretion over distributions from the Fund, it is understood that The Community Foundation intends to actively seek the advice of the Donor or a designated representative with regard to grants, distributions and beneficiaries of the Fund.

The Donor or a designated representative will have the opportunity to recommend distributions from the Fund. No more than 5 percent of the Fund may be distributed in any year, unless a greater percentage is approved by the governing board of The Community Foundation. Unless otherwise agreed by the Donor and The Community Foundation, The Community Foundation will set aside 5 percent of the value of the Fund each year for grant making. The Donor or a designated representative may annually request that a portion or all of the money that has been set aside be reinvested in 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.

Grants from the Fund may not be awarded to individuals. Scholarship funds may not benefit anyone in the donors' family. Donor also may not receive tangible benefits from a grant. These might include, but are not limited to: meals and tables at charity events, concert tickets or museum membership benefits, for example. Additionally, the donors may not use grants from the Fund to pay membership dues, personal tuition and/or conference registrations, or to satisfy personal pledges made to a charity.

The Donor may designate, in writing, a representative to maintain his or her ongoing relationship with The Community Foundation or may appoint an Advisory Committee consisting of the Donor, friends, or family. If a designated representative is appointed, the designated representative shall be the exclusive contact with The Community Foundation with respect to advice regarding dispersals from the Fund. However, the Donor may change the designated representative of the Fund at any time by communicating that change to The Community Foundation in writing.

If an Advisory Committee is appointed by the Donor, The Community Foundation must be kept informed in writing as to the Advisory Committee's representative who has been designated to act as the Committee's exclusive contact with The Community Foundation on behalf of the Committee. Upon the death of the Donor, if a representative has not previously been designated and is not designated by the Donor's wills, the Donor's heirs may designate a representative. The Community Foundation shall be entitled to rely on the advice and recommendations communicated by a representative who has been designated in writing by the Donor or the Donor's heirs and shall have no obligation to confirm such advice or recommendation with the Donors, the Donor's heirs or other members of an Advisory Committee. If neither the Donor nor a designated representative contact the Community Foundation for a period of five consecutive years, and The Community Foundation, after taking reasonable measures to do so, is unable to locate the Donor, Donor's heirs or designated representative, the Fund will be terminated and The Community Foundation shall thereafter continue to hold the assets of the Fund in its general unrestricted endowment fund (The Community Trust) and shall distribute the net income and principal there from to such organizations as the governing board of The Community Foundation, in its discretion, shall consider appropriate.

The Donor or a designated representative may provide The Community Foundation with a written description of the philanthropic interests and charitable intentions of the Donor. The Community Foundation shall continuously monitor the community's charitable needs and gifting opportunities and provide the Donor or designated representative with suggestions, information, and specific projects for which distributions from the Fund might be appropriate. Additionally, the Donor, designated representative and/or Advisory Committee are encouraged to conduct their own research into charitable projects and may from time to time recommend grants from the Fund. The Community Foundation shall inform the Donor or designated representative of each grant and distribution made from the Fund.

The Fund shall include the property described in attached Schedule A, together with any property that may later be transferred to the Fund and accepted by The Community Foundation, all of which shall be irrevocable gifts to The Community Foundation. Additional gifts may be added to the Fund at any time by anyone. The governing board 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 as such 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 that the Donor wishes to terminate the Fund, The Community Foundation shall thereafter continue to hold the assets of the Fund in The Community Trust (its general unrestricted endowment fund) and shall distribute the net income and principal therefrom to such organizations as the governing board of The Community Foundation, 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 or until the death of the final designated representative who is not more than two generations removed from Donor(s), whichever occurs first, unless otherwise agreed to in writing by the Donor(s) and The Community Foundation. If an Advisory Committee consisting of persons who are not heirs of Donor(s) has been established, the Fund will terminate no later than 60 years after the Donor's deaths, unless otherwise agreed to in writing by the Donor and The Community Foundation. If, prior to termination of the Fund, The Community Foundation dissolves for any reason, 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 governing board of The Community Foundation may select, with primary consideration being given to any advice offered by the Donors, the designated representative or the Advisory Committee.

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 there from of the administrative costs, the administrative costs may instead be paid directly by the Donor to The Community Foundation.

The Donor(s)

The Community Foundation

By _____

By _____

Josephine W. Heath, President

Date _____

Date _____

By _____

Date _____

SCHEDULE A

DESCRIPTION OF PROPERTY TO BE DELIVERED TO
THE COMMUNITY FOUNDATION

FOR THE

A DONOR ADVISED ENDOWED FUND

Assets to be given:

Expected date for transfer of assets: _____

OPTIONAL ALLOCATION REQUEST

I would like to recommend annual grants to
The Community Foundation's

Community Trust Endowment

To provide for Boulder County's needs now and into the future.

Please transfer ____ % of my annual "Available to Grant" to The Community Trust
in the first quarter of every year for as long as my fund exists.

This request is a portion of the annual grants I will recommend throughout the year.

I understand that the total I may grant in a given year, including this allocation,
is 5% of the fund balance (unless a different annual percentage is agreed upon).

I will notify The Community Foundation in writing if I decide to
rescind this allocation recommendation.

The donor(s):

By _____

By _____

Date: _____