

Fund Agreement

The Dallas Foundation
3963 Maple Avenue, Suite 390
Dallas, Texas 75219-3209

Re: Donor Advised Fund Agreement

Governors of the Foundation:

With this letter, the undersigned, whether one or more (the “Donors”) are delivering to The Dallas Foundation (the “Foundation”) the property listed on Schedule A. This property constitutes an irrevocable gift to the Foundation upon your acceptance of the gift and the following terms and conditions:

1. Establishment of the Fund. A donor advised fund shall be established on the books of the Foundation that shall be known as the _____ **Fund** (the “Fund”).
2. Purpose of the Fund. The Fund shall be used only for charitable, educational, scientific, literary, or religious purposes (including any combination of such purposes and administrative purposes) within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Internal Revenue Code) and in furtherance of the purposes of the Foundation, either directly by the Foundation or by contributions to other organizations for such purpose or purposes.
3. Property of the Fund. The Fund shall include the property delivered with this letter, any other property which hereafter may be transferred to the Foundation for inclusion in the Fund and accepted by the Foundation for inclusion in the Fund, and all undistributed income from all such property.
4. Fund Advisors. The Donors and their survivor, for their joint lives and the life of the survivor, are hereby constituted advisors to the Board of Governors of the Foundation (the “Advisors”). The Advisors have been appointed for the purpose of making recommendations and giving advice and counsel to the Board of Governors regarding distributions from the Fund. The Board of Governors shall oversee the Fund’s administration with the advice and consent of the Advisors. The recommendations by the Advisors shall be solely advisory and the Foundation shall not be bound by these recommendations.
5. Control of the Fund; Variance Power. The Fund shall be the property of the Foundation, held by it as a component fund of the Foundation, and shall not be deemed a trust fund held by it in a trustee capacity. The Foundation shall have the ultimate authority and control over all property in the Fund, and the income derived therefrom, in accordance with the Foundation’s Restated Certificate of Formation dated March 24, 2015 and Section 4.3 of the Bylaws of the Foundation dated June 15, 2015 (collectively the “Governing Instruments”), and all amendments and policies adopted by the Board of

Governors of the Foundation under the authority of the Governing Instruments. This letter agreement is subject to the Foundation's authority to vary the terms of the gift (the "Variance Power") as described in the Foundation's Governing Instruments. As stated in Section 4.3 of the Foundation's Bylaws, any recommendations for distributions "are advisory only, and . . . must further the purpose and mission of the Foundation, as expressed in the Foundation's Restated Certificate of Formation. The Board of Governors or its designee may in its absolute discretion accept or reject such recommendations. The Board of Governors shall have full and absolute discretion to exercise the power to distribute such contributions as the Board of Governors deems appropriate, notwithstanding any such recommendations."

6. Investment and Administration. The Foundation shall cause the assets of the Fund to be invested and reinvested pursuant to its governing instruments and the investment policies, practices and procedures consonant therewith as adopted from time to time by the Board of Governors. The Foundation shall have all powers necessary or in its sole discretion desirable to carry out the purposes of the Fund including the power to invest and reinvest in such manner as it deems fit, without being subject to investment restrictions, statutory or judicial, which would otherwise be applicable to a fiduciary and the power to commingle the assets of the Fund with those of other funds for investment purposes so long as the Fund is allocated its appropriate shares of principal and income.
7. Excess Business Holdings. Federal law imposes certain limitations on accepting and retaining gifts of assets to a Donor Advised Fund and does not allow Donor Advised Funds to purchase certain business holdings. The holdings of a Donor Advised Fund in a business enterprise, together with the holdings of persons who are disqualified persons with respect to that fund, may not exceed any of the following:
 - Twenty percent of the voting stock of an incorporated business
 - Twenty percent of the profits interest of a partnership or joint venture or the beneficial interest of a trust or similar entity
 - Any ownership of an unincorporated business that is not substantially related to the fund's purposes

The Dallas Foundation will identify and monitor any new gift to a Donor Advised Fund of any interest qualifying as an "excess business holding" under the Pension Protection Act (PPA), and will accept such gifts as appropriate according to the Dallas Foundation's Gift Acceptance Policies. Such gifts require disclosures from the donor prior to acceptance. The Foundation will exercise reasonable efforts to dispose of the contributed interest within five years of the date of the gift, as required under the PPA, except in the event that the Treasury Department grants an additional five-year holding period.

8. Distributions. Distributions from the Fund of the income or principal or both of the Fund, within the limitations provided for in Section 4 above, shall be made in such amounts, in such ways and for such charitable, educational, scientific, literary or

religious purposes (or any combination of such purposes) as the Foundation shall determine.

9. Fund Activity. The Dallas Foundation is responsible for ensuring donor-advised funds are used for charitable grant-making and do not confer any private benefit on the donor or any other person. The Dallas Foundation monitors the use of donor-advised funds to ensure their activity leads to charitable distributions and periodically contacts the Fund Advisor(s) of any inactive donor advised fund to confirm the plans of the Fund Advisor(s) for the donor-advised-fund. If a donor-advised-fund is dormant (i.e., there are no grant recommendations from the Fund Advisor(s)) for three (3) years, The Dallas Foundation makes every effort to contact the Fund Advisor(s) to request an acceptable explanation in accordance with the Foundation's Fund Activity Policy dated June 11, 2018, or that a grant recommendation be made. If the Fund Advisor(s) do not respond within a reasonable time, The Dallas Foundation, at its sole discretion, may reallocate the funds in the donor-advised-fund to the Community Impact Fund Endowment to support a variety of community causes, including early learning, social services, and healthcare.

10. Succession.

a. Subsection 10.b. shall become effective:

- At the death of the Donors; OR
- As of _____ (date); OR
- When the following occurs: _____.

b. After the event specified in Subsection 10.a, then:

Option 1 - Any assets remaining in the Fund shall become part of the Community Impact Fund of the Foundation to benefit the Dallas community at large. It enables The Dallas Foundation to respond to changing community needs and emergencies, to support innovative solutions to community problems and to enhance the quality of community life. No restrictions are placed on how this fund may be used, leaving the most effective charitable application to the expertise and discretion of the Foundation's Board of Governors.;

Option 2 - Any assets remaining in the Fund shall establish a Field of Interest Fund or Designated Fund(s) to support the following charity, charitable cause or purposes:

_____;

Option 3 - The following person(s) (the "Successor Advisors") shall succeed to the advisory rights under this agreement, provided the Successor Advisors (as defined below) have reached majority age.

Name

Relationship

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-
- a. If there is more than one Successor Advisor, the Donors intend that the Successor Advisors exercise their advisory rights
- Independently of each other; OR
 - Jointly
- b. Amount available from the Fund for distribution by Successor Advisors:
- The Successor Advisors may recommend grant distributions that fully expend the Fund; OR
 - The Fund shall become a permanent endowment upon the occurrence of the event in Subsection 10.a. and the Successor Advisors may recommend grant distributions up to the amount available for grants annually as calculated under the Foundation's spending policy as adopted by the Board of Governors.
- c. Purpose of distributions by Successor Advisors:
- The Successor Advisors may recommend grants for any charitable purpose; OR
 - The Successor Advisors may recommend grants only for the following causes or purposes:

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11. Assessments of the Fund. The Donors agree that the Foundation may charge the Fund regularly for a proper allocation of direct and indirect expenses attributable to the creation and maintenance of funds of this type.
12. No Benefit to Donor or Advisors. Neither the Donors nor anyone else holding advisory rights under this agreement, or any other disqualified persons with respect to the Fund within the meaning of Section 4958(f)(7) of the Internal Revenue Code, may receive any tangible benefit or privilege in return for a distribution from the Fund. In particular, no distributions from the Fund will be used to discharge or satisfy a legally enforceable pledge or obligation of any person, including the Donors.

13. Construction. The Donors and the Foundation intend that the Fund shall be a component part of the Foundation and not a separate trust, and that nothing in this letter agreement shall affect the status of the Foundation as an organization described in Section 501(c)(3) of the Internal Revenue Code, and as an organization which is not a private foundation within the meaning of Section 509(a) of the Internal Revenue Code. This letter agreement shall be interpreted in a manner consistent with the foregoing intention and so as to conform to the requirements of the foregoing provisions of the federal tax laws and any regulations issued pursuant thereto. The Foundation is authorized, acting alone, to amend this letter agreement solely to conform to the provisions of any applicable law or government regulation in order to carry out the foregoing intention. References herein to provisions of the Internal Revenue Code shall be deemed references to the corresponding provisions of any future Internal Revenue Code.
14. Governing Law. This letter agreement shall be governed by and construed in accordance with the laws of the State of Texas, and applicable provisions of the Internal Revenue Code.

Please indicate below your acceptance of this gift and of the foregoing terms and conditions.

Very truly yours,

Donor
Printed Name: _____

Donor
Printed Name: _____

Accepted this _____ day of _____, 2019. Receipt of the above-described property on this date is acknowledged.

THE DALLAS FOUNDATION

Matthew Randazzo
President & CEO

SCHEDULE A

Description of Property

Delivered to The Dallas Foundation
Pursuant to Agreement
Dated _____, 2019

(Check all that apply.)

- Check # _____ in the amount of \$ _____.
- Wire transfer in the amount of \$ _____.
- _____ shares of _____.
- Other (please describe): _____.