

Establishing your **DONOR ADVISED FUND**



Donor Advised Fund Agreement &
Terms and Conditions



3963 Maple Ave #390, Dallas, TX 75219
214-741-9898 | dallasfoundation.org

Getting started with THE DALLAS FOUNDATION

We know that you want to make the greatest impact possible with your philanthropic gifts. And we know that your philanthropy is unique to you. Whatever your passions are, The Dallas Foundation powers your philanthropy, serving as a bridge to the causes you care about, to the needs facing our community, and to the tax-advantaged vehicles which amplify your charitable investment.

When you create a donor advised fund at the Dallas Foundation, you can support the same causes you do today, and you can explore new opportunities alongside our team of philanthropic advisors. Your gift to a donor advised fund qualifies for an immediate tax deduction and allows you the time to decide where you wish to make your philanthropic investments.

DONOR ADVISED FUND Agreement

To begin your philanthropy with The Dallas Foundation (“TDF”), please complete the following. If you have any questions or need assistance in completing this form, please contact your philanthropic advisor at (214) 741-9898.

TODAY'S DATE:

1 Name your Fund

You can name your fund after yourself, your family, in memory of someone, after an issue area that you care about, or with a name that will not convey your identity. Print the name here.

Fund Name:

2 Fund Advisor Information

Please include the name(s) of the person(s) who will have the ability to recommend grants, request investment changes, and name further successor advisors, unless otherwise stated. Please list any additional fund advisors on page 8.

Fund Advisor #1:

PREFIX, FIRST NAME, LAST NAME

THIS IS HOME
 THIS IS BUSINESS

PREFERRED MAILING ADDRESS

CITY, ST, ZIP

BUSINESS NAME (IF APPLICABLE)

BUSINESS PHONE

CELL PHONE

BIRTHDATE

PREFERRED EMAIL ADDRESS

Fund Advisor #2:

PREFIX, FIRST NAME, LAST NAME

THIS IS HOME
 THIS IS BUSINESS

PREFERRED MAILING ADDRESS

CITY, ST, ZIP

BUSINESS NAME (IF APPLICABLE)

BUSINESS PHONE

CELL PHONE

BIRTHDATE

PREFERRED EMAIL ADDRESS

3 Professional Advisor Information

Please provide contact information for the professional advisor(s) with whom you partner to manage your finances. This information **will not be shared** outside of The Dallas Foundation.

Wealth Advisor:

PREFIX, FIRST NAME, LAST NAME

BUSINESS STREET ADDRESS

CITY, ST, ZIP

FIRM

BUSINESS NAME

EMAIL ADDRESS

Provide this person with:

- Ability to make investment allocation changes: YES NO
- Ability to view the fund online: YES NO
- Ability to submit grant recommendations on behalf of the Fund: YES NO

Accountant:

PREFIX, FIRST NAME, LAST NAME

BUSINESS STREET ADDRESS

CITY, ST, ZIP

FIRM

BUSINESS NAME

EMAIL ADDRESS

Provide this person with:

- Ability to make investment allocation changes: YES NO
- Ability to view the fund online: YES NO
- Ability to submit grant recommendations on behalf of the Fund: YES NO

Attorney:

PREFIX, FIRST NAME, LAST NAME

BUSINESS STREET ADDRESS

CITY, ST, ZIP

FIRM

BUSINESS NAME

EMAIL ADDRESS

Provide this person with:

- Ability to make investment allocation changes: YES NO
- Ability to view the fund online: YES NO
- Ability to submit grant recommendations on behalf of the Fund: YES NO

Other Advisor (if applicable):

PREFIX, FIRST NAME, LAST NAME

BUSINESS STREET ADDRESS

CITY, ST, ZIP

FIRM

BUSINESS NAME

EMAIL ADDRESS

Provide this person with:

- Ability to make investment allocation changes: YES NO
- Ability to view the fund online: YES NO
- Ability to submit grant recommendations on behalf of the Fund: YES NO

4 Gifting to your Fund

On what date do you plan to make the initial gift to establish the fund? _____
DATE

What will be the estimated amount of your initial gift? \$ _____

Indicate the type of gift you plan to contribute (put an X next to all that apply):

	NOW	FUTURE
Cash	<input type="checkbox"/>	<input type="checkbox"/>
Publicly traded securities	<input type="checkbox"/>	<input type="checkbox"/>
Privately held/restricted securities	<input type="checkbox"/>	<input type="checkbox"/>
Private equity/venture capital/hedge fund investments	<input type="checkbox"/>	<input type="checkbox"/>
Real estate	<input type="checkbox"/>	<input type="checkbox"/>
Personal property (eg. artwork, jewelry, etc.)	<input type="checkbox"/>	<input type="checkbox"/>
Retirement assets	<input type="checkbox"/>	<input type="checkbox"/>
Charitable assets (donor-advised fund, private foundation, etc.)	<input type="checkbox"/>	<input type="checkbox"/>
Royalties and distribution rights, including mineral interests	<input type="checkbox"/>	<input type="checkbox"/>
Insurance proceeds	<input type="checkbox"/>	<input type="checkbox"/>
Business interests (including partnerships and interests in LLCs)	<input type="checkbox"/>	<input type="checkbox"/>
Charitable remainder trust	<input type="checkbox"/>	<input type="checkbox"/>
Charitable lead trust	<input type="checkbox"/>	<input type="checkbox"/>
Other (please specify) _____	<input type="checkbox"/>	<input type="checkbox"/>

5 Investment Allocations

Please check the box corresponding to the fund you would like to invest in initially. These are listed from most conservative to most aggressive. Please note: Donors with \$500,000 or more in assets may recommend that their fund's assets be invested with an outside manager.

Please click here, [INVESTMENT OPTIONS](#) for further detail. For more information, please contact your philanthropic advisor.

<input type="checkbox"/>	FUND 1	Money Market Fund (100% money market)
<input type="checkbox"/>	FUND 2	Fixed Income Emphasis (majority is fixed income, with some equities)
<input type="checkbox"/>	FUND 3	Balanced (mostly equities and fixed income)
<input type="checkbox"/>	FUND 4	Equity Emphasis (majority is equities, with some fixed income)

6 The Future of your Fund

You have several options for the administration of your fund upon your resignation, incapacity, or death. Please check all options that apply below and complete applicable section(s):

OPTION 1

APPOINT SUCCESSOR ADVISOR(S) Please complete section below, if selected.

Successor advisors are those individuals who can advise the Foundation on distributions from the Fund in the event of donor(s) death or incapacity.

Successor Fund Advisor #1:

PREFIX, FIRST NAME, LAST NAME RELATIONSHIP TO DONOR

PREFERRED MAILING ADDRESS CITY, ST, ZIP

HOME OR BUSINESS PHONE CELL PHONE

PREFERRED EMAIL ADDRESS BIRTHDATE

Successor Fund Advisor #2:

PREFIX, FIRST NAME, LAST NAME RELATIONSHIP TO DONOR

PREFERRED MAILING ADDRESS CITY, ST, ZIP

HOME OR BUSINESS PHONE CELL PHONE

PREFERRED EMAIL ADDRESS BIRTHDATE

Successor Fund Advisor #3:

PREFIX, FIRST NAME, LAST NAME RELATIONSHIP TO DONOR

PREFERRED MAILING ADDRESS CITY, ST, ZIP

HOME OR BUSINESS PHONE CELL PHONE

PREFERRED EMAIL ADDRESS BIRTHDATE

Successor Fund Advisor #4:

PREFIX, FIRST NAME, LAST NAME RELATIONSHIP TO DONOR

PREFERRED MAILING ADDRESS CITY, ST, ZIP

HOME OR BUSINESS PHONE CELL PHONE

PREFERRED EMAIL ADDRESS BIRTHDATE

6 The Future of your Fund CONTINUED

OPTION 2

DISTRIBUTE THE BALANCE TO SPECIFIC AGENCIES: Please indicate the nonprofit organizations you wish your successor advisors (or The Dallas Foundation if no successor advisors appointed) to direct your grants upon your resignation, incapacity, or death. If you wish to identify additional organizations, please attach a separate sheet to this document. NOTE: If the organizations you select are no longer in good standing with the IRS or have ceased to exist, the foundation will find organizations with closely aligned missions doing similar work to receive the grant(s), unless otherwise instructed.

Organization #1:

NAME OF NONPROFIT

TAX ID NUMBER

CITY, ST, ZIP

PERCENTAGE OR DOLLAR AMOUNT

Organization #2:

NAME OF NONPROFIT

TAX ID NUMBER

CITY, ST, ZIP

PERCENTAGE OR DOLLAR AMOUNT

Organization #3:

NAME OF NONPROFIT

TAX ID NUMBER

CITY, ST, ZIP

PERCENTAGE OR DOLLAR AMOUNT

Organization #4:

NAME OF NONPROFIT

TAX ID NUMBER

CITY, ST, ZIP

PERCENTAGE OR DOLLAR AMOUNT

OPTION 3

DISTRIBUTE THE BALANCE TO AGENCIES SERVING A PARTICULAR NEED: Please identify the interest area(s) or geographic area(s) to which you would like The Dallas Foundation to make grants from your fund after your resignation, incapacity, or death. Please check all that apply or describe other areas in the space provided.

<input type="checkbox"/> Animal Welfare	<input type="checkbox"/> Economic Development	<input type="checkbox"/> Mental Health
<input type="checkbox"/> Arts & Culture	<input type="checkbox"/> Healthcare/Wellness/Nutrition	<input type="checkbox"/> Parks/Recreation/Environment
<input type="checkbox"/> Childhood / Family Poverty	<input type="checkbox"/> Housing	<input type="checkbox"/> Social Innovation/Impact Investing
<input type="checkbox"/> Civil Rights / Social Action	<input type="checkbox"/> Human/Social Services	Specific Geographic Area or other fields of interest:
<input type="checkbox"/> Early Childhood Education	<input type="checkbox"/> K-12 Education	

OPTION 4

DISTRIBUTE THE BALANCE BASED ON THE HISTORICAL GIVING PATTERNS OF THE FUND.

OPTION 5

CONVERT THE FUND TO A PERMANENT ENDOWMENT, and make annual distributions of the fund's appreciation in value to these interest areas or agencies:

6 The Future of your Fund CONTINUED

OPTION 6

DISTRIBUTE THE BALANCE TO THE DALLAS FOUNDATION'S COMMUNITY IMPACT FUND. The Community Impact Fund is a permanent endowment from which grants are made each year to the areas of the Dallas community where the needs are the greatest at the time.

OPTION 7

I WOULD LIKE TO LEAVE SPECIFIC INSTRUCTIONS on the treatment of my Fund, which are as follows:

7 Your Charitable Legacy

If your estate plans include a gift to your fund at The Dallas Foundation, or you are interested in exploring this option, please indicate your plans here. This information will help with the development of the succession plan for your fund. You may check more than one box.

I do not plan to add additional assets to my fund through my estate.

I would like to talk to a Dallas Foundation philanthropic advisor about planning a gift from my estate to my fund.

I have arranged for a contribution to be made to my fund through my estate.

The expected contribution value is: \$ _____ The asset type is: \$ _____

I have named my fund as a beneficiary of one or more of the following: my will or revocable trust, charitable remainder trust, charitable gift annuity, IRA or other retirement plan, life insurance, charitable lead trust, or other.

The expected contribution value is: \$ _____ The asset type is: \$ _____

8 Motivation / More about you

What motivated you to establish this fund? Check all that apply.

Benefit the community

Establish a planned gift

Involve multiple generations in giving

Simplify my annual charitable giving

Give anonymously

Support the mission of the foundation

If you desire, please describe your vision for your charitable giving, why you decided to open a fund at The Dallas Foundation, and any other information you think would help us better understand your interests, values, beliefs, and goals. Note that your advisor will work with you to further explore your vision to create a meaningful experience with The Dallas Foundation. Describe your vision on these lines:

9 Charitable Interests

What charitable areas interest you?

<input type="checkbox"/> Animal Welfare	<input type="checkbox"/> Economic Development	<input type="checkbox"/> Mental Health
<input type="checkbox"/> Arts & Culture	<input type="checkbox"/> Healthcare/Wellness/Nutrition	<input type="checkbox"/> Parks/Recreation/Environment
<input type="checkbox"/> Childhood / Family Poverty	<input type="checkbox"/> Housing	<input type="checkbox"/> Social Innovation/Impact Investing
<input type="checkbox"/> Civil Rights / Social Action	<input type="checkbox"/> Human/Social Services	Other fields of interest: _____
<input type="checkbox"/> Early Childhood Education	<input type="checkbox"/> K-12 Education	

10 Grow Your Impact

The Dallas Foundation is committed to helping you achieve maximum impact with your philanthropy. We offer tools to inspire and grow your impact in the community. Please share your learning interests with us. Please check all that apply:

<input type="checkbox"/> Women's Philanthropy	<input type="checkbox"/> Research on nonprofits in my interest areas
<input type="checkbox"/> Family Philanthropy and Next Generation	<input type="checkbox"/> Create a family philanthropy mission statement
<input type="checkbox"/> Community Impact Fund	<input type="checkbox"/> Strong and Healthy Start
<input type="checkbox"/> Collaborative Giving/Impact Investing	<input type="checkbox"/> Invite The Dallas Foundation to speak to my organization

11 Anonymity

- I wish to remain completely anonymous in publications of The Dallas Foundation (for example: annual reports, website, and programs.) *Please note: You will always have the ability to choose anonymously for each individual grant.*

Additional Fund Advisor Information CONTINUED FROM PAGE 2 IF NEEDED

Fund Advisor #3:

PREFIX, FIRST NAME, LAST NAME

- THIS IS HOME
 THIS IS BUSINESS

PREFERRED MAILING ADDRESS

CITY, ST, ZIP

BUSINESS NAME (IF APPLICABLE)

BUSINESS PHONE

CELL PHONE

BIRTHDATE

PREFERRED EMAIL ADDRESS

Fund Advisor #4:

PREFIX, FIRST NAME, LAST NAME

- THIS IS HOME
 THIS IS BUSINESS

PREFERRED MAILING ADDRESS

CITY, ST, ZIP

BUSINESS NAME (IF APPLICABLE)

BUSINESS PHONE

CELL PHONE

BIRTHDATE

PREFERRED EMAIL ADDRESS

Signatures

I/WE ACKNOWLEDGE that I/We have read and agree to The Dallas Foundation's terms and conditions and agree to the policies described therein.

I/WE UNDERSTAND that the transfer of the property described above is an irrevocable gift to The Dallas Foundation and is not refundable to me/us, and such gift is intended to create a donor advised fund under Section 4966(d)(2) of the Code, and that nothing in this application shall affect the status of the Fund as a component fund of the Trust.

DONORS

DONOR

DATE

DONOR

DATE

FOR THE DALLAS FOUNDATION

MATTHEW RANDAZZO, PRESIDENT & CEO

DATE

PLEASE SIGN AND SEND THE COMPLETED AGREEMENT TO:

Gary Garcia, Senior Director of Philanthropic Partnerships
gwgarcia@dallasfoundation.org | 214.694.2507



3963 Maple Ave #390, Dallas, TX 75219
214-741-9898 | dallasfoundation.org

Donor Advised Fund TERMS & CONDITIONS

ALL FUNDS ARE SUBJECT TO The Dallas Foundation's ("Foundation") terms and conditions as may be amended from time to time at the Foundation's sole discretion.

FUND ADVISORS The donor(s) and their survivor(s), for their joint lives and the life of the survivor(s) are advisors to the Board of Governors of the Foundation. 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. A person must be at least 18 years old to serve as a fund advisor.

MAKING GRANT RECOMMENDATIONS Grants of \$250 or more may be recommended to a qualified 501(c)(3) public charity or private operating foundation in the United States. Our staff reviews grant recommendations from donor advised funds weekly. We ensure that the grant is to a qualified charitable organization and complies with IRS regulations. We will award and pay the grant within approximately a week after a favorable review. Grants will be designated for general operating support unless otherwise noted by the fund advisor. Grant recommendations can be submitted online through our donor portal using a user ID and password supplied by the Foundation. An unlimited number of grant recommendations can be made, and the portal provides access to your grant making.

GRANT LIMITATIONS The Foundation verifies that all organizations recommended for grants are classified as public charities under Section 501(c)(3) of the Internal Revenue Code of 1986, as Amended ("Code") and, if needed, will request documentation from the organization. In the event that a matter of concern should surface, the Foundation will advise the fund advisor prior to releasing the grant. IRS Rules and Regulations do not permit grants from a fund for memberships, sponsorships, tickets, or for the fulfillment of a pledge agreement made by a donor, fund advisor, or related party. Grants may not be made to individuals and cannot provide a benefit to the fund advisor or any family member or related parties. Donors and family members may not receive grants, loans or similar payments from a fund. Any grant that provides personal benefit risks significant penalties to the fund advisor and the Foundation. Fund grants may not go to private nonoperating foundations. No distribution from the fund shall be made if such distribution would result in the imposition of any tax described in Sections 4966 or 4967 of the Code.

INTERNATIONAL GRANTS Grants to international organizations with a U.S. 501(c)(3) public charity equivalent are subject to the Foundation's standard due diligence procedure. Contact your philanthropic advisor for more information about international grants.

INVESTMENTS The Foundation offers four investment options to donors: a Money Market Fund, a Fixed Income emphasis fund, a Balanced fund, and an Equity emphasis fund. And for funds with assets in excess of \$500,000, we offer the fund advisor the ability to recommend their own investment manager. Advisors elect an investment allocation at the time they establish the fund. They may request to change the investment allocation in writing at any time, subject to the approval of the Foundation.

INVESTMENT RETURNS AND ADMINISTRATION Investment returns are allocated pro-rata to funds on a monthly basis. Due to the inflows and outflows within each fund, the returns are allocated using the average of the daily balances. The Foundation has sole discretion to invest and reinvest in such manner as it deems fit, as long as the Fund is allocated its appropriate shares of principal and income. The Fund shall not invest or hold any assets that create "excess business holdings" as defined in Section 4943 of the Code.

ADDITIONAL CONTRIBUTIONS Once a fund is established, anyone may add to the fund at any time. There is no minimum contribution amount. Additional contributions will be deposited to the fund based on the investment allocation indicated in the Fund Agreement unless indicated otherwise.

DONOR FUNDRAISING Fundraising for funds is prohibited unless it is specifically authorized pursuant to a written fundraising plan submitted by the fund advisor to the Foundation. Such plans are subject to the review and approval of the Foundation. Please contact your philanthropic advisor for more information.

GIFT ACKNOWLEDGMENT All gifts are acknowledged in with a gift receipt in accordance with Code requirements. Generally, the IRS requires taxpayers to complete and file a Form 8283 with their federal income tax returns for gifts of property valued at \$5,000 or more. It is the donor's responsibility to obtain a qualified appraisal for all gifts other than cash and marketable securities for tax purposes.

GRANT ACKNOWLEDGMENT All grants from your fund will be acknowledged as coming from (Your Fund Name) at The Dallas Foundation unless the donor requests anonymity.

FUND FEES Each fund will be allocated a portion of the Foundation's investment, administrative, and other fees as set forth below.

INVESTMENT FEES The Foundation assesses each fund an investment management fee to cover investment management expenses plus any underlying investment management costs, such as consulting, legal costs and taxes related to investment activity. This fee is assessed monthly based on the average of the daily balances in the fund. In addition, the Foundation has negotiated competitive fees from investment not typically available to individual investors. Funds are responsible for an allocable portion of these fees as investment management expenses. Such expenses are charged directly to the earnings, with net earnings credited to the fund. Investment fees are subject to change at the sole discretion of the Foundation and its investment managers.

ADMINISTRATIVE FEES Administrative fees are deducted at the conclusion of each month based on the average daily balance and subject to a minimum annual fee. The tiered fee schedule is as follows:

- 1.25 % of first \$500,000 of assets
- 1.00 % of next \$500,000 of assets
- 0.75 % of next \$4 million of assets
- 0.50 % of \$5,000,000 and over

Administrative fees cover grant and fund administration, philanthropic advisor consulting support, due diligence procedures, the receipt and acknowledgment of contributions, processing and payment of grants, and compliance with federal and state reporting requirements. Fees also support online fund access through the donor portal and most of the Foundation's extensive donor services designed to enhance advisors' giving and philanthropic experiences. Fees are subject to change from time to time.

COMPLEX GIFT FEE Gift assets that require special review, such as real estate, limited partnership interests, or closely held stock, may incur additional fees to cover tax, legal, or other expenses incurred by the Foundation in association with the transaction. The Foundation reserves the right to charge the fund with respect to such additional fees as the Foundation in its sole discretion deems is appropriate.

CREDIT CARD FEES Any credit card fee incurred will be charged back to the fund.

ANONYMITY The Foundation's IRS Form 990 is accessible through public online resources but does not disclose individual

giving amounts or activity. The Foundation offers various levels of anonymity as part of the grant recommendation process.

CONTROL OF ASSETS/MATERIAL

RESTRICTION 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. IRS Rules and Regulations require that the Foundation retain exclusive legal control over the assets contributed to the fund. As such, all grant recommendations are advisory only and subject to the review and approval of the Foundation. Additionally, the IRS requires all such funds be free of material restrictions imposed by donors in a manner consistent with the requirements of Section 1.507-2 of the Treasury Regulations.

SUCCESSION PLANNING Requests to appoint additional advisors, successor advisors, or to make changes in the fund advisors must be communicated to the Foundation in writing. Should the fund advisor be deceased, unwilling or unable to serve or cannot be located, and a successor advisor has not been named and there is no written succession plan on file at the Foundation, then the Fund shall be converted to an unrestricted fund.

LOW BALANCE FUNDS The Foundation periodically reviews funds with low balances and will contact the fund advisor to offer support, including the option to make additional contributions to the fund to bring the fund up to the minimum; grant out the fund balance or close the fund.

LOW ACTIVITY FUNDS The Foundation encourages the fund advisor to retain an active role in his or her fund. To carry out its mandate of distributing charitable dollars to the community, the Foundation periodically reviews the grant making activity of all funds. Should a fund with a balance not make any grants after three years, the Foundation will contact the fund advisor to discuss their intentions for the fund. If a fund does not make any grants for another year, making the fund inactive for a total of four years, the fund advisor will be given the following options:

- Provide a plan for funding specific charitable projects that requires an accumulation of resources for more than the four-year period.
- Recommend total grants equal to the equivalent of the Foundation's Spending Policy as retroactively applied to the fund to one or more 501(c)(3) public charities.
- Recommend the equivalent of the Foundation's Spending Policy as retroactively applied to the fund be granted to the unrestricted fund of the Foundation.

TAX IMPLICATIONS As a public charity under Sections 501(c)(3) and 170(b)(1)(a) of the Code, initial and subsequent contributions made to the Foundation currently receive the maximum charitable deduction permitted under state and federal law. Note: The Foundation does not provide legal or tax advice. Donors should consult

with their own financial, tax or legal advisors to determine the best charitable giving strategies for their needs and the tax implications associated with any contribution to the Foundation.

SPENDING POLICY The Foundation utilizes a Spending Policy to determine the amount available for annual grant making from its endowment funds. Such Spending Policy is currently 5.0% of the twelve-quarter rolling average market value of the fund minus administration fees.

ASSIGNMENT The rights and obligations with respect to a fund may neither be transferred nor assigned without the prior written consent of the primary donor and the Foundation. The advised function of any fund cannot be assigned or varied without the prior written approval of the Foundation.

DISPUTES The fund agreement (including these terms and conditions) between a primary donor and the Foundation is governed by Texas law without regard to its conflicts of law principles. Venue for any disputes arising out of or in connection with a fund shall be cited in the federal or state courts located in Dallas County. Section 1.507-2 of the Treasury Regulations.

SUCCESSION PLANNING Requests to appoint additional advisors, successor advisors, or to make changes in the fund advisors must be communicated to the Foundation in writing. Should the fund advisor be deceased, unwilling or unable to serve or cannot be located, and a successor advisor has not been named and there is no written succession plan on file at the Foundation, then the Fund shall be converted to an unrestricted fund.

LOW BALANCE FUNDS The Foundation periodically reviews funds with low balances and will contact the fund advisor to offer support, including the option to make additional contributions to the fund to bring the fund up to the minimum; grant out the fund balance or close the fund.

LOW ACTIVITY FUNDS The Foundation encourages the fund advisor to retain an active role in his or her fund. To carry out its mandate of distributing charitable dollars to the community, the Foundation periodically reviews the grant making activity of all funds. Should a fund with a balance not make any grants after three years, the Foundation will contact the fund advisor to discuss their intentions for the fund. If a fund does not make any grants for another year, making the fund inactive for a total of four years, the fund advisor will be given the following options:

- Provide a plan for funding specific charitable projects that requires an accumulation of resources for more than the four-year period.

- Recommend total grants equal to the equivalent of the Foundation's Spending Policy as retroactively applied to the fund to one or more 501(c)(3) public charities.
- Recommend the equivalent of the Foundation's Spending Policy as retroactively applied to the fund be granted to the unrestricted fund of the Foundation.

TAX IMPLICATIONS As a public charity under Sections 501(c)(3) and 170(b)(1)(a) of the Code, initial and subsequent contributions made to the Foundation currently receive the maximum charitable deduction permitted under state and federal law. Note: The Foundation does not provide legal or tax advice. Donors should consult with their own financial, tax or legal advisors to determine the best charitable giving strategies for their needs and the tax implications associated with any contribution to the Foundation.

SPENDING POLICY The Foundation utilizes a Spending Policy to determine the amount available for annual grant making from its endowment funds. Such Spending Policy is currently 5.0% of the twelve-quarter rolling average market value of the fund minus administration fees.

ASSIGNMENT The rights and obligations with respect to a fund may neither be transferred nor assigned without the prior written consent of the primary donor and the Foundation. The advised function of any fund cannot be assigned or varied without the prior written approval of the Foundation.

DISPUTES The fund agreement (including these terms and conditions) between a primary donor and the Foundation is governed by Texas law without regard to its conflicts of law principles. Venue for any disputes arising out of or in connection with a fund shall be cited in the federal or state courts located in Dallas County.