

LOS ALTOS COMMUNITY FOUNDATION



DESIGNATED FUND AGREEMENT

This Agreement is made by and between individuals identified in Attachment A (hereinafter referred to as "Advisor(s)"), and the Los Altos Community Foundation (hereinafter referred to as "LACF"), a California nonprofit public benefit corporation, located at 183 Hillview Avenue, Los Altos, 94022.

Donors agree to create and maintain with the Los Altos Community Foundation, a Designated Fund ("the Fund") for the purpose of _____,

according to the following terms and conditions:

FIRST: The Fund shall be known as the: _____,

a separately identifiable part of LACF Assets. The Fund shall be identified by this name by LACF and its Board of Directors in the course of the management and administration of the Fund and the distribution of its assets.

SECOND: The Fund will include (a) an initial gift of \$500. If contributions other than cash are made to the Fund, such contributions must first be approved by LACF. All contributions shall be administered and distributed in accordance with the terms and conditions of this Agreement.

THIRD: All assets donated to the Fund are irrevocable gifts to LACF dedicated to the designated purpose of the Fund. Legal ownership and control of the Fund is vested in LACF, which is solely responsible for the management of the Fund and the disbursement of its assets. LACF shall hold, manage, invest, and disburse the Fund in accordance with the recommendations of the Advisor(s), as long as such recommendations are in accord with the designated purpose of the Fund and LACF policies.

The Fund is subject to LACF's variance power, as set forth in its Bylaws, that gives LACF the authority to modify any restriction or condition on funds designated for

distribution for specific charitable purposes or to specific organizations if, in the sole judgment of the LACF Board of Directors, such restriction or condition becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community.

FOURTH: LACF acknowledges that the persons listed in Attachment A of this Agreement shall have authority to make recommendations for disbursements from the Fund; Schedule A may be amended from time to time by the Advisor(s) . It is understood that in the event that no advisor is able and willing to act, LACF's Grants Committee shall make decisions without an Advisor.

FIFTH: The Advisor(s) may, at any time, request LACF to disperse assets in this Fund to vendors for the designated purpose of the Fund and may request LACF to transfer assets in this Fund to another organization holding a 501(c)(3) charitable designation for investment and management. It is, generally, the policy and practice of LACF to honor such requests from the Advisor(s). Furthermore, it is a general policy and practice of LACF to treat designated funds such as this Fund as a charitable incubator project with the intent that LACF will ultimately transfer the Fund assets to a successor 501(c)(3) charitable organization to continue the Fund purpose, upon recommendation of the Advisor(s).

SIXTH: Nothing in this Agreement shall affect the status of LACF, which is an organization described in Internal Revenue Code Section 501(c)(3) and is an organization, which is not a private foundation within the meaning of Code Section 509(a). It is the express intention of LACF that the Fund be organized and operated to comply with Treasury Regulations Section 1.17A-9(e)(10-13). Nevertheless, both LACF and the Donors recognize that gifts from the Fund are intended for the purpose of the Fund. This Agreement shall be interpreted in a manner consistent with the foregoing intention to conform with the requirements of the provisions of federal tax laws and any regulations issued pursuant thereto.

SEVENTH: The fee charged by LACF for managing the Fund is 3% on income to the Fund, computed monthly, with a minimum of ~~\$1,000~~ \$200 annually.

EIGHT: The Fund will be managed in several ways:

- (1) Initially, the fund will be held as a "pass-through" fund at no additional cost above the fee cited in Item SEVEN and no earnings on investments.
- (2) The Advisor(s) has the option of recommending one of the investment options available through LACF. When invested, the Fund will earn a prorated share of the earnings of the investment option. The Fund will be charged the pro-rata share of fees paid by LACF to third parties for managing investments. It is understood that all income and capital gains/losses will be allocated to the Fund monthly, based on the average fund balance as valued at the end of each month in the quarter. Fund reports will be provided to the Advisor(s) quarterly.

NINTH: LACF shall assume responsibility for check writing, bookkeeping, investment management, tax reporting, auditing and evaluation of projects, and furnishing to Donors, and providing quarterly reports of all Fund income and expenses to Advisor(s).

TENTH: This Agreement may be amended only by an agreement in writing approved by a majority of the Board of Directors of LACF and the Advisor(s). No amendment shall be allowed which is inconsistent with or jeopardizes the Foundations status as an organization described in the Internal Revenue Code sections 170(c) and 501(c)(3), as amended.

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed as of the date written above:

Organization Name: _____

Name (signed): _____

Name (printed): _____

Date: _____

Title: _____

Address: _____

Phone: _____

Email: _____

Los Altos Community Foundation, a California non-profit public benefit corporation, bearing Federal Tax I.D. # 77-0273721.

By: _____

Title: _____

Date: _____

SCHEDULE A: The Los Altos Community Foundation acknowledges that the person(s) or organization(s) listed below shall have authority to make recommendations for disbursements from the _____

_____ Fund.

If more than one person is listed, the Donors must provide instructions concerning how many or what combination are authorized to advise LACF. If the Donor is an organization, the organization must provide instructions on which persons or governance bodies are authorized to advise LACF.

Advising Instructions:

7/22/15