

COMMUNITY FOUNDATION for LOUDOUN AND NORTHER
FAUQUIER COUNTIES
SHELL AGREEMENT DONOR ADVISED FUND

1. Gift. I have executed a planned gift that devises or distributes a portion of my estate, under certain circumstances, to the Community Foundation for Loudoun and Northern Fauquier Counties, a Virginia nonprofit corporation and directs that such portion be used to establish a component fund of the Foundation. This letter is for the purpose of creating that component fund. If such a Last Will and Testament or Trust, or amendments thereto, is my last will or trust upon my death, with such devise or distribution, I wish to establish a component fund with the Foundation as described herein. I may decide to name the Foundation as the beneficiary of an account or a policy in addition to or in lieu of executing a last will or trust making a devise or distribution to the Foundation, and in that event, regardless of whether a component fund is mentioned in the beneficiary designation, with the balance or the proceeds thereof, I wish to establish a component fund with the Foundation as described herein. I may decide to contribute assets to this fund during my life at which time the component fund would be established and may then be supplemented from my estate. Contributions to the separate subaccount may be made by any person or organization at any time.

Upon the amount contributed to the Fund equaling or exceeding \$10,000, this sum will be placed in a separate subaccount maintained by the Foundation. All assets shall immediately upon contribution become the property of the Foundation over which the Foundation shall exercise exclusive legal control, and shall not be refundable under any circumstances.

2. Fund Name; Fundraising/Outreach. The fund shall be known as the “Community Foundation for Loudoun and Northern Fauquier Counties **XXXX Family Fund**” which name shall be used at all times when referring to the fund (hereafter “the Fund”).

Any public display, event, or fundraising program held for the purposes of promoting contributions to the Fund shall require prior written consent of the Foundation and will subject to the policies of the Foundation.

3. Administration.

a. The Fund is intended as a perpetual endowment for charitable purposes and shall be dedicated to the payment of grants from time to time as described

herein (hereafter “the charitable purpose”) in the total amount determined under the Foundation’s Distributions Policy in effect from time to time.

b. Distributions from this Fund shall be subject to Foundation policies that track both current market value of the Fund and Historic Dollar Value, defined as “the fair value of the endowment funds at the time it is established, as increased by each donation to the fund and by accumulations as directed by the applicable gift instrument.” (Historic Dollar Value does *not* include interest, dividends, appreciation, or other earnings, to a fund’s balance unless the fund instrument so specifies. It also does not include grant distributions that are not distributed or taken during any given fiscal year.) Unless otherwise determined by the Board of Directors or its designated committee, Fund balances that are equal to or less than Historic Dollar Value shall suspend grantmaking distributions in order to protect future grantmaking provisions of a Fund.

c. I recommend that the investment advisor that shall hold the Fund shall be determined by the Board of Directors or its designated committee.

d. The Fund shall be open-ended, i.e., additional contributions of cash or property are permitted to be made by any person or entity.

e. I recognize that the Foundation's administrative fee of up to one percent (1%) will be calculated and deducted from the Fund under the Foundation's Distribution Policy. In addition, investment fees as assessed by investment advisors will be calculated and deducted from the Fund.

At its discretion and upon notice to the donor advisors, the Foundation may apply a one-time 2% fee to gifts received and restricted as “pass through” and immediately recommended for grant distribution by the donor advisors.

4. Charitable Purpose. The intent of the Fund is to provide distributions to charitable programs and organizations serving but not limited to XXXXX . Examples of such organizations might include XXXXXXXXXXXXX.

5. Grantmaking Advisors: The identity of the grant recipients and the number of grants to be given shall be recommended by the Advisory Committee and forwarded to the Foundation’s Board of Directors or designated committee and approved at the discretion of the Board of Directors of the Foundation. We recognize that the Board of Directors of the Foundation is free to accept or reject such recommendations. In the event of the termination of the Advisory Committee, the identity of the grant recipients and the number of grants to be

given annually shall be recommended by the Foundation's designated Committee and approved at the discretion of the Board of Directors of the Foundation, with special consideration for those particular purposes for which grants have historically been made from the Fund.

The Advisory Committee shall consist of the following:

- a. One Person
- b. Another Person
- c. Another Person

Any member may resign at any time and additional members may be appointed to the Advisory Committee by the Advisory Committee. Any vacancy on the Advisory Committee shall be filled by the vote of a majority of the remaining members of the Advisory Committee.

Should no Advisory Committee grant recommendations be made for five successive years, the Foundation's designated Grantmaking Committee shall be authorized to assume selection responsibility and apply the criteria for grants selection as set forth in this agreement.

5.Variance Power; Investment Authority. We recognize and consent that the Fund is subject to the terms and provisions of the Articles of Incorporation and Bylaws of the Foundation, including the ability of the Board of Directors of the Foundation (a) to modify any restriction or condition on the distribution of funds for any specified charitable purpose or purposes or to a specified charitable organization or organizations if in the sole judgment of the Board (without the necessity of the approval of any participating trustee, custodian, or agent), such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community or area served; (b) to replace any participating trustee, custodian, or agent for breach of fiduciary duty under Virginia law; and (c) to replace any participating trustee, custodian, or agent for failure to produce a reasonable return of net income over a reasonable period of time, as determined by the Board all without the necessity of obtaining my approval or the approval of any other person or interested party.

The Foundation is authorized, at its discretion, to direct the investment advisor to invest any part or all of the Fund in securities or in other property, real or personal, in good faith and with the care that an ordinarily prudent person in like circumstances would invest his or her own funds in similar circumstances.

Investment decisions about an individual asset shall be made not in isolation but rather in the context of the Foundation's portfolio of investments as a whole and as a part of an overall investment strategy having risk and return objectives reasonably suited to the Fund and to the Foundation. I recognize that the Fund will not hold interests in any closely-held businesses.

6. Fund Acceptance. We recognize that the Fund must be approved by the Board of Directors of the Foundation, and will not be approved if implementation of the objectives of the Fund are not within the parameters permitted so that such implementation would negatively impact on the Foundation's status as a tax-exempt organization exempt from income taxes as a community foundation under Internal Revenue Code Section 501(c)(3).

NAME

Date

Address:

APPROVED AS AUTHORIZED:

Community Foundation for Loudoun and Northern Fauquier Counties

President

Date

SAMPLE