

COMMUNITY FOUNDATION FOR LOUDOUN AND NORTHERN FAUQUIER COUNTIES
DONOR ADVISED FUND

1. Gift. We wish to establish a component Fund with Community Foundation for Loudoun and Northern Fauquier Counties (hereafter "the Foundation"), a Virginia nonprofit corporation with the gift of the following-described property:

\$XXXXXX for endowment

The initial contribution equaling or exceeding \$10,000.00 for permanent endowment, will be placed in a separate subaccount maintained by the Foundation. All monies 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 XXXXXXXX" which name shall be referred to at all times when referring to the fund (hereafter "the Fund").

Any fundraising program to benefit or that mentions the Fund shall require prior written consent of the Foundation and subject to the Foundation's policies.

3. Administration.

a. The Fund is intended to serve as both a permanent endowment and a charitable gift fund allowing pass-through gifts, and shall be dedicated to the payment of grants from time to time as described herein (hereafter "the charitable purpose").

b. Grants from the permanent endowment portion of the Fund shall be made in the amounts determined under the Foundation's Distributions Policy in effect from time to time. These Foundation policies track both current-market value of the Fund and Historic Dollar Value of the Fund. The Historic

Dollar Value is defined as "the fair value of the permanent 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 Board of Directors' designated committee, Fund balances that are equal to or less than Historic Dollar Value shall suspend grantmaking distributions from the permanent endowment portion of the Fund in order to protect future grantmaking provisions of the Fund.

"Pass-through" funds held shall not be subject to the Foundation's Distribution and Investment Policy but held for future grant recommendations from the Fund's Advisory Committee identified in Paragraph 5, below.

c. We recommend that the investment advisor that shall hold the Fund shall be determined by the Board of Directors or the Board of Directors' 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. We 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 and Investment Policy. In addition, investment fees as assessed by investment advisors will be calculated and deducted from the Fund.

In some circumstances with due notice and advanced communication with the Donor Advisors (e.g. the Advisory Committee described in Paragraph 5, below), and whereby administrative requirements of grants issued are determined to be substantive, we recognize that the Foundation's administrative fee of an additional one percent (1%) will be calculated and deducted from any funds restricted for "pass through" or from any funds restricted for immediate grantmaking and not placed into permanent endowment. "Pass through" administrative fees will cover the costs of administration and grantmaking and will not be applied to the permanent endowment portion of the Fund.

4. Charitable Purpose. The intent of the Fund is to provide grants and charitable gifts as recommended by the donor advisor(s).

The Community Foundation prohibits grants to or the establishment of component funds for organizations that promote hate, violence, or harm to specific groups or individuals and to organizations that negatively affect the actual and perceived safety and wellbeing of others, both explicit and implied.

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 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 grant 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.

If at any time there is more than one advisor to the fund, the advisors will appoint a designee and all communications to and from the Foundation will be through the designee. If no designee has been appointed, the Foundation will consider the first advisor named in this agreement to be the designee. The Advisory Committee shall consist of the following:

- a. XXXXXX
- b. XXXXXX

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 made or direct communications to the Foundation detailing future grantmaking plans be completed 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 and historically granted from the fund.

6.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 Foundation's Board of Directors (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 Foundation's Board of Directors (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 Foundation's Board of Directors 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 investor 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.

7. Limitations: Grants to Individuals; Closely Held Stock; Reimbursement; Pledges; Self-Benefit. Since this Fund is a Donor-Advised Fund, we recognize that grants to individuals or for non-charitable purposes are prohibited by law.

We recognize that the Fund will not hold interests in any closely-held businesses, unless specific provision is made therefore.

We recognize this Fund cannot provide any loans, grants, compensation, or other similar payments, including expense reimbursement, or in any way provide benefit, to me or any of my family members, or to any Advisory Committee member or the family members thereof, or to any entity controlled thereby. For the purposes of this letter, the term "family member" with respect to an individual shall mean his or her spouse, and his or her brothers and sisters, ancestors, and descendants, and the spouses thereof.

We also recognize that no grants or gifts from the Fund shall be recommended or made that fulfill pledges to give made by me or an Advisory Committee member, or that create personal gain to me or an Advisory Committee Member (such as, but not limited to, event tickets or tables).

8. 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).

By: _____
XXXXXXXXXXXX
HOME ADDRESS

Date

By: _____
XXXXXXXXXXXXXXXX
HOME ADDRESS

Date

By: _____

President

Date

Community Foundation for Loudoun and Northern Fauquier Counties

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