

COMMUNITY FOUNDATION for LOUDOUN AND NORTHERN
FAUQUIER COUNTIES
DESIGNATED FUND

1. Gift. I have executed a planned gift in my amended and restated revocable trust that devises a portion of my estate, under certain circumstances, to the Community Foundation for Loudoun and Northern Fauquier Counties, a Virginia nonprofit corporation (the "Foundation"), 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 amended and restated trust is in effect at my death and such trust includes the stated specific distribution mentioned herein, 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 an amended and restated revocable trust making a specific 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 XXXXXXXX" 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.

3. Administration.

a. The Fund is intended as a permanent 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. 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 Foundation's Board of Directors or its 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 short- and mid-term grant recommendations as described in paragraph 4, below.

c. I recommend that the investment advisor that shall hold the Fund shall be determined by the Foundation's 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.

4. Charitable Purpose. The intent of the Fund is to support XXXXXX

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. Variance Power; Investment Authority. I 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 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 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, unless specific provision is made therefore.

6. Fund Acceptance. I 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).

XXXXXXX
ADDRESS

Date

APPROVED AS AUTHORIZED:

Community Foundation for Loudoun and Northern Fauquier Counties

President

Date