

_____ **DONOR DESIGNATED FUND**
OF
EAST TEXAS COMMUNITIES FOUNDATION

1. **Agreement** - This agreement is made on this date of _____ between _____ (the “Donor”) and East Texas Communities Foundation, a Texas nonprofit corporation (the “Foundation”).
2. **Fund Name** - The Donor hereby contributes the assets listed in Addendum I to the Foundation to establish a Donor Designated Fund to be known as the _____ Donor Designated Fund (the “Fund”).
3. **Purpose** – The purpose of this gift is to support the charitable work of (Charity A, Charity B and Charity C) _____ (the Nonprofits).
4. **Distributions** - Distributions from the Fund shall be made from: (select one) income, or _____ both income and principal. Distributions may only be made to Nonprofits which meet the requirements of a public charity as defined by 170(b)(1)(A) of the Internal Revenue Code (i.e. churches, schools, hospitals, government entities, and publicly supported 501(c)(3) organizations). The Foundation currently defines income as 5 % of the value of the Fund determined as of the preceding December 31. The Foundation may redefine income from time to time as part of an overall Foundation spending policy.
5. **Ownership and Administration** - This contribution is irrevocable and the Foundation shall be the sole and exclusive owner of the Fund. The Fund shall be administered in accordance with the Foundation's Articles of Incorporation, Bylaws and Policy for Donor Designated Funds, as amended from time to time, copies of which shall be provided to the Donor upon request.
6. **Variance Power** - In accordance with IRS regulations and the Bylaws of the Foundation, the board of directors shall have the power to modify any restriction or condition imposed by a donor on the investment or distribution of assets if, in the sole judgment of the board of directors, such restriction or condition becomes illegal, unnecessary, uneconomical, impossible to perform, or inconsistent with the charitable needs of the community or area served, and such modification would more effectively serve the charitable purposes of the foundation taking into consideration the wishes of the donor.
7. **Succession** - Upon the Foundation’s receipt of notice of the resignation, incapacity, or death of the Donor, the Foundation shall follow the Distribution Plan provided in the most recent Addendum II of this agreement.
8. **Remainder**
 - a. **Successor Advisor Termination** - In the event there is no properly designated Donor Advisor or Successor Donor Advisor to the Fund, and no other designation has been made in Addendum II, any remaining balance shall be transferred to the Unrestricted Charitable Fund of the East Texas Communities Foundation.

- b. **Nonprofit Termination** - If any of the Nonprofits cease to exist with no successor, or if any of the Nonprofits cease to qualify as a public charity as defined in Section 170(b)(1)(A) of the Internal Revenue Code, and such condition is not cured within 30 days following written notice delivered by the Foundation to the Nonprofit at its last known address, then the Fund shall reallocate annual distributions as described in Addendum II.
 - c. **Foundation Termination** - If the Foundation ceases to exist with no successor, or if the Foundation ceases to qualify as a public charity as defined in Section 170(b)(1)(A) of the Internal Revenue Code, and such condition is not cured within 30 days, then the assets of the Fund shall be transferred to the Nonprofit.
9. **Pledges and Benefits** - No distribution from the Fund shall be made to satisfy a written pledge or legal obligation of the Donor or any other person, and neither the Donor nor any other person may receive any benefit or privilege (such as gifts or tickets to events) in return for a distribution from the Fund.

Donor:

East Texas Communities Foundation

Kyle L. Penney, President

Date _____

Date _____

DDF Form Revised: August 18, 2011

ADDENDUM I

DONOR DESIGNATED FUND AGREEMENT

_____, 20____

**Initial Transfer of Assets
and Initial Investment**

Initial Transfer of Assets

The Donor transfers the following assets to the East Texas Communities Foundation to establish the

_____ Donor Designated Fund:

Initial Investment

The Donor(s) recommend that the funds be initially invested in the (select one):

- | | |
|--|--|
| <input type="checkbox"/> Cash Fund | <input type="checkbox"/> Money Market Fund |
| <input type="checkbox"/> Conservative Fund | <input type="checkbox"/> Conservative Index Fund |
| <input type="checkbox"/> Moderate Fund | <input type="checkbox"/> Moderate Index Fund |
| <input type="checkbox"/> Growth Fund | <input type="checkbox"/> Growth Index Fund |

If no recommendation is made, assets will be invested in the Moderate Fund.

Donor:

East Texas Communities Foundation:

Kyle L. Penney, President

ADDENDUM II

DONOR DESIGNATED FUND AGREEMENT

_____, 20__

Designation of Distributions

The Donor hereby declares (and revokes any prior succession plan) that, after the resignation, incapacity, or death of the Donor, any assets added to this Fund shall be held as an endowment and income shall be distributed annually as follows:

- 1) ____% to Charity A, Tyler, Texas;
- 2) ____% to Charity B, Tyler, Texas; and
- 3) ____% to Charity C, Tyler, Texas.

If an organization ceases to exist or if it ceases to qualify for distributions from the Foundation, the Foundation shall (choose one):

____ (i) substitute an organization with a mission statement similar to the former organization, or
____ (ii) distribute the income to the organizations named above that are in existence and do qualify for distributions from the Foundation. If the Foundation distributes the income according to clause (ii) above, the income shall be distributed in such proportions as the percentages of the organizations receiving distributions bear to each other. If no option is selected above, the Foundation may use its discretion.

An organization may direct that the Foundation distribute its share of income of the Fund to a supporting or other organization, but only if such supporting organization otherwise qualifies for distributions from the Foundation. For example, Tyler Junior College may direct that its distributions be made to The Tyler Junior College Foundation for the administration of scholarships. The Foundation may direct the trustee, executor or testamentary gift administrator to distribute some or all of its assets to ETCF Support Foundation or another organization to fulfill the purpose of the Fund, but only if distributions to such other organization qualifies for the estate tax charitable deduction.

DONOR:

Date: _____