

STATE OF ALABAMA
COUNTY OF HOUSTON

FIELD OF INTEREST FUND AGREEMENT

THIS FIELD OF INTEREST FUND AGREEMENT ("Agreement") is made this _____ day of _____, 200_, between The Community Foundation of Southeast Alabama, Inc., an Alabama nonprofit corporation and community foundation ("Foundation"), and _____ ("Charitable Donor"), to create a Field of Interest Fund ("Fund") of the Foundation. All persons and organizations making contributions to the Fund created hereunder shall be bound by the terms of this Agreement.

1. Introduction.

(a) The Charitable Donor, in furtherance of his/her charitable purposes and functions, has decided to create a charitable endowment fund for the purpose of _____.

(b) The Foundation is willing and able to create such an endowment as a Field of Interest Fund, subject to the terms and conditions of this Agreement.

(c) The Foundation is a publicly supported community foundation exempt from federal income taxation pursuant to Sections 501(c)(3) and 170(b)(1)(A)(vi) of the Internal Revenue Code and is an appropriate organization within which to establish such a charitable endowment fund.

2. Name of Fund. The name of the Fund created hereby is: _____ . Any recipient of benefits from this Fund shall be advised that such benefits are from the _____.

3. Contributions to the Fund.

- (a) Initial Contribution. Upon signing this Agreement, the Charitable Donor has transferred and delivered to the Foundation the property described in the schedule attached hereto as Appendix A and made a part of this Agreement. The Fund is created and this contribution made for the purposes and uses and upon the terms and conditions set forth in this Agreement.
- (b) Subsequent Contributions. Any person or organization (hereinafter referred to as "Donor"), may make a contribution to the Foundation for the purposes of the Fund by a transfer to the Foundation in whole or in part for the Fund. All contributions to the fund, including the Charitable Donor's initial contribution described in the preceding paragraph, shall be irrevocable. The Foundation, Charitable Donor, and any other Donor may from time to time make additions to the Fund from money or property available to them.
4. Incorporation of Governing Instruments of the Foundation. The Foundation acknowledges receipt of the contribution and agrees to hold and administer the contribution and any subsequent contributions to the Fund under this Agreement, on the terms and subject to the conditions set forth in its (the Foundation's) governing instruments, including its Articles of Incorporation and Bylaws, as amended from time to time, and any resolutions and procedures from time to time in effect. All the provisions of such governing instruments of the Foundation and such resolutions and procedures are incorporated in this Agreement and by this reference made a part hereof.
5. Use of the Fund. It is the general policy of the Foundation that a substantial part of the Field of Interest Funds shall remain as a permanent endowment to the Foundation. It is also the general policy of the Foundation that an amount equal to the net income of a Field of Interest Fund shall be distributed during the fiscal year in which such net income is realized or before the end of the next fiscal year, unless the Foundation determines

that it is in the best interest of the Foundation to accumulate net income, in whole or in part, for a specific project, which is contemplated will be accomplished in a reasonable period of time. Consistent with those policies of the Foundation, the net income and so much of the principal of the fund as the Foundation shall from time to time determine, shall be committed, granted, or expended for, or in furtherance of, the purposes of the Fund.

6. Distributions. The money or other property in the Fund shall be held and administered and distributions from the Fund shall be made in accordance with such procedures for the administration and operation of Field of Interest Funds of the Foundation as may be in effect from time to time. Consistent with such procedures and subject to the provisions of Paragraph 5 above, an amount equal to the net income of the Fund shall be distributed at least annually. Distributions of principal of the Fund shall be made at such times, in such amounts, and in such ways as the Foundation may determine from time to time. Acknowledging the policies of the Foundation, the Donor requests (but does not direct) that:

[____] Distributions of income only be made from the Fund.

[____] Distributions of income and/or principal be made for the purposes stated above. Any income not distributed shall be added to the principal at least annually.

[____] Other:

7. Designation of Trustee, Custodian, or Agent. The Donor requests, but does not direct that _____ as Trustee, have custody of and administer the investment and reinvestment of the Fund hereby created on behalf of the Foundation.

Any designation hereunder shall be subject to the power of replacement or removal of any participating trustee, custodian, or agent vested in the Board of Directors of the Foundation and to all of the powers and authority of the Board of Directors of the Foundation, as set forth in the Foundation's governing instruments, including its Articles of Incorporation and Bylaws, as amended from time to time, and any resolutions and procedures from time to time in effect.

8. Investment of Fund. The Donor requests, but does not direct, that this Fund be invested in a manner which emphasizes:

[____] Income production rather than capital growth.

[____] Capital growth rather than income production.

[____] Income production and capital growth equally.

9. Foundation as Owner of the Fund. This Fund shall be the property of the Foundation, owned by it in its normal capacity. In such capacity, the Foundation shall have the ultimate authority and control of all property in the Fund, and the income derived therefrom, for the charitable purposes of the Foundation. Anything herein to the contrary notwithstanding, this Agreement shall be subject to and governed by the Articles of Incorporation and Bylaws of the Foundation, as from time to time amended; and the Fund hereby created shall be held and managed, and the income or principal or both used, in all respects, in accordance with the terms of the governing instruments of the Foundation, as amended from time to time, and resolutions and procedures adopted by the Board of Directors of the Foundation under the authority of its governing instruments.
10. Compensation to the Foundation. As compensation for its services, the Foundation shall receive those fees which it customarily charges for services of a nature similar to those required herein (such fees are currently 1.5% of the income of the Fund).
11. Definitions.

- (a) For the purpose of this Agreement, "charitable purposes" include charitable, religious, scientific, literary, or educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code, contributions for which are deductible under Section 170(c)(2) of the Internal Revenue Code.
- (b) All references in this Agreement to sections of the Internal Revenue Code shall be considered references to the Internal Revenue Code of 1986, as from time to time amended, and to the corresponding provisions of any applicable future United States Internal Revenue Law, and to all regulations issued under such sections and provisions.

IN WITNESS WHEREOF, The Community Foundation of Southeast Alabama, Inc., and the Charitable Donor have executed this Agreement, as of the day and year first written above.

Donor

President, The Community Foundation of Southeast Ala.