Agreement to Establish

The (Insert Name) Fund

A Donor Advised Fund within
The Jackson Community Foundation's
Individually Managed Funds Policy

This AGREEMENT is made to establish a permanent endowment fund and a non-permanent fund to be known as the **(Insert Name) Fund** (the "Fund") within The Jackson Community Foundation (the "Foundation"). At the request of _____ ("Donor"), the Fund shall be individually managed by **(Insert Name of Investment Advisor and Name of Organization)**. ("The Investment Advisor") The guidelines for individually managed funds suggests fund balances of $250,000 or more to recommend an investment advisor of their choice to manage the assets attributed to their funds. The Foundation will retain the recommended investment advisor to advise the assets for such a fund, provided the investment advisor follows the Foundation's Investment Policy Statement (IPS) with regard to such funds, unless otherwise noted below.

1. **Purpose of Fund**
   The purpose of the Fund is to **(Insert Purpose)**

2. **Creation of the Fund**
   a. The Fund is created by the Foundation and will be so identified by the Foundation in all relevant literature, reports, promotional material, and other public documents.

   b. The Fund is created for the purpose set forth in paragraph 1. above, and any donor may make donations to the Fund at any time.

   c. The Fund will operate under the governing instruments of the Foundation (including Articles of Incorporation and Bylaws.) All assets held in the Fund will be subject to those same governing instruments and under the control of the Foundation through its Board of Trustees.

   d. It is intended that the Fund be a component fund of the Foundation and the terms of this Agreement are to be construed to that effect.

3. **Powers, Duties and Responsibility of the Foundation**
   a. The Foundation's Board of Trustees must prospectively approve the donor's recommended investment advisor, proposed investment strategy, and underlying investments, fees and commission structure, and any changes

thereto. Every effort will be made to evaluate proposals in a timely manner, however, evaluation and approval may take up to three months to complete.

b. The Foundation, upon receipt of contributions to the Fund, shall establish a separate account for accounting control.

c. The Foundation shall furnish all routine accounting, as well as reporting to the Michigan Attorney General and Internal Revenue Service regarding the Fund and shall keep all records of the Fund that are required to be kept under the laws governing community foundations.

d. The Foundation retains the power to modify any restrictions or considerations of the distribution of the Fund for any specified charitable purposes or any specified organizations if in the sole judgment of the Board of Trustees of the Foundation (without the necessity of the approval of any other group or person), such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment or inconsistent with the charitable needs of the community or area served by the Foundation. This power is referred to as the Foundation's "Variance Power" and is a standard power inherent in the definition of a Community Foundation.

e. All assets are the sole property of the Foundation and must be registered in the Foundation's name. Investment performance will be measured by the benchmarks set by the Foundation's IPS and reviewed quarterly by the Foundation.

4. **Investment Advisor Responsibilities**

a. The Investment Advisor acknowledges that its fiduciary duties are owed to the Foundation with respect to this donor advised fund.

b. The Foundation requires all investment advisors to manage the funds in a prudent manner consistent with the purpose and goals of the Foundation while complying with the Foundation's IPS. The investment advisor can maintain the relationship with full discretion or on a non-discretionary basis. In both cases, the investment advisor must notify the Foundation of any changes to the investment portfolio. Please indicate your preference by checking the appropriate box.

☐ Full Discretionary Relationship: The Investment Advisor makes all decisions regarding the investment of the funds according to the Foundation's IPS.

☐ Non-Discretionary Relationship: The Investment Advisor recommends decisions regarding the investment of the fund according to the Foundation's IPS to/with the Donor to the Foundation for approval. The Investment Advisor has sole responsibility for communicating with and/or

obtaining Donor approval regarding fund investment decisions and thereafter in communicating those decisions to the Foundation; the Foundation has no responsibility to independently communicate with the Donor regarding fund investment. All parties acknowledge that fund investment decisions must comply with Foundation policies and this agreement and are subject to final approval of the Foundation.

c. Each Investment Advisor of an individually managed fund will be evaluated by the Foundation on an ongoing basis which will recommend appropriate action to the Board of Trustees. This evaluation will include the following:
   - Avoidance of regulatory actions against the firm, its principals, or employees.
   - Adherence to the guidelines and parameters of this agreement, as well as the Foundation's IPS.
   - Avoidance of significant deviation from the submitted investment proposal accepted by the Foundation.
   - Ability to meet the investment goals and objectives of the Fund.
   - Reasonable fees for the assets under management.
   - As appropriate, maintenance of liability insurance.

d. The Investment Advisor agrees to the following reporting requirements:
   - Monthly reports in form and content satisfactory to the Foundation.
   - A single, 12-month cumulative report at year end.
   - Monthly cost basis of all investments, adjusted for reinvestment as necessary.
   - Management fees, commissions or other charges.
   - Performance, net of fees, against industry recognized benchmark(s) identified by the Foundation's IPS.
   - Other information necessary for the Foundation to complete its evaluation.
   - Documentation of communication of communications and agreements with Donor regarding fund management and/or other matters which affect Donor's rights and responsibilities under this fund agreement.
   - The Investment Advisor shall provide the Foundation with electronic access for the purpose of review.
   - The Investment Advisor acknowledges an affirmative duty to make timely reports and that a failure to make such reports shall constitute a breach of this agreement.

5. **Distributions from Fund**
   a. Distributions shall be made within the Foundation's spending policy and must be consistent with the charitable purpose for which the Fund has been established

and the exempt purposes of the Foundation as specified in its Articles of Incorporation and Bylaws.

b. The donor may recommend distributions from the Fund, but the Foundation's Board of Trustee's has the final authority as to distributions from all Funds of the Foundation.

6. **Fees and Expenses**

a. The Foundation shall charge the Fund an administrative fee in accordance with the customary and usual fees for Foundation Funds of the same type (donor advised) in accordance with the then prevailing fee schedule adopted by the Board of Trustees of the Foundation. Additional extraordinary administrative costs not covered under the then prevailing fee schedule will be paid by the fund.

b. Investment related fees as charged by the Investment Advisor will be evaluated by the Foundation in light of actual advisory services, investment vehicles employed, custody charges and trading costs in an effort to assure that fees are reasonable and consistent with industry standards. On an annual basis, the Investment Advisor will present to the Foundation a detailed report of all fees, commissions, and other charges related to the investments under management.

c. After approval of the annual fee being charged by the Investment Advisor, the advisor will be required to notify the Foundation of any changes in the fees. The Foundation will then review the fees and determine if changes are fair and reasonable.

7. **Donor Function**

a. In all respects other than fund investment, this fund shall operate as a Donor Advised Fund and in accordance with Foundation policies.

b. The Donor may recommend distributions from the Fund to the Foundation but the Foundation shall have full discretion as to distributions from the Fund.

c. In the event that the original donor no longer wishes to exercise the right to advise, the Fund will become a non-advised Field of Interest Fund of the Foundation and will retain the original fund name in perpetuity. Should granting within the field of interest become difficult or impossible to fulfill, the Foundation may use available funds to meet the urgent needs of the community through unrestricted grantmaking.

d. The Donor retains authority to recommend revoking, replacing and designating a successor investment advisor to the Foundation for approval.

8. **Donor Death**

At the time of the donor's death, the Fund will become a Named Unrestricted Fund of the Foundation, retaining the original fund name in perpetuity, and annual spendable available will be used to meet the urgent needs of the community through unrestricted grantmaking. Death shall not preclude continued fund management by the Investment Advisor according to the Foundation's policies.

9. **Dissolution of Foundation**
   In the event the Foundation proposes to dissolve, the Foundation will distribute the assets of the Fund to one or more organizations eligible to receive funds under the Articles and Bylaws of the Foundation to be administered by such organization(s) in accordance with this Agreement.

10. **Investment Advisor Duration and Termination**
    The Foundation, in its sole discretion, may replace the donor's investment advisor at any time, for any reason with a 30 day written notice. In the event that the Foundation determines that the Investment Advisor has breached the Agreement, the Foundation shall give notice of the breach to the Investment Advisor, which shall result in immediate termination of its rights and responsibilities under the Agreement and shall create an affirmative duty to immediately return or transfer management of investments in such manner as the Foundation shall direct.

11. **Assignment**
    This agreement may not be assigned at any time without the written consent of the Foundation.

12. **Notice**
    All notices and communications required or permitted under this agreement shall be in writing, personally delivered, or sent by regular or electronic mail to the Jackson Community Foundation at One Jackson Square, Suite 308, Jackson MI 49201 or email jcf@jacksoncf.org and to the Donor at **(Insert Donor Address)** and to the Investment Advisor at **(Insert Investment Advisor Address)**; the parties shall notify each other of a temporary or permanent change in address.

13. **Modification**
    This agreement may only be modified in writing signed by all parties. However, the agreement or modification may be executed in one or more counterparts each of which will be deemed an original, but all of which will be considered one instrument and will become a binding agreement when each counterpart has been signed by each party and delivered to each of the other parties.

14. **Partial Invalidity**
    If any portion of this agreement is found to be invalid or unenforceable, the remainder of the agreement shall not be affected.

15. **Governing Law and Jurisdiction**
This agreement shall be governed by and construed in accordance with the laws of the State of Michigan. The parties agree that state and/or federal courts shall have jurisdiction of disputes; however, the parties shall be free to agree that disputes may be referred to alternative dispute resolution processes, under such terms and conditions as they find agreeable.

IN WITNESS WHEREOF, each party hereto has executed this Agreement by its duly authorized representative as of this day and year of the signing of this Agreement.

(INSERT INVESTMENT ADVISOR NAME, ORGANIZATION)

_____ _____
Investment Advisor Signature Date

(INSERT DONOR NAME)

_____ _____
Donor Signature Date

MONICA M. MOSER, JACKSON COMMUNITY FOUNDATION

_____ _____
President & CEO Signature Date