

THE INDIANAPOLIS FOUNDATION, INC.

DONOR-DESIGNATED AND INTEREST AREA FUND AGREEMENT FOR

THIS AGREEMENT, made and entered into on December __, 20__, by and between The Indianapolis Foundation, Inc. (the "Foundation"), and _____ (the "Donors"),

WITNESSETH:

WHEREAS, the Donors desire to create a partial designated and partial interest area charitable fund in the Foundation; and

WHEREAS, the Foundation is a public foundation exempt from taxation under Internal Revenue Code ("Code") Section 501(c)(3), a public charity described in Section 170(b)(1)(A)(vi) of the Code, and accordingly an appropriate institution within which to establish such a charitable fund; and

WHEREAS, the Foundation is willing and able to create such fund, subject to the terms and conditions hereof:

NOW THEREFORE, the parties agree as follows:

GENERAL PROVISIONS:

1. **ESTABLISHMENT OF THE FUND** There is hereby established in the Foundation, and as a part thereof, a partial donor-designated and partial interest area charitable fund ("Fund") to receive gifts, in whatever form of money or property, and to administer the same.
2. **PURPOSE** The primary purpose of the Fund shall be to provide support as directed by the Board of Directors of the Foundation (the "Board") to organizations described in Code Sections 509(a)(1), (2), or (3) and specified in paragraphs 13 through 16 hereof.
3. **GIFTS** Upon the death of the survivor of <Donors>, Donors intend to cause the irrevocable transfer to the Foundation of the property described in Exhibit A hereto to be added to the Fund. Subject to the right of the Foundation to reject any particular gift, any person whether an individual, corporation, trust, estate or organization may make additional gifts to the Foundation for the purposes of the Fund by a transfer to the Foundation of property acceptable to the Foundation in whole or in part for the Fund. All gifts, bequests and devises to this Fund shall be irrevocable once accepted by the Foundation.

4. **DISTRIBUTION** Distributions from the Fund shall be committed, granted or expended in accordance with the Specific Provisions of Paragraphs 13 through 16 hereof <usually this section specifies pass through or endowment—this agreement calls for a bit of both> for purposes described in Code Section 170(c)(1) or (2)(B) to organizations described in Sections 509(a)(1), (2), or (3). If any gifts to the Foundation for the purposes of the Fund are received and accepted subject to a Donor's conditions or restrictions as to the use of the gift or the income therefrom, said conditions or restrictions will be honored, subject, however, to the authority of the Foundation's Board of Directors ("Board") to vary the terms of any gift if continued adherence to any condition or restriction is in the judgment of the Board unnecessary, incapable of fulfillment or inconsistent with the charitable needs of the community served by the Foundation. No distribution shall be made from the Fund to any individual or entity if such distribution will in the judgment of the Foundation endanger the Foundation's Code Section 501(c)(3) status.

5. **ADMINISTRATIVE PROVISIONS** Notwithstanding anything herein to the contrary, the Foundation shall hold the Fund, and all contributions to the Fund, subject to the provisions of the applicable Indiana laws and the Foundation's Articles of Incorporation and Bylaws. The Board shall monitor the distribution of the Fund, and shall have all powers of modification and removal specified in United States Treasury Regulation Section 1.170A-9(e)(11)(v)(B).

6. **CONDITIONS FOR ACCEPTANCE OF FUNDS** The Donors agree and acknowledge that the establishment of the Fund herein created is made in recognition of, and subject to, the terms and conditions of the Bylaws and Articles of Incorporation of the Foundation as from time to time amended, and that the Fund shall at all times be subject to such terms and conditions, including but not by way of limitations, provisions for:

- (a) Presumption of Donors' intent;
- (b) Variance from Donors' direction;
- (c) Amendments.

7. **CONTINUITY** The Fund shall continue so long as assets are available in the Fund and the purposes in the Fund can be served by its continuation. If the Fund is terminated, the Foundation shall devote any remaining assets in the Fund exclusively for charitable purposes that:

(a) are within the scope of the charitable purposes of the Foundation's Bylaws and,

(b) most nearly approximate, in the good faith opinion of the Board, the original purpose of the Fund.

8. **NOT A SEPARATE TRUST** The Fund shall be a component part of the Foundation. All money and property in the Fund shall be held as general assets of the Foundation and not segregated as trust property of a separate trust; provided that the Fund shall be allocated its pro rata share of the net earnings of the Foundation's Permanent Endowment Pool, such percentage interest being subject to adjustment at the time of each addition to, or reduction of, assets in the Permanent Pool.

9. **ACCOUNTING** The receipts and disbursements of this Fund shall be accounted for separately and apart from those of other gifts to the Foundation.

10. **INVESTMENT OF FUNDS** The Foundation shall have all powers necessary, or in its sole discretion desirable, to carry out the purposes of the Fund, including, but not limited to, the power to retain, invest and reinvest the Fund and the power to commingle the assets of the Fund with those of other funds for investment purposes.

11. **COSTS OF THE FUND** It is understood and agreed that the Fund shall share a fair portion of the total investment and administrative costs of the Foundation. Those costs annually charged against the Fund shall be determined in accordance with the then current fee schedule identified by the Foundation as applicable to funds of this type. Any costs to the Foundation in accepting, transferring or managing property donated to the Foundation for the Fund shall also be paid from the Fund.

SPECIFIC PROVISIONS:

12. NAME OF THE FUND The name of the Fund shall be the _____
Memorial Fund (the "Fund").

13. DONOR DESIGNATED PASS THROUGH PORTION OF THE FUND As soon as practicable following the death of the surviving Donor and irrevocable transfer of all gifts from Donors' estates to this Fund (the "Funding Date"), the Fund shall provide support, as directed by the Board, to the organizations listed in subparagraphs 13 (A) through 13 (D) hereof, net of fees and expenses set forth in Paragraph 11, in the amounts and over the time periods indicated:

- (A) The following organizations described in Code Sections 509(a) (1), (2) or (3) shall each receive \$300,000.00, to be distributed in increments of \$100,000.00 per year for three years:
 - (i) _____, currently located at _____,
Indianapolis, IN 462__
 - (ii) _____, currently located at _____,
Speedway, IN 462__
 - (iii) _____, currently located at _____,
Indianapolis, IN 462__
 - (iv) _____, currently located at _____,
Atlanta, GA 303__
 - (v) _____, currently located at _____,
Indianapolis, IN 462__
- (B) The following organizations described in Code Sections 509(a) (1), (2) or (3) shall each receive \$5,000,000.00, to be distributed in increments of \$1,000,000.00 per year for five years:
 - (i) _____, currently located at _____,
_____, Indianapolis, IN 462__
 - (ii) _____, currently located at _____,
_____, Indianapolis, IN 462__
- (C) <a certain university>, currently located at _____, shall receive \$5,000,000.00 outright to endow a scholarship for <certain specified purposes>. The Foundation shall review annual reports from the College to ensure compliance with the terms of this distribution.
- (D) The Indianapolis Foundation, Inc. shall receive \$600,000.00, to be distributed in increments of \$100,000.00 per year for six years.

If any named organization in this Paragraph 13 ceases to exist or fails to be described in Code Sections 509(a)(1), (2), or (3), then its share of the annual allocation from the Fund shall be divided equally among the remaining organizations and interest areas described in Code Sections 509(a)(1), (2), or (3).

14. INTEREST AREA PASS THROUGH PORTION OF THE FUND In addition to the distributions to be made pursuant to Paragraph 13, there shall be segregated into an interest area sub-fund of the Fund \$5,000,000.00 to be entirely distributed, as determined by the Board, to Marion County based charitable organizations described in Code Sections 509(a)(1), (2), or (3) that promote, provide, maintain, support or have a charitable purpose related to _____ in Marion County, Indiana, as provided below:

- (A) \$3,000,000.00 shall be distributed to such organizations in increments of \$1,000,000.00 per year for such purposes for three years.
- (B) The remaining \$2,000,000.00 shall be held pending the conclusion of a study to be conducted by the Board to analyze the need and support for the construction and ongoing maintenance of a new, _____ with a focus on _____ services. Said construction shall commence within five years of the Funding Date and the remaining \$2,000,000.00 shall be distributed for that purpose. If after the study and analysis the Board concludes that no such _____ should or will be built within five years of the Funding Date, the remaining \$2,000,000.00 in this segregated fund shall be distributed to organizations described in this paragraph in increments of \$1,000,000.00 per year for an additional two years. In making distributions under this Paragraph 14, Donors request that the Board give consideration to previous recipients of grants for this charitable purpose from the <Donors' existing donor advised fund>, so long as such grantees, in the opinion of the Board, continue to be effective and sustainable. Donors request that the Board also expand the list of grantees, if appropriate.

15. DONOR DESIGNATED AND INTEREST AREA ENDOWMENT PORTION OF THE FUND After all distributions are made pursuant to Paragraphs 13 and 14 herein, if assets remain in the Fund, the Fund shall convert to an endowment fund and the remaining assets of the Fund shall provide support as directed by the Board to the following organizations described in Code Sections 509(a)(1), (2), or (3), or for the following charitable or other tax exempt purposes within the meaning of Code Section 170(c)(1) or (2)(B), and the annual allocation from the Fund, net of fees and expenses set forth in paragraph 11, shall be distributed in the percentages indicated:

NAME OF CHARITY

PERCENT OF ANNUAL ALLOCATION

<Specifically named nonprofit>,

_____ St. , Indianapolis, IN 46208 35%

<Specifically named nonprofit>,

_____ St., Indianapolis, IN 46202 35%

< Field of interest described in Paragraph 14>,
as determined by the Board 30%

If either named organization in this Paragraph 15 ceases to exist or fails to be described in Code Sections 509(a)(1), (2), or (3), or, if the Board determines that either of the above named organizations are no longer effectively fulfilling their missions, then its share of the annual allocation from the Fund shall be distributed to similar organizations that provide mentoring for troubled youth or education in Africa.

16. REDUCTION IN DISTRIBUTIONS IF NECESSARY As of the date of this Agreement, Donors' financial advisors estimate that the total value of assets that will be transferred to this Fund will be sufficient to fully fund the designated and interest area distributions specified in Paragraphs 13 and 14. If the total assets transferred to the Fund are insufficient to provide for these distributions, however, Donors request that the total \$5,000,000.00 amount to be distributed to each of the organizations or interest areas listed in Paragraphs 13(B), 13(C) and 14 (A) be reduced by as much as \$3,000,000.00 evenly per organization and interest area, as necessary to eliminate the insufficiency, with the remaining amounts to be paid in even increments to each organization / interest area over the time periods specified in Paragraph 13(B), 13(C) and 14(A), as applicable. In the event that the foregoing distribution reductions do not eliminate the insufficiency, then Donors request that the Board determine appropriate further reductions to all distributions provided for in this Agreement.

IN WITNESS WHEREOF, Donors have executed this Agreement and the Foundation has caused this Agreement to be approved by its Board of Directors and to be executed by a duly authorized officer, all as of the day and year first above written.

The Indianapolis Foundation, Inc.

_____, Donor

Brian Payne, President and CEO
Robert A. MacPherson, VP for Development

_____, Donor

EXHIBIT A

LIST OF INITIAL DONATIONS TO FUND

The Fund established herein will receive all assets devised to the Fund under Donors' Last Wills and Testaments or Donors' Revocable Trust Agreements and all property that donors have designated the Fund to receive as a named beneficiary.

