

Donor Advised Fund Agreement

_____ (whether one or more, the "Donor") wishes to created a Donor Advised fund with the Heartspring Methodist Foundation (the "Foundation"), a Texas non-profit corporation recognized by the Internal Revenue Service as a tax-exempt 501(c)(3) organization. Donor hereby transfers cash in the amount of \$_____ and/or the securities or other property listed on Exhibit "A" (the "Initial Gift") to the Foundation. Delivery of the Initial Gift constitutes an irrevocable gift to the Foundation for the creation of a fund to be used exclusively for charitable purposes subject to the following terms and conditions:

1. Name. A fund shall be established on the books of the Foundation which shall be known as the _____ Fund (the "Fund").
2. Assets. The Fund shall include (a) the Initial Gift, (b) any other property transferred to the Foundation in the future for inclusion in the Fund either by the Donor or any other person and (c) all income and appreciation on the foregoing property, less all distributions and other appropriate reductions.
3. Ownership of the Fund. The Fund shall be owned directly by the Foundation and shall not be held by the Foundation in a trustee capacity. The Foundation shall have full authority and control over all property held in the Fund and all distributions from the Fund.
4. Investments. Donor may select a preferred investment allocation using the Foundation's Portfolio Selection Form, attached as Exhibit "B".
5. Purposes. The investment income (dividends, interest and/or appreciation) of the Fund and/or the corpus of the Fund shall be distributed from time to time by the Board of Trustees of the Foundation, exclusively for charitable purposes, including religious, child welfare, scientific, medical, literary, animal welfare, cultural or educational purposes. Distributions from the Fund may be made only to organizations which have been approved by the IRS as public charities under Section 501(c)(3) and 170(c) of the Internal Revenue Code of 1986, as amended. The Fund Donor or Advisor may not personally benefit from the grants distributed.
6. Recommendations for Distributions. The Donor and any advisors named by the Donor may make recommendations for distributions from the Fund (individually, a "Fund Advisor" and collectively, "Fund Advisors"). Donor may select whether the Fund Advisors may be active concurrently with the Donor, or only as successors to the Donor. All Fund Advisors shall be listed on Exhibit "C". Upon assuming the rights and responsibilities to the Fund, the named Fund Advisor may designate his or her own Successor Advisor, whether to serve concurrently or successively.

Donor(s) (Please Print)

Name(s): _____

Home Phone: _____ Work/Cell Phone: _____

Address: _____

City _____ State _____ Zip _____

Email _____

Recommendations from the Donor or the Fund Advisor shall be solely advisory. The Board of Trustees of the Foundation shall make an independent investigation or evaluation of all such recommendations for distributions from the Fund based on the usual reasonable standards and guidelines applied by the Board of Trustees to all proposals. If there are two or more Fund Advisors, recommendations may be made by them separately and jointly. Such privilege shall continue for the life the Donor and of each Fund Advisor. Neither the Donor nor the Fund Advisors, nor any person related to the Donor or the Fund Advisors may receive any benefit or privilege in return for a distribution from the Fund. Furthermore, no distribution from the Fund will be used to discharge or satisfy a legally enforceable pledge or obligation of any person. If the Donor or a Fund Advisor serves on the Board of Trustees of the Foundation, he or she shall be ineligible to vote of any distribution from the Fund.

After the death or disability of the Donor, if no contributions have been made to the Fund for a period of three years, and if there are no living Advisors or Successor Advisors for the Fund, the balance of the Fund then remaining will be placed into the Unrestricted Fund of the Foundation. These funds will be used solely for charitable purposes at the discretion of the Board of Trustees of the Foundation. After the death or disability of the Donor, if no grants have been recommended for a period of three (3) years and after the Advisors have been provided written notice by the Foundation, the balance of the Fund then remaining will be placed into the Unrestricted Fund of the Foundation. These funds will be used solely for charitable purposes at the discretion of the Board of Trustees of the Foundation.

7. Administration. The Fund shall be administered under and subject to the Procedures for Operation of Donor Advised Funds, as may be prescribed by the Foundation from time to time. Exhibit "D" summarizes the procedures currently applicable.
8. Fees. An annual administrative fee will be charged against the Fund's balance, to be determined by the Board of Trustees of the Foundation. When real estate and other non-marketable assets are initially transferred to the Foundation for inclusion in the Fund, a transaction fee of not more than 2% of the value of the real estate or other asset, as determined by appraisal, shall be due and may be charged against the Fund balance. Additionally, investment management fees, professional fees and any other out-of-pocket costs incurred by the Foundation in establishing or administering this Fund may be charged against the Fund's balance. To the extent the Fund balance is insufficient to pay these fees and costs, the Donor agrees to be responsible for the payment of them.

9. Miscellaneous. This Agreement is binding on the Donor, the Foundation and their respective heirs, successors and assigns. All provisions of the Articles of Incorporation, Bylaws and other rules, regulations and procedures of the Foundation which are now in effect, and any which may be adopted or amended in the future, shall apply to the Fund. The assets held in the Fund may be commingled for investment purposes with other investments of the Foundation and shall be invested in accordance with the rules and procedures of the Foundation. Nothing in this Agreement shall affect the status of the Foundation as a Section 501(c)(3) organization, and as an organization which is not a private foundation within the meaning of Section 509(a) of the Code. The Foundation is authorized to amend this Agreement to conform to the provisions of any applicable law, government regulation or Foundation procedure in order to carry out the foregoing intention.

Accepted this _____ day of _____, 20__.

DONOR(S)

Address:

HEARTSPRING METHODIST FOUNDATION

BY: _____

The Foundation's policy is to recognize and honor those who have established relationships with us. This recognition also serves to encourage others to follow. The Foundation will not disclose the amount contained in a Fund. If you prefer that the name of your Fund not be publicly disclosed, please so indicate below by initialing the statement below. Your wishes will be strictly honored.

_____ I/We prefer that the name of my/our fund not be publicly disclosed.

EXHIBIT "A"
DESCRIPTION OF PROPERTY

EXHIBIT "B"
PORTFOLIO SELECTION FORM

EXHIBIT "C"
LISTING OF FUND ADVISORS

Fund Advisors (Please Print)

Name(s): _____

Home Phone: _____ Work/Cell Phone: _____

Address: _____

City: _____ State: _____ Zip: _____

Email: _____

Please circle one: Current Advisor or Successor Advisor (after death or disability of Donor)

Should this person receive a quarterly Fund statement? _____

Relation of Fund Advisor to Donor: _____

Fund Advisors (Please Print)

Name(s): _____

Home Phone: _____ Work/Cell Phone: _____

Address: _____

City: _____ State: _____ Zip: _____

Email: _____

Please circle one: Current Advisor or Successor Advisor (after death or disability of Donor)

Should this person receive a quarterly Fund statement? _____

Relation of Fund Advisor to Donor: _____

EXHIBIT "D"
SUMMARY OF PROCEDURES FOR OPERATION OF DONOR ADVISED FUNDS

1. Each Donor Advised Fund shall be recorded separately and shall be given a name or any other designation by the donor(s).
2. The minimum amount required to create a new Donor Advised Fund is cash or assets of no less than \$1,000.
3. Should assets to be contributed to a Donor Advised Fund be subject to liabilities, or not readily marketable in certain instances, acceptance will be referred to the Board of Trustees of the Foundation.
4. All Donor Advised Funds shall be invested and the earnings credited on a pro rata basis to each fund.
5. Donor(s) of each Donor Advised Fund shall have the privilege of making recommendations for distribution and may make such recommendations from their fund's corpus and income.
6. The minimum amount of any single distribution from a Donor Advised Fund shall be \$100.
7. The Foundation is restricted in making distributions from Donor Advised Funds unless it is to an organization(s) as described in the various sections of the Internal Revenue Code and is listed as a public charitable organization.
8. No distribution may be made to discharge or satisfy a legally enforceable pledge, membership dues or any legal obligation of any person, including the donor of any Donor Advised Fund. Further, a donor, or any person related to the donor may not be entitled to attend an event or receive goods or services either directly or indirectly from the recommended distribution. Example: A donor may not make a recommendation for distribution from his/her fund to pay for tickets or seats/tables for charity benefits, etc.
9. All recommendations must be in writing.
10. The donee organization shall be notified as to the source of distribution. (This will automatically be done unless the donor wishes to make an anonymous recommendation.)
11. Recommendations may be sent to the Foundation at any time, and there will be no restriction as to the number of recommendations by any one donor(s). However, for administrative and bookkeeping purposes, distributions will be done weekly.
12. Distributions will be made out of income first, then investment gains and losses, then the corpus of a Donor Advised Fund.