

DESIGNATED ENDOWMENT FUND AGREEMENT
BETWEEN
CREATE FOUNDATION, INC.
AND

THIS AGREEMENT, made and entered into on _____, 2008, by and between CREATE Foundation, Inc. (the "Foundation") and _____ (hereinafter referred to as the "Donor").

WITNESSETH:

WHEREAS, the Donor desires to create a charitable designated endowment in the Foundation; and

WHEREAS, the Foundation is a nonprofit Mississippi corporation 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 endowment; and

WHEREAS, the Foundation is willing and able to create such an endowment as a Designated Endowment Fund, subject to the terms and conditions hereof;

NOW, THEREFORE, the parties agree as follows:

1. NAME OF THE FUND. There is hereby established in the Foundation, and as a part thereof, a fund designated as the _____ Fund (hereinafter referred to as "the 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 for _____ in order to carry out their roles and missions as described by their governing documents.

3. GIFTS. The Donor hereby transfers irrevocably to the Foundation the property described on the attached Exhibit A to establish the Fund. Subject to the right of the Foundation to reject any particular gift, any person whether an individual, corporation, trust, estate or organization (hereinafter referred to as "Donor") 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. The annual earnings allocable to the Fund, net of the fees and expenses set forth in paragraph 11, may be committed, granted or expended only for purposes described in Code section 170(c)(1) or (2)(B) to organizations described in Code section 509(a)(1), 509(a)(2) or 509(a)(3); provided, however, that

such purposes are consistent with the exempt status and purposes of the Foundation. Neither the Fund principal nor the net appreciation of Fund principal, realized or unrealized, may be committed, granted or expended. 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 income therefrom, said conditions or restrictions will be honored, subject, however, to the power of the Foundation's Board of Directors (hereinafter the "Board") to modify any restriction or condition on the distribution of funds for any specified charitable purposes or to specified organizations if in the sole judgment of the board (without the approval of any trustee, custodian or agent), such restriction or condition becomes, in effect, 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 Mississippi laws and the Foundation's Articles of Incorporation and Bylaws. The Board shall monitor the distribution of the Fund to ensure it is used exclusively for charitable or other exempt purposes (within the meaning of Code section 170(c)(1) or (2)(B), and shall have all powers of modification and removal specified in United States Treasury Regulations Section 1.170A-9(e)(11)(V)(B),(C), and (D).

The Board agrees to provide the Donor a copy of the annual examination of the finances of the Foundation as reported upon by independent certified public accountants.

6. CONDITIONS FOR ACCEPTANCE OF FUNDS. The Donor and 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 Articles of Incorporation and Bylaws 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 limitation, 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 or other exempt purposes that:

- a) are within the scope of the charitable or other exempt purposes of the Foundation's Articles of Incorporation; 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 for purposes of determining the share of the Foundation's earnings allocable to the Fund and the value of the principal of the Fund, the interest of the Fund in the general assets of the Foundation shall be a percentage determined by dividing the gift to the Fund by the then value of the total assets of the Foundation, such percentage interest being subject to adjustment at the time of each addition to or reduction of the assets of the Foundation.

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.

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

BY: _____
Donor

Approved by the Board of Directors of CREATE Foundation, Inc. on _____.

CREATE FOUNDATION, INC.

BY: _____
President