



**CREATE
FOUNDATION**

**Designated Endowment Fund Agreement
between
CREATE Foundation, Inc.
and**

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

WITNESSETH:

WHEREAS, the Donors desire to create a charitable designated endowment
in the Foundation; and

WHEREAS, the Foundation is a non-profit 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 a fund designated as the _____ Endowment
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 _____.

3. FUND ADVISORS. The fund advisors shall be _____.

4. 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 trust, estate or organization the "Donors" or others 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.

5. DISTRIBUTION. Amounts distributed annually shall not exceed the spending policy approved by the Foundation's Board of Directors (hereinafter the "Board") in any given year, unless this amount is supplemented with additional contributions for this purpose. Funds may be committed, granted, or expended only for purposes deemed consistent with the exempt status and purposes of the Foundation. If any gifts to CREATE 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 authority of CREATE'S Board of Directors to vary the terms of any gift if continued adherence to any condition or restriction is in the judgment of CREATE'S Board unnecessary, incapable of fulfillment, or inconsistent with the charitable or other exempt purposes of CREATE or the needs of the community of Northeast Mississippi.

6. OTHER DISTRIBUTIONS. Distributions of the realized net appreciation of Fund principal and the Fund principal may, at the discretion of CREATE's Board of Directors, be distributed. Recommendations for such distributions may be made from time to time to CREATE by the Fund Advisors.

7. 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).

8. 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.

9. 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.

10. NOT A SEPARATE TRUST. The Fund shall be a component part of the Foundation. All money and property in the Fund shall be part of the pool of endowment funds and held as general assets of the Foundation and not segregated as trust property of a separate trust; provided that for purposes of determining earnings allocable to the Fund and the value of the principal of the Fund, the interest of the Fund in the pool of endowment funds shall be a percentage determined by dividing the total amount of all gifts to the Fund by the then value of all endowment funds of the Foundation, such percentage interest being subject to adjustment at the time of each addition to or reduction of the endowment funds of the Foundation.

11. ACCOUNTING. The receipts and disbursements of the Fund shall be accounted for separately and apart from those of other gifts to the Foundation and the Foundation shall provide the Donors to the Fund an annual accounting of the Fund.

12. 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. Investments shall be made in accordance with written investment objectives, policies and procedures adopted by The Foundation, a copy of which will be provided

to a Donor upon request.

13. COSTS OF THE FUND. In order that the Fund shall share a fair portion of the total investment and administrative costs of the Foundation, the Foundation shall be entitled to withdraw annually from the Fund an amount equal to one percent of the corpus of 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: _____

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

CREATE FOUNDATION, INC.

BY: _____
President

CREATE Foundation Endowment Fund Policies

All endowment funds are placed in an endowment pool and invested in 75% stocks (equity) and 25% in alternative funds (real estate, commodities and bonds (fixed) by our fund manager. An investment committee of the CREATE Board of Directors meets quarterly to review performance relative to industry standards.

Our endowment investment and disbursement philosophy is based on the historical market performance of our investment mix of 75% equity and 25% fixed. Historically the long-term return averages approximately 7.5%. The disbursement rate or spending policy, which is set annually by the CREATE Board, is typically 4%. The CREATE administrative fee is on average 1% depending on the type of fund. The remaining amount of return is added to the principal to allow the fund to appreciate and maintain its value over time. A consistent spending policy allows individuals and organizations to more easily predict the availability of funds each year.

A copy of the CREATE Investment Policy is available by contacting the CREATE Office.

Contact Information

Name: _____

Mailing Address:

Email: _____

Phone Number: _____