

**Northwest Arkansas Community Foundation
HORIZON SOCIETY FUND AGREEMENT**

THIS AGREEMENT (“Agreement”) is made and entered into as of the ____ day of _____ 20__, by and between Northwest Arkansas Community Foundation, a nonprofit corporation and community foundation (“Foundation”), and _____ (“Donor”), to create a Horizon Society Fund (“Fund”) of the Foundation. The Foundation, the Donor, and all persons and organizations making contributions to the Fund created hereunder shall be bound by the terms of this Agreement.

1. Purpose. The Foundation and Donor hereby agree to establish a fund to carry out the general charitable purposes of the Foundation as set forth in its governing instruments, as amended from time to time.
2. Name of Fund. The name of the fund created hereby is the _____ Fund. Any recipient of benefits from the Fund shall be advised that such benefits are from: an anonymous donor, the named Fund.
3. Contributions. The Donor hereby assigns, conveys, transfers and delivers to the Foundation real property, cash or other assets to be held in a separate component Fund of the Foundation. The Foundation, Donor, and any person or organization may from time to time make additional contributions to the Fund. All contributions to the Fund shall be irrevocable and are subject to the terms and conditions hereinafter set forth. Exhibit A sets forth the schedule of contributions that will fulfill the agreement.

I (we) agree that if I (we) cease making contributions as set forth in Exhibit A or if on the Funding Date the value of the account does not equal the funding minimum, the Foundation may in its discretion allow the account to continue accumulating until it reaches the funding minimum or liquidate the account and distribute the balance thereof to the Foundation’s general fund or for such other purposes as the Board may determine. However, I (we) understand that once I (we) have contributed an amount at least equal to the funding minimum to the account, I (we) shall be deemed to have met the minimum funding standards for

the establishment of a designated or donor-advised fund of the Foundation even if, because of fluctuation in investment values, the value of the Account on the Funding Date is less than the funding minimum. In such event, the Funding Date and the distribution of the account shall be deferred until its value equals the funding minimum at which time the account shall be liquidated and used to establish a designated or donor-advised fund of the Foundation as hereafter provided. I (we) further understand that the Foundation reserves the right to increase the funding minimum from time to time if because of changed circumstances it considers it impractical or uneconomical to administer a fund in the amount of the current funding minimum. In such event, the Funding Date and the distribution of the account shall be deferred until its value equals such increased funding minimum as the Foundation may hereafter establish.

4. Incorporation of Governing Instruments of the Foundation. The Foundation agrees to hold, manage, invest and administer all contributions to the Fund under this Agreement and to make distributions from the Fund, on the terms and subject to the conditions set forth in the Foundation's governing instruments, including its articles of incorporation and bylaws, as amended from time to time. All the provisions of such governing instruments of the Foundation and such resolutions and procedures adopted by the Board of Directors of the Foundation are incorporated in the Agreement and by this reference made a part hereof.

5. Distributions.

It is the general policy of the Foundation that a substantial part of the Fund shall remain as a permanent endowment of the Foundation and that only the net income, or an amount equal to the annual spending rate (a percentage of market value), is distributed in the form of grants each year. Acknowledging these policies of the Foundation, the Donor requests that Grant distributions from this Fund shall be applied in the following manner:

_____ % Advised, allowing ongoing recommendations by the donor (minimum funding level of \$25,000 at date of signature).

_____ % Field of interest, used for the special purposes of _____

_____ (minimum funding level of \$10,000 at date of signature).

_____ % Designated for the benefit of _____
for the purpose of _____

(minimum funding level of \$10,000 at date of signature).

_____ % Unrestricted, used for such purposes as the Board, in its sole discretion,
may determine (no funding minimum at date of signature).

6. Foundation as Owner of the Fund. The Foundation is a nonprofit Arkansas corporation exempt from federal income taxation pursuant to Sections 501(c)(3) and 170(b)(1)(A)(vi) of the Internal Revenue Code. This Fund shall be the property of the Foundation and shall be owned by it in its normal corporate capacity. In such capacity, the Foundation shall have the ultimate authority and control of all property of the Fund, and the income derived therefrom, for the charitable purposes of the Foundation.
7. Continuity and Variance Power. It is intended that the Fund hereby established shall be continued in perpetuity until such time as such charitable purpose, in the reasonable judgment of the Board of Directors of the Foundation, shall be unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the northwest Arkansas community. Reg. Sec. 1.170A-9(e)(11)(v)(B)(1). To the extent practicable and permitted under then existing law, the Foundation shall endeavor to make distributions from the Fund to carry out those charitable purposes most closely aligned with the purposes for which this Fund was originally created and subsequently supported through distributions.
8. Termination of Donor Fund: In the event of the death of the Donor and Donor's spouse, if applicable, the following options are offered for the operation of the Donor Fund. These options may be changed by the Donor at any time during his/her lifetime by written notice to NWACF, or in the Donor's Last Will and Testament. Select one (1) of the following options:
Option 1. NWACF shall distribute within three (3) years of the death of the last Donor to die ___ percent (___ %) of the Fund to the following nonprofit

organizations. If less than one hundred percent (100%), the balance shall be distributed by the Alternative Authorizers.

<u>Nonprofit Organization</u>	<u>Percent</u>
_____	_____
_____	_____
_____	_____
_____	_____

Donor's Initials Donor's Spouse Initials

Option 2. The Donor Fund, in its entirety, shall be subject to the recommendations of the Donor's Personal Representatives.

Donor's Initials Donor's Spouse Initials

Option 3. The Donor Fund shall be terminated immediately upon the death of the last Donor or other personal representative named by the Donor or Donor's spouse in their lifetime. In the absence of written recommendations, NWACF shall be authorized to terminate the Fund and move the assets into the NWACF Unrestricted Fund.

Donor's Initials Donor's Spouse Initials

Option 4. Other:

Donor's Initials Donor's Spouse Initials

9. Separate Accounting. The Fund shall be accounted for separately and apart from other funds of the Foundation, but shall be commingled with other assets of the Foundation for investment purposes. The Foundation agrees to provide to Donor each year a copy of the Foundation's annual financial statements as prepared by independent certified public accountants, as well as such other information relating to the Fund as Donor may reasonably request.
10. Compensation to the Foundation. As compensation for its services, the Foundation shall receive those fees that it customarily charges for services of a nature similar to those required herein. The fee schedule is reviewed and revised periodically by the Board of Directors of the Foundation and is in keeping with such fees and expenses similarly charged by community foundations and other charitable funds.
11. Definitions. For purposes of the Agreement, "charitable purposes" includes charitable, religious, scientific, literary or educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code, contributions for which are deductible under Section 170(c)(2) of the Internal Revenue Code. All references in this Agreement to the federal tax laws and to Sections of the Internal Revenue Code shall be considered references to the Internal Revenue Code of 1986, as from time to time amended, and to the corresponding provisions of any applicable future United States Internal Revenue Law and to all regulations issued under such sections and provisions.
12. Miscellaneous Provisions.
 - a. Governing Law. This Agreement shall be governed by the laws of the State of Arkansas and any Federal Laws that apply to the formation and operation of tax-exempt organizations.
 - b. Jurisdiction and Venue. Regardless of the place of execution, this Agreement shall be deemed to be a contract made in Washington County, Arkansas, and shall be interpreted as a contract performed wholly in the State of Arkansas.

- c. Amendments. This Agreement may be amended at any time and from time to time by mutual agreement of the Foundation and Donor, except that Paragraphs 3 hereof may not be amended.
- d. Successors and Assigns. This Agreement shall be binding on the Donor, the second Donor, the Donor's Alternate Authorizers, and the Donor's personal representatives, heirs and assigns.

IN WITNESS WHEREOF, Northwest Arkansas Community Foundation and Donor have caused this Agreement to be executed by their duly authorized officers or representatives, as of the day and year first above written.

Donor's Full Name (please print)

2nd Donor's Full Name (Spouse if applicable)

Legal Address

Legal Address

City State Zip Code

City State Zip Code

Home Phone Office Phone

Home Phone Office Phone

E-mail Address Fax Number

E-mail Address Fax Number

<u>DONOR(s)</u>	<u>NORTHWEST ARKANSAS COMMUNITY FOUNDATION</u>
_____ Donor Signature Date	By: _____
_____ 2 nd Donor Signature Date	Name: _____
<u>DONOR(s)</u>	Title: _____
_____ Donor Social Security Number	Date Signed: _____
_____ 2 nd Donor Social Security Number	Effective Date: _____

Exhibit A – Schedule of Contributions

I (we) would like to build a Horizon Fund through:

- Regular deposit plan at the rate of:
 - \$ _____ per month (minimum \$85)
 - \$ _____ per quarter (minimum \$250)
 - \$ _____ per year (minimum \$1000)
- Life insurance program:
Annual deposit plan of \$ _____ per year (minimum \$1,000 per year)
for five years
- Other \$ _____

It is my (our) intention, at this time, to continue my (our) contributions until:

- A total of \$ _____ has been contributed.
- The total value of the Account equals \$ _____.
- Other (describe) _____

It is my (our) request that all contributions and income earned thereon be accumulated in the Account until such time (the “Funding Date”) as the value of the Account equals:

- \$10,000 (the funding minimum for creating an unrestricted fund or fund designated to one agency only)
- \$25,000 (the funding minimum for creating a field of interest fund, advised fund, or fund designated to multiple agencies)
- \$ _____ (other amount)
- Until _____ (date). This date has been selected as it marks (describe occurrence, anniversary or commemorative event, e.g. our 50th wedding anniversary, my 100th birthday) _____.

In the case of a life insurance program, I (we) agree that the Funding Date will be the date of death of the insured.

**Northwest Arkansas Community Foundation
DONOR ADVISED FUND AGREEMENT**

Exhibit B

Personal Representatives

In the event of the death or legal incapacity of the Donor and Second Donor (spouse, if applicable), the following individual(s) shall be authorized to act as the personal representatives(s) of the Donor for the sole and limited purpose of making recommendations to NWACF regarding the recipient(s) of grants and distributions from the Fund.

First Personal Representative:

Name _____ Phone: _____

Address _____

City, State, ZIP _____

Second Personal Representative:

Name _____ Phone: _____

Address _____

City, State, ZIP _____