JEFFERSON COUNTY COMMUNITY FOUNDATION

AREA OF INTEREST FUND AGREEMENT

THIS AGREEMENT is made as of the ___day of _____, 20__, between _____ ("Donor"), and the Jefferson County Community Foundation, a Washington nonprofit corporation, which has applied for qualification under Section 501(c)(3) of the Internal Revenue Code of 1986 (the "Code") (the "Foundation") (each a "Party" and collectively the "Parties").

WHEREAS, Donor wishes to establish an area of interest to support [**insert area of interest**];

WHEREAS, the Foundation has been established with a principal purpose to receive and administer funds for the support various charitable, scientific or educational purposes and organizations serving those purposes primarily in the Jefferson County area;

WHEREAS, the Foundation wishes to accept the Fund and the Foundation's Board of Directors shall select worthy organizations and projects to receive support from the Fund;

NOW, THEREFORE, the Parties agree as follows:

1. Establishment of the Fund. A fund shall be established on the books of the Foundation which shall be known as _____ (the "Fund"). The Fund is established to receive property for the support of **[describe donor's area of interest].** The Foundation acknowledges receipt of cash in the amount of $_____ or other assets, e.g. securities, real property, etc., as described in Exhibit A as a contribution to the Fund. [*If property is other than cash,* Donor represents that Donor is the sole legal owner of the property to be transferred and that permission of any other party is not required to effectuate the transfer].

2. Property of the Fund. The property of the Fund shall include the property received upon execution of this Agreement, such additional property as may from time to time be transferred to the Foundation by the Donor for inclusion in the Fund, such additional property as may from time to time be transferred by any other source for inclusion in the Fund and accepted by the Foundation, and all undistributed income from the foregoing property. The Fund shall be the exclusive property of the Foundation, held by it in its corporate capacity, and shall not be deemed to be a trust fund held by it in a trustee capacity. The Foundation shall have the ultimate authority and control over all property in the Fund, and the income derived from it. The Fund's assets may be co-mingled with the Foundation's other assets for investment purposes. The Foundation's Board of Directors may delegate investment management of such assets to the Foundation's committees, officers or employees, or to independent third parties under contract.

3. Transfer to Rights. The Foundation's Board of Directors may, in its sole discretion, transfer all or any portion of the Fund to the Jefferson County Community Foundation Fund, an agency designated fund held and owned by the Greater Tacoma Community Foundation for the benefit of the Foundation.

4. Distributions from the Fund. Distributions from the Fund shall be made in accordance with the Foundation's resolutions, policies and procedures and may be made at such times as the Foundation from time to time decides. The Foundation shall distribute in support of the interests described in Section 1 of this Agreement an appropriate percentage of the Fund's market value, as determined by the Foundation's current spending policy approved by the Foundation's Board of Directors, (currently 4.7% of the fair market value annually). In determining the annual distribution amount, the Board may consider the expected total return on the investments of the permanent funds of the Foundation, the desirability of maintaining the value of the permanent funds of the Foundation, and any other factors that it deems relevant. The Foundation shall have the sole discretion to determine the timing and amount of distributions from the Fund and may, in its sole discretion, make distributions from the Fund which cause the value of the Fund to fall below its "historic dollar value." "Historic dollar value" is the fair market value of the Fund at the time it first became an endowment fund, plus the fair market value of each donation to the Fund at the time such donations are made, plus the fair market value of each accumulation in the Fund, made pursuant to a gift instrument, at the time the accumulation is added to the Fund.

5. Exercise of Variance Power. Notwithstanding any provision contained herein to the contrary, the Foundation specifically retains the right to modify any restriction or condition regarding distributions from the Fund for any charitable purpose or to any organization if in the sole judgment of the Foundation's Board of Directors such restriction or condition becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable purposes of the Foundation (the "Foundation's Variance Power").

6. Donor Acknowledgement. Donor agrees to all terms and conditions set forth in this agreement and acknowledges that the Donor's contribution to the Fund represents an irrevocable contribution to the Foundation, which the Foundation will not refund to the Donor under any circumstances.

7. Definitions and Construction.

(a) As used in this Agreement:

(1) References to any provision of the Internal Revenue Code shall be deemed references to the U.S. Internal Revenue Code of 1986, as the same may be amended from time to time, and the corresponding provision of any future U.S. Internal Revenue Code.

(b) The Parties intend that the Fund shall be a "component part" of the Foundation within the meaning of Treasury Regulation Sections 1.170A-9(e)(11) and 1.507-2(a)(8) and that nothing in this agreement shall affect the status of the Foundation as an entity that is a qualified charitable organization. This Agreement shall be interpreted in a manner consistent with this intention and so as to conform to the requirements of the Internal Revenue Code and any regulations issued pursuant thereto applicable to the intended status of the Fund and the Foundation.

(c) All provisions of this Agreement are severable, and the enforceability or invalidity of any single provision shall not affect the other provisions.

(d) This Agreement shall be binding upon, and shall inure to the benefit of, the Parties hereto and their respective successors.

(e) This Agreement shall be governed in all respects by Washington State law.

IN WITNESS WHEREOF, each Party has executed this Agreement effective as of the day and year first above written.

_____
President, Jefferson County Community Foundation

_____ _____
Donor (Printed Name) Signature Date

EXHIBIT A

Description of Non-Cash Fund Contribution