



DESIGNATED AGENCY FUND AGREEMENT TO ESTABLISH THE
_____ **RESERVE FUND**
AT WACO FOUNDATION

THIS AGREEMENT TO ESTABLISH THE _____ (the "Fund"), as a designated component fund within WACO FOUNDATION, is made by and between the _____ ("who is establishing the fund") and Waco Foundation ("Waco Foundation").

WHEREAS, the parties to this Agreement have a common interest in serving the charitable needs of McLennan County; and

WHEREAS, _____ (who is establishing the fund) and Waco Foundation are each organizations described in Section 170(b)(1)(A) and Section 501(c)(3) of the Internal Revenue Code; and

WHEREAS, _____ (who is establishing the fund) has been established with the principal purpose to provide charitable services in McLennan County, Texas; and

WHEREAS, _____ (who is establishing the fund) wishes any property transferred to Waco Foundation, by or on behalf of _____ (who is establishing the fund), to become a component part of Waco Foundation;

NOW, THEREFORE, in consideration of the premises, and the mutual promises contained herein, _____ (who is establishing the fund) and Waco Foundation agree as follows:

1. *Establishment of Fund.* A fund shall be established on the books of Waco Foundation, which shall be known as the _____ **(fund name)**. _____ (who is establishing the fund) hereby irrevocably contributes the initial establishing gift to the Fund of \$ _____. _____ (who is establishing the fund) or any other person may make additional irrevocable contributions to the Fund acceptable by Waco Foundation.

2. *Property of the Fund.* The Fund shall be the property of Waco Foundation, held by it in its Trust capacity and administered in accordance with Waco Foundation's Trust Agreement, Bylaws and governing documents, as they may be amended from time to time.

3. *Purposes.* The Fund shall be used to support the purposes of _____ of the _____ (who is establishing the fund).

4. *Distributions of Principal and Income.* Distributions from the Fund of the income or principal shall be made at such times, in such amounts, in such ways and for such purposes as Waco Foundation may determine.

5. *Management of Fund.* Waco Foundation shall manage and invest the Fund in accordance with its procedures and policies in effect, from time to time, and in accordance with the guidance set forth in FAS 136 as applicable. The Fund may be either commingled with other Waco Foundation assets, or segregated and administered as a separate account; provided, however that if the assets of the Fund are commingled with other Waco Foundation assets, Waco Foundation shall maintain at all times separate records and books of account so as to identify the assets and interests of the Fund. A report of such assets and interest will be provided to _____ (who is establishing the fund) at least quarterly.

6. *Expenses and Fees.* The Fund shall bear its pro rata share of all expenses and fees, which may be determined by Waco Foundation to be allocable or chargeable to the Fund. Such expenses and fees shall be charged to the income or principal of the Fund as determined by the Waco Foundation.

7. *Component Part of Waco Foundation.* _____ (who is establishing the fund) recognizes and agrees that the Fund shall be a component fund of Waco Foundation and subject to the governing documents of Waco Foundation, and the policies and procedures of its governing body. It is intended that the Fund be a component fund of Waco Foundation and nothing in this Agreement shall affect the status of Waco Foundation as an organization described in Sections 501(c)(3) and 170(b)(1)(A)(vi) of the Internal Revenue Code. This Agreement shall be interpreted in a manner consistent with the foregoing intention so as to conform to any applicable requirements of the Internal Revenue Code and the regulations promulgated thereunder. Waco Foundation and _____ (who is establishing the fund) shall have the power to retroactively amend this Agreement in order to comply with the intent of the parties.

8. *Duration and Variance of Purposes.* It is intended that the Fund should be continued as long as the need for the Fund exists and assets are held in the Fund for its purposes. If, for any reason, the Fund is terminated, Waco Foundation dissolves, ceases to exist or ceases to hold or administer the Fund or otherwise function under this Agreement, then the net assets of the Fund, after allowance for liabilities and expenses, shall be distributed to _____ (who is establishing the fund), or if _____ (who is establishing the fund) is not then in existence, to such organizations as the governing board of Waco Foundation may select having similar purposes as _____ (who is establishing the fund). The board shall have the power 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 or area served.

EXECUTED in duplicate originals this _____ day of _____, 201_.

_____(who is establishing the fund)

WACO FOUNDATION

_____, Executive Director

Ashley Allison, Executive Director