

Welcome,

Congratulations on opening an Organizational Charitable Fund with the Laguna Beach Community Foundation! You are joining a group of forward-thinking leaders that recognize the importance of financial stability for long-term success and sustainability. It is organizations like yours that help to ensure needs are met no matter how big the challenge. We look forward to partnering with you in your philanthropic endeavors and together, building a brighter future, today.

It is with great pleasure that we welcome you to the Laguna Beach Community Foundation family. If you have any questions, feel free to reach out to us at 949-715-8223 or via email at info@lagunabeachcf.org.

Sincerely,

Daniel Pingaro

Daniel Pingaro
Executive Director
Laguna Beach Community Foundation

**Laguna Beach Community Foundation
Organization Fund Opening Agreement**

(Fund Name)

_____ and Laguna Beach Community Foundation share common goals of philanthropic service to our communities. _____ ("Organization") is establishing the _____ ("Fund") at Laguna Beach Community Foundation ("LBCF").

Purpose of Fund

All distributions from the Fund will be used to support the following 501(c)(3) public charity or religious entity: _____. The purpose of this Fund is _____ ("Fund purpose").

Contact Information

Executive Director/CEO

Mr./Mrs./Ms. _____
Mailing Address _____ _____
Business Phone _____
Fax _____
Mobile Phone _____
Email _____
Other _____
Preferred Contact: <input type="checkbox"/> Email <input type="checkbox"/> Phone (Business/Cell) <input type="checkbox"/> Mail

Board Chair

Mr./Mrs./Ms. _____
Mailing Address _____ _____
Business Phone _____
Fax _____
Mobile Phone _____
Email _____
Other _____
Preferred Contact: <input type="checkbox"/> Email <input type="checkbox"/> Phone (Business/Cell) <input type="checkbox"/> Mail

Authorized Representative(s)

The Authorized Representative(s) is/are the person(s) who is/are authorized to communicate with LBCF concerning the Fund. It is understood that the individuals occupying the indicated position may change from time to time:

CEO/Executive Director _____

Board Chair _____

Investment Officer/Committee Member(s)

Secretary _____

Treasurer _____

Other _____

The above authorized officer(s) may/ may not appoint staff persons to communicate, but not authorize distributions, with LBCF on behalf of the Organization regarding the Fund:

Staff position: _____ Staff position: _____

Staff position: _____ Staff position: _____

Statements

LBCF will provide periodic Fund statements to the Organization. The Organization's Executive Director/CEO will receive the Fund statements unless otherwise stated here:

(Name, position, address, phone number, email address)

Assets Transferred

Below are the initial assets being transferred to establish the Fund:

<input type="checkbox"/> Cash	\$ _____	<input type="checkbox"/> Life Insurance	\$ _____
<input type="checkbox"/> Securities	_____	<input type="checkbox"/> Real Estate	_____
<input type="checkbox"/> Bequest	_____	<input type="checkbox"/> Other	_____

All initial and additional assets transferred to the Fund are subject to review and approval by LBCF prior to acceptance by LBCF. LBCF reserves the right to sell transferred property as soon as practical after receipt.

Spending Policy - Distribution

All distributions from funds established at LBCF are subject to LBCF's variance power as stated herein and in the Organization Fund Terms and Conditions as hereafter amended (attached hereto and incorporated herein by this reference) ("Fund Terms and Conditions"), and spending policy as stated below ("Spending Policy"). The Spending Policy is intended to ensure that distributions are consistent with the specified spending guidelines stated below.

Unless specific spending guidelines are provided on the Fund Opening Agreement, annual disbursements are calculated as 5% of the average of the past three year-end account balances.

Please indicate your spending guidelines:

Type of Fund:

- Endowment
- Quasi-endowment
- Non-endowed

Spending Policy:

Distributions of _____% annually

The amount of the distribution will be the average of the prior three-years ending Fund balances, or the number of years that the Fund has been in existence if less than three years, multiplied by the percentage stated. In the event of a decline of Fund values due to market downturn or other factors, subsequent earnings will first be applied to restore the principal of the Fund.

The percentage may be changed in writing to LBCF as follows: _____

(Example: by 2/3 vote of Organization Board; by two of the stated Authorized Representatives)

Distributions based on a formula determined by Organization's Board or Authorized Representatives: _____

The formula may be changed in writing to LBCF as follows: _____

(Example: by 2/3 vote of Organization Board; by two of the stated Authorized Representatives)

\$ _____ annually.

The amount may be changed in writing to LBCF as follows: _____

(Example: by 2/3 vote of Organization Board; by two of the stated Authorized Representatives)

Written request to LBCF by vote of ___% of Organization's Board or Authorized Representatives

Other: _____

Other Limitations:

No distribution shall be made until the Fund reaches \$_____.

Other _____.

We require Board minutes be submitted with each distribution request.

Variance Power

LBCF is committed to carrying out organizations’ charitable interests. LBCF reserves the right to vary any restriction or condition on fund distributions (“variance power”) as stated herein and in the Fund Terms and Conditions. Should the Organization terminate or no longer qualify as a 501(c)(3) charitable organization, or it changes its mission and is unable to use the Fund to support the Fund’s purpose, or the Fund’s purpose becomes outdated (for example, if a recipient organization ceases to exist), LBCF may exercise its variance power to redirect the Fund to the most closely related purpose.

LBCF may modify any recommendation, condition, or distribution from the Fund for any specified charitable purpose or to any specified charitable organization if, in the sole judgment of LBCF, such recommendation or condition becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community. Whenever possible, LBCF will confer with the Authorized Representatives(s) before the Fund is modified and stay as close as possible to the original Fund purpose.

Emergency Clause

An organization that establishes an endowment fund may choose to include an emergency clause in case it needs to access part of its fund for an unexpected need.

Emergency Clause- If the Organization’s Board of Directors (“Directors”), by an affirmative vote of _____(state number/fraction/percent) of the Directors, deems unusual circumstances of need or opportunity exist, said Directors may request distribution to the Organization of all or any portion of the Fund assets. LBCF may grant such request if it concludes upon independent review, as set forth in the Fund Terms and Conditions, to be completed within 60 days of receipt of the request, that such distribution is neither unreasonable nor inconsistent with the charitable purpose of the Organization, the Fund, or LBCF. However, LBCF shall have the ultimate authority over and control of all Fund assets and distributions.

Include Emergency Clause

Do not include Emergency Clause

Investment

Fund assets will be invested pursuant to LBCF Investment Policy, as hereafter amended (attached hereto and incorporated herein by this reference), the Fund Terms and Conditions, and the Investment Selection Form, if applicable, established upon inception of the Fund and as amended in writing signed by the Organization's Authorized Representatives(s) or _____ (i.e. Board, Investment Committee).

Authorization

May we list your Fund's name in publications (e.g. media releases, website, Annual Report, etc.)?

Yes No

The general public, donors, and other persons?

Yes No

Referral Source

Please tell us how you first heard about The Laguna Beach Community Foundation:

- Friend or Associate _____
- Community Foundation Representative _____
- Community Foundation Website _____
- Attorney, CPA, Financial Planner, etc. _____
- Other _____

Acknowledgement & Signatures

I acknowledge that I have read The Laguna Beach Community Foundation "Fund Terms and Conditions," as maybe amended hereafter attached hereto and incorporated herein by this reference, and agree to the terms, fees, and conditions described therein. I understand that once a fund is established at LBCF, the assets transferred to the fund that are accepted by LBCF become the property and under the control of LBCF. I acknowledge LBCF's Variance Power as stated herein and in the Fund Terms and Conditions.

Signature

Print Name

Date

Signature

Print Name

Date

Laguna Beach Community Foundation Signature

Authorized Signature

Title

Print Name

Date

Laguna Beach Community Foundation Organization Fund Terms and Conditions

(Fund Name)

1) Status and Mission of the Foundation: The Laguna Beach Community Foundation ("LBCF") is a publicly supported charitable organization that is exempt from taxation under section 501(c)(3) of the Internal Revenue Code. All fund agreements must be interpreted in a manner consistent with this status. The mission of LBCF is to encourage philanthropy in the greater Laguna Beach area through its charitable organizations and residents. Because LBCF expects to operate in perpetuity, wise stewardship of the funds entrusted to it is essential to LBCF's mission.

2) Establishment of Fund: The _____ ("Organization"), an Internal Revenue Code section 501(c)(3) public charity, has established the _____ Fund ("Fund") at LBCF pursuant to the Organization Fund Opening Agreement ("Opening Agreement") entered into between LBCF and the Organization on _____, for LBCF to manage, invest and reinvest the Fund assets.

3) Funds: Once a fund is established at LBCF, the assets transferred to the fund that are accepted by LBCF become the property and under the control of LBCF.

4) Fees: Funds are subject to administrative and investment fees. A list of fees is available on request. LBCF reserves the right to change its fee structure at any time.

5) Distributions: The Organization shall specify spending guidelines in the Opening Agreement ("Spending Policy"). All distributions from the Fund are subject to LBCF's variance power, as stated in the Opening Agreement and this Fund Terms and Conditions, and to the Inactive Funds provision in this Fund Terms and Conditions.

6) Inactive Funds: In order to carry out its policy of distributing charitable dollars to the community, LBCF periodically will review the Fund's distribution activity. If the Fund has failed to make distributions commensurate with the Spending Policy over a three-year period, LBCF will contact the Authorized Representative(s) to discuss the inactivity and

arrive at a plan for distributing funds. In the event that the Authorized Representative(s) cannot be located or is/are unresponsive, LBCF will follow, as reasonably able and practical, the Fund purpose as stated in the Opening Agreement to make distributions. If LBCF is unable, or it is impractical, to make distributions pursuant to the Fund purpose, LBCF will exercise its variance power as stated herein.

7) Variance Power: LBCF is committed to carrying out organizations' charitable interests. LBCF reserves the right to vary any restriction or condition on fund distributions ("variance power") stated in the Opening Agreement and herein ("variance power"). The purpose of the Fund is established in the Opening Agreement ("Fund purpose"). Should the Organization cease to exist or no longer qualify as a 501(c)(3) charitable organization, or it changes its mission and is unable to use the Fund to support the Fund's purpose, or the Fund's purpose becomes outdated, LBCF may exercise its variance power to redirect the Fund to the most closely related purpose.

LBCF may modify any recommendation, condition, or distribution from the Fund for any specified charitable purpose or to any specified charitable organization if, in the sole judgment of LBCF, such recommendation or condition becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community. Whenever possible, LBCF will confer with the Authorized Representatives(s) identified in the Opening Agreement before the Fund is modified and stay as close as possible to the original Fund purpose.

8) Reporting: LBCF will provide periodic Fund statements as stated in the Opening Agreement.

9) Investment of Assets: Fund assets will be managed pursuant to LBCF's Investment Policy, the Opening Agreement, these Fund Terms and Conditions, and, as applicable, Investment Selection Form entered into upon inception of the Fund and as thereafter amended.

If agreed to by LBCF in writing, Fund assets may be managed by an independent trustee, custodian, investment advisor or other fiduciary apart from LBCF's general funds ("outside investment manager"), provided that all such assets are managed in accordance with LBCF's Investment Policy. All outside investment managers shall be provided with a copy of, and must adhere to, LBCF's Investment Policy as a condition of continued service as an outside investment manager. LBCF, in its sole discretion, reserves the right to replace any outside investment manager. Minimum fund values are required for investing fund assets with an outside investment manager. Contact LBCF for more information regarding minimums.

10)Fundraising: LBCF applauds organization’s solicitation efforts that result in contributions to LBCF funds. However, LBCF will not sponsor any fundraising or be responsible for the collection of any amounts from any fundraising activities. Any advertising, promotional or other materials must be consistent with this policy. All contributions to a fund that are the result of fundraising efforts must be deposited first into the Organization’s bank account, and then transferred to the Fund. The Organization is responsible for following all state and federal fundraising laws and regulations.

11)Emergency Clause:

An organization that establishes an Organization Fund with LBCF may include an Emergency Clause in the Opening Agreement to access part of its fund for an unexpected need. If an Emergency Clause is elected in the Opening Agreement, the following is LBCF’s process for independent review:

- a. The Organization shall submit minutes from its Board meeting clearly showing the affirmative vote of the required board members as stated in the Opening Agreement;
- b. The Organization shall complete and submit documents required by LBCF;
- c. LBCF will verify that (i) the Organization’s 501(c)(3) status has not been revoked; and (ii) the Organization has not had any documented findings of fraud. LBCF retains the right to hold the Fund assets if the Organization’s 501(c)(3) status has been revoked or if there are documented findings of fraud;
- d. LBCF will review the submitted information and make a decision on how the money will be distributed;
- e. LBCF has the right to hold the funds until the end of the quarter following the completion of the independent review so earnings and fees can be reconciled; and
- f. The Organization signs an indemnification clause as follows:

By signing below, _____ (“Organization”) agrees to defend, indemnify, and hold harmless the Laguna Beach Community Foundation (“LBCF”), including its Board of Trustees, officers, committee members, volunteers, agents and employees, from any and all cost, expense, liability and claims arising out of any acts or omissions of the Organization, its Board members, officers, committee members, volunteers, agents or employees related to LBCF’s distribution of the Organization’s Fund back to the Organization, per the request of the

Organization. The duty of the Organization to indemnify shall include, but not be limited to, the duty to reimburse LBCF for all reasonable costs, including attorney’s fees, incurred by LBCF in defending against any such claims.

12)Right to Amend Fund Terms and Conditions: LBCF reserves the right to revise or rescind this Fund Terms and Conditions at any time, with or without notice to the Organization.

Acknowledgement & Signatures

I acknowledge that I have read The Laguna Beach Community Foundation "Organization Fund Terms and Conditions," as maybe amended hereafter and attached hereto and incorporated herein by this reference, and agree to the terms and conditions described therein. I understand that once a fund is established at LBCF, the assets transferred to the fund that are accepted by LBCF become the property and under the control of LBCF. I acknowledge LBCF's Variance Power as stated herein and in the Organization Fund Terms and Conditions.

Signature

Signature

Print Name

Print Name

Date

Date

Laguna Beach Community Foundation Signature

Authorized Signature

Print Name

Title

Date

Due to relative return differences between Diversified Equity and Diversified Fixed-Income holdings, from time-to-time the target weightings of each strategic allocation may vary from those presented above. For instance, in periods of Diversified Equity outperformance the Diversified Equity weighting would rise to be greater than the weighting shown. Divergences are corrected during rebalancing which occur at a minimum quarterly.

Characteristics of Portfolio Strategies

Aggressive Growth. Expected to achieve the highest return over a long period of time (greater than 10 years) but with the highest degree of volatility; exhibiting potentially large annual changes in portfolio value. Most appropriate with spending policies that do not require smooth and/or consistent disbursements.

Growth. A growth-oriented allocation that favors long term return potential of equities over the less volatile income-oriented returns of fixed income. Most appropriate with spending policies that use a long (5-year) smoothing rule to provide consistency to annual disbursements.

Moderate Growth. A relatively balanced allocation between equities and fixed income that allows for long term growth potential while providing some overall portfolio stability and consistent interest income. This is the allocation used for LBCF's internal funds. This will be the default allocation for accounts that do not select an alternate allocation.

Conservative Growth. With a greater emphasis on Diversified Fixed-Income holdings, this mix should provide relatively stable return with some long-term growth potential. Appropriate for individuals and organizations with a medium term time horizon (3-5 years) or in instances where consistent annual disbursements are particularly important.

Conservative. Historically the least volatile asset mix, although sensitive to changes in global interest rates. Appropriate where Investment Guidelines preclude equity exposure and when stability of portfolio value is important. In current environment this allocation is unlikely to grow principal if standard spending policies are observed.

ESG Fund. Incorporating environmental, social and governance analysis into investment decision-making. The fund seeks to deliver long-term investment performance by combining financial and ESG analysis in an effort to identify companies with sustainable business models.

Acknowledgement & Signatures

As required by IRS regulation, I (we) acknowledge and agree that:

- a) The above recommendation is advisory only and LBCF may, at its sole and absolute discretion, follow or decline to follow my (our) recommendation;
- b) LBCF may at any time, at its sole and absolute discretion, change the investment of all or any portion of the assets in the fund;
- c) If my (our) recommendation is accepted, the investments will be administered in accordance with the financial policies and fiduciary standards of LBCF; and
- d) Investments are subject to normal market and interest rate fluctuation risks, and any gain or loss generated by the above investments will be credited or charged to the fund.

I have read The Laguna Beach Community Foundation "Investment Selection Form" and agree to the investment selection(s) therein. I understand that Moderate Growth will be the default allocation if I/we do not select an alternate allocation. I further understand that the allocation selection (or default Moderate Growth allocation) can be changed at any time by _____ (e.g. our investment committee, 2/3 vote of the Board, etc.) in writing to LBCF, which will take effect within a reasonable time after LBCF has received the written change.

Print Name

Print Name

Donor's Signature

Donor's Signature

Date

Date

Laguna Beach Community Foundation Signatures

Print Name

Authorized Personnel Signature

Title

Date

**Laguna Beach Community Foundation
Current Charitable Endowment and Quasi-Endowment Fund Fee Effective 1/1/2016**

\$500 contribution to Laguna Beach Community Enrichment Fund upon fund establishment

No fees charged on deposits or distributions

Annual Fees:

1% up to \$1,000,000

0.60% on amounts over \$1,000,000

Fee will be assessed monthly in arrears, based on the average daily fund balance for each calendar month.

Organizations who wish to fund a Charitable Fund may do so by credit card; provided, however, that the fees charged to the Laguna Beach Community Foundation for processing the credit card donation shall be charged back to the Organization out of the Fund.

All LBCF fees help support the organization in furtherance of its mission to encourage local philanthropy.

Please mail this form to:

Laguna Beach Community Foundation

PO Box 1628

Laguna Beach, CA 92652

If you have any questions, please contact
Daniel Pingaro at 949.715.8223 or via email at dan@lagunabeachcf.org