THE ERIE COMMUNITY FOUNDATION
AGENCY ENDOWMENT
LETTER OF AGREEMENT

The Erie Community Foundation
127 West Sixth Street
Erie, Pennsylvania 16501

RE: **(Agency Name)** Fund

Trustees:

Delivery has been made to you, by the undersigned nonprofit organization, of property described in Schedule A attached hereto. Delivery of said property constitutes a transfer of same to The Erie Community Foundation ("the Foundation") upon your acceptance of the following terms and conditions:

1. A fund shall be established on the books of the Erie Community Foundation, ("the Foundation") which shall be known as the **(Agency Name)** Fund ("the Fund");

2. The Fund shall be used for solely to support of the charitable purposes of the **(Agency Name)** ("nonprofit organization") .

3. In transferring this property to the Fund, the nonprofit organizations intends to create a permanent endowment. It is understood the overall investment objective is to preserve capital and to increase long-term purchasing power of the Fund. Principal withdrawal, or distributions in excess of the amount dictated by the application of The Foundation's spending policy, may be made upon review of recommendations provided by the nonprofit organizations as specified on Schedule B attached hereto.

4. The Fund shall include the property received from us, such property as has been or as may be, from time to time, transferred to the Foundation by us for inclusion in the Fund, such property as may, from time to time, be received by the Foundation from any other source and accepted by it for inclusion in the Fund, and all income from the foregoing property;

5. The Fund shall be the property of the Foundation held by it in its normal corporate capacity. It shall not be deemed a separate trust fund held by it in a trustee capacity. In accordance with FASB 136, property in the fund shall remain an asset of the nonprofit organization with a corresponding liability listed on the books of the Foundation;

6. The net income from the Fund shall be used exclusively to support the nonprofit organization on an agreed upon schedule. This support shall continue in perpetuity, so long as the nonprofit organization remains charitable and its mission remains necessary and possible to accomplish.

7. If, over time, the nonprofit organization becomes for-profit, goes out of business, alters its mission so that it would be inconsistent with the intent of the original nonprofit organization trustees, or somehow becomes inconsistent with the charitable needs of the community, the Foundation board of trustees may vary this agreement to insure it remains consistent with the intent of the original nonprofit organization trustees;

8. The Foundation will provide accounting and related financial management services associated with the Fund. Foundation staff are also available, on a mutually agreed schedule, to encourage additional donations to the Fund.

9. The Fund will be assessed an Erie Community Foundation management fee and an investment management fee set in accordance with schedules negotiated by The Foundation. Total fees for 2008 are 90 basis points;

10. The Foundation will provide planned giving consulting services designed to attract additional contributions to the Fund. Such services will be provided on a mutually agreed upon schedule and at no charge.

11. It is intended that the Fund shall be a component part of the Foundation and not a separate trust and nothing in this Agreement shall affect the status of the Foundation as an organization described in Section 501(c) (3) of the Internal Revenue Code of 1986, and as an organization which is not a private Foundation within the meaning of Section 509(a) of the Code. This Agreement shall be interpreted in a manner consistent with the foregoing intention and so as to conform to the requirement of the foregoing provisions of the federal tax laws and regulation issued pursuant thereto. The Foundation is authorized to amend this Agreement to conform to the provisions of any applicable law or government regulation in order to carry out the foregoing intention and shall have variance power as set forth in tax regulations 1.170A-9(e)(11)(V)(B), (C) and (D). References herein to provisions of the Internal Revenue Code of 1986 shall be deemed references to the corresponding provisions of any future Internal Revenue Law.

Kindly indicate below your acceptance of this gift and of the foregoing terms and conditions.

Very truly yours,

____
Authorized Board Representative for the Nonprofit Organization

Accepted as of this ________ day of _______________, 20_______.

THE ERIE COMMUNITY FOUNDATION

By______________________________
Michael L. Batchelor
President

____
Witness:

SCHEDULE A

The **(Agency Name**) Fund

Description of property:

SCHEDULE B

The **(Agency Name)** Fund

Insert board resolution specifying a to be determined super board majority that may request fund withdrawal or distributions in excess of amount dictated by The Foundation's spending policy.

If desired, indicate a maximum spending policy distribution rate.