

THE
WINSTON-SALEM
FOUNDATION

**TRUST AGREEMENT CREATING A DONOR-ADVISED FUND
WITH ACCESS TO INCOME ONLY**

THIS TRUST AGREEMENT (this “Agreement”) is made the ____ day of _____ 20____, by and between _____ (the “Grantor(s)”), and **The Winston-Salem Foundation, Inc.**, as Trustee (the “Trustee”) for THE WINSTON-SALEM FOUNDATION (the “Foundation”), to establish an endowed Donor-Advised Fund of the Foundation.

All assets which shall hereafter become subject to this Agreement shall constitute the trust principal. The Trustee shall hold, administer and distribute the trust assets, in trust, upon the following terms and conditions:

1. Name. The trust shall be known and designated as the _____ and shall be administered as a permanent endowed Donor-Advised Fund of the Foundation (the “Fund”).

2. Distributable Amount. The amount available to be distributed from the Fund on a periodic basis (the “Distributable Amount”) shall be a percentage of the fair market value of the Fund determined annually as provided in the Foundation’s Spending Policy (or other distribution policy) as adopted from time to time, and in accordance with those laws, rules and regulations applicable to Donor-Advised Funds administered by the Foundation in effect from time to time. The Distributable Amount shall be deemed to be the income of the Fund, and the remaining assets of the Fund shall be deemed to be the principal. The principal of the Fund may not be granted, loaned or distributed and shall remain in the Fund unless otherwise approved for distribution by the Foundation Committee of The Winston-Salem Foundation (“the Foundation Committee”).

3. Charitable Purposes. The purpose of the Fund is to provide a permanent fund, income¹ from which may be used to support worthy charitable and public causes that are consistent with the charitable or other exempt purposes of the Foundation. The Fund shall be administered according to the Foundation’s Donor-Advised Fund Policies, as amended from time to time.

4. Distributions from the Fund. While the Grantor(s) is living and has capacity, the Grantor(s) may make written recommendations to the Foundation as to the use or application of the Distributable Amount only. After the death or incapacity of the surviving Grantor(s), the

¹ Principal expenditure may be offered for funds established with \$250,000 or more.

Grantor's/Grantors' children, _____, as Successor Advisor², may make recommendations as to the use or application of the Distributable Amount only during their lifetimes. All recommendations are advisory and must be approved by the Foundation Committee. **[Revise if no Successor Advisor.]**

5. Legacy Plan. After the death, resignation or incapacity of the Grantor(s) and any named Successor Advisors, the Fund shall become an Unrestricted Fund of The Winston-Salem Foundation to support the general charitable needs of the community. The Grantor(s) do, however, retain the right to make recommendations to the Foundation Committee regarding charitable uses of the assets in the Fund after their deaths or incapacity, and must do so by written instrument delivered to the Trustee during the Grantor's/Grantors' lifetimes.

6. Fund Activity. The Foundation seeks to deploy resources to meet community needs. All Donor-Advised funds fall under the Foundation's Fund Activity Policy which may change from time to time in the Foundation's sole discretion.

7. Changes. Subject to the consent of the Foundation, the Grantor(s) shall have the power to change (i) the name of the Fund and (ii) the successor advisor(s) to the Fund, and must do so by written instrument delivered to the Trustee during the Grantor's/Grantors' lifetimes.

8. Contributions. The Grantor(s) and any third party may make contributions to the Fund from time to time, and all contributions shall be additions to principal and shall be administered in accordance with, and shall be subject to, the terms of this Agreement.

9. Master Trust. The Fund shall be administered by the Trustee as a component part of the Foundation, a community trust, and shall be subject in all respects to the provisions and conditions set forth in the Resolution and Declaration of Trust creating the Foundation, adopted on October 14, 1919, and most recently amended and restated in its entirety on December 1, 1993, as it may hereafter be amended and restated from time to time (the "Master Trust"). Notwithstanding any provision contained in this Agreement to the contrary, the assets of the Fund shall not revert to the Grantor(s) or any other donor, or be used or applied for any purpose other than as provided in the Master Trust.

10. Changed Circumstances. Article IV of the Master Trust provides that any direction by a grantor with respect to distributions from the Fund must be reasonable and consistent with the charitable purposes of the Master Trust. Article V of the Master Trust gives the Foundation Committee the authority to redirect the use of any contribution to the Foundation when the Foundation Committee determines that circumstances (including, without limitation, applicable tax statutes) have changed such that (a) a specified purpose has become incapable of fulfillment or compliance with the terms of the governing instrument is unnecessary, undesirable, impractical or impossible, (b) the assets of the Fund are more than is necessary or desirable to

² In Article IV of the Master Trust, the Grantor has the right to include a second generation of advisors to make grant recommendations for the fund. The Foundation allows two generations of advisors (ex. husband and wife are one generation and their children are a second generation). In the event of the death of any of the Grantors to the fund, the surviving Grantor may at any time provide in writing a replacement advisor for the fund. In the event that no advisors are specifically named, the original purpose of the fund will be honored.

accomplish the stated purpose, or (c) the expressed desire or direction of a grantor, testator or donor is no longer wise, beneficial, or consistent with the charitable purposes of the Foundation.

11. Trustee Resignation. The Trustee has the right to resign as Trustee by giving written notice to the **Grantor(s)**, if living, and to the Foundation. The Trustee is hereby expressly authorized to resign without filing any petition or accounting in any court or with any public official, and without obtaining any approval from any court or public official. However, a resignation that would create a vacancy in the office of Trustee shall become effective only upon written acceptance of the Fund by a successor Trustee. The Foundation shall have the power to appoint a successor Trustee clothed with all the powers of the original Trustee.

12. Waiver of Bond and Accountings. No Trustee hereunder is required to give or file any bond or other security in any jurisdiction, nor is any Trustee required to file any report in any court.

13. Fees and Expenses. The Fund shall be charged a reasonable and customary administrative fee in accordance with the Foundation's published fee schedule, as amended from time to time. In addition, the Trustee may pay from the Fund any unusual or extraordinary expenses incurred in connection with the administration of the Fund, including but not limited to expenses associated with the management or liquidation of assets contributed to the Fund and legal fees should the advice of legal counsel be sought in connection with the Fund.

14. Investments. The assets of the Fund shall be invested according to the Foundation's investment policy, as it may be amended from time to time, and the Fund shall incur an investment management fee which shall be paid to the investment manager for the Fund as approved by the Foundation's Finance and Investment Committee.

15. Policies and Procedures. The Fund shall be administered in accordance with all other policies and procedures adopted by the Foundation from time to time.

16. Jurisdiction. This Agreement shall be governed by the laws of the state of North Carolina.

17. Counterparts. This Agreement may be signed in one or more counterparts, each of which shall be considered an original and when combined with all others shall be deemed a part of the same Agreement.

18. Captions. Titles and headings contained in this Agreement shall not be deemed to govern, limit, modify or in any manner affect the scope, meaning or intent of its provisions.

IN WITNESS WHEREOF, the undersigned **has/have** caused this Agreement to be executed on the day and year first written above.

Type name here, Grantor

Type name here, Grantor

The Winston-Salem Foundation, Inc.,
Trustee for The Winston-Salem Foundation

Lisa P. Purcell, Interim President

Annette P. Lynch, Assistant Secretary