



DATE

Jane Hetland Stevenson, President
St. Croix Valley Foundation
516 Second Street, Suite 214
Hudson, WI 54016

Dear Ms. Stevenson:

It is our intention to deliver \$_____ as a gift to the St. Croix Valley Foundation. This gift, together with any additional gifts that may be made by us or other donors to the fund hereafter described, shall be used to establish and maintain a component fund (the “Fund”) of the St. Croix Valley Foundation (the “Foundation”) to be held and administered as follows:

1. The Fund shall be known as the _____ **Operating Fund** and shall be identified as such by the Foundation in the course of the administration and distribution thereof.
2. The assets of the Fund shall be distributed for charitable purposes consistent with those specified in the Foundation’s Articles and Bylaws as they now exist or may be hereafter amended, as the Foundation’s Board may determine after taking into consideration any written recommendations from time to time made to the Foundation until **Date Five Years from fund Establishment Date** by any of us on the Board.
3. It is understood that such recommendations shall be advisory only, will not be binding upon the Foundation, and will not be the sole criteria used by the Foundation in determining whether to make such distributions. After **Date Five Years from fund Establishment Date** or if no recommendations have been received by the Foundation at the time of considering distributions, or if the Foundation, in its discretion, determines not to follow any such recommendations, the assets of the Fund shall be distributed for such general purposes of the Foundation as the Board, in its sole discretion, shall determine.
4. Distributions provided in Paragraphs 2 and 3 shall be made on a “spend down” basis, with the expectation that the assets of the Fund will be expended (and not preserved in endowment fashion) over five years except under special circumstances as may be determined by the Board of the Foundation, grants from the Fund shall not be made more often than quarterly, nor in a single grant amount less than \$100.00. Upon expiration of five years any remaining assets of the Fund shall be distributed as provided in Paragraphs 2 and 3 as soon as reasonably practicable. Should additional contributions be made to the Fund in

the future, supplemental written instructions will be submitted for approval by the Board of the Foundation, specifying the "spend-down" parameters for such additional assets.

5. The Board of Directors of the Foundation shall have sole discretion as to the investment and reinvestment of the assets of the Fund, including the selection of investment managers, and as to the selection of custodians of the assets of the Fund.
6. Notwithstanding anything herein contained to the contrary, the Fund shall at all times be held and administered in accordance with the provisions of the Articles and Bylaws, all of which are hereby accepted and agreed to by the undersigned, including those provisions relating to amendment, termination and variance from donors' directions. The undersigned acknowledges that under the provisions of the Articles and Bylaws and applicable tax regulations, the Board of the Foundation has the power and the duty to modify any restriction or condition of the distribution of the funds for any specified charitable purpose if, in the sole judgment of the Foundation's Board (without the approval of any participating trustee, custodian or agent), such restrictions or conditions become, in effect unnecessary, incapable of fulfillment or inconsistent with the charitable needs of the region served by the Foundation.
7. Consistent with its practice adopted from time to time with respect to other funds of the Foundation, the Foundation shall from time to time make a charge to the Fund in an amount reasonably calculated to reimburse the Foundation's direct and indirect costs incurred in the administration of the Fund.

If the foregoing is acceptable to the Foundation, kindly so indicate by dating and signing the enclosed copy of this letter in the space provided below and return it to us. Upon such acceptance, this letter will constitute our agreement with respect to the Fund and all prior discussions and agreements concerning the Fund are merged herein and are made a part hereof.

Very truly yours,

Accepted this _____ day of _____, _____.
(date) (month) (year)

St. Croix Valley Foundation

By: _____

President