



DATE

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

Dear Ms. Stevenson:

The AGENCY NAME located at AGENCY ADDRESS, CITY, STATE, wishes to establish a fund of the St. Croix Valley Foundation (the "Foundation"), and will shortly transfer \$_____ to the Foundation, assets now owned by AGENCY NAME. The transferred assets shall be used to establish and maintain a component fund (the "Fund") of the Foundation to be held and administered as follows:

1. The Fund shall be known as the FUND NAME and shall be identified as such by the Foundation in the course of the administration and distribution thereof.
2. The income of the Fund shall be distributed at least annually to AGENCY NAME, except that the Board of Directors of AGENCY NAME may elect to add all or part of the income of the Fund in any year back into the Fund.
3. Distributions as provided in Paragraph 2 shall be made out of income only, so that the principal of the Fund will be preserved and maintained as an endowment.
4. Gifts may be added to the Fund at any time by AGENCY NAME or any other donor. If warranted, sub-funds may be created with future gifts, subject to the approval of the Foundation Board.
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. In the event of the dissolution of AGENCY NAME or its successors, the foundation shall thereafter continue to hold the assets constituting the Fund and shall distribute the income therefrom to such organizations as in the opinion of the Board of Directors of the Foundation most clearly meet the purposes and objectives of AGENCY NAME.
7. The Fund shall be administered in accordance with the Minnesota Uniform Prudent Management of Institutional Funds Acts, provided that in all events the

term "income" as used in this letter shall mean the amount available for distribution from the Fund as determined in accordance with the Foundation's spending policy in effect from time to time.

8. 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 of the Foundation, 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 Directors 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.
9. 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.
10. Assets of the Fund may be commingled for purposes of investment with other assets of the Foundation, provided that the separate identity of the Fund and the distributions from the Fund are at all times maintained.

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: _____