Steve Brown advises as of May 28, 2021, the Amended and Restated Living Trust for Susan and Steve makes a provision for various charities upon the death of the latter of them. The amounts to go to charities are determined by first providing for payment of costs and taxes and specific bequests to named individuals. Then, any residual balance is to be shared among several named charities.

On a percentage basis, The San Diego Foundation is to receive a gift to be added to the endowment fund San Diego Foundation maintains for the La Jolla Golden Triangle Rotary Club Foundation. The Gift Agreement provides for the distributions to be tracked separately and applied as a priority for educational and humanitarian projects and programs of the club' International Service Committee. Presently, the amount of the gift is estimated to be in the mid six figures. Said Agreement with The San Diego Foundation follows this narrative.

Additionally, again on a percentage basis, the trust provides for the establishment of an Advised Fund at San Diego Foundation wherein the Advisor makes recommended distributions to the Foundation for the Children of the Californias which benefits Hospital de las Californias in Tijuana. The La Jolla Golden Triangle Rotary Club through its President is the Advisor for the fund with a recommendation that the Rotary Club through its International Service Committee consults with Rady Children's Hospital Foundation to evaluate requests for funding. A Donor Guidelines document providing guidance for distributions, is part of the Brown's Agreement with San Diego Foundation. Presently, the amount of this gift is estimated to be in the high six figures. Said Agreement with The San Diego Foundation follows this narrative.

The Brown's Living Trust is revokable in its entirety by either Steve or Susan at any time. Further, since the gifts to charities represent the residual assets for disposition, there is no assurance there will be any value in these specified gifts to charities upon vesting.

The law firm representing Susan and Stephen Brown is Withers Bergman (San Diego office). They possess all relevant documents.

References:

withersworldwide.com

sdfoundation.org

https://usfcc.org/ (Foundation for the Children of the Californias)

https://www.radyfoundation.org/

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The San Diego Foundation
Growing a Vibrant Region

ENDOWMENT FUND AGREEMENT

for the #4911

Stephen and Susan Brown Endowment for the Benefit of La Jolla Golden Triangle Rotary Club Foundation
Designated Endowment

THIS AGREEMENT is made and entered into on May 8, 2019 (the "**Effective Date**"), by and between THE SAN DIEGO FOUNDATION, a California nonprofit public benefit corporation described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended ("TSDF") and Stephen R. Brown and Susan S. Brown (hereinafter, "Founders").

1. NAME OF THE FUND

Founder irrevocably transfers assets to TSDF to establish in TSDF the Stephen and Susan Brown Endowment for the Benefit of La Jolla Golden Triangle Rotary Club Foundation (the "Fund"). TSDF may receive additional irrevocable gifts of property acceptable to TSDF from time to time from Founder and from any other source to be added to the Fund, all subject to the provisions hereof.

2. PURPOSE

Designated Endowment Fund. Subject to the limitations of paragraph 4 below, the primary purpose of the Fund shall be to support The La Jolla Golden Triangle Rotary Club Foundation, with the priority that the distributions be used for educational or humanitarian projects or programs of the International Service Projects of the La Jolla Golden Triangle Rotary Club. If the La Jolla Golden Triangle Rotary Club Foundation ceases to exist, the distributions shall go to: Stanford University's Hoover Institution-unrestricted. (the "Designee"). In the event that a Designee should (i) no longer be described in Sections 170(c)(1) or (2) of the Internal Revenue Code of 1986, (ii) become subject to bankruptcy proceedings under state or federal law or (iii) liquidate and dissolve or otherwise cease to exist, then the assets of the Fund shall be applied as described in paragraph 6 below.

3. INVESTMENT OF FUNDS

TSDF shall have all powers necessary or desirable to carry out the purposes of the Fund, including, but not limited to, the power to retain, invest and reinvest the Fund in any manner within the "prudent person" standard and the power to commingle the assets of the Fund with those of other funds for investment

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purposes, subject however, to the requirements of Sections 5231 and 5240 of the California Corporations Code. TSDF may accept investment recommendations from the Fund Advisor, if any, provided that such recommendations from the Fund Advisor shall be solely advisory, and TSDF may accept or reject them, consistent with the standards of this paragraph.

4. DISTRIBUTEES

Subject to paragraph 6, earnings allocated by TSDF to the Fund shall be distributed exclusively for charitable, scientific, literary or educational purposes or to organizations of the type to which an individual taxpayer may make deductible charitable contributions, gifts, and bequests under the income, gift and estate tax provisions of the Internal Revenue Code of 1986, as amended, and of the Revenue and Taxation Code of California. It is intended by the foregoing that at the time a distribution is made from the Fund, the distribution must be made for a charitable, scientific, literary or educational purpose as described in, or to an organization which is described in, Sections 170(c)(1) or (2), of the Internal Revenue Code of 1986, as amended, and Section 17201 of the Revenue and Taxation Code of California. Distributions from the Fund shall be within the purposes and procedures of TSDF as contained in its Articles of Incorporation and its Bylaws.

5. RECOMMENDATIONS FOR DISTRIBUTION

The Fund shall be administered in accordance with the Uniform Prudent Management of Institutional Funds Act, California Probate Code Section 18501, *et. seq.*, as amended. Distributions from the Fund may be made from income and so much of the net appreciation (realized and unrealized) in the fair value of the assets of the Fund as is prudent under the standard established by Section 18504 of the California Probate Code. Distributions shall be made to permissible distributees and at such times and in such amounts as may be determined by the Board of Governors of TSDF. There shall be no requirement that income be distributed each year; provided, however, that any income not distributed shall be accumulated and added to principal and shall not later be available for distribution. Distributions shall be made to such distributees of the type described in paragraph 4 as may be designated by the Board of Governors of TSDF.

6. CONTINUITY OF THE FUND

The Fund shall continue so long as assets are available in the Fund and the purposes in the Fund can be served by its continuation. If the Fund is terminated for either of the above reasons, TSDF shall devote any remaining assets in the Fund exclusively for charitable purposes that (i) are within the scope of the charitable purposes of TSDF's Articles of Incorporation, and (ii) most nearly approximate, in the good faith opinion of the Board of Governors, the original purpose of the Fund.

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7. NOT A SEPARATE TRUST

The Fund shall be subject to the Articles of Incorporation and Bylaws of TSDF. All money and property in the Fund shall be assets of TSDF, and not a separate trust, and shall be subject only to the control of TSDF. Pursuant to Treasury Regulations, the Board of Governors of The San Diego Foundation has the power "to modify any restriction or condition on the distribution of funds for any specified charitable purpose or to any specified organization if, in the sole discretion of the Board of Governors, such restriction or condition becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community or area served." Treas. Reg. §1.170A-9(e) (11) (v) (B) and (E).

8. ACCOUNTING

This Fund shall be accounted for separately and apart from other gifts to TSDF.

9. PROGRAM GUIDELINES

Founder acknowledges that they have reviewed and is familiar with the attached "Program Guidelines" and that the Fund will be administered in accordance with such guidelines.

IN WITNESS WHEREOF, Founder hereby executes this agreement as of the Effective Date.

Stephen R. Brown

Signature

Stephen R Brown

Print Name

DocuSigned by:
Susan Brown
8B2951D9179847E...

Signature

Susan Brown

Print Name

Approved by The San Diego Foundation on May 21, 2019

By: Susan L Bantz

~~Clifford Schireson~~ SUSAN L. BANTZ
~~Interim Chief Administrative Officer~~ CHIEF OPERATING OFFICER

Attachment: The San Diego Foundation Program Guidelines

PROGRAM GUIDELINES
Revised September 2015

1. The San Diego Foundation. The San Diego Foundation ("TSDF") is a California nonprofit public benefit corporation exempt from taxation under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended ("IRC"). TSDF is recognized as a public charity under IRC Sections 509(a)(1) and 170(b)(1)(A)(vi) and operates as a "community trust" under U.S. Treasury Regulations Section 1.170A-9T(f)(11). All contributions to and assets of TSDF are subject to its Articles of Incorporation, Bylaws and Program Policies. TSDF reserves the right to modify the terms and conditions of its Articles of Incorporation, Bylaws and Program Policies at any time.

2. Donor Advised Funds. As a community foundation, TSDF may establish for its donors a "donor advised fund," which is separately identified by reference to the donor or donors. The fund is owned and controlled by TSDF and the donor or persons appointed by the donor have the privilege of providing advice with respect to the fund's investments or distributions. TSDF has final authority over the distribution of all grants from its donor advised funds and reserves the right to decline or modify a grant recommendation that is not consistent with these policies or TSDF's charitable purposes. Gifts to a donor advised fund are irrevocable.

3. Other Funds. In addition to donor advised funds, TSDF also establishes scholarship funds (discussed below), agency funds (for the benefit of a specified charity), field of interest funds (for a specified charitable purpose) and habitat funds (to administer funds set aside to maintain ecological preserves). Gifts to these funds are irrevocable.

4. Fund Minimums. Generally, a minimum of $50,000 is required to establish an agency fund and $25,000 for all other funds.

5. Providing Grant Advice to Donor Advised Funds. Once a donor advised fund has been established and funded, the advisor(s) named in the agreement may recommend distributions to qualified charitable organizations. (TSDF staff will perform due diligence to verify that the organization is a current, qualified charity.) The following rules govern grant recommendations:

a. Minimums. Each recommended grant should be for at least $250.00.

b. Procedure. Unless otherwise restricted as an endowment, grants may be recommended out of the original principal, as well as accumulated investment earnings, if any. Grant recommendations can be made at any time during the year, except for designated endowment funds, which make distributions in March and/or September. A maximum of four (4) grants may be made per year from Agency non-endowment funds. Recommendations can be submitted by mail, facsimile or electronic mail. Forms and instructions for making grant recommendations will be provided upon creation of a fund, as part of an advisor orientation process.

c. Grant Restrictions. The following restrictions apply to grants:

i. No Indirect Benefit. Grants from donor advised funds may not be used to secure any benefit from the grantee for the donor, the advisor or any persons related to them.

ii. Enforceable Pledges. Grants from donor advised funds may not be used to discharge or satisfy a charitable pledge or obligation that is legally enforceable against the donor or any other person.

iii. Event Tickets. Grants from donor advised funds may not be used to pay for goods or services of value received by the donor, advisor or their family members. For example, grants may not be used to support any charitable event, including fundraising dinners, concerts, auctions, or other benefit functions when the donor would receive a return benefit, such as the benefit of being able to attend a fundraising dinner or event. Further, no grants may be used to pay for any portion of a split or bifurcated disbursement to a charity. A split or bifurcated payment refers to the splitting of a payment to a charity, such as for tickets to an event, into two parts: the deductible portion and the non-deductible portion.

iv. Giving to Individuals. Donors may not choose a specific individual to receive a benefit from a grant from a donor advised fund.

v. Prohibited Loans & Compensation. Donors, advisors or any related parties may not receive grants, loans, compensation or similar payments (including expense reimbursements) from donor advised funds.

d. Restricted Organizations and Purposes. TSDF will not approve grant recommendations that are for non-functionally integrated Type III supporting organizations; supporting organizations that provide support to organizations controlled by the donor, advisor or related persons; supporting organizations that are controlled by the donor, advisor, or related persons; private non-operating foundations; lobbying, political campaigns or other political activities; or any purpose that is not entirely charitable.

e. Remedial Action. TSDF will take remedial action if it discovers that grants have been made for improper purposes. Remedial actions may include, but are not limited to, a requirement that the recipient charity return the grant and/or termination of the donor's advisory privileges.

f. Anti-Terrorism Provisions. As part of the grant review process, TSDF checks all recommended grant recipients against the Treasury Department's List of Specially-Designated Nationals, other U.S. and foreign government watch lists, and the IRS list of organizations whose tax exemption has been suspended under IRC Section 501(p). TSDF will not approve grant recommendations to organizations that appear on such lists.

6. Scholarship Funds. Scholarship funds may have a scholarship advisory committee. All scholarship advisory committee members must be approved by the TSDF's Board of Governors prior to making the first scholarship awards and thereafter annually. The founder may participate on the scholarship advisory committee, provided that neither the founder nor the founder's designees (related parties) may chair the scholarship advisory committee or in any way control the selection process or constitute a majority of the scholarship advisory committee members. In the event the scholarship advisory committee shall cease to be in existence, the Board of Governors of TSDF shall serve as the advisor of the scholarship fund. All scholarships shall be awarded on an objective and nondiscriminatory basis using procedures that have been approved in advance by the Board of Governors of TSDF and that have been designed to ensure that all such grants meet the requirements of paragraphs (1), (2), or (3) of Section 4945(g) of the Internal Revenue Code of 1986.

7. Income and Estate Tax Deductions. TSDF does not provide any advice or assurance to its donors as to the income tax treatment of amounts deposited in a fund. Donors are advised to seek independent advice as to such income tax treatment.

8. Investments. The fund advisors for endowment funds will have the assets invested in TSDF's Endowment pool. The fund advisors for non-endowment funds with assets in excess of $25,000 may recommend that the assets of the fund be invested in one of three investment pools (subject to liquidity requirements); information regarding the composition of each investment pool will be provided to the donor at the time the fund is established. Such recommendations are advisory, and TSDF has final authority over the investment of assets in its funds.

9. Fees and Costs. Each fund established at TSDF shall share a fair portion of the total administrative costs of TSDF. The administrative cost annually charged against each fund shall be determined in accordance with the then current fee policy of TSDF as the fee structure applicable to funds of its type. Administrative fees for charitable expenses will be negotiated and incurred based upon the complexity of the transaction. Charitable expenses apply exclusively to Field of Interest or Special Project Funds. In addition, upon receipt of assets upon the death of a donor, a onetime estate fee will be assessed in accordance with the then current fee policy of TSDF. Any costs to TSDF in accepting, transferring or managing property donated to TSDF for a fund shall also be paid from such fund.

10. Provision for Governing Law. These Program Policies, all fund agreements, and any program-related agreement executed by a Donor shall be governed by California law. All gift agreements are deemed to be entered into in the State of California, and all contributions to the TSDF are intended to be administered and managed in the State of California.

11. Confidentiality. All information concerning donors' or prospective donors' gifts, including names of beneficiaries, gift amounts, and other personal information shall be kept confidential unless permission is obtained from the donor to release such information.

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The San Diego Foundation
Growing a Vibrant Region

Designated Endowment
Distribution Recommendation

Stephen and Susan Brown Endowment for the Benefit of La Jolla Golden Triangle Rotary Club Foundation (#4911)

Allocations of earnings are made on a monthly basis. Earnings are available for distribution semi-annually, annually, or on request after an allocation period. Distributable earnings will remain distributable unless it is requested that the earnings be reinvested. Earnings reinvested become a part of principal and cannot be accessed in the future for distribution.

Please check one of the following: (If no selection is made earnings will be held until distribution is requested by founder(s) or advisor(s).

☒ Please distribute the earnings semi-annually. (March and September)

☐ Please distribute the earnings annually in March

☐ Please distribute the earnings annually in September

☐ Please hold the earnings until distribution is requested.
Please note distributable balance earnings are not credited to the fund.

☐ Please reinvest the earnings.

(This selection can be changed at any time; but becomes effective on July 1 and January 1.)

DocuSigned by:
Stephen Brown
BBAFC38DBDE7497...

6/30/2021

Stephen Brown, Founder — Date

DocuSigned by:
Susan Brown
8B2951D9179847E...

7/1/2021

Susan Brown, Founder — Date

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The San Diego Foundation
Growing a Vibrant Region

LEGACY NON-ENDOWMENT FUND AGREEMENT

for the

Stephen and Susan Brown Fund for Children of the Californias
Legacy Advised Non-Endowment Fund

THIS AGREEMENT is made and entered into on June 1, 2021, by and between THE SAN DIEGO FOUNDATION, a California nonprofit public benefit corporation described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended ("TSDF") and Stephen Brown and Susan Brown (hereinafter "Founders").

1. NAME OF THE FUND

Founders intend to transfer certain assets, irrevocably, upon their deaths to TSDF to establish in TSDF the Stephen and Susan Brown Fund for Children of the Californias (the "Fund"). TSDF may receive additional irrevocable gifts of property acceptable to TSDF from time to time from Founders and from any other source to be added to the Fund, all subject to the provisions hereof.

2. PURPOSE

Subject to the limitations of paragraph 4 below, the primary purpose of the Fund shall be to support the Foundation for the Children of the Californias (FCC), EIN 33-0415572 which supports the operation of Hospital Infantil de las Californias. Upon receipt of assets, the "Fund Advisor" shall be that person who is the duly elected President of the La Jolla Golden Triangle Rotary Club. If the La Jolla Golden Triangle Rotary Club ceases to exist or said President is unable or unwilling to consider a request from FCC for a distribution, then the Chief Executive Officer of Rady Children's Hospital Foundation in San Diego shall act as the Fund Advisor. Please see attached "Advisor Guidance" for details on the Founders' desired guidance regarding the administration of this fund.

3. INVESTMENT OF FUNDS

TSDF shall have all powers necessary or desirable to carry out the purposes of the Fund, including, but not limited to, the power to retain, invest and reinvest the Fund in any manner within the "prudent person" standard and the power to commingle the assets of the Fund with those of other funds for investment purposes, subject however, to the requirements of Sections 5231 and 5240 of the California Corporations Code. TSDF may accept investment recommendations from the Fund Advisor(s), if any; provided, however, that such recommendations from the Fund Advisor(s) shall be solely advisory, and TSDF may accept or reject them, consistent with the standards of this paragraph. If the Fund Advisor(s) fails to provide investment recommendations within ninety (90)

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days from the date of this Agreement, TSDF may invest the Fund's assets in Pool A (Short-Term Fixed Income).

4. DISTRIBUTEES

Subject to paragraph 6, earnings allocated by TSDF to the Fund shall be distributed exclusively for charitable, scientific, literary or educational purposes or to organizations of the type to which an individual taxpayer may make deductible charitable contributions, gifts, and bequests under the income, gift and estate tax provisions of the Internal Revenue Code of 1986, as amended, and of the Revenue and Taxation Code of California. It is intended by the foregoing that at the time a distribution is made from the Fund, the distribution must be made for a charitable, scientific, literary or educational purpose as described in, or to an organization which is described in, Sections 170(c)(1) or (2), of the Internal Revenue Code of 1986, as amended, and Section 17201 of the Revenue and Taxation Code of California. Distributions from the Fund shall be within the purposes and procedures of TSDF as contained in its Articles of Incorporation and its Bylaws.

5. RECOMMENDATIONS FOR DISTRIBUTION

Distributions from the Fund may be made from income and/or principal and shall be made at such times and in such amounts as may be determined by the Board of Governors. There shall be no requirement that income be distributed each year; income may be accumulated and added to principal. Consistent with the foregoing, distributions shall be made to such distributees of the type described in paragraph 4 as may be designated by TSDF provided, however, that the Fund Advisor(s), if any, may from time to time submit to TSDF the names of distributees to which it is recommended that distributions be made, which distributees shall not be other than those described in paragraph 4. All recommendations from the Fund Advisor shall be solely advisory, and TSDF may accept or reject them, applying reasonable standards and guidelines with regard thereto.

6. CONTINUITY OF THE FUND

The Fund shall continue so long as assets are available in the Fund and the purposes in the Fund can be served by its continuation. If the Fund is terminated for either of the above reasons, the balance of the fund shall be granted outright to Rady Children's Hospital Foundation in San Diego, EIN 33-0170626.

7. NOT A SEPARATE TRUST

The Fund shall be subject to the Articles of Incorporation and Bylaws of TSDF. All money and property in the Fund shall be assets of TSDF, and not a separate trust, and shall be subject only to the control of TSDF. Pursuant to Treasury Regulations, the Board

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of Governors of The San Diego Foundation has the power "to modify any restriction or condition on the distribution of funds for any specified charitable purpose or to any specified organization if, in the sole discretion of the Board of Governors, such restriction or condition becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community or area served." Treas. Reg. §1.170A-9(f)(11)(v)(B) and (E).

8. ACCOUNTING

This Fund shall be accounted for separately and apart from other gifts to TSDF.

9. PROGRAM GUIDELINES

Founders acknowledge that they have reviewed and are familiar with the attached "Program Guidelines" and that the Fund will be administered in accordance with such guidelines.

IN WITNESS WHEREOF, Founders hereby execute this agreement as of the Effective Date.

Stephen Brown

DocuSigned by:
Stephen Brown
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Signature

Susan Brown

DocuSigned by:
Susan Brown
8B2951D9179847E...
Signature

Approved by the President & CEO of The San Diego Foundation

DocuSigned by:
Mark Stuart
7B1BE928E5E34C4...
Mark A. Stuart, CFRE
President & CEO

Date: 6/8/2021

Attachment: The San Diego Foundation Program Guidelines

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NON-ENDOWMENT INVESTMENT RECOMMENDATION

Stephen and Susan Brown Fund for Children of the Californias

Fund Advisor Recommendation

As Fund Advisor to this Fund, I recommend the Fund's assets be invested in the following pool:

☐ Sustainable Non-Endowment
☐ Short-term
☐ Intermediate-term
☒ Medium-term
☐ Long-term (Note that Funds invested in Long-term require a 90-day advance notice for grants of $100,000 or more)

Each of the investment pools above includes a money market component to allow for the liquidity needs of those funds participating in the pool. The asset allocation of Pools Medium-term and Long-term varies from time to time. Information on the asset allocation of Pools Medium-term and Long-term is available from The San Diego Foundation.

*I understand that assets in Investment Pools Short-term, Medium-term & Long-term **will experience both capital gains and capital losses** according to market conditions. I understand that these recommendations are advisory and that TSDF has final authority over investment of its assets.*

DocuSigned by:
Stephen Brown
BBAFC38DBDE7407...

6/2/2021

Stephen Brown — Date

DocuSigned by:
Susan Brown
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6/3/2021

Susan Brown — Date

If the Non-Endowment Recommendation form is signed, but no Pool is selected, assets may be invested in Short-term.

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Founders' Guidance to the Advisor of the Stephen and Susan Brown Fund for the Children of the Californias held at The San Diego Foundation

Guidance is not Mandatory

The guidance set forth herein represents the desires of the Founders of the Stephen and Susan Brown Fund for the Foundation for the Children of the Californias (FCC) held at The San Diego Foundation. The Founders recognize that the Advisor need not follow this guidance nor is San Diego Foundation obligated to honor this guidance.

Fund Administration

It is recommended that the Fund Advisor consider requests from FCC as follows:

FCC can request and receive on an annual basis an amount equal to 10% of the fund balance or $50,000, whichever is greater. Additionally, FCC can request and receive an amount greater than said amount provided, however, the entire amount so requested is matched in an equal amount from additional funds raised or contributed by FCC (including in-kind contributions from third parties) with an independent certification provided to the Fund Advisor that the match in an amount equal to that requested by FCC has been so realized. For example, if FCC has a capital project that will cost $300,000, the annual amount provided from the Stephen and Susan Brown Fund for that year can be $150,000 (which includes the greater of 10% or $50,000) to be matched by certified additional contributions valued at $150,000.

Fund Advisor's consideration of requests from FCC

It is recommended that FCC make its requests to the Fund Advisor to receive a distribution from this this fund. If the Fund Advisor is the current President of the La Jolla Golden Triangle Rotary Club it is recommended but not required that said President consult with Rady Children's Hospital in San Diego regarding the propriety of any request FCC makes for a distribution.

Fund Termination

If, at any time after the San Diego Foundation has received a distribution for the Stephen and Susan Brown Fund, it is determined that FCC no longer qualifies to receive distributions from said fund, it is recommended that the balance of the funds in said fund shall be distributed outright to Rady Children's Hospital Foundation in San Diego.

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The San Diego Foundation
Growing a Vibrant Region

PROGRAM GUIDELINES
Revised September 2015

1. The San Diego Foundation. The San Diego Foundation ("TSDF") is a California nonprofit public benefit corporation exempt from taxation under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended ("IRC"). TSDF is recognized as a public charity under IRC Sections 509(a)(1) and 170(b)(1)(A)(vi) and operates as a "community trust" under U.S. Treasury Regulations Section 1.170A-9T(f)(11). All contributions to and assets of TSDF are subject to its Articles of Incorporation, Bylaws and Program Policies. TSDF reserves the right to modify the terms and conditions of its Articles of Incorporation, Bylaws and Program Policies at any time.

2. Donor Advised Funds. As a community foundation, TSDF may establish for its donors a "donor advised fund," which is separately identified by reference to the donor or donors. The fund is owned and controlled by TSDF and the donor or persons appointed by the donor have the privilege of providing advice with respect to the fund's investments or distributions. TSDF has final authority over the distribution of all grants from its donor advised funds, and reserves the right to decline or modify a grant recommendation that is not consistent with these policies or TSDF's charitable purposes. Gifts to a donor advised fund are irrevocable.

3. Other Funds. In addition to donor advised funds, TSDF also establishes scholarship funds (discussed below), agency funds (for the benefit of a specified charity), field of interest funds (for a specified charitable purpose) and habitat funds (to administer funds set aside to maintain ecological preserves). Gifts to these funds are irrevocable.

4. Fund Minimums. Generally, a minimum of $50,000 is required to establish an agency fund and $25,000 for all other funds.

5. Providing Grant Advice to Donor Advised Funds. Once a donor advised fund has been established and funded, the advisor(s) named in the agreement may recommend distributions to qualified charitable organizations. (TSDF staff will perform due diligence to verify that the organization is a current, qualified charity.) The following rules govern grant recommendations:

a. Minimums. Each recommended grant should be for at least $250.00.

b. Procedure. Unless otherwise restricted as an endowment, grants may be recommended out of the original principal, as well as accumulated investment earnings, if any. Grant recommendations can be made at any time during the year, except for designated endowment funds, which make distributions in March and/or September. A maximum of four (4) grants may be made per year from Agency non-endowment funds. Recommendations can be submitted by mail, facsimile or electronic mail. Forms and instructions for making grant recommendations will be provided upon creation of a fund, as part of an advisor orientation process.

c. Grant Restrictions. The following restrictions apply to grants:

i. No Indirect Benefit. Grants from donor advised funds may not be used to secure any benefit from the grantee for the donor, the advisor or any persons related to them.

ii. Enforceable Pledges. Grants from donor advised funds may not be used to discharge or satisfy a charitable pledge or obligation that is legally enforceable against the donor or any other person.

iii. Event Tickets. Grants from donor advised funds may not be used to pay for goods or services of value received by the donor, advisor or their family members. For example, grants may not be used to support any charitable event, including fundraising dinners, concerts, auctions, or other benefit functions when the donor would receive a return benefit, such as the benefit of being able to attend a fundraising dinner or event. Further, no grants may be used to pay for any portion of a split or bifurcated disbursement to a charity. A split or bifurcated payment refers to the splitting of a payment to a charity, such as for tickets to an event, into two parts: the deductible portion and the non-deductible portion.

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iv. Giving to Individuals. Donors may not choose a specific individual to receive a benefit from a grant from a donor advised fund.

v. Prohibited Loans & Compensation. Donors, advisors or any related parties may not receive grants, loans, compensation or similar payments (including expense reimbursements) from donor advised funds.

d. Restricted Organizations and Purposes. TSDF will not approve grant recommendations that are for non-functionally integrated Type III supporting organizations; supporting organizations that provide support to organizations controlled by the donor, advisor or related persons; supporting organizations that are controlled by the donor, advisor, or related persons; private non-operating foundations; lobbying, political campaigns or other political activities; or any purpose that is not entirely charitable.

e. Remedial Action. TSDF will take remedial action if it discovers that grants have been made for improper purposes. Remedial actions may include, but are not limited to, a requirement that the recipient charity return the grant and/or termination of the donor's advisory privileges.

f. Anti-Terrorism Provisions. As part of the grant review process, TSDF checks all recommended grant recipients against the Treasury Department's List of Specially-Designated Nationals, other U.S. and foreign government watch lists, and the IRS list of organizations whose tax exemption has been suspended under IRC Section 501(p). TSDF will not approve grant recommendations to organizations that appear on such lists.

6. Scholarship Funds. Scholarship funds may have a scholarship advisory committee. All scholarship advisory committee members must be approved by the TSDF's Board of Governors prior to making the first scholarship awards and thereafter annually. The founders may participate on the scholarship advisory committee, provided that neither the founders nor the founders' designees (related parties) may chair the scholarship advisory committee or in any way control the selection process or constitute a majority of the scholarship advisory committee members. In the event the scholarship advisory committee shall cease to be in existence, the Board of Governors of TSDF shall serve as the advisor of the scholarship fund. All scholarships shall be awarded on an objective and nondiscriminatory basis using procedures that have been approved in advance by the Board of Governors of TSDF and that have been designed to ensure that all such grants meet the requirements of paragraphs (1), (2), or (3) of Section 4945(g) of the Internal Revenue Code of 1986.

7. Income and Estate Tax Deductions. TSDF does not provide any advice or assurance to its donors as to the income tax treatment of amounts deposited in a fund. Donors are advised to seek independent advice as to such income tax treatment.

8. Investments. The fund advisors for endowment funds will have the assets invested in TSDF's Endowment pool. The fund advisors for non-endowment funds with assets in excess of $25,000 may recommend that the assets of the fund be invested in one of three investment pools (subject to liquidity requirements); information regarding the composition of each investment pool will be provided to the donor at the time the fund is established. Such recommendations are advisory, and TSDF has final authority over the investment of assets in its funds.

9. Fees and Costs. Each fund established at TSDF shall share a fair portion of the total administrative costs of TSDF. The administrative cost annually charged against each fund shall be determined in accordance with the then current fee policy of TSDF as the fee structure applicable to funds of its type. Administrative fees for charitable expenses will be negotiated and incurred based upon the complexity of the transaction. Charitable expenses apply exclusively to Field of Interest or Special Project Funds. In addition, upon receipt of assets upon the death of a donor, a onetime estate fee will be assessed in accordance with the then current fee policy of TSDF. Any costs to TSDF in accepting, transferring or managing property donated to TSDF for a fund shall also be paid from such fund.

10. Provision for Governing Law. These Program Policies, all fund agreements, and any program-related agreement executed by a Donor shall be governed by California law. All gift agreements are deemed to be entered into in the State of California, and all contributions to the TSDF are intended to be administered and managed in the State of California.

11. Confidentiality. All information concerning donors' or prospective donors' gifts, including names of beneficiaries, gift amounts, and other personal information shall be kept confidential unless permission is obtained from the donor to release such information.