

FEARLESS FOUNDATION

FLEXIBLE GIVING ACCOUNT AGREEMENT

As the user of this website, I (“Donor”) hereby transfer as an irrevocable gift to Fearless Foundation (“Foundation”) of Sioux Falls, SD, for the purpose of establishing a Flexible Giving Account (“FGA”). Principal shall be available for charitable purposes, subject to the policies and procedures adopted by the Foundation from time to time for investing and administering the FGA.

The Donor shall be the Advisor to this FGA during their lifetime(s) and will he/she/they have legal capacity.

It is understood this FGA will be administered for charitable purposes in accordance with the “Policies and Procedures Governing FGAs,” a copy of which has been provided to the Donor as Schedule A and is incorporated by reference into this agreement. Donor or others may add gifts to the FGA at any time. The Board of Directors of the Foundation shall have full authority and discretion as to investment and reinvestment of the assets of the FGA. It is understood and agreed that the FGA and all funds therein shall be administered by the Foundation subject to its Articles of Incorporation, Bylaws and any policies and procedures adopted by the Foundation (“Governing Instruments”), including the power contained therein for the Board of Directors of the Foundation to modify any restrictions or conditions if in their sole judgment (without the approval of any trustee, custodian or agent) such restriction becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the area served by the Foundation.

Schedule A

Fearless Foundation Policies And Procedures For Flexible Giving Accounts

1. Establishment and Purpose

- 1.1. *Fearless Foundation* (hereinafter “Foundation”) has adopted procedures for the administration of Flexible Giving Accounts (“FGAs”). These procedures may be amended from time to time as deemed necessary or desirable by the Board.
- 1.2. *Establishment of FGAs.* FGAs may be established by the donation or transfer by any reason (hereinafter “Donor”) to the Foundation of money, whether by contribution, gift, bequest, or devise or by transfer from a charitable or other organization (hereinafter “contribution”), to further or carry out the purposes of the Foundation, as set forth in its Governing Instruments. FGAs shall be administered as component funds of the Foundation.
- 1.3. *Nature and Terms of FGAs.* Each FGA shall be the property of the Foundation owned by it in its normal corporate capacity. In such capacity, the Foundation shall have authority and control of all property in the FGA, and the income derived therefrom, for the charitable purposes of the Foundation. Each FGA may be recorded on the books and records of the Foundation as an identifiable or separate fund and may be given a name or other appropriate designation as requested by the Donor.

- 1.4. *Forms.* The President of the Foundation is authorized to provide forms for the establishment of FGAs and such other forms as are necessary or desirable for the administration of FGAs in accordance with these procedures.

2. Acceptance of FGAs

- 2.1. *Authorization.* The President of the Foundation (or such additional officers or employees of the Foundation as the Board may from time to time authorize) shall have the authority to accept, on behalf of the Foundation, contributions to establish or add to an FGA. A Donor may not impose any material restriction or condition that prevents the Foundation from freely and effectively employing the contributed assets or the income derived therefrom, in furtherance of a charitable purpose of the Foundation.
- 2.2. *Value.* There is no minimum amount to establish an FGA within the Foundation.

3. Investment of FGA Assets

- 3.1. *Responsibility.* The Foundation has the responsibility and authority for the investment of the assets of each FGA. The assets of any FGA may be commingled with those of other FGAs, or with other funds of the Foundation, or may be invested in units of a common investment fund, which may be established or utilized by the Foundation.
- 3.2. *Administration.* Decisions with respect to the retention, investment, or reinvestment of assets and with respect to commingling of assets shall be made by the Board, or a committee, agent or director authorized by the Board, in accordance with regular procedures. All income earned on the investment of assets held in FGAs will be distributed to the Foundation's unrestricted operating fund and used to fund Foundation's operations.

4. General Administrative Provisions

- 4.1. *In General.* The Donor of an FGA may, after the contribution of money to an FGA, recommend to the Foundation the making of distributions from the FGA to PCOs (as defined below), subject to the restrictions set forth in these policies and procedures. The Foundation shall consider and evaluate all such recommendations, but such recommendations will be solely advisory and the Foundation is not bound by such recommendations.
- 4.2. *Donors Accorded the Privilege of Making Recommendations.* The privilege of making recommendations (as described in section 4.1 above) shall be extended to Donors subject to the following limitations:
 - (a) *Donor and Spouse.* Ordinarily, if an individual establishes an FGA, the privilege of making recommendations is limited to the Donor and his or her spouse, and recommendations may be made by them separately or jointly. Such privilege of a Donor or the spouse will be continuous with the existence of the FGA unless earlier terminated by (i) death or incapacity, (ii) written notice to the Foundation of resignation or release, or (iii) a finding by the Foundation that the person involved is not available to exercise the privilege.
 - (b) *Other Persons.* An individual Donor will not have the privilege of designating successor advisers. If as of the death, incapacity, resignation or unavailability of a Donor (all as determined by the Foundation in its sole and absolute discretion), a Donor has not made recommendations with respect to the distribution of all the funds in an FGA, the assets in the FGA will be distributed to one or more PCOs as determined by the Foundation in its sole and absolute discretion).

4.3. *Charitable Organizations to which Distributions May Be Made.* The Board, with the assistance of the President, shall enumerate specific charitable organizations to which distributions from FGAs may be made, which organizations will be referred to as Participating Charitable Organizations (“PCOs”). Donors may only recommend distributions from FGAs to PCOs. PCOs will include charitable organizations (i) approved for tax exempt status under IRC 501(c)(3), (ii) whose mission, purpose and operations must not be antithetical to Christian values, (iii) whose operations are likely to accomplish charitable purposes, and (iv) whose mission, purpose and operations have been reviewed and approved by the Foundation after appropriate research of the organization by Foundation. The Board shall from time to time add to or subtract from the list of PCOs. It is the policy of the Foundation to encourage recommendations from all sources, including from Donor and persons other than Donors, for inclusion of qualified charitable organizations as a PCO. With respect to each charitable organization recommended for inclusion as a PCO by a Donor, the Foundation in its sole and absolute discretion will determine whether the recommendation is consistent with the above requirements. The degree of formality employed by the staff in making an evaluation will depend upon the nature and category of the charitable organization and information already available to the Foundation with respect to the charitable organization. Once a qualified charitable organization has been approved as a PCO, Donor may recommend distributions from an FGA to any PCO.

4.4. *Limitations.* The following limitations apply to all distributions from FGAs:

- (a) *Minimum Distribution:* The minimum amount of any one distribution from an FGA shall be \$100, although the Board may, from time to time, set a higher limitation.
- (b) *Frequency of Distributions:* The President is authorized to approve FGA distributions. Distributions from FGAs will be made at the times designated by the President.
- (c) *Required Distributions from FGA:* It is the policy of Foundation that all contributions to an FGA be distributed to PCOs on or before April 15 of the calendar year following the year in which such contributions were made. Therefore, Donor has until March 30 of the calendar year following the year in which a contribution was made to an FGA, to make recommendations as to distribution of those contributions. If a Donor has not made a recommendation with respect to the distribution of all contributions made in the prior calendar year as of that date, Foundation will distribute an amount equal to the contributions made to the Donor’s FGA in the prior calendar year to one or more PCOs, in amounts and proportions as determined by the Board in its sole and absolute discretion.
- (d) *Grant Restrictions and Prohibitions (IRS Regulations)*
 - (1) Grants from an FGA cannot result in the donor, advisors or any related parties receiving an exchange of goods or services or any personal or material benefit that is not provided to the general public (for example, newsletters). Prohibited benefits include tickets, memberships, meals, preferred parking, preferred seating, discounted merchandise or other preferential treatment from a donee organization.
 - (2) FGA grants also cannot be used to satisfy all or a portion of a pre-existing personal pledge or other financial obligation of the donor, advisors or any related parties.

- (3) FGAs are prohibited from making any grants to individuals such as scholarships, emergency hardship grants or disaster relief grants. This includes checks written directly to an individual or checks written to an entity for the benefit of a specified individual.
- (4) Donors, advisors or any related parties may not receive grants, loans, compensation or similar payments (including expense reimbursements) from FGAs.

4.5. *Procedure.*

1. *Recommendations by Donors.* Recommendations by a Donor with respect to the distributions from an FGA shall be submitted using the form established on Foundation's website. Donor will be provided access to information regarding Donor's FGA on Foundation's website, including amount contributed, amount recommended for distribution to PCOs and any amounts remaining to be recommended for distribution by Donor.
- 4.6. *Notification to Grantee as to Source of Distribution.* Any distribution from an FGA, shall identify to the grantee organization the name of the Foundation as the source of the distribution.
- 4.7. *Administrative Fee.* The administrative fee supports the Foundations general operating costs, including legal, accounting, fundraising, and programmatic expenses. Foundation will review the administrative fee on a regular basis and adjust as appropriate. The current administrative fee is 5% of any amount contributed to an FGA and will be applied at the time the contribution is made.

5. Reports and Educational Program

- 5.1. *Reports.* The Foundation may provide reports of the distributions made from FGAs or such other reports as determined by the Board.
- 5.2. *Educational Program.* The Foundation may publicize to Donors and other interested persons these procedures and the PCOs supported by FGAs from time to time. This educational program may be part of a large effort of the Foundation to educate the public with regard to the scope of the charitable services of the Foundation. As an integral part of this program, these procedures, including a list of PCOs, may be disseminated in order to encourage additional contributions to the Foundation. The purposes of the educational program may include (i) acquainting potential Donors with PCOs; (ii) demonstrating the expertise and knowledge of the Board and staff; (iii) developing donor confidence in the Foundation as an organization; (iv) encouraging a creative and meaningful interaction between the Foundation and potential donors; and (v) attracting funds from a wide segment of donors for the charitable purposes of the Foundation.