

UC Hastings College of the Law
Sample Endowment Agreement: Endowed Chair

Endowment Agreement to Establish the Mary and Charles Jones Endowed Chair

I. Introduction

The purpose of this agreement is to summarize the mutual understanding of Mary L. and Charles P. Jones (Donors), UC Hastings College of the Law regarding the establishment of an endowed chair. This Agreement will be made a part of the College's permanent records and is intended as a guide to those who will administer the fund in the future.

II. Description of the Gift

The Donor, hereby pledge \$1,500,000 (one million, five hundred thousand dollars) to establish a permanently endowed chair as described by this document. Pledge payments will be made as follows:

- \$500,000 due and payable on or before June 30, 2011.
- \$500,000 due and payable on or before December 31, 2012.
- \$500,000 due and payable on or before June 30, 2013.

The first payout distribution from the endowment will be made on July 1, _____.

III. UC Hastings College of the Law

UC Hastings College of the Law represents that it is qualified as a charitable organization (federal ID 94-2581680), for which the Donors are or will be entitled to charitable contribution tax deductions, under Internal Revenue Code sections 170(b)(1)(A), 170(c), 2055 and 2522.

IV. Purpose and Administration of the Fund

The purpose of this gift is to establish a fund within the College to support the establishment of an endowed chair.

The Donors are aware that establishment and selection of the chair must comply with current policy and administrative guidelines of the UC Hastings College of the Law, and that the chair is

subject to approval by the Chancellor and Dean, with subsequent approval by the College's Board of Directors. The Donors understand that there will be a one-time administrative fee (currently 5 percent) deducted from this gift.

The annual payout of the Fund shall be used to support the teaching, research, service, and other activities of the chair holder as allowed under UC Hastings College of the Law's policies and administrative guidelines. The chair holder shall determine the use of funds according to an annually approved budget.

This endowment will be managed by the Board of Directors of the college in accordance with the College's investment and disbursement policies. The Fund may be combined with the College's other assets for investment purposes. The total return earned by the fund, in excess of the annual payout amount provided for expenditure, will be retained to protect the corpus principal from the effects of inflation.

The annual payout portion of the endowment will be managed by the Board of Directors of the College in accordance with UC Hastings policies on current funds.

The Chancellor and Dean may authorize the return of payout to the Fund principal under the following circumstances:

- During the period prior to pledge fulfillment;
- During periods when the chair is vacant;
- When the payout exceeds the annual needs of the academic program.

In the unlikely event that market conditions temporarily drive the Fund's market value below the historic gift value, the Donors authorize the College to apply the payout formula based on its then current spending policy in order to ensure that the Fund provides immediate and consistent benefits to the College, even if application of this formula would result in the Fund balance going below the historic dollar value.

V. Recognition

- The Chair will be named "The Mary L. and Charles P. Jones Endowed Chair in Corporations."
- UC Hastings College of the Law agrees to provide an annual financial summary report on the Fund to the Donors.
- The Donors agree to allow UC Hastings to publish their names in various publications and press releases.

VI. Binding Obligation

The Donors intend this Endowment Agreement to be fully enforceable against the Donors' estate and their revocable living trust, to the extent that the obligation has not been satisfied by gifts completed following the date of this Agreement. The Donors agree to insert dispositive provisions in their will or living trust that will be consistent with Agreement.

VII. Future Considerations

If the Fund's market value grows and the resulting payout exceeds the needs of the original chair, the Donors authorize the Chancellor and Dean to authorize the establishment of an additional fund(s) using a portion of the Fund principal. Any such additional fund(s) established will bear the name of the Donors and will be administered in accordance with policies and procedures as referenced in Paragraph IV above.

It is the Donors' wish for the Chair to exist in perpetuity. The Donors recognize that future unforeseen circumstances may alter or remove the subject area from the academic plan of UC Hastings College of the Law. In such an event, the Chancellor and Dean shall direct that its principal and income be devoted to purposes that he/she deems to be most consistent with the wishes of the Donor.

VIII. Non-Responsibility of the Regents

The Regents of the University of California, a public corporation, is not a party to nor is financially responsible under this Agreement.

IX. Miscellaneous

- a. Applicable Law: This gift agreement is executed in and shall be governed by the laws of the state of California.
- b. Amendment: This Agreement may be amended at any time by written agreement signed by each party.
- c. Irrevocable: Except as otherwise provided, this Agreement shall be irrevocable.
- d. Effective date: The effective date of this agreement shall be the date it is fully executed.

For the Donors:

Name Date

Name Date

For UC Hastings College of the Law:

Name Date