

NAPLES CHILDREN

NCEF

& EDUCATION
FOUNDATION

ENDOWMENT FUND

Policies and Procedures

established June 25, 2020

NAPLES CHILDREN AND EDUCATION FOUNDATION, INC.

ENDOWMENT FUND
Policies and Procedures

I. INTRODUCTION

- A. *Mission.* The Naples Children and Education Foundation, Inc. (“NCEF”) supports effective, disciplined charitable programs that significantly improve the physical, emotional, and educational lives of underprivileged and at-risk children in Collier County, Florida.
- B. *Endowment Fund.* On June 25, 2020, the NCEF Board of Trustees (the “Board”) authorized the establishment of an endowment fund (the “Endowment”) to provide a perpetual source of funding for the operation and charitable activities of NCEF. This document sets forth the policies and procedures relating to the governance and administration of the Endowment.
- C. *Purpose of Endowment.* The Board has determined that it is in the best interests of NCEF’s long-term future to create and build the Endowment to better withstand fluctuations in annual fundraising and to provide a mechanism for donors to make gifts to NCEF with greater legacy potential.

II. GOVERNANCE

- A. *Board Responsibility.* The Board retains ultimate responsibility for the investment and management of the Endowment. By Resolution dated June 25, 2020, the Board delegated to the NCEF Finance Committee (the “Committee”) responsibility for the management of the Endowment. The Committee created this Policies and Procedures document, which was approved by the Board on June 25, 2020.
- B. *Amendment of Policies and Procedures.* This document may be amended or revised at any time or times by the Committee as subsequently approved by the Board.
- C. *Best Practices.* As a general operating principle, the Committee shall strive to follow best practices of the charitable and philanthropic communities, including adhering to The Donor Bill of Rights created by the Association of Fundraising Professionals (AFP), the Association for Healthcare Philanthropy (AHP), the Council for Advancement and Support of Education (CASE), and the Giving Institute: Leading Consultants to Non-Profits. A copy of the Donor Bill of Rights is attached as Exhibit A.

- D. *Florida Uniform Prudent Management of Institutional Funds Act and Prudent Investor Rule.* The Committee recognizes that the operation of the Endowment is subject to the provisions of the Florida Uniform Prudent Management of Institutional Funds Act (the “Act”), F.S. § 617.2104 and the Florida Prudent Investor Rule, F.S. § 518.11, copies of which are attached as Exhibit B.

III. SOLICITATION AND ACCEPTANCE OF GIFTS

- A. *Solicitation.* The CEO and/or other appointed NCEF staff members with direct oversight of the Finance Committee, and upon approval from the Board and with the general oversight of the Committee, shall inform NCEF Directors and select past donors of the establishment of the Endowment and of the opportunity to make gifts to it, both during life and through planned gifts. The Committee may also promote the availability of the Endowment to planned giving professionals in Collier County.
- B. *Written Direction of Gift.* A gift from a donor to NCEF will be added to the Endowment if the donor accompanies the gift with a writing that specifically directs the gift to be added to the Endowment or otherwise indicates an intent that the gift should be added to the Endowment (Gift Agreement - Exhibit C).
- C. *Acceptance of Gifts.* The Endowment will accept gifts of the following types and subject to the conditions as set forth below:
1. Cash. Checks and wire transfers will be accepted as donations to the Endowment, provided the minimum gift shall be \$10,000.
 2. Marketable Securities. Gifts of readily marketable securities will be accepted as donations to the Endowment, provided the minimum gift shall be \$10,000. The securities received shall be sold promptly upon receipt and the cash proceeds added to the Endowment.
 3. Closely Held Stock. Gifts of closely held stock may only be accepted upon approval by the Board upon recommendation of the Committee after due diligence and provided that the closely held stock is of such significant value that it justifies the additional work required by NCEF to perform due diligence. If accepted, the gift must also be accompanied by a qualified appraisal performed by an independent professional appraiser.
 4. Tangible Personal Property. Gifts of tangible personal property will generally not be accepted as gifts to the Endowment. Exceptions may be made upon recommendation by the Committee and approval by the Board.
 5. Real Estate. Gifts of real estate may only be accepted upon approval by the Board upon recommendation of the Committee after due diligence and provided that the real estate is of such significant value that it justifies the additional work required by NCEF to perform due diligence. If accepted, the gift must also be accompanied by a qualified appraisal performed by an independent professional appraiser. The real estate must be unencumbered by mortgages or other liens.

6. Life Insurance Policies. The Endowment will accept gifts of life insurance policies on the life of a donor only if the policy is fully paid up, is not subject to any outstanding loans and the death benefit is guaranteed to be paid until the donor reaches age 100. The Endowment shall have all the rights and privileges as owner of the policy including the right to surrender or sell the policy if the Committee makes that determination.
- D. *Estates and Trusts.* The Endowment will accept distributions from estates and trusts subject to the same rules as lifetime gifts. Donors may elect to make irrevocable planned gifts through their estate to be received at the time of their and their spouse's death as a legacy gift.
 - E. *Life Insurance Death Benefit Proceeds.* The Endowment will accept life insurance death benefit proceeds when it has been named the beneficiary of a life insurance policy and will take the proceeds as an immediate cash distribution.
 - F. *Distributions from 401ks or IRAs.* The Endowment will accept current or beneficiary proceeds from 401ks or IRAs as directed by donors.
 - G. *Separate Named Funds.* For a minimum donation of \$250,000, donors may establish separate named funds within the Endowment, in which case the donor may specify to a certain degree, how future distributions from that donor's separate named fund will be utilized by NCEF. The following rules shall apply to the acceptance of separate named funds:
 1. Designation of Distributions. By a written agreement with NCEF, the donor may specify that the distributions from the separate named fund may be designated for and among NCEF generally or for grants in separate specified categories (Child Advocacy, Early Learning, Medical/Healthcare, or Out-of-School Time Service Categories).
 2. Minimum Contribution. For purposes of establishing a separate named fund, the donor may contribute the \$250,000 minimum amount over a period of up to five years from the date of the pledge, provided that the donor understands that the pledge shall be legally binding upon the donor or his or her estate.
 3. Distributions from a Separate Named Fund. Distributions for grantmaking activities will not be initiated until the full minimum of \$250,000 has been reached; however, the administrative fee of 1.5% shall be applied to all named funds at initial gift forward without bearing on that status of the multi-year payment attainment.
 4. Sample Agreement. An example of a template donor agreement to establish a named fund is attached as Exhibit D.

Restrictions of Gifts. Except for a general direction that a gift to NCEF be added to the Endowment, or for gifts subject to an agreement for a separate named fund, the Endowment will not accept any other gift subject to restrictions unless approved by the Board upon recommendation of the Committee.

IV. INVESTMENT OF ENDOWMENT

- A. *Finance Committee Authority.* The Board has delegated to the Committee the management and investment of the Endowment. As authorized by the Act, the Committee may delegate the investment of the Endowment, or separate pools of assets in the Endowment, to one or more external agents.
- B. *Investment Policy.* NCEF currently has an investment policy for long-term investments, which shall serve as the governing policy for the investment of the Endowment and shall be communicated to any external agents hired by the Committee to management investments in the Endowment. A copy of NCEF's long-term investment policy is attached as Exhibit E.
- C. *Segregation of Endowment.* Consistent with generally accepted accounting principles, the Endowment shall be segregated on the books of NCEF, although its assets may be pooled with other NCEF assets for investment purposes.

V. DISTRIBUTIONS FROM ENDOWMENT

- A. *General Policy.* Unless directed otherwise by the Committee or the Board, the Endowment will distribute to NCEF an annual amount (the "Annual Distribution") each fiscal year equal to four percent (4%) of the value of the Endowment, subject to the following provisions:
 - 1. Rolling Average. The computation of the Annual Distribution amount shall be based on a three-year rolling average of the value of the Endowment as of the end of each prior fiscal year.
 - 2. Separate Donor Funds. The Committee will specify the separate amounts from the Annual Distribution that must be allocated as required by the terms of each donor agreement.
 - 3. Partial Distributions. The payment of the Annual Distribution may be made in one lump sum or in a series of distributions as determined by the Committee in its discretion.
 - 4. Net of Fees. In computing the Annual Distribution, the determination of the value of the Endowment as of the end of the prior fiscal year shall be made net of investment management fees that are allocable to that fiscal year and net of NCEF's annual administrative fee of 1.5%.
 - 5. Unitrust Concept. By providing an Annual Distribution measured as a percentage of the value of the Endowment rather than distributing the income of the Endowment, the Committee seeks to allow a greater focus on total return investing as encouraged by the Act and by the Prudent

Investor Rule, with the ultimate aim of preserving and growing the underlying value of the Endowment.

- B. *Allocation of Distribution.* Except as otherwise required by the terms of donor agreements, NCEF may allocate the balance of the Annual Distribution as the Board determines in its discretion.
- C. *Additional Distributions.* Except as otherwise restricted by the terms of donor agreements, the Board, by a 75% affirmative vote, may authorize additional distributions from the Endowment to NCEF's general operating funds as it determines in its discretion. It is the hope, but not legal direction, that the Endowment will not be expended beyond the Annual Distribution for general operating purposes but rather only for emergencies when the continued viability of NCEF is at risk.

EXHIBIT A – DONOR BILL OF RIGHTS

Philanthropy is based on voluntary action for the common good. It is a tradition of giving and sharing that is primary to the quality of life. To assure that philanthropy merits the respect and trust of the general public, and those donors and prospective donors can have full confidence in the not-for-profit organizations and causes they are asked to support, we declare that all donors have these rights:

- I. To be informed of the organization's mission, of the way the organization intends to use donated resources, and of its capacity to use donations effectively for their intended purposes.
- II. To be informed of the identity of those serving on the organization's governing board, and to expect the board to exercise prudent judgment in its stewardship responsibilities.
- III. To have access to the organization's most recent financial statements.
- IV. To be assured their gifts will be used for the purposes for which they were given.
- V. To receive appropriate acknowledgement and recognition.
- VI. To be assured that information about their donation is handled with respect and with confidentiality to the extent provided by law.
- VII. To expect that all relationships with individuals representing organizations of interest to the donor will be professional in nature.
- VIII. To be informed whether those seeking donations are volunteers, employees of the organization or hired solicitors.
- IX. To have the opportunity for their names to be deleted from mailing lists that an organization may intend to share.
- X. To feel free to ask questions when making a donation and to receive prompt, truthful and forthright answers.

EXHIBIT B – FLORIDA STATUTES

617.2104 Florida Uniform Prudent Management of Institutional Funds Act. —

(1) SHORT TITLE. — This section may be cited as the “Florida Uniform Prudent Management of Institutional Funds Act.”

(2) DEFINITIONS. — For purposes of this section:

(a) “Charitable purpose” means the relief of poverty, the advancement of education or religion, the promotion of health, the promotion of a governmental purpose, or any other purpose the achievement of which is beneficial to the community.

(b) “Endowment fund” means an institutional fund or part thereof that, under the terms of a gift instrument, is not wholly expendable by the institution on a current basis. The term does not include assets that an institution designates as an endowment fund for its own use.

(c) “Gift instrument” means a record or records, including an institutional solicitation, under which property is granted to, transferred to, or held by an institution as an institutional fund.

(d) “Institution” means:

1. A person organized and operated exclusively for charitable purposes, other than:

a. An individual; or

b. A trust subject to s. 518.11;

2. A government or governmental subdivision, agency, or instrumentality to the extent that it holds funds exclusively for a charitable purpose; or

3. A trust that had both charitable and noncharitable interests after all noncharitable interests have been terminated if the trust is not subject to s. 518.11.

(e) “Institutional fund” means a fund held by an institution exclusively for charitable purposes. The term does not include:

1. Program-related assets;

2. A fund held for an institution by a trustee that is not an institution;

3. A fund in which a beneficiary that is not an institution has an interest, other than an interest that could arise upon violation or failure of the purposes of the fund; or

4. A fund managed or administered by the State Board of Administration pursuant to its constitutional or statutory authority.

(f) “Person” means an individual, corporation, business trust, estate, trust, partnership, limited liability company, association, joint venture, public corporation, government or governmental subdivision, agency, or instrumentality, or any other legal or commercial entity.

(g) “Program-related asset” means an asset held by an institution primarily to accomplish a charitable purpose of the institution and not primarily for investment.

(h) “Record” means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

(3) STANDARD OF CONDUCT IN MANAGING AND INVESTING INSTITUTIONAL FUND —

(a) Subject to the intent of a donor expressed in a gift instrument, an institution, in managing and investing an institutional fund, shall consider the charitable purposes of the institution and the purposes of the institutional fund.

(b) In addition to complying with the duty of loyalty imposed by law other than this section, each person responsible for managing and investing an institutional fund shall manage and invest the fund in good faith and with the care an ordinarily prudent person in a like position would exercise under similar circumstances.

(c) In managing and investing an institutional fund, an institution:

1. May incur only costs that are appropriate and reasonable in relation to the assets, the purposes of the institution, and the skills available to the institution.

2. Shall make a reasonable effort to verify facts relevant to the management and investment of the fund.

(d) An institution may pool two or more institutional funds for purposes of management and investment.

(e) Except as otherwise provided by a gift instrument, the following rules apply:

1. In managing and investing an institutional fund, the following factors, if relevant, must be considered:

a. General economic conditions.

- b. The possible effect of inflation or deflation.
- c. The expected tax consequences, if any, of investment decisions or strategies.
- d. The role that each investment or course of action plays within the overall investment portfolio of the fund.
- e. The expected total return from income and the appreciation of investments.
- f. Other resources of the institution.
- g. The needs of the institution and the fund to make distributions and to preserve capital.
- h. An asset's special relationship or special value, if any, to the charitable purposes of the institution.

2. Management and investment decisions about an individual asset must be made not in isolation but rather in the context of the institutional fund's portfolio of investments as a whole and as a part of an overall investment strategy having risk and return objectives reasonably suited to the fund and to the institution.

3. Except as otherwise provided by law other than this section, an institution may invest in any kind of property or type of investment consistent with this section.

4. An institution shall diversify the investments of an institutional fund unless the institution reasonably and prudently determines under this section that the purposes of the fund are better served without diversification.

5. Within a reasonable time after receiving property, an institution shall make and carry out decisions concerning the retention or disposition of the property or to rebalance a portfolio in order to bring the institutional fund into compliance with the purposes, terms, and distribution requirements of the institution as necessary to meet other circumstances of the institution and the requirements of this section.

6. A person that has special skills or expertise or is selected in reliance upon the person's representation that the person has special skills or expertise, has a duty to use those skills or that expertise in managing and investing institutional funds.

(4) APPROPRIATION FOR EXPENDITURE OR ACCUMULATION OF ENDOWMENT FUND; RULES OF CONSTRUCTION. —

(a) Subject to the intent of a donor expressed in the gift instrument, an institution may appropriate for expenditure or accumulate so much of an endowment fund as the institution determines is prudent for the uses, benefits, purposes, and duration for which the endowment fund is established. Unless stated otherwise in the gift instrument, the assets in an endowment fund are donor-restricted assets until appropriated for expenditure by the institution. In making a determination to appropriate or accumulate, the institution shall act in good faith with the care that an ordinarily prudent person in a like position would exercise under similar circumstances and shall consider, if relevant, the following factors:

1. The duration and preservation of the endowment fund.
2. The purposes of the institution and the endowment fund.
3. General economic conditions.
4. The possible effect of inflation or deflation.
5. The expected total return from income and the appreciation of investments.
6. Other resources of the institution.
7. The investment policy of the institution.

(b) To limit the authority to appropriate for expenditure or accumulate under paragraph (a), a gift instrument must specifically state the limitation.

(c) Terms in a gift instrument designating a gift as an endowment, or a direction or authorization in the gift instrument to use only “income,” “interest,” “dividends,” or “rents, issues, or profits,” or “to preserve the principal intact,” or words of similar import:

1. Create an endowment fund of permanent duration unless other language in the gift instrument limits the duration or purpose of the fund.
2. Do not otherwise limit the authority to appropriate for expenditure or accumulate under paragraph (a).

(5) DELEGATION OF MANAGEMENT AND INVESTMENT FUNCTIONS. —

(a) Subject to any specific limitation set forth in a gift instrument or in law other than this section, an institution may delegate to an external agent the management and investment of an institutional fund to the extent that an institution could prudently delegate under the

circumstances. An institution shall act in good faith, with the care that an ordinarily prudent person in a like position would exercise under similar circumstances, in:

1. Selecting an agent.
2. Establishing the scope and terms of the delegation, consistent with the purposes of the institution and the institutional fund.
3. Periodically reviewing the agent's actions in order to monitor the agent's performance and compliance with the scope and terms of the delegation.

(b) In performing a delegated function, an agent owes a duty to the institution to exercise reasonable care to comply with the scope and terms of the delegation.

(c) An institution that complies with paragraph (a) is not liable for the decisions or actions of an agent to which the function was delegated.

(d) By accepting delegation of a management or investment function from an institution that is subject to the laws of this state, an agent submits to the jurisdiction of the courts of this state in all proceedings arising from or related to the delegation or the performance of the delegated function.

(e) An institution may delegate management and investment functions to its committees, officers, or employees as authorized by law other than this section.

(6) RELEASE OR MODIFICATION OF RESTRICTIONS ON MANAGEMENT, INVESTMENT OR PURPOSE. —

(a) If the donor consents in a record, an institution may release or modify, in whole or in part, a restriction contained in a gift instrument on the management, investment, or purpose of an institutional fund. A release or modification may not allow a fund to be used for a purpose other than a charitable purpose of the institution.

(b) If consent of the donor in a record cannot be obtained by reason of the donor's death, disability, unavailability, or impossibility of identification, a governing board may modify a restriction contained in a gift instrument regarding the management, investment, or use of an institutional fund if the fund has a total value of \$100,000 or less and the restriction has become impracticable or wasteful; impairs the management, investment, or use of the fund; or if, because of circumstances not anticipated by the donor, a modification of a restriction will further the purposes of the fund.

(c) If an institution determines that a restriction contained in a gift instrument on the management, investment, or purpose of an institutional fund is unlawful, impracticable,

impossible to achieve, or wasteful, the institution, after providing written notice to the Attorney General, may release or modify the restriction, in whole or part, if:

1. The institutional fund subject to the restriction has a total value of at least \$100,000 and not more than \$250,000;
2. More than 20 years have elapsed since the fund was established; and
3. The institution uses the property in a manner consistent with the charitable purposes expressed in the gift instrument.

(d) The circuit court for the circuit in which an institution is located, upon application of that institution, may modify a restriction contained in a gift instrument regarding the management or investment of an institutional fund if the restriction has become impracticable or wasteful, if it impairs the management or investment of the fund, or if, because of circumstances not anticipated by the donor, a modification of a restriction will further the purposes of the fund. The institution shall notify the Attorney General of the application. To the extent practicable, any modification must be made in accordance with the donor's probable intention.

(e) If a particular charitable purpose or a restriction contained in a gift instrument on the use of an institutional fund becomes unlawful, impracticable, impossible to achieve, or wasteful, the circuit court for the circuit in which an institution is located, upon application of that institution, may modify the purpose of the fund or the restriction on the use of the fund in a manner consistent with the charitable purposes expressed in the gift instrument. The institution shall notify the Attorney General of the application.

(7) REVIEWING COMPLIANCE. —Compliance with this section is determined in light of the facts and circumstances existing at the time a decision is made, or action is taken, and not by hindsight.

(8) APPLICATION TO EXISTING INSTITUTIONAL FUNDS. —This section applies to institutional funds existing on or established after the effective date of this section. As applied to institutional funds existing on the effective date of this section, this section governs only decisions made or actions taken on or after that date.

(9) RELATION TO ELECTRONIC SIGNATURES IN GLOBAL AND NATIONAL COMMERCE ACT. —This section modifies, limits, and supersedes the federal Electronic Signatures in Global and National Commerce Act, 15 U.S.C. ss. 7001 et seq., but does not modify, limit, or supersede s. 101(c) of that act, 15 U.S.C. s. 7001(c), or authorize electronic delivery of any of the notices described in s. 103(b) of that act, 15 U.S.C. s. 7003(b).

(10) UNIFORMITY OF APPLICATION AND CONSTRUCTION. —In applying and construing this uniform act, consideration must be given to the need to promote uniformity of the law with respect to its subject matter among states that enact it.

518.11 Investments by fiduciaries; prudent investor rule. —

(1) A fiduciary has a duty to invest and manage investment assets as follows:

(a) The fiduciary has a duty to invest and manage investment assets as a prudent investor would considering the purposes, terms, distribution requirements, and other circumstances of the trust. This standard requires the exercise of reasonable care and caution and is to be applied to investments not in isolation, but in the context of the investment portfolio as a whole and as a part of an overall investment strategy that should incorporate risk and return objectives reasonably suitable to the trust, guardianship, or probate estate. If the fiduciary has special skills or is named fiduciary on the basis of representations of special skills or expertise, the fiduciary is under a duty to use those skills.

(b) No specific investment or course of action is, taken alone, prudent or imprudent. The fiduciary may invest in every kind of property and type of investment, subject to this section. The fiduciary's investment decisions and actions are to be judged in terms of the fiduciary's reasonable business judgment regarding the anticipated effect on the investment portfolio as a whole under the facts and circumstances prevailing at the time of the decision or action. The prudent investor rule is a test of conduct and not of resulting performance.

(c) The fiduciary has a duty to diversify the investments unless, under the circumstances, the fiduciary believes reasonably it is in the interests of the beneficiaries and furthers the purposes of the trust, guardianship, or estate not to diversify.

(d) The fiduciary has a duty, within a reasonable time after acceptance of the trust, estate, or guardianship, to review the investment portfolio and to make and implement decisions concerning the retention and disposition of original preexisting investments in order to conform to the provisions of this section. The fiduciary's decision to retain or dispose of an asset may be influenced properly by the asset's special relationship or value to the purposes of the trust, estate, or guardianship, or to some or all of the beneficiaries, consistent with the trustee's duty of impartiality, or to the ward.

(e) The fiduciary has a duty to pursue an investment strategy that considers both the reasonable production of income and safety of capital, consistent with the fiduciary's duty of impartiality and the purposes of the trust, estate, or guardianship. Whether investments are underproductive or overprotective of income shall be judged by the portfolio as a whole and not as to any particular asset.

(f) The circumstances that the fiduciary may consider in making investment decisions include, without limitation, the general economic conditions, the possible effect of inflation, the expected tax consequences of investment decisions or strategies, the role each investment or course of action plays within the overall portfolio, the expected total return, including both income yield and appreciation of capital, and the duty to incur only reasonable and appropriate costs. The fiduciary may, but need not, consider related trusts, estates, and guardianships, and the income available from other sources to, and the assets of, beneficiaries when making investment decisions.

(2) The provisions of this section may be expanded, restricted, eliminated, or otherwise altered by express provisions of the governing instrument, whether the instrument was executed before or after the effective date of this section. An express provision need not refer specifically to this statute. The fiduciary is not liable to any person for the fiduciary's reasonable reliance on those express provisions.

(3) Nothing in this section abrogates or restricts the power of an appropriate court in proper cases:

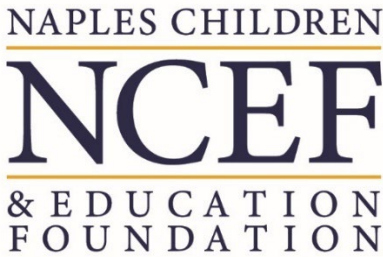
(a) To direct or permit the trustee to deviate from the terms of the governing instrument; or

(b) To direct or permit the fiduciary to take, or to restrain the fiduciary from taking, any action regarding the making or retention of investments.

(4) The following terms or comparable language in the investment powers and related provisions of a governing instrument shall be construed as authorizing any investment or strategy permitted under this section: "investments permissible by law for investment of trust funds," "legal investments," "authorized investments," "using the judgment and care under the circumstances then prevailing that persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not in regard to speculation but in regard to the permanent disposition of their funds, considering the probable income as well as the probable safety of their capital," "prudent trustee rule," "prudent person rule," and "prudent investor rule."

(5) This section applies to all existing and future fiduciary relationships subject to this section, but only as to acts or omissions occurring after October 1, 1993.

EXHIBIT C – ENDOWMENT FUND GENERAL GIFT AGREEMENT



General Endowment Gift Agreement

GIFT AGREEMENT
BETWEEN

AND
NAPLES CHILDREN AND EDUCATION FOUNDATION, INC.

This Gift Agreement (this “Agreement”), effective as of the ____ day of _____, ____ (the “Effective Date”), is made and entered into by and between _____ (the “Donor(s)”) and the NAPLES CHILDREN AND EDUCATION FOUNDATION, INC., a Florida not for profit corporation, whose tax identification number is: 65-1001650, located in Naples, Florida (“NCEF”).

1. Gift. The Donor(s), in consideration of an abiding interest in NCEF, hereby pledge the sum of _____ (\$xxx,xxx) (the “Gift”). The Gift is, subject to Section 3, below, an irrevocable pledge and will be made to NCEF in installments pursuant to the schedule set forth in Section 5, below. The Donor(s) recognizes that NCEF will rely upon this pledge when making expenditures, entering into contracts, making grants to other charitable organizations, and engaging in other activities.
2. Additional Gifts. NCEF and the Donor(s) agree that the Donor(s) have the right to make additional donations, either by gift or bequest, to NCEF for inclusion in the funds established by this Agreement or for the purpose outlined below. Any such additional donations to the funds established by this Agreement shall not in any way alter the purpose or use of said funds as outlined in Section 3, below.
3. Purpose. The Gift will provide financial support for a General Endowment Fund (the “Purpose”), which will support operations allowing NCEF to further its mission to “support effective, disciplined charitable programs that significantly improve the physical, emotional and educational lives of underprivileged and at-risk children in Collier County, Florida” (“Mission”). Donor(s) acknowledge that the Endowment is subject to the provisions of the Florida Uniform Prudent Management of Institutional Funds Act (“Act”), F.S. 617.2104 and the Florida Prudent Investor Rule, F.S. 518.11, copies of which are attached to this Agreement. Donor(s) acknowledges that the management and investment of the Endowment, or separate pools of assets in the Endowment, as authorized by the Act, may be delegated by the Finance Committee to one or more external agents. Donor(s) acknowledge that the investment of the Endowment will be performed according to NCEF’s Investment Policy for long-term investments, which shall serve as the governing policy for the investment of the Endowment and shall be communicated to any external agents hired by the Finance Committee to manage investments in the Endowment. A copy of NCEF’s long-term investment policy is attached to this Agreement. Donor(s) acknowledges that, consistent with generally accepted accounting principles, the Endowment shall be segregated on the books of NCEF, although its assets may be pooled with other NCEF assets for investment purposes. Donor acknowledges that unless otherwise directed by the Finance Committee or the Board of Directors, the Endowment will distribute to NCEF an annual amount (“Annual Distribution”) each fiscal year equal to four percent (4%) of the value of the Endowment, subject to the following provisions:
 - a. Rolling Average. The computation of the Annual Distribution amount shall be based on a three-year rolling average of the value of the Endowment as of the end of each prior fiscal year.
 - b. Separate Donor Funds. The Finance Committee will specify the separate amounts from the Annual Distribution that must be allocated as required by the terms of each donor agreement.

c. Partial Distributions. The payment of the Annual Distribution may be made on one lump sum or in a series of distributions as determined by the Finance Committee in its discretion.

d. Net of Fees. In computing the Annual Distribution, the determination of the value of the Endowment as of the end of the prior fiscal year shall be made net of investment management fees that are allocable to that fiscal year and net of NCEF's annual administration fee of 1.5%.

e. Unitrust Concept. By providing an Annual Distribution measured as a percentage of the value of the Endowment rather than distributing the income of the Endowment, the Finance Committee seeks to allow a greater focus on total return investing as encouraged by the Act and by the Prudent Investor Rule, with the ultimate aim of preserving and growing the underlying value of the Endowment.

Allocation of Distribution. Except as otherwise required by the terms of the Donor(s) in this Agreement, NCEF may allocate the balance of the Annual Distribution as the Board of Directors determines in its discretion.

Additional Distributions. Except as otherwise restricted by the terms of the Donor(s) in this Agreement, the Board of Directors, by a 75% affirmative vote, may authorize additional distributions from the Endowment to NCEF's general operating funds as it determines in its discretion. It is the hope, but not legal direction, that the Endowment will not be expended beyond the Annual Distribution for general operating purposes but rather only for emergencies when the continued viability of NCEF is at risk.

4. Dissolvent. If NCEF's Board of Directors determines, in its sole and absolute discretion, that all or part of the Gift cannot at some time in the future be usefully or practically applied to the Purpose, or if the Purpose cannot be achieved because of an unforeseeable change in circumstances, NCEF shall consult with Donor(s) if living, and the Donor(s) shall have the option of either: (i) receiving a reimbursement of that portion of the Gift contributed to date (without interest), or (ii) instructing NCEF to use the Gift in support of programs consistent with the Mission and will consult with the Donor(s) or representative in regard to revision of the terms outlined in Section 6 pertaining to recognition.

5. Gift Schedule. Current gifts will be provided by the Donor(s) to NCEF according to the following installment schedule.

- \$xxx,xxx gift by (Date) _____
- \$xxx,xxx gift by (Date) _____
- \$xxx,xxx gift by (Date) _____
- \$xxx,xxx gift by (Date) _____
- \$xxx,xxx gift by (Date) _____

The Donor(s) has the option of fulfilling the pledge in its entirety at any point prior to the due date of the last installment.

5.5 Deferred Gift Provision. In addition to or in place of the current Gift, Donor(s) agree to make an irrevocable deferred gift at a minimum amount of \$ _____ to be paid upon the Donor's death. Donor(s) agree that this Agreement is intended to be binding upon ourselves, our successors and assigns and our estate for the benefit of and enforceable by Naples Children & Education Foundation, Inc.

6. Recognition. In consideration for the Gift, the Donor(s) will be recognized as Donor(s) associated with the NCEF General Endowment in any placed signage or in publicly distributed listings such as in Annual Reports or on the website, unless the donor specifies anonymity. Notwithstanding anything to the contrary herein, NCEF may terminate this Agreement and all rights and benefits of the Donor(s) hereunder, including terminating the recognition rights set forth herein, if:

- a. The Donor(s) fails to timely make any portion of the Gift, or
- b. NCEF determines, in its sole and absolute discretion, that the continued association and/or affiliation with the Donor(s) would adversely impact the reputation, image, mission or integrity of NCEF.

Upon any such termination, NCEF shall have no further obligation or liability to the Donor(s) and shall not be required to return any portion of the Gift.

7. Reporting. Donor(s) or the Donor's Representative are entitled to annual reporting on the investment and approved expenditures of the General Endowment Fund.

8. Binding. This Agreement shall be a binding obligation upon the Donor(s) and their respective estates and heirs.

9. Confidentiality. NCEF and the Donor(s) agree that all other information regarding the Gift described in this Agreement will be held in confidentiality as allowed by law unless otherwise directed by and approved by the Donor(s) and NCEF.

10. Miscellaneous. This Agreement will be governed by and construed in accordance with the laws of the State of Florida. This Agreement constitutes the entire agreement of the parties. This Agreement may not be modified or amended except by written agreement executed by both parties hereto. This Agreement may be executed in counterparts, which when taken together shall constitute a single, binding agreement. In connection with any litigation concerning this Agreement, venue shall lie exclusively in Collier County, Florida, and the prevailing party shall be entitled to recover reasonable attorney fees and court costs, from the non-prevailing party. Signatures hereon transferred by facsimile or email shall be deemed originals for all purposes.

In witness thereof, the Donor(s) and NCEF have executed this Agreement on the Effective Date.

DONOR(S):

NCEF:

(Donor(s) (date)

By: _____
Maria Jimenez-Lara, CEO (date)

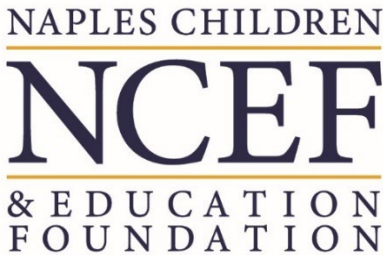
(Donor(s) (date)

By: _____
Joan Larson, CFO (date)

By: _____
Max Guinn, Treasurer (date)

THE NAPLES CHILDREN & EDUCATION FOUNDATION IS A 501(c)(3) TAX EXEMPT ORGANIZATION - EIN: 65-1001650. A COPY OF THE OFFICIAL REGISTRATION AND FINANCIAL INFORMATION MAY BE OBTAINED FROM THE DIVISION OF CONSUMER SERVICES BY CALLING TOLL-FREE, WITHIN THE STATE, 1-800-HELPFLA, OR VIA THE INTERNET AT WWW.800HELPFLA.COM. REGISTRATION DOES NOT IMPLY ENDORSEMENT, APPROVAL, OR RECOMMENDATION BY THE STATE. STATE SOLICITATION REGISTRATION NUMBER CH13065.

EXHIBIT D – DONOR SEPARATE FUND AGREEMENT



Separate Named Fund Agreement

GIFT AGREEMENT
BETWEEN

AND
NAPLES CHILDREN AND EDUCATION FOUNDATION, INC.

This agreement dated _____, 20____ is made between the Naples Children and Education Foundation, Inc. (“NCEF”) and _____ (“Donor”).

Recitals

- A. NCEF owns a separate endowment fund (the “Endowment”).
- B. Donor wishes to make a gift to the Endowment.
- C. NCEF is willing to create a separate fund named for Donor to be held as part of the Endowment, subject to the terms of this Agreement.

NOW, THEREFORE, in consideration of the mutual promises below, the parties agree as follows:

1. Pledge. Donor promises to contribute \$_____ [cannot be less than \$250,000] (the “Contribution”) to the Endowment.
2. Separate Fund. NCEF agrees to hold the Contribution as a separate fund in the Endowment, to be called the “Donor NCEF Endowed Fund” (the “Fund”), and NCEF will list the Contribution and the establishment of the Fund in its annual report.
3. Partial Contributions. NCEF will create the Fund upon the execution of this Agreement and a cash contribution of at least \$25,000. Donor agrees to fulfill the agreed Contribution Amount no later than five (5) years from the date of this Agreement. If the Donor does not fulfill the Fund as committed, the Fund may be consolidated with the general Endowment fund.
4. Additions. Donor may at any time make additional contributions to the Fund beyond the initial Contribution.

5. Allocation of Distributions from the Fund. The Fund will be invested as part of the Endowment, and an annual distribution will be made from the Fund to NCEF pursuant to the regular operating policies of the Endowment and NCEF. NCEF agrees that the annual distribution attributable to the Fund will be allocated as follows:

- a) _____ % to defray NCEF administrative costs;
- b) _____ % to grants focused on Child Advocacy;
- c) _____ % to grants focused on Early Learning;
- d) _____ % to grants focused on Healthcare/Medical;
- e) _____ % to grants focused on Out-of-School Time;

6. Binding Nature of Pledge. To the extent that the initial Contribution has not been fully paid, Donor understands that NCEF has acted in reliance upon this Agreement in publicizing the Contribution and taking steps to implement the terms of the Fund. Accordingly, Donor agrees that the Pledge is a legal obligation that is binding upon Donor and his or her successors and assigns, including Donor's estate.

7. Amendments. No amendment to this Agreement shall be effective unless it shall be in writing and signed by each party.

8. Governing Law. This Agreement shall be governed by Florida law.

9. Arbitration. Donor and NCEF agree that any dispute under this Agreement shall be settled by arbitration administered by the American Arbitration Association in accordance to its rules, and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction.

10. Venue. In any arbitration or court proceeding relating to this Agreement, the parties agree that venue shall be in Collier County, Florida.

11. Counterparts. This Agreement may be signed in identical counterparts.

IN WITNESS WHEREOF, the parties have executed this Agreement as of date first set forth above.

DONOR(S):

NCEF:

(Donor(s) (date)

By: _____
Maria Jimenez-Lara, CEO (date)

(Donor(s) (date)

By: _____
Joan Larson, CFO (date)

By: _____
Max Guinn, Treasurer (date)

THE NAPLES CHILDREN & EDUCATION FOUNDATION IS A 501(c)(3) TAX EXEMPT ORGANIZATION - EIN: 65-1001650. A COPY OF THE OFFICIAL REGISTRATION AND FINANCIAL INFORMATION MAY BE OBTAINED FROM THE DIVISION OF CONSUMER SERVICES BY CALLING TOLL-FREE, WITHIN THE STATE, 1-800-HELPFLA, OR VIA THE INTERNET AT WWW.800HELPFLA.COM. REGISTRATION DOES NOT IMPLY ENDORSEMENT, APPROVAL, OR RECOMMENDATION BY THE STATE. STATE SOLICITATION REGISTRATION NUMBER CH13065.

EXHIBIT E - LONG-TERM INVESTMENT POLICY

Investment Advisory Agreement

APPENDIX A - INVESTMENT GUIDELINES

Naples Children and Education Foundation

This Appendix A is part of your Investment Advisory Agreement with GS&Co. Unless otherwise defined in this Appendix, defined terms have the same meaning as in your Investment Advisory Agreement. In the event any provision in this Appendix conflicts or is inconsistent with any provision of your Investment Advisory Agreement, the provisions of this Appendix will control for matters or services related to this Appendix.

Please ensure that the investment objectives selected by you and set forth in these Guidelines (which include the Additional Guidelines, as defined below) continue to meet your investment goals during the term of the Investment Advisory Agreement. You may amend these Guidelines from time to time on written notice to us. If you notify us of any change in your investment goals during the term of the Investment Advisory Agreement, we will recommend to you such changes to these Guidelines as we believe are appropriate to achieve your changed investment goals. We will not be bound to follow any amendment to the Guidelines, however, until we have received actual written notice of the amendment and have agreed to accept such amendment.

I. Investment Objective for Your Account

Income with Capital Preservation Objective: The primary investment objective of the Account is generation of current income. Preservation or stability of capital is a secondary focus. The Account seeks to assume a below-average level of risk but may nonetheless experience low to moderate levels of performance volatility over the short to medium term. Estimated annualized volatility for accounts of this type ranges from 2% to 6%. The worst 12-month capital loss experienced by investment accounts of this type over the last forty years is estimated to be 10% to 15%. You acknowledge that you have the capacity and willingness to sustain potential capital losses of at least this magnitude.

Income with Capital Appreciation Objective: The primary investment objective of the Account is generation of current income. Long-term capital appreciation is a secondary focus. The Account seeks to assume a below-average level of risk but may nonetheless experience moderate levels of performance volatility over the short to medium term. Estimated annualized volatility for accounts of this type ranges from 4% to 8%. The worst 12-month capital loss experienced by investment accounts of this type over the last forty years is estimated to be 15% to 25%. You acknowledge that you have the capacity and willingness to sustain potential capital losses of at least this magnitude.

Capital Appreciation—Moderate Risk Objective: The primary investment objective of the Account is long-term capital appreciation rather than the generation of current income. The Account seeks to assume a level of risk that is higher than the previous choices described above and will likely experience moderate to high levels of volatility in the short to medium term. Estimated annualized volatility for accounts of this type ranges from 7% to 10%. The worst 12-month capital loss experienced by investment accounts of this type over the last forty years is estimated to be 25% to 35%. You acknowledge that you have the capacity and willingness to sustain potential capital losses of at least this magnitude.

Capital Appreciation—Higher Risk Objective: The primary investment objective of the Account is long-term capital appreciation rather than the generation of current income. The Account seeks to achieve higher levels of capital appreciation than the “Capital Appreciation – Moderate Risk” choice above and consequently assumes a higher level of risk and will likely experience high levels of volatility in the short, medium and long term. Estimated annualized volatility for accounts of this type ranges from 10% to 13%. The worst 12-month capital loss experienced by investment accounts of this type over the

last forty years is estimated to be 35% to 45%. You acknowledge that you have the capacity and willingness to sustain potential capital losses of at least this magnitude.

Income with a Trading and/or Opportunistic Investing Objective: The Account seeks to engage in short-term opportunistic trades and / or speculative or concentrated investments in one or more asset classes in order to achieve short- or long-term capital appreciation. The Account seeks to assume a level of risk that is higher than the choices described above and will likely experience high levels of price volatility in the short, medium and long term. The risk of capital loss and annualized volatility associated with this IO will vary based on specific investments. Worst 12-month market value fluctuation may exceed 50%, equating to estimated annualized volatility that may exceed 15%. You acknowledge that you have the capacity and willingness to sustain potential capital losses of at least this magnitude.

II. Types of Investments

In seeking to achieve your Account's investment objective, GS&Co. may arrange for the investment of all or a portion of the assets in your Account either directly through separate accounts ("Managed Accounts") managed by Sub-Managers or indirectly through one or more pooled investment vehicles ("Investment Funds") managed by Sub-Managers. Managed Accounts may include accounts participating in the Managed Account Strategies program, a so-called "wrap fee" program sponsored by GS&Co. Investment Funds may include collective investment trusts, investment companies (including mutual funds made available through the Advisory Mutual Fund Strategies Program sponsored by GS&Co.), ETFs, Privately Offered Funds (including funds managed by the Global Manager Strategies Group within GSAM that provide access to Sub-Managers or Investment Funds managed by them), the Goldman Sachs Tactical Tilt Portfolio, publicly-traded master limited partnerships, and real estate investment trusts. Managed Accounts and Investment Funds, including the securities and other investments that may be acquired through them, are referred to collectively as "Investment Products." Investment Products may include derivatives, including listed put and call options.

III. Asset Allocation Target Ranges Among Asset Classes

Set forth in Appendix A-1 are the long-term strategic asset allocation targets and the minimum and maximum percentages (collectively, the "Asset Allocation Target Ranges") for each asset class contained in your Account (each, an "Asset Class"). GS&Co. will use commercially reasonable efforts to make allocations to Investment Products (other than Privately Offered Funds), and to make recommendations to you regarding allocations to Privately Offered Funds, for your Account that adhere to the Asset Allocation Target Ranges at the time the investment or recommendation is made. You may modify or amend the Asset Allocation Target Ranges from time to time with the written consent of GS&Co. GS&Co. will determine in its sole discretion whether an Investment Product is within a particular Asset Class based on the offering documentation and other information provided by the Sub-Manager of, or otherwise available with respect to, such Investment Product. GS&Co.'s determination may differ from classifications of similarly named Asset Classes made by other industry participants. Certain Investment Products may have characteristics of more than one Asset Class. GS&Co. will also use its commercially reasonable efforts to rebalance your Account assets to fall within the Asset Allocation Target Ranges in accordance with Section V of these Guidelines. Allocations among Investment Products may, from time to time, be out of balance with the Asset Allocation Target Ranges for extended periods of time or at all times due to various factors, such as fluctuations in, and variations among, the performance of Investment Products and reliance on estimates in connection with the determination of percentage allocations.

To the extent that you have more than one Account, your Accounts may be subject to different investment guidelines as set forth in Appendix A-1. You acknowledge that the amount of assets to be included and managed in each Account, and the Guidelines applicable thereto, have been prescribed by you. GS&Co. shall not, unless expressly provided for herein, allocate assets from one Account to another Account and shall treat each Account as unrelated, for allocation and rebalancing purposes, to any other Account.

IV. Additional Guidelines or Restrictions

You may impose additional guidelines or restrictions relating to the investments made in your Account (“Additional Guidelines”), and GS&Co. will use commercially reasonable efforts to select or recommend Investment Products for your Account in accordance therewith.

Additional Guidelines or Restrictions

None

V. Rebalancing

GS&Co. will use commercially reasonable efforts to review the conformity of and, if then out of balance (as described below), rebalance your Account's allocations, on a periodic basis (expected to be no more frequently than quarterly), as determined by GS&Co. in its sole discretion, based on available estimates of the net asset value of your Account. Notwithstanding the foregoing, GS&Co. will not rebalance any of your Account's allocations in connection with Privately Offered Funds (other than GMS Funds). For purposes of this paragraph, your Account's allocations will be deemed to be “out of balance” with the Guidelines if the allocation for an Asset Class is outside the Asset Allocation Target Range set forth in Appendix A-1 for such Asset Class. GS&Co. will treat each of your Accounts as unrelated, for rebalancing purposes, to any other Account, and GS&Co. may, but will be under no obligation to seek to, rebalance the allocations of any Account other than an Account whose allocations are then out of balance. GS&Co. may, but will be under no obligation to, seek to rebalance (or, in respect of Privately Offered Funds recommend that you rebalance) the allocations for an Asset Class if your Account is within such Asset Allocation Target Range.

Notwithstanding the foregoing, GS&Co. will not rebalance the allocations in respect of any Client-Directed Investments or Against Advice Investments unless specifically directed by you and agreed to by GS&Co. However, GS&Co. will take into account the size of any Client-Directed Investments and Against Advice Investments, and their respective Asset Classes, in rebalancing the other assets in your Account.

Any rebalancing of your Account's assets to conform to the Asset Allocation Target Ranges may have an adverse effect on the performance of your Account. For example, Account assets may be allocated away from an over-performing Asset Class and allocated to an under-performing Asset Class. In addition, the achievement of any intended rebalancing will be limited by, among other things, the use of estimates of the net asset values of your Account's Investment Products, and in the case of investments in Privately Offered Funds (including with respect to private equity funds and real estate funds), restrictions on additional investments in and redemptions and distributions from the Privately Offered Funds, including without limitation, limited investment and redemption dates, lock-ups, notice periods, timing of redemption payouts, illiquidity of certain investments, and the ability of Privately Offered Funds to suspend and defer redemptions under certain circumstances. As a result, your Account may be out of balance with the Guidelines for extended periods of time or at all times.

VI. Performance Reporting

Notwithstanding the effective date of the Investment Advisory Agreement, calculation of your Account's performance will begin on a date that we select in accordance with our policies.

VII. Valuation of Investments Held by the Account; Estimates

Valuation levels for your Account assets listed in any reports or other documents provided by us to you reflect our good faith effort to ascertain fair market levels (including accrued income, if any) based primarily on information we receive from third parties. Although we reasonably believe such information is

reliable, we cannot guarantee its accuracy and are not responsible for any valuation errors. The prices are indicative only of the assumed fair value of the positions on the date of valuation and may be materially greater than or less than the actual valuation levels. Market conditions and transaction size will affect liquidity and price received. Assets denominated in currencies other than the U.S. dollar will be valued at the applicable exchange rate at the close of business on the related statement date or in such other manner as we determine.

Your Account may invest in assets that lack a readily ascertainable market value, and the Account's net asset value will be affected by the valuations of any such assets (including in connection with calculation of any fees). In valuing any such assets, GS&Co. or the applicable Sub-Manager (or an affiliated or independent agent thereof) may utilize dealer supplied quotations or pricing models developed by other parties, GS&Co. or the applicable Sub-Manager and/or affiliates of GS&Co. or the applicable Sub-Manager. Such methodologies may be based upon assumptions and estimates that are subject to error. The value of such assets may be subject to later adjustment based on valuation information available at such time including, for example, as a result of year-end audits. Any adjustment to the value of such assets may result in an adjustment to the net asset value of your Account.

GS&Co. typically calculates the net asset value and fee accruals (to the extent applicable) of your Account using valuations it receives from Sub-Managers, including for purposes of determining compliance with the Asset Allocation Target Ranges set forth in the Guidelines. These valuations will typically be estimates only, and will be used to the extent that current audited information is not then available. Such valuations may be subject to later adjustment based on valuation information available at that time, including, without limitation, as a result of year-end audits.

Notwithstanding the forgoing, if we determine, in our sole discretion, that any valuation provided by a third party may be inaccurate or incomplete (including without limitation as a result of the illiquidity of an Privately Offered Fund or otherwise), we may, in our sole discretion, determine the fair value of the asset, in accordance with procedures developed by us, in a commercially reasonable manner and in accordance with U.S. GAAP or otherwise. Any such procedures may include, without limitation, the application of a liquidity discount to the valuations provided by the Sub-Managers or other third parties. Such procedures may provide that valuations will be determined by us, an affiliated or independent pricing agent or others (subject to applicable law), and may be based upon information provided by, or pricing models developed by, any such party.

We will be able to make information related to your Account available to you only to the extent that it is first made available to us. Information received from other parties may be subject to confidentiality restrictions, and we or our affiliates may be restricted from disclosing to you any information if such disclosure might be a breach of duty or confidence to any other person or a violation of applicable law.

VIII. Compliance with Guidelines

GS&Co. will use commercially reasonable efforts to comply with the Guidelines. An investment's compliance with the Guidelines will be determined on the date of purchase only, based upon the price and characteristics of the investment on the date of purchase compared to the value of your Account as of the most recent valuation date; the Guidelines will not be deemed to be breached as a result of changes in value or status of an investment or a corporate re-organization, regulatory or tax change or similar event affecting an investment following purchase. All transactions effected for your Account will be deemed to be in compliance with the Guidelines unless we receive written notice to the contrary from you within 10 days following the first issue of the periodic report containing such transactions.

Except as otherwise provided herein, there will be no constraints on the number of Investment Products we may select or recommend for your Account at any time or on the percentage of Account assets that may be invested in a single Investment Product, group of Investment Products or investment sector or strategy, and we generally will not take into account the underlying investments of any Investment Product when determining the compliance of your Account with the Guidelines. We will determine, in our sole discretion, the number of Investment Products (except for Privately Offered Funds) we select or

recommend for your Account from time to time. The identity and number of Investment Products we select or recommend may change materially over time.

IX. Certain Risks Related to your Account

The investment programs that may be implemented in your Account may be speculative and entail substantial risks, and results may vary substantially over time. There can be no assurance that the investment objective of your Account, including, without limitation, any risk monitoring and diversification goals, will be achieved. Subject to the Guidelines, your Account may invest in, or utilize strategies involving, derivatives and margin or other forms of leverage, which can substantially increase the adverse impact to which your Account may be subject. No assurance can be given that we will be able to successfully select or recommend Investment Products that achieve your Account's investment objective. For example, an Investment Product that we select or recommend could significantly decline in value and result in substantial losses to your Account. The investment program is therefore suitable only for certain sophisticated investors for which an investment in one or more Investment Products does not constitute a complete investment program and who fully understand and are willing to assume the risks involved with such investments. You are urged to consult with your own tax, accounting and legal advisors before appointing and retaining GS&Co. pursuant to the Investment Advisory Agreement, and to discuss with them the potential consequences of the subscription, purchase, holding, exchange, redemption or disposal of any Investment Products.

A summary of the material risks for the significant investment strategies of, and the investment techniques employed by, GS&Co. and certain of its affiliates are set forth in their respective Forms ADV Part 2A. The risks described herein and in the Forms ADV are not, and are not intended to be, a complete enumeration or explanation of the risks involved in an investment in your Account. The risks associated with your Account arise both from the risks associated with Investment Products and Sub-Managers selected or recommended by GS&Co. and from the risks relating to the ability of the Investment Products and investment strategies to achieve their investment objectives. The investment risks discussed in the Forms ADV will apply to your Account's direct and indirect investments in Investment Products selected or recommended by GS&Co.

Your Account may generate income that is taxable as "unrelated business taxable income" ("UBTI") as defined in Section 512 of the Code. Notwithstanding anything herein to the contrary, you acknowledge that no assurance can be provided that we will select or recommend Investment Products for your Account as a whole that will have the effect of reducing the amount of UBTI generated by your Account as a whole.

X. Certain Risks and Conflicts of Interest Related to the Selection or Recommendation of GS Products and External Products

When reviewing potential Investment Products for your Account, we may consider various factors we deem relevant in our sole discretion. These factors may include both quantitative and qualitative factors (which may be inherently subjective), be given different weightings or importance relative to other factors, and change from time to time. These factors may include, without limitation, (i) product-related factors, such as track record, index comparisons, liquidity, risk and return assumptions (taking into account applicable fees in connection with such risk/return analysis), investment strategy and objectives, investment process, tenure, stability and seniority of investment teams, overall market opportunity, and consultant ratings, (ii) our experience and familiarity with particular Investment Products and, if applicable, the investment management teams managing such Investment Products or their organizations, (iii) Client-driven factors, such as your investment mandate, the effect on your Account's diversification objectives, consistency with your asset allocation model, and the projected timing of implementation, and (iv) other factors, such as capacity constraints, minimum investment requirements and such other factors as we determine appropriate. When reviewing certain Investment Products for your Account, we may consider factors that were not considered when reviewing other potential Investment Products. In addition, certain factors may play a greater role in the review of some Investment Products than in the review of others.

We may select or recommend a GS Product for your Account for various reasons, including without limitation because we determine in our sole discretion that no appropriate External Product is available at the time (including because no appropriate External product is available in Managed Account Strategies or the Advisory Mutual Fund Strategies Program) or that a GS Product is more appropriate for your Account than any External Products we have reviewed based on fees and other factors that we have taken into consideration. We will review as potential investments for your Account a universe of Investment Products that we determine to be appropriate in our sole discretion, and such universe may be limited for reasons we determine in our sole discretion, including because we have not approved of one or more External Products for investment by our advisory clients because of administrative or practical considerations or for other reasons. If we select or recommend a GS Product for your Account, you acknowledge and agree that we may not have canvassed the universe of all available External Products. You further acknowledge and agree that, in such circumstances, there may (or may not) be one or more External Products that may be a more appropriate addition to your Account than the GS Product(s) that we selected or recommended. You acknowledge and agree that GS Products generally will not be subject to the same types of operational and other reviews that may be performed with respect to External Products.

Because Goldman Sachs will generally receive compensation from your Account that invests in a GS Product for which it serves as Sub-Manager, and will on an overall basis receive higher fees, compensation and other benefits if Account assets are allocated to GS Products rather than External Products, GS&Co. may be incentivized to select or recommend GS Products for your Account and may be disincentivized to consider the removal of, or the decrease of Account allocations to, GS Products. You acknowledge that fees and expenses payable in connection with your Account's investment in GS Products and External Products may vary significantly depending on the Investment Product, and that certain GS Products may charge asset-based, performance-based and other compensation that materially exceed fees payable in respect of, or may structure their compensation in materially different ways than, External Products. Goldman Sachs may also have financial and other interests in External Products or their Sub-Managers, sponsors or service providers, and our decisions and recommendations in respect of your Account may result in greater fees, compensation and other benefits to Goldman Sachs and its personnel arising from such interests than if other decisions or recommendations had been made, which also might have been appropriate for your Account. Any compensation received by Goldman Sachs in connection with an investment by your Account in a GS Product or an External Product will be retained by Goldman Sachs, and neither Goldman Sachs nor GS&Co. will be required to (i) share such compensation with your Account or you or (ii) offset such compensation against fees and expenses you may otherwise owe Goldman Sachs or GS&Co.

Generally, we will not negotiate the fees and expenses, liquidity or other terms in respect of a GS Product on your behalf. Therefore, other investors in such GS Products may invest in GS Products on more favorable terms. You acknowledge and agree that the negotiation of more favorable terms for an investment in GS Products is outside the scope of the Investment Advisory Agreement.

Moreover, we may not, due to informational barriers or other considerations, (i) access certain information (which may be material) regarding a specific Investment Product (including, for example, if the Sub-Manager or issuer of an Investment Product does not provide GS&Co. access to certain information) or (ii) utilize certain information (which may be material) in our possession regarding a specific Investment Product (including because use of such information would or might be a breach of duty or confidence to any other person or of applicable law, or would violate any applicable policies or procedures). Similarly, certain Goldman Sachs personnel may have access to current information regarding a GS Product in connection with Goldman Sachs serving as a Sub-Manager to such GS Product that if known to GS&Co. personnel selecting or recommending Investment Products for your Account might influence their review of Investment Products with respect to your Account. Goldman Sachs will not be under any duty to make any such information available to GS&Co. or its personnel selecting or recommending potential Investment Products for your Account.

Each GS Fund of Funds (and therefore your Account) will bear, indirectly through its investment in each underlying portfolio fund, its pro rata portion of these fees of the relevant underlying Sub-Managers, as well as offering, organizational and operating expenses of such portfolio fund. An investment through a GS Fund of Funds involves additional considerations and risks, including that you generally will have less ability to monitor investments in GS Funds of Funds and to obtain full and current information with respect to such investments than it would have if the investments were made through managed account agreements. When determining whether to select or recommend potential External Products or GS Funds of Funds for your Account, GS&Co. may consider various factors as GS&Co. deems relevant in its sole discretion, including without limitation, the size of your investment mandate, minimum investment requirements, Account diversification objectives, fee considerations and availability of Investment Products in a particular Asset Class.

XI. GS&Co. Brokerage Accounts

If you maintain a brokerage account with GS&Co. ("Brokerage Account"), you acknowledge that this Investment Advisory Agreement, including the Guidelines, do not apply to any assets held in the Brokerage Account. The Brokerage Account is governed by the terms of your Goldman Sachs Account Agreements. GS&Co. does not provide any advice on assets held in the Brokerage Account and all trading and investment activity in the Brokerage Account is solely at your direction.

APPENDIX A-1

ASSET CLASS RANGES

Account 1_NCEF Short Term Fund

<u>Asset Class</u>	<u>Minimum</u>	<u>Maximum</u>
Investment Grade Fixed Income	80.0%	100.0%
Other Fixed Income	0.0%	20.0%

Account 2_NCEF Reserve Fund

<u>Asset Class</u>	<u>Minimum</u>	<u>Maximum</u>
Investment Grade Fixed Income	10.0%	40.0%
Other Fixed Income	2.5%	15.0%
US Equity	25.0%	60.0%
Non-US Equity	10.0%	30.0%
Tactical Tilts*	0.0%	10.0%

Account 3_NCEF Endowment

<u>Asset Class</u>	<u>Minimum</u>	<u>Maximum</u>
Investment Grade Fixed Income	10.0%	40.0%
Other Fixed Income	2.5%	15.0%
US Equity	25.0%	60.0%
Non-US Equity	10.0%	30.0%
Tactical Tilts*	0.0%	10.0%

*Tactical Tilts will be implemented solely through the Goldman Sachs Tactical Tilt Overlay Fund.

APPENDIX B

FEES

The schedule below sets forth the investment management fees to be paid by you to GS&Co. for your Account. You acknowledge that affiliates of GS&Co. may receive a portion of the fees paid by you to GS&Co. in connection with your Account.

Sub-Asset Class	Fee on Sub-Asset Class Assets	Sub-Manager Fees/Costs
Equity Strategies		
Index Oriented (includes ETFs)	0.150%	Excluded
Active Core	0.750%	Included
Active Satellite and Real Estate	0.950%	Included
All/SMid	1.225%	Included
Dynamic	1.500%	Included
Equity Strategies (LLCs)		
Active Core	0.400%	Excluded
Active Satellite [and Real Estate	0.500%	Excluded
All/SMid	0.550%	Excluded
Dynamic	0.650%	Excluded
Small Cap Managers: Portfolio 1 [Series]	1.450%	Included
Fixed Income Strategies		
Fixed Income	0.250%	Included
Short Duration Fixed Income	0.250%	Included
Advisory Mutual Fund Strategies Program		
Active Core Equity	0.500%	Excluded
Active Satellite Equity, Real Estate Equity	0.550%	Excluded
All/SMid Equity	0.550%	Excluded
Dynamic Equity	0.650%	Excluded
Core Fixed Income	0.350%	Excluded
Multi Sector Fixed Income	0.400%	Excluded
Non Investment Grade Fixed Income	0.500%	Excluded
GSAM Mutual Funds		
Tactical Tilt Portfolio		

Advisory Fees will be calculated and payable quarterly in arrears based on the monthly average market values of your Account's investments (other than Against Advice Investments). Average market value is generally determined using end-of-day quantities and an end-of-month market price for each security or investment. Additional information on the fee calculation is available upon request. Fees will be prorated and due upon termination, or for partial periods, as applicable. To the extent the value of your Account in the aggregate decreases, you may pay a quarterly fee at a higher rate in the next billing period from the prior period. Please see GS&Co.'s Form ADV Part 2A and related Supplements and your selected Sub-Manager's ADV Part 2A for additional information.

You will also be responsible for the payment of investment advisory fees of any Sub-Managers you appoint to manage a portion of your Account through a Managed Account. We will provide you, upon request, with information on these investment advisory fees in connection with any recommendation of a Sub-Manager. Because the Sub-Managers otherwise typically participate in so-called "wrap fee" programs through GS&Co. pursuant to which the Sub-Managers generally direct transactions to GS&Co. for execution as part of the wrap fee arrangements, the Sub-Manager's fees shown will generally include an amount, determined by us, allocable to commissions on transactions executed through GS&Co. Although these fees cover commissions on transactions executed through GS&Co., certain execution

costs are typically not included in the fees and may be charged to your Account (including, but not limited to, broker-dealer spreads, certain broker-dealer mark-ups or mark-downs on principal trades, auction fees, fees charged by exchanges on a per transaction basis, transaction fees, commissions charged by other broker-dealers, other charges mandated by law, and certain other execution costs). Sub-Managers generally select GS&Co. to execute most equity trades because the fees paid by you include commissions on all agency trades effected through GS&Co.

As described in your Investment Advisory Agreement, the fees and expenses directly or indirectly paid by the investment products—including those designated with a **—are described in each investment product's prospectus, private placement memorandum or other offering documents, and ultimately are borne by all product investors.

