NAMED ENDOWMENT FUND — CHARITY FUND

MEMORANDUM OF UNDERSTANDING

ACORN FOUNDATION
WESTERN BAY OF PLENTY

This Agreement is between the Acorn Foundation, registered charity number CC10784 (the "Foundation"),

and [_____] (the "Organisation").

It establishes a Named Endowment Fund called [_____] (the "Fund").

The parties agree to the following points on a binding basis:

1. THE ORGANISATION'S OBLIGATIONS

(a) The Organisation will establish a Named Endowment Fund (Charity Fund) with the Foundation, using the name outlined above.

(b) The Organisation will actively encourage its members and supporters to contribute to its Fund, by promoting it via newsletters, brochures, website, and in any other way considered appropriate.

(c) The Fund will be recognised and promoted as the Organisation's preferred endowment vehicle.

(d) The Organisation agrees that the Foundation will receive 1% of the average value of the Fund each year as a donation.

(e) The Organisation undertakes that all payments received from the Foundation via this Fund will be spent for a charitable purpose, in accordance with current New Zealand legislation.

2. THE FOUNDATION'S OBLIGATIONS

(a) The Foundation will establish and administer a Named Endowment Fund (Charity Fund) for the Organisation.

(b) All individual donations to the Fund will be issued with a tax receipt.

(c) All monies received into the Fund will be invested in accordance with the Foundation's investment policy and treated in the same way as all other endowment funds received. Although the Foundation will keep a separate accounting record for the amount in the Fund, all of the Endowment Funds administered by the Foundation may be pooled and invested accordingly and the income and the changes in capital value shared proportionately.

(d) It is intended that 3.5 – 5.0% of the average value of the fund (including investment income) will be distributed to the Organisation annually in a single payment, once the total value of the Fund has reached $25,000. This process is in line with the Foundation's general distribution policy.

(e) Any investment income that the Fund earns in excess of the sums attributed to administration and distribution in points 1d and 2d above will be reinvested into the Organisation's Fund each year.

(f) At the end of each financial year to 30 June, the Foundation will provide an annual summary of all donations received, investment income and disbursements to the Fund.

(g) The Foundation will assist the Organisation, where possible, to promote the endowment concept to the Organisation's members and supporters, to encourage them to contribute to the Fund, or to set up their own Named Endowment Funds with the Organisation as a recipient.

3. GENERAL

(a) This MoU may only be varied when both parties sign a written variation.

(b) Both parties agree to act in good faith and use their best efforts to meet their respective obligations set out in this MoU, in the spirit in which the MoU is entered.

SIGNED FOR THE ACORN FOUNDATION

Signature: .....

Full Name (printed): .....

Position: .....

Date: .....

SIGNED FOR THE ORGANISATION

Signature: .....

Full Name (printed): .....

Position: .....

Date: .....