

TRUST RESETTLEMENT

MEMORANDUM OF UNDERSTANDING

Agreement between the Acorn Foundation (the Foundation) and the Trustees of:

.....(the Trust).

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

1. The Trust will establish a Named Endowment Fund (Fund) with the Foundation.

The name of the fund will be

2. The Foundation will make annual distributions from the Fund in accordance with instructions given by the Trust, as follows:

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3. Although the Foundation will keep a separate accounting record for the amount of money in this Fund, all of the Endowment Funds administered by the Foundation may be pooled and invested accordingly, and the investment income and the changes in capital value shall be shared proportionately.
4. The Trust acknowledges that the Trustees of the Foundation will apply an amount each year toward the Foundation's administration expenses. The amount will be debited to the capital of the Fund. At this time, the annual donation is set at 1% of the capital in the Fund, but the Trust acknowledges that the percentage may be varied from time to time by the Trustees of the Foundation.
5. It is intended that 3.5 — 5.0% of the average value of an endowment Fund (including investment income) will be distributed annually. This process is in line with the Foundation's general distribution policy.
6. Any investment income that the Fund earns in excess of the sums attributed to administration and distribution in points 4 and 5 above will be reinvested into the Fund each year.
7. Where a particular beneficiary has been specified, if, in the judgement of the Trustees of the Foundation, that beneficiary ceases to meet the legal tests of being a charitable purpose with tax exempt status, the Foundation shall distribute what would have gone to that beneficiary to another charitable beneficiary (or beneficiaries) which has purposes and objectives similar to those of the intended beneficiary as at the time of signing this Memorandum of Understanding.
8. If in the judgement of the Trustees of the Foundation, circumstances have so changed since the establishment of the Fund that strict compliance with this Memorandum is undesirable, impractical or impossible, the Foundation Trustees may direct the distributions from the Fund to such charitable purpose they think best, taking into account the original wishes.
9. If the Trust has specified a particular beneficiary or activity that does not meet the technical requirements of a charitable purpose, the Foundation shall do what it can to achieve the original objective while still meeting its own legal obligations as a charitable trust.
10. At the end of each financial year to 30 June, the Acorn Foundation will provide the Trustees with an annual summary of investment income and disbursements in that year, for as long as the Trustees wish to receive this. This annual summary will be sent to the following person/people:

Name: Email:

Name: Email:

11. The signatories for the Trust entering into this Memorandum of Understanding (Trust Resettlement) warrant to the Foundation that the Trust has passed all resolutions and has done all things necessary under the Trust Deed of the Trust to vest the funds and property of the Trust in the Foundation in accordance with the terms of this Memorandum of Understanding (Trust Resettlement), on the basis that the Foundation provides an indemnity to the Trustees of the Trust in respect of any claims made against them arising out of their decision to enter into this Memorandum of Understanding (Trust Resettlement) and that the Trustees of the Trust have all acknowledged and agreed that such indemnity is on the basis that:

- the liability of the Foundation is limited to the extent of the funds and property transferred to the Foundation by the Trust under the terms of this Memorandum of Understanding (Trust Resettlement) and that:
- the Trustees of the Foundation have no personal liability to the Trustees of the Trust;
- the indemnity does not include capital or income which has been transferred or paid to, or appropriated or applied for the benefit of, any person in accordance with the terms of this Memorandum of Understanding (Trust Resettlement) and the Acorn Foundation Trust Deed.

Accordingly, on the basis of the limitations set out above, the Foundation hereby indemnifies the Trustees of the Trust as recorded at Charities Services at the date of this Memorandum of Understanding (Trust Resettlement) in respect of all claims made against them arising out of their decision to enter this Memorandum of Understanding (Trust Resettlement) and transfer all the funds and property of the Trust to the Foundation.

SIGNED FOR THE ACORN FOUNDATION

Signature:

Full Name (printed):

Position:

Date:

SIGNED FOR THE TRUST

Signature:

Full Name (printed):

Position:

Date: