



AGREEMENT

TOMPKINS CHARITABLE GIFT FUND, INC. (the “Corporation”), a New York not-for-profit corporation qualified as a public charity under Internal Revenue Code Sections 501(c)(3) and 509(a), hereby establishes the Tompkins Charitable Gift Fund (“CGF”) upon the following terms and conditions:

ARTICLE I Donors and Contributions

1.1 Eligible Donors. The CGF will accept contributions from any “person”, which shall mean any individual, corporation, partnership, limited liability company, trust, or estate. Such contributions, when received and accepted, shall constitute irrevocable gifts to the Corporation, to be held and administered by the Corporation in accordance with this Agreement.

1.2 Cash Equivalent Contributions. The CGF will require minimum initial contribution of \$10,000.00. The minimum amount for subsequent contributions is \$1,000.00. The CGF will consider gifts of cash, mutual fund shares, stocks, bonds, and other securities. All contributions are subject to review and approval by officers of the Corporation or their designees prior to acceptance. Contributions not accepted will be returned as soon as is practical. The CGF will provide written confirmation at the time of acceptance of any contribution. The intent of the CGF is to liquidate all gifts immediately upon receipt. The value to the CGF will be determined at the settlement date of the appropriate transactions less any applicable fees or commissions. We will invest those proceeds temporarily in a money market account.

CGF investment policy uses a permanent investment pool that is valued at month end. Your cash from transactions above will be buying units in that investment pool at the next available unit valuation. Your statement will show these prices.

1.3 Other Contributions. The CGF may be named the beneficiary of a bequest under an estate, trust (including charitable remainder or lead trusts), retirement plan (including IRAs), life insurance policies or annuities. When such a contribution is made, the donor should elect a successor to make recommendations for the Gift Fund account.

ARTICLE II

Accounts

2.1 Donor Account The CGF will establish an account to maintain an internal accounting of each donor's contributions and any contributions made by the CGF from such account to qualified charitable organizations. The account is an asset of the Corporation in which donors have no ownership interest.

ARTICLE III Allocation Process

3.1 Allocation of Units For contributions accepted by the CGF, the Fund will issue and allocate units selected to the account. Units will be issued at the next unit value date of our pool-asset management fund or Common Trust Fund. The CGF expects to determine the value of a unit at the end of each month, or sooner if possible, by dividing the value of the assets of each CGF by the then outstanding number of units.

a. Cash The account will be credited with the number of units in each pool selected equal in value to the amount of cash contributed to the CGF and allocated to each pool.

b. Securities The account will be credited with the number of units equal in value to the net proceeds (gross proceeds less brokerage commissions and any other fees) from the sale of the securities which are actually realized by the CGF. Cash will be invested in a temporary money market account upon the sale of the securities, which may be on a date later than the date the contribution is made to the CGF. The value of the contribution (but not the amount of the charitable deduction) is determined on the date in which the CGF receives the net proceeds from the sale of contributed securities. This value may fluctuate from the date of the contribution to the date of the sale. Cash proceeds will be invested in the permanent investment pool.

For publicly traded securities, the CGF will seek to promptly sell the securities and obtain the most favorable sales price under prevailing market conditions. *For non-publicly traded securities*, or other securities for which no readily liquid market exists, the CGF will exercise discretion as to the time and price of sales in an attempt to maximize sales proceeds. Any costs incurred by the CGF necessary to the disposition of such securities (e.g., legal or appraisal fees) will be applied to reduce the net proceeds to the account.

Under IRS rules and regulations, the fair market value of publicly traded securities is the mean of the high and low sales prices on the contribution date. Other rules apply if there were no sales on that date. In any event, the value of the deduction for contributed securities may differ from the actual sales price. The value of the contribution (but not the amount of the charitable deduction) is determined on the date in which the CGF receives the net proceeds from the sale of contributed securities. Therefore, the net proceeds from the sale of securities and the corresponding value of units issued to the account may differ from the charitable deduction attributable to the contribution.

3.2 Allocation of Income and Value of Account Income earned by the CGF includes interest, dividends, and other investment income, including capital gains distributions from investments in mutual funds, in excess of the operating expenses of the CGF.

ARTICLE IV Recommendations and Grants

4.1 Recommendations A Donor has the privilege of recommending charitable organizations to which grants will be made from the account by way of a Grant Recommendation Form. Grant recommendations are subject to review and approval by officers of the Corporation or their designees. If the recommendation is approved, the CGF will redeem the appropriate number of units of the fund from the account (based upon the next-determined unit value after the grant is approved), and distribute the proceeds to the recommended organization. If the CGF does not accept a recommendation, or if a recommended organization no longer qualifies at the time the grant is to be made from the CGF, the CGF will make reasonable efforts to notify the donor and obtain recommendation for a grant to an alternative charitable organization.

4.2 Grant Recommendations by Individuals Other Than the Donor(s) During his or her lifetime, a donor may designate and authorize in writing another party to recommend grants to charitable organizations from the account. Once so authorized by a donor, the other person shall possess the full authority to recommend grants at any time in any amount from the account until written revocation of such authority is actually received by the CGF from the donor.

4.3 Account Successor Election If the donor is an individual, the donor may elect any person, including his or her spouse, child, other descendant, heir, or representative to be assigned the rights and duties associated with the account in the CGF upon the donor's death. If an account is maintained jointly, upon the death of one donor, the remaining donor(s) shall succeed to the rights to recommend grants and designate successors. Successors shall act only after the deaths of all donors named on the account.

The successor must provide written notification and sufficient proof to the Directors of the donor's death and will then succeed to all rights and duties of a donor to the CGF, including the ability to recommend subsequent grants. If the successor individual(s) is a minor, the Trustees reserve the right to require that recommendations for grants be made by the minor's legal guardian. Successor individuals may in turn assign successors in event of the successor individual's death.

Instead of choosing a successor individual, a donor may choose to recommend that one or more charitable organizations (subject to the review and approval by the CGF) receive

the proceeds of any remaining units in the account upon the CGF's notification of donor's death.

If successor individuals or charitable organizations eligible to receive remaining assets are not designated by the donor or the donor's successor, upon notification of donor or successor death or termination, the CGF will redeem the remaining units and distribute the proceeds to one or more charitable organizations at the sole discretion of the CGF.

4.4 Grants to Public Charities Grants can only be made to charitable organizations which are tax-exempt under Code Section 501(c)(3) and which are also public charities under Code Section 509(a). Grants cannot be made to private foundations.

4.5 Grants to Foreign Charitable Organizations The CGF cannot distribute grants to foreign charitable organizations. The CGF may make grants to charities that are qualified as Section 501(c)(3) public charities that in turn fund and exercise expenditure responsibility over foreign charitable activities.

4.6 Other Restrictions on Grants Grants from the CGF may not be used in whole or in part for any pre-existing pledge or any private benefit (such as school tuition or scholarships sent directly to individuals), dues, membership fees, benefit tickets, or goods bought at charitable auctions; nor may grants be used by lobbying, political contributions, or to support political campaign activities. The CGF will reject grant recommendations for improper purposes and will take remedial action if it discovers that grants have been made for improper purposes, which action may include but not be limited to, requiring a return of the grant from the charitable organization or requiring that donors make an additional non-deductible contribution.

4.7 Minimum Amount for Grants Each grant recommendation must be made in minimum amounts of \$200 and in \$50 increments to any one charitable organization, or the balance of the account, whichever is less.

Number of Grants Allowed Annually Grants may be made without charge during each fiscal year up to the maximum number of grants shown below. A charge will be made to an account for each grant in excess of the permitted number as described in greater detail under "Charges to Accounts" below.

<u>Account Balance (market value on Jan 1)</u>	<u>Maximum Grants per Fiscal Year</u>
Less than \$50,000	10
\$50,000 - \$249,999	20
\$250,000 - \$999,999	30
\$1,000,000 or more	60

If a donor's account is dormant for seven years, with neither contributions nor grant recommendations, the CGF will diligently try to contact a donor and provide the donor with the opportunity to make grant recommendations. If the donor does not so respond, the CGF will transfer the account to the Philanthropy Fund.

The CGF will not maintain individual accounts with balances of less than \$2,500.00. When the account balance is less than \$2,500.00, the CGF will ask the donor for grant recommendations for distribution of the entire amount. If no recommendation is received, the entire account balance will be paid to the Philanthropy Fund.

Directors Philanthropy Fund The Directors Philanthropy Fund is the CGF's endowment fund. The Corporation uses it to make charitable grants and to sponsor educational programs. No donor has power to make recommendation for contribution from this fund. Donors may recommend that grants be made from their account to this fund.

4.8 Minimum Grant Activity The CGF shall make minimum annual grants, on an overall basis, of at least 5% of the Fund's average net assets on a fiscal five-year rolling basis. If this requirement is not met in a year, the CGF will contact donors who have not had grant activity in their accounts of at least 5% of the accounts' average net assets over the same five-year period and provide them with the opportunity to recommend grants of the requisite amount. If such donor does not provide recommendations within 60 days after notice, the CGF will transfer the requisite amounts to the Philanthropy Fund and the Trustees will make corresponding grants from that fund.

ARTICLE V

Timing of Grant Distribution

Upon receipt of a donor's recommendation and approval by the Corporation, the CGF will seek to make the grant as soon as is possible after the unit valuation date.

5.1 Grant Checks and Grant Confirmations Grants will be made by the CGF on checks bearing the name of the CGF accompanied by a transmittal letter from the CGF

recognizing the account name and the name and address of the donor recommending the grant (unless the donor expressly requests otherwise). The CGF will provide written confirmation to the donor following a recommended grant.

5.2 Fees and Charges to Donor Accounts CGF accounts are subject to two direct types of fees. The fees described below will be in effect for each fiscal year subject to annual review by the Corporation.

a. General Operating Expenses Each account is subject to a fee of 1.5% of the account's assets. The fees and reimbursements impact the daily net asset value of the units; they are not charged separately at the account level. Among the property in this account, there may be from time to time mutual fund shares. The fund managers of each mutual fund, in the exercise of their discretion from time to time, may pay fees to the Agent for administrative or distribution services rendered by the Agent to the mutual fund. As long as any fee paid by a mutual fund to the Agent is reasonable in amount and is paid in conformity with the provisions of all applicable federal and state law, the undersigned hereby consents to the payment of such fees to the Agent by a mutual fund.

b. Charges to Accounts Each account is subject to a charge of \$10.00 for each grant exceeding the limit in any fiscal year (Jan 1-Dec 31). There is no charge to accounts for the processing of grants to charitable organizations unless and until the number of grants exceeds the limits described above.

ARTICLE VI

Record Keeping Services and Account Reporting Services

6.1 The CGF will provide the donor with confirmations of all donor account transactions as soon as is practical.

The CGF will provide donors with any financial reports or information required by applicable law, as well as annual account reports.

Certified to be a true and complete copy of the Agreement duly adopted by resolution of the Board of Directors of Tompkins Charitable Gift Fund, Inc. dated June 14, 2001.

/S/ Joseph H. Perry, Secretary-Treasurer
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