

SAMPLE AGREEMENTS OF GIFTS MADE BY OTHER INSTITUTIONS

John Brown Limited, Inc.

*Example 1*

I pledge to commit a value of \$\_\_\_\_\_ payable in assets that fit my needs and are acceptable to the President and Board of Trustees of \_\_\_\_\_ for the purpose of \_\_\_\_\_.

My intent is to structure this commitment payable within five years, but no later than five years from the date of this pledge. This gift could mean this pledge could be paid in the last year of the pledge commitment. The pledge may be paid in this manner instead of a more traditional annual payment program. The gift could be paid as a single balloon payment in year five.

This type of gift pledge could allow me to increase the size of the gift therefore maximizing my gift versus a current smaller gift now in a more traditional manner.

\_\_\_\_\_  
Donor's Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Charity's Name

\_\_\_\_\_  
Date

*Example 2*

I, \_\_\_\_\_, pledge to commit a value of \$1,250,000 payable in assets that fit my needs and are acceptable to the President and Board of Trustees of \_\_\_\_\_ for the following purposes:

- 1.
- 2.
- 3.
- 4.

My intent is to structure this commitment payable within five years, but no later than five years from the date of my signing this pledge agreement. It is my intention to pay a minimum of \$70,000 (seventy thousand dollars) annually for each of the next five years that will be directed toward the Annual Fund. Note that this is a minimum commitment, and if I am able to give more, I will. This total minimum sum of \$350,000 (three hundred and fifty thousand dollars) is being given as an anonymous challenge to \_\_\_\_\_ to provide incentive for the members to achieve an overall 61% participation rate for \_\_\_\_\_.

The balance of the pledge will be paid when my financial circumstances make it possible to do so. This could mean that the pledge could be paid in the final year of the pledge commitment as a single balloon payment, rather than a traditional annual incremental payment program typically associated with pledges of this magnitude.

It is my understanding that in making a commitment at this level (in excess of \$1,000,000 (one million dollars), I am eligible to allocate an additional \$300,000 (three hundred thousand dollars) in matching resources provided by my fellow Advisory Council member, \_\_\_\_\_. Ms. X established this challenge in order to encourage others to increase their philanthropic commitments to \_\_\_\_\_.

It is my intention and desire to allocate the total sum of \$1,550,000 (one million five hundred and fifty thousand dollars) resulting from my commitment and Ms. X's matching grant as outlined on the following page. I understand that in the event that I am able to accelerate my payment schedule, Ms. X's will be allocated up to the maximum \$300,000 at such time as I have fulfilled that amount of my pledge.

**YEAR 1**

\$70,000 Annual Fund  
\$40,000 Expendable Fund (X match)  
\$30,000 Annual Fund (X match)

**YEAR 2**

\$70,000 Annual Fund  
\$35,000 \_\_\_\_\_ Scholarship (X match)  
\$35,000 Endowed Fund (X match)

**YEAR 3**

\$70,000 Annual Fund  
\$35,000 \_\_\_\_\_ Scholarship (X match)  
\$35,000 Endowed Fund (X match)

**YEAR 4**

\$70,000 Annual Fund  
\$35,000 \_\_\_\_\_ Scholarship (X match)  
\$35,000 Endowed Fund (X match)

**YEAR 5**

\$70,000 Annual Fund  
\$10,000 \_\_\_\_\_ Scholarship (X match)  
\$10,000 Endowed Fund (X match)

**TBD (within five years from signing of this agreement)**

\$100,000 Endowed Fund  
\$800,000 \_\_\_\_\_ Scholarship

The signatures below confirm agreement to the terms set forth between  
\_\_\_\_\_ and \_\_\_\_\_.

\_\_\_\_\_  
Donor's Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Charity's Name

\_\_\_\_\_  
Date

Example 3

NAME  
and  
XYZ Charity

Enforceable Pledge Agreement

Recognizing that the XYZ Charity will rely upon my pledge herein contained when making expenditures, entering into contracts and engaging in other activities for the benefit of the XYZ Charity, and recognizing further that others have made and will make contributions to the XYZ Charity, I hereby irrevocably pledge, in consideration thereof, to give *written amount* (\$XXXXXXXX), during my lifetime or at my death. Payments made during my lifetime will offset this pledge if designated by me in writing as in satisfaction of the pledge.

In order to ensure that this pledge is fulfilled, I covenant and promise to provide, by an effective testamentary disposition, for the transfer to the XYZ Charity the balance of the said *written amount* (\$XXXXXXXX), that remains unpaid at the time of death. Attached is a copy of the relevant provision of my will or trust which makes provision for payment of this pledge. If for any reason this testamentary disposition is not made, or is not effective, said balance shall be an obligation due from me and transferable by my estate at the time of my death.

*Additional language that can be added or deleted: During my lifetime I will pay 5% as a cash gift each year to XYZ Charity to be used as income generated on this principal sum covered in this bequest intention. I have the right anytime to payoff the principal of this bequest intention and eliminate the 5% cash payment. (See explanation).*

This Agreement may be altered only by a subsequent agreement in writing executed by me and by the XYZ Charity. It is my intention that this Agreement shall create obligations that are binding and enforceable against me, my heirs, executors, administrators, representatives, assigns and estate. This Agreement shall be construed in accordance with and shall be governed by the laws of the State of XXX, and shall be treated for all purposes as a sealed instrument.

Witness my hand and seal this      day of      , 20\_\_.

\_\_\_\_\_(L.S.)  
Name

XYZ Charity hereby accepts the foregoing pledge of \$XXXXXXX and accepts its terms, as of the date first written above.

XYZ CHARITY

By: \_\_\_\_\_

\_\_\_\_\_, SS.  
20\_\_

\_\_\_\_\_ /

STATE OF XXXX

Then personally appeared before me, *Name(s)*, who acknowledged the foregoing instrument to be *his/her* free act and deed.

\_\_\_\_\_  
Notary Public

My commission expires:

*Explanation*

Bequest Intention from Donor of One Million Dollars

- Donor agrees to fund a naming opportunity with this bequest intention.
- Agrees to pay \$50,000/year (5%) income for designated naming opportunity purpose. XYZ Charity has cash from this bequest intention that would act as an endowment if donor did not payoff during lifetime.
- The \$50,000 does not reduce the \$1,000,000.
- This provides cash flow for current program use and eventually replaces principal needed.
- Donor has the right to pay off anytime during lifetime.