GIFT ACCEPTANCE POLICY
OF THE AUSTIN BAR FOUNDATION

Adopted June 9, 2015

The Austin Bar Foundation (the "**Foundation**") is supported by the generous contributions of members of the Austin Bar Association (the "**Association**") and numerous other individuals and organizations. The Foundation encourages the solicitation and acceptance of gifts for the purpose of furthering and fulfilling our charitable mission and our support of the Association.

Introduction

This Gift Acceptance Policy (this "**Policy**") governs the acceptance of gifts by the Foundation and provides guidance to prospective donors and their advisors. This Policy is intended to assure that all gifts to, or for the use of, the Foundation are structured to provide maximum benefits to all parties. Although this Policy may explain the structure of certain potential classes of gifts or the Foundation's expectation with respect to the treatment of certain gifts, it is not intended as legal, tax or other advice to any potential donor.

This Policy applies to all gifts of cash or property, including bequests and other planned gifts. This Policy does not apply to donations of services. All determinations as to whether to accept donations of services will be in the sole discretion of the Executive Committee (the "**Executive Committee**") of the Board of Directors of the Foundation (the "**Board**").

Restricted and Unrestricted Gifts, Named Funds and Gifts for Non-501(c)(3) Entities

The Foundation will accept unrestricted gifts as well as gifts for specific programs and purposes, provided that such gifts are not inconsistent with its stated mission, purposes, and priorities. The Foundation will treat any gift received as unrestricted unless otherwise specified by the donor and agreed to by the Foundation as part of the transaction. The Foundation reserves the right to refuse any gift it deems to be (1) too restrictive in purpose, (2) beyond the scope of the Foundation's mission or (3) unlikely to materially advance the Foundation's mission.

Gifts that are "Named Funds" and restricted in some manner to honor specific family members, business and professional associates, mentors or friends generally are acceptable subject to the review and approval of the Foundation and can provide inspirational tributes of permanent value.

The Foundation cannot accept a gift on behalf of non-501(c)(3) entities for the purpose of providing the donor with a tax deduction.

Responsibilities, Authority and Confidentiality

Prospective donors shall be strongly encouraged in all cases to consult with their own independent legal, financial and/or tax advisors about proposed gifts, including tax and estate planning implications, and shall be responsible for their own legal, accounting, appraisal, transportation, and other fees associated with their donation.

The Chair of the Board or his or her designee is authorized to enter into planned gift agreements on behalf of the Foundation and to execute any and all documents necessary or appropriate to consummate such agreements or to accept any other gift.

All requests by donors for anonymity will be honored, except to the extent that the Foundation is legally required to disclose the identity of donors. Such information shall include information about donors and prospective donors, their names, the names of their beneficiaries, the nature and amounts of their gifts, and the sizes of their estates, unless the donor grants permission to release such information.

Other than gifts made in cash, which are acceptable without any need for prior approval, any gift is subject to the approval of the Executive Committee.

Forms of Generally Acceptable Gifts

1. Cash. Cash, including donations by credit card or check, is acceptable in any form. Checks shall be made payable to the "Austin Bar Foundation" and shall be delivered to the Foundation's office.

2. Bequests and Designations for Life Insurance Policies and Retirement Plans. Current and prospective Foundation and potential donors will be encouraged to consider (a) making bequests to the Foundation under their wills and trusts and (b) naming the Foundation as beneficiary or contingent beneficiary of their life insurance policies and retirement plans. Such bequests and designations will not be recorded as gifts to the Foundation until such time as the gift is irrevocable. When the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable.

3. Life Insurance Policies. The Foundation must be named as both beneficiary and irrevocable owner of an insurance policy before a life insurance policy can be recorded as a gift. The gift is valued at its interpolated terminal reserve value, or cash surrender value, upon receipt. If the donor contributes future premium payments, the Foundation will include the entire amount of the additional premium payment as a gift in the year that it is made. If the donor does not elect to continue to make gifts to cover premium payments on the life insurance policy, the Foundation may at its sole election (a) continue to pay the premiums, (b) convert the policy to a paid-up insurance policy, (c) surrender the policy for its current cash value or (d) on notice to the donor, take any other appropriate action.

4. Tangible Personal Property. While acceptable, the Foundation must review proposed gifts of this type carefully and ensure that the Foundation does not accept property that it cannot use or readily sell. Unless the property is being provided for a specific and necessary use of one or more of the programs of the Foundation, as a general rule the Foundation will seek to sell or liquidate any tangible personal property received as a gift as soon as is practicable after its receipt.

5. Real Estate. Gifts of real estate may include developed property, undeveloped property or gifts subject to a prior life interest. Prior to acceptance of real estate, the Foundation shall conduct typical due diligence associated with the acquisition of real estate (including without limitation environmental and/or title review as appropriate), and may either (a) ask that

the donor bear the cost of such due diligence or (b) if such cost is borne by the Foundation, net the cost of such due diligence against the recorded value of the gift.

6. Remainder Interests in Real Estate. The Foundation will accept a remainder interest in real estate, such as where a donor grants an interest in property such as a personal residence, farm, or vacation property subject to the right of the donor to occupy the property during the donor's lifetime. Just as with any other gift of real estate, a gift of a remainder interest is subject to due diligence review and Foundation approval. Following the death of the donor, the Foundation may use the property or reduce it to cash. Where the Foundation receives a gift of a remainder interest, ongoing expenses for maintenance, real estate taxes, and any property indebtedness generally are to be paid by the donor or primary beneficiary. Unless otherwise required by the Foundation's accountants or financial advisors, the donor will receive credit for the value of the property, discounted to reflect the retained life estate interest and taking into account any applicable depreciation and depletion.

7. Oil, Gas and Mineral Interests. The Foundation may accept gifts of oil, gas and mineral interests. Due to costs of administration, gifts of such interests likely will not be accepted if the gift (a) involves small amounts, (b) includes any type of potential liability (environmental or otherwise) or other consideration that might make the gift inappropriate or (c) consists of or includes a working or operating interest.

8. Securities. The Foundation can accept both publicly traded securities and closely held securities.

(a) Publicly Traded Securities. Publicly traded securities may be wired to the [list basic trust or brokerage account information] or delivered physically to the Foundation's offices with the transferor's signature or stock power attached. As a general rule, all publicly traded securities shall be sold as soon as practicable upon receipt unless otherwise directed by the Foundation's investment policy or investment advisor, if applicable. The donor will be credited with a donation in the amount of the average market value of the securities on the date of the sale, or on the date of the deposit into the Foundation's trust or brokerage account.

(b) Closely Held Securities. Closely held securities can include debt or equity interests in any form of business entity. In determining whether to accept such a gift, the Foundation will consider, among other factors, (1) restrictions on the ownership or transfer such securities, (2) the potential market for the sale of such securities, and (3) the tax consequences of owning or selling such securities prior to accepting any such gift.

9. Bargain Sales. A "bargain sale" involves a sale of property to a charity for an amount less than the fair market value of the property, where the seller intends to recognize the difference as a charitable contribution. The Foundation may enter into a bargain sale arrangement in instances in which the bargain sale furthers the Foundation's mission and purposes, subject to approval by the Foundation. All such sales must be accompanied by an independent appraisal substantiating the value of the property. The Foundation is likely to reject any proposed bargain sale arrangement where (a) the gift property includes debt that exceeds fifty percent (50%) of the appraised market value of the property, (b) the Foundation determines that it is unlikely to use or to be able to sell the property within twelve (12) months of receipt, or

(c) the property involves high operating costs (including without limitation insurance and property tax costs). If such a gift is accepted, the donor will receive credit for the excess of the fair market value of the property over the sale price.

10. Charitable Gift Annuities. A "charitable gift annuity" is a contract (and not a "trust") under which a charity, in return for a transfer of cash, marketable securities or other assets, agrees to pay a fixed amount of money to an individual for their lifetime. The Foundation may accept charitable gift annuities. The Foundation likely will not accept any charitable gift annuity if (a) the gift for funding is less than $25,000.00, (b) the minimum age for life-income beneficiaries of a gift annuity is lower than 55, (c) the minimum age for life income beneficiaries of a deferred gift annuity is lower than 45, or (d) more than two life income beneficiaries are proposed for the annuity.

11. Charitable Remainder Trusts and Charitable Lead Trusts. A "charitable remainder trust" typically involves the receipt by a noncharitable recipient of income from a trust during some named period, and when such period expires, the remainder then is paid to a named charity. A "charitable lead trust" typically involves the receipt by a named charity of income from the trust during some named period, and when such period expires, the remainder then is paid to a named noncharitable recipient or back to the grantor of the trust. The Foundation may accept designation as either (a) a remainder beneficiary of a charitable remainder trust or (b) an income beneficiary of a charitable lead trust. The Foundation cannot accept appointment as a trustee of either a charitable remainder trust or a charitable lead trust.

Valuation and Miscellaneous Provisions

Donors are responsible for obtaining their own appraisals for tax purposes of real property or tangible or intangible personal property being given to the Foundation and for any fees or other expenses related to such appraisals. The Foundation retains the right to obtain its own qualified appraisals of real property or tangible or intangible personal property being offered as a gift at its own expense.

Acknowledgment of all gifts made to the Foundation and compliance with the current IRS requirements in acknowledgment of such gifts shall be made by the Chair or his or her designee. The Board must approve any changes to, or deviations from, this Policy.