

North Carolina Tennis Foundation

Gift Fund Policies

The mission of the North Carolina Tennis Foundation (the "Foundation") is to support educational and charitable programs related to the game of tennis in North Carolina. The gift funds maintained by the Foundation are important assets of the Foundation and will be managed according to these policies which were approved by the Foundation's Board of Directors on October 13, 2008.

- The Foundation is a North Carolina nonprofit corporation exempt from the federal income tax under Section 501(c)(3) of the Internal Revenue Code (the "Code") as a public charity described in Sections 509(a)(1) and 170(b)(1)(A)(vi) of the Code. All distributions will be made for charitable purposes within the meaning of Section 501(c)(3) of the Code. If any Board member has a conflict of interest with regard to a distribution, the Board member shall disclose the conflict of interest to the Board and abstain from voting.
- The Foundation will maintain a general gift fund which shall be named the Emily F. Preyer Gift Fund (the "Preyer Gift Fund"). Additional named gift funds may be established as described below. All gift funds may be commingled for investment purposes, but fund accounting will be followed for each separate fund to show the amount contributed, the current value, and the distributions from the fund. Each fund will make annual distributions as approved by the Board of the Foundation according to the Distribution Policy (defined below) unless otherwise specified for a named fund.
- The Preyer Gift Fund is established by the Board to accept contributions which are given to the Foundation without a specific designation or which are given pursuant to a fundraising appeal for the Preyer Gift Fund. The Preyer Gift Fund may be used for the charitable purposes of the Foundation as stated in its Articles of Incorporation and Bylaws, including support for a North Carolina Tennis Hall of Fame (the Foundation's Purposes"). Principal may be distributed with the approval of a two-thirds vote of the Board for any of the Foundation's Purposes.
- A named fund may be created with a contribution of \$25,000 or more. The donor may establish restricted purposes for such a fund that are within the Foundation Purposes by agreement with the Foundation. The principal of a named fund may be distributed with the approval of a two-thirds vote of the Board unless restricted by the donor.
- The Emily F. Preyer Endowment Fund (the "Preyer Endowment Fund") is established by the Board pursuant to a request by the Preyer family, as a permanent endowment fund. The Preyer Endowment Fund, and any

other endowment funds established with the Foundation, will follow the requirements of the North Carolina Uniform Management of Institutional Funds Act or any successor law applicable to endowment funds (the "NC Law").

- The Distribution Policy of the Foundation is defined for each fund to be an annual distribution of a percentage of the value of the fund with the value calculated by averaging the closing values of the last twelve calendar quarters. The Board of Directors shall set the percentage to be distributed each year with five percent (5%) as the goal. The annual distribution amount shall be calculated at the beginning of each fiscal year. Distributions up to the distribution amount may be made by the Board of the Foundation, or a committee authorized by the Board, throughout the year or the distribution amount may be accumulated in the fund. A temporary distribution percentage may be set for funds that have been in existence for less than twelve calendar quarters by approval of a majority of the members of the Board.

THIS IS TO CERTIFY that the above Gift Fund Policies of North Carolina Tennis Foundation were duly adopted by the Board of Directors effective as of October 13, 2008.

This the 13 day of October, 2008.

Victoria S. Everett

Secretary

[Corporate Seal]