

Nevada Law Foundation
Reserve Policy
Amended May 11, 2010

This Appendix sets out specific investment guidelines in connection with the Investment Policy of Nevada Law Foundation (the Foundation) and is designed to assist with the management of invested funds, operating accounts and endowed funds. The Foundation is a tax-exempt, public charity under IRS Code 501c3.

The invested funds of the Foundation currently include:

IOLTA Reserve: (As of January 30, 2009)

Maximum Reserve: The Reserve account aims to maintain a reserve equal to 75 percent of the amount granted in the previous year. Previous year profits are transferred into the Reserve account at the start of the fiscal year. In a year where the reserve account balance equals 75 percent of the amount of the previous year's grants no contribution to the reserve account will be made.

Distribution of the Reserve: Except in extreme circumstances, no more than 50 percent of the IOLTA Reserve may be distributed in a year. Any organization's request for distribution of the IOLTA reserves must be in writing and detail the basis for the request for funds in the extreme circumstances supporting the request.

IOLTA Reserve Investment Plan: The NLF risk tolerance for the IOLTA Reserve is very low; the investment window should be one year or less, subject to minimal ups and downs, and held in an FDIC insured account.

Building Proceeds Fund:

The Building Proceeds Fund was established for the purchase and upkeep of the property located at 500 S. 7th Street Las Vegas, Nevada. The Foundation's risk tolerance for the Building Proceeds fund is low. The Funds shall be invested in maximize income, while minimizing the risk to the principal.

Colleague Funds:

The Colleague Fund was established to begin an endowment of the Foundation. This requires that principal remain intact in perpetuity until sufficient assets have been accumulated to achieve the designated purpose of underwriting administrative costs of the Foundation. These funds shall be invested to maximize income, while minimizing the risk to principal.

Other Foundation Funds:

The Foundation also retains other restricted or unrestricted funds. These funds shall be invested to maximize income, while minimizing risk to principal.