

Community Foundation of the Northern Shenandoah Valley **Fund Agreement**

DATE

Board of Directors
Community Foundation of Northern Shenandoah Valley
203 Salem Church
Stephens City, Virginia 22655

Ladies and Gentlemen:

I wish to establish a fund with the Community Foundation of Northern Shenandoah Valley (hereafter "the Foundation") with an initial contribution of \$XXXXX, described on Schedule A attached hereto and made a part hereof by this reference. All money shall immediately upon contribution become the property of the Foundation and shall not be refundable under any circumstances.

The fund shall be known as the "Community Foundation of Northern Shenandoah Valley ~~XXXXXXXXXX~~ **Scholarship Fund**" which shall be used at all times when referring to the fund (hereafter "the Fund"). The Fund shall be held, administered and distributed as follows:

1. The Fund shall be a component fund of the Foundation of the type known as a scholarship fund.
2. I recommend that the Board of Directors shall determine the bank trustee or firm that shall invest the Fund.
3. The Fund shall be open-ended. Any person or entity may make additional contributions of cash or property.
4. The Fund is intended as a perpetual endowment for academic scholarships and shall be dedicated to the payment of scholarships from time to time as described below (hereafter "the charitable purpose") in the amounts determined under the Foundation's Spending Policy in effect from time to time.
5. I recognize and consent that the Fund is subject to the terms and provisions of the Articles of Incorporation and Bylaws of the Foundation, including the ability of the Board of Directors of the Foundation (a) to modify any restriction or condition on the distribution of funds for any specified charitable purpose or purposes or to a specified charitable organization or organizations if in the sole judgment of the Board (without the necessity of the approval of any

participating trustee, custodian, or agent), such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community or area served; (b) to replace any participating trustee, custodian, or agent for breach of fiduciary duty under Virginia law; and (c) to replace any participating trustee, custodian, or agent for failure to produce a reasonable return of net income over a reasonable period of time, as determined by the Board.

6. I recognize that the Fund must be approved by the Board of Directors of the Foundation, and will not be approved if implementation of the objectives of the Fund are not within the parameters permitted so that such implementation would negatively impact on the Foundation's status as a tax exempt organization exempt from income taxes as a community foundation under Internal Revenue Code Section 501(c)(3).

7. I recognize that an administrative fee not to exceed two percent (2%) of the principal of the Fund will be deducted annually by the Foundation from the the Fund to cover general administrative costs of the Foundation.

8. The Foundation is authorized in its discretion to direct the Trustee to invest any part or all of the Fund in securities or in other property, real or personal, as ordinarily prudent businessmen are investing their own funds from time to time, without regard to any statute or law now or hereafter in force in the Commonwealth of Virginia restricting investments made by fiduciaries. The Fund may be co-mingled with other funds for investment purposes.

9. The academic scholarships shall be provided in the following manner:

- a. An eligible recipient shall [note: each element is flexible and personal]:
 - i. Be an African-American graduate of Handley High School, Winchester, Virginia;
 - ii. Be accepted by and plan to attend (within eighteen (18) months of graduation from high school) a two- or four-year college or university;
 - iii. Personally appear before the Selection Committee for an interview if requested by the Selection Committee; and,

iv. Complete and deliver an application for scholarship to a Board designated source or place.

b. The purpose of the Fund is to provide financial assistance to recipients by making a payment to the technical school, college, or university that the recipient will attend to be credited toward the cost of tuition for the first year of study. However, with ample resources within the Fund, the Board may elect to make scholarships renewable provided that the student makes annual application and review by the Selection Committee is conducted.

c. The scholarship award shall be made payable to the recipient and the college or university.

d. In the event that a recipient does not in fact timely attend a technical school, college, or university, the amount of the Fund dedicated to payment of the scholarship awarded to that recipient shall be added back to the Fund.

e. The scholarships shall be awarded based a combination of the following: financial need, academic preparation, leadership, and service to the community.

g. The recipients shall be determined from among the pool of eligible recipients and recommended for approval to the Board of Directors of the Foundation by a Selection Committee designated by the Board of Directors.

h. The recipients shall be announced in May during awards day ceremonies.

Sincerely,

Donor
Address
Address

APPROVED:

Community Foundation of Northern Shenandoah Valley

By: _____
Its: REPRESENTATIVE

Dated: _____

SCHEDULE A

\$X,XXX via check #234345