

NAPA VALLEY

COMMUNITY FOUNDATION

SCHOLARSHIP FUND AGREEMENT

This Agreement is made on _____[month/date/year], by and between _____, ("**Donor**") and Napa Valley Community Foundation, a California nonprofit public benefit corporation located at 3299 Claremont Way, Suite 2, Napa, California, 94558 ("**Foundation**").

1. The **Fund** shall be known as The _____ **Scholarship Fund**, and shall be identified as such by the Foundation and its Board of Directors in the course of administration and distribution thereof.

2. The Foundation acknowledges receipt of _____ as the initial contribution to the **Fund**. If contributions other than cash are made to the **Fund**, such contributions must first be approved by the Foundation. All contributions shall be administered and distributed in accordance with the terms and conditions of this Agreement.

3. It is understood and agreed by all parties that all assets contributed to the **Fund** shall become an irrevocable gift to the Foundation and legal control and responsibility for the **Fund** rests with the Foundation. In carrying out such responsibilities, the Foundation shall hold, manage, invest, and reinvest the **Fund**, and shall collect the income and shall pay and disburse monies from the **Fund** for public, education and charitable uses in accordance with paragraph five (5) of this Agreement.

4. The Foundation shall create a Scholarship Fund Committee that will determine the scholarship recipients in accord with the Foundation's Selection Criteria. The Committee shall have no fewer than three (3) members and the Foundation shall appoint a majority of these members. The Donor(s) may not comprise a majority position on the Committee. It is understood that in the event that no Committee member is able and willing to act, the Foundation shall appoint a new Committee member. The Scholarship Fund Committee is attached hereto as Addendum A. The **Fund's** Selection Criteria is attached hereto as Addendum B.

5. Distributions from the **Fund** shall be used for the support of the following educational purposes: _____

_____.

6. It is understood that distributions from the **Fund** shall be paid only to qualified educational institutions such as public and private high schools, colleges and universities and shall not be paid directly to scholarship recipients or other individuals. Distributions from the **Fund** shall be paid and distributed once per year in the month of August, starting in August _____.

7. The amount available for distribution from the **Fund** shall be calculated in August of each year, following the close of the Foundation's fiscal year on June 30. The calculation shall be based on the average ending balances of the **Fund** on June 30 of the three prior fiscal years, or if the **Fund** has not existed for three fiscal years, on the average ending balances of the **Fund** on June 30 for as many prior fiscal years as the **Fund** has existed. Currently, the Spending Policy of the Foundation is five percent of the average ending balances of the **Fund**, as calculated above. Distributions shall not commence until the **Fund** has been invested for one complete fiscal year – July 1 to June 30. Please note that the Foundation may change the Distribution Policy from time to time at its sole discretion.

8. Notwithstanding the foregoing, no distributions shall be made from the **Fund** if such Distributions shall have the effect of reducing the corpus of the **Fund**, where corpus is defined as the initial contribution plus any subsequent contributions made by the Donor.

9. It is understood that the Foundation will charge an annual administrative fee of 3.5%. The fee shall be computed monthly.

10. The Foundation shall assume responsibility for check writing, book-keeping, investment management, tax reporting, auditing and evaluation of projects, and furnishing to the Donor quarterly reports of all Fund income and expenses. The Foundation may hold up to five percent (5%) of Fund assets in cash at any one time.

11. The Donor acknowledges that the Board of the Foundation has the power and duty to modify any restrictions or conditions on the distribution of assets for any specified charitable purpose or organization, if, in the sole judgment of the Foundation's Board, without 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 area served by the Foundation.

12. Notwithstanding anything contained in this Agreement, no discretion or authority granted herein shall be exercised in any manner which is inconsistent with or jeopardizes the Foundation's status as an organization described in sections 501(c)(3), 170(b)(1)(A)(vi), 170(c) and 509(a)(1) of the Internal Revenue Code, as amended.

13. This Agreement may be amended only by an agreement in writing approved by a majority of the Board of Directors of the Foundation and the undersigned Donor. No amendment shall be allowed which is inconsistent with or jeopardizes the Foundation's status as an organization described in the Internal Revenue Code section set forth in paragraph 12 above.

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed as of the date written above.

By: _____

Name(s)

Signature(s)

Address: _____

Phone: _____

Fax: _____

E-mail: _____

Donor(s)

Napa Valley Community Foundation
a California non-profit public benefit corporation,

By: _____
Foundation Representative

Title

Signature

Foundation

Addendum A

Scholarship Fund Committee

The Members of the Scholarship Fund Committee are appointed by the Foundation and may jointly recommend scholarship awards from the **Fund**. Such recommendations must be in accordance with the Selection Criteria outlined in Addendum B and signed by all Members listed below.

No person related to any of the Members below is eligible for an award.

Please provide the name, mailing address, e-mail address, and phone and fax number for each Member.

1. _____

2. _____

3. _____

Addendum B

Selection Criteria

Scholarships shall be awarded based on written applications and personal interviews with candidates conducted jointly by the Scholarship Fund Committee.

The _____ Scholarship Fund shall be publicized each year through Napa County schools to ensure that a broad group of potential candidates is aware of the opportunity to apply for an award.

Specific selection criteria shall include:

1. _____
2. _____
3. _____
4. _____
5. _____

(Examples for use above: graduating senior from Napa County public/private high school; academic achievement or grade point average; intended field of post-secondary study, such as “engineering” or “architecture”; demonstrated leadership potential; low-income or first in family to attend college, etc.)