

<name> SCHOLARSHIP FUND

An Endowed Scholarship Fund Agreement
With the Community Foundation of Western Nevada

THIS ENDOWED SCHOLARSHIP FUND AGREEMENT, made this _____ day of _____ 2013 between <donor(s) name> (the "Donor") and the Community Foundation of Western Nevada, a Nevada nonprofit corporation (the "Foundation"), a Nevada non-profit corporation (the "Foundation"), to create the Fund (hereafter defined). This agreement sets forth the terms and conditions that will apply to the Fund beginning on the date of the initial contribution to the Fund.

1. **Establishment of Fund.** The Fund hereby created shall be known as the <name> Endowed Scholarship Fund ("Fund") and, as a component fund of the Foundation, shall be established for the purpose and subject to the terms and conditions herein set forth. All money and property transferred to the Fund shall be an irrevocable gift to the Foundation.
2. **Purpose.** The purpose of the Fund is to provide support for educational and charitable purposes, and disbursements from the Fund shall be made in support of such purposes within Section 501(c)(3) and 509(a) of the Code by the Internal Revenue Service. The phrase "charitable uses and purposes" shall be defined as all of those activities, uses, and purposes described in Section 501(c)(3) of the Internal Revenue Code of 1986.
3. **Investment of Fund Assets.** The Foundation shall hold, manage, invest and reinvest the assets of the Fund (including principal, interest, dividends, capital appreciation, and any undistributed income) as part of the Foundation's investment portfolio consistent with the Foundation's investment policy. The Foundation does not guarantee that the Fund will earn any particular rate of return. The Foundation shall not be liable for any diminution in the value of the Fund, including, but not limited to any losses that may result from the investment of the fund.
4. **Distributions.** All distributions from Fund assets will be made exclusively as stated below for general educational and charitable uses and purposes, in accordance with the provisions specified in the Articles of Incorporation and Bylaws creating the Foundation, all of which are incorporated herein by reference and conclusively assented to and adopted.

Distributions will be limited to the income, including interest, dividends and any capital gains thereof; principal shall not be distributed.

The Scholarship Selection Committee may recommend the amount of the award and number of years over which the award will be disbursed. Scholarship awards made payable over several years shall restrict funds held to ensure they are available to honor future year's scholarship commitments. Scholarship awards will be distributed to schools for the students' benefit upon confirmation of enrollment in college, and upon completing and signing a scholarship acceptance agreement.

5. **Selection Committee:** The Committee shall be made up of three to five members and is appointed by the Foundation. Should any of the appointed members of the committee be unable to continue future service, the Foundation will appoint new members. Donors, donors' designees, and related parties may serve on the selection committee but may comprise not more than 49 percent of committee membership. The Committee shall make award selections based on criteria that includes, but is not limited to, essay, academics, recommendation letters.

The Donor understands that the Board of Trustees of the Community Foundation of Western Nevada will be guided by the Articles of Incorporation and the Bylaws creating the Foundation and the general grant-making policies of the Foundation.

6. **Fees.** In consideration of the administrative services provided to the Fund by the Foundation, the Fund shall be charged an administrative fee of 1.5% annually of the average daily balance of the fund. The administrative fees will be reduced or adjusted, should the Fund exceed \$1 million or other thresholds per the Fee and Fund Policy. Fees are calculated on the daily average fund balance for the most recent month and paid monthly by automatic deduction from the Fund balance.
7. **Component Fund.** The Fund shall be a component fund and part of the Foundation as defined in Treasury Regulations, and assets of the Fund will, at all times, be the property of the Foundation. Nothing in this Agreement shall affect the status of the Foundation as an Organization (i) described in section 501 (c)(3) of the Internal Revenue Code of 1986 ("Code") and (ii) which is not a private foundation within the meaning of section 509(a) of

the Code. This Agreement shall be interpreted in a manner consistent with the foregoing intention and conform with the requirements of the foregoing provisions of the Federal tax laws and any regulations issued thereunder.

8. **Variance Power.** The Donor acknowledges and agrees that the Fund is protected from obsolescence, and that all assets of the Fund will be administered by the Foundation, in accordance with the provisions and terms of the Articles of Incorporation and Bylaws of the Foundation, all of which are incorporated herein by reference and conclusively assented to and adopted. The Donor further acknowledges and agrees that, notwithstanding any provision contained in this Agreement to the contrary, should any of the purposes, restrictions, or conditions imposed upon the Fund or its assets ever become obsolete, unnecessary, incapable of fulfillment, or inconsistent with the charitable purposes or needs served by the Foundation, the Foundation's Board of Trustees shall have the sole variance power to modify such purpose, restriction, or condition, and in so doing, the Board shall use its reasonable efforts to use Fund assets for a purpose as similar as possible to those set forth in this Agreement.
9. **Public Foundation Condition.** All transfers of property under this Agreement are subject to the condition that the Foundation, as of the date of transfer, remains an organization (i) described in section 501(c)(3) of the Code and (ii) which is not a private foundation as defined in section 509(a) of the Code.
10. **IRS Compliance.** This Fund and this Agreement shall comply with and be restricted by the Code and Treasury Regulations applicable to the Fund. This Agreement may be amended to comply with the provisions of the Code.
11. **Choice of Law:** The Fund created by this Agreement shall be administered in and under the laws of the State of Nevada, and this Agreement and the validity thereof shall be governed by and construed in accordance with the laws of the State of Nevada.
12. **Miscellaneous.** This Agreement, together with Exhibit A attached hereto, constitute the entire understanding and agreement between the Donor and the Foundation concerning the subject matter hereof and supersede all prior and contemporaneous agreements, correspondence, representations, or understandings between the parties relating to the

subject matter hereof, whether written or oral. The provisions of this Agreement are severable. The invalidity of any one provision shall not affect the validity of other provisions of this Agreement. The waiver by a party of a breach of any provision of the Agreement shall not operate or be construed as a waiver of any subsequent breach. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. Headings and captions herein have been provided solely for convenience of reference and shall in no way be construed to define, limit, or describe the scope or substance of any provision of this Agreement. This Agreement may be executed in one or more counterparts, each of which shall be considered an original, but all of which together shall constitute one and the same agreement.

IN WITNESS WHEREOF, the Donor and the Foundation has executed this Agreement as of the date first above written.

DONOR

By: _____
<donor>

COMMUNITY FOUNDATION OF WESTERN NEVADA

By: _____
Chris Askin
President & CEO