

**ENDOWED SCHOLARSHIP AGREEMENT
BETWEEN
JOHN RANDOLPH FOUNDATION, INC.
AND
NAME OF FOUNDING CONTRIBUTOR**

THIS AGREEMENT, made and entered into on DATE by and between John Randolph Foundation, Inc., a Virginia not-for-profit charitable corporation (hereinafter referred to as the “JRF” or “Foundation”) and NAME (hereinafter referred to as the “Founding Contributor”).

1. **NAME OF THE FUND.** There is hereby established within JRF a fund designated as the NAME OF THE FUND (hereinafter referred to as the “Fund”). The Fund shall be a component part and the exclusive property of the Foundation, subject to the control of the Foundation with respect to all gifts to and distributions from the Fund.

2. **PURPOSE.** The primary purpose of the Fund shall be to provide scholarships for citizens of Foundation Service Area Includes: Hopewell, Petersburg, Colonial Heights, Prince George County, Dinwiddie County or Chesterfield County (south of Rt. 288 and East of Ironbridge Road), Charles City and Varina (Southeast Henrico, South of I-64). The Foundation shall develop and publish the specific Scholarship Guidelines applicable to the Fund.

3. **DONOR ADVISED.** JRF retains sole and absolute discretion over all aspects of the Fund. The Founding Contributor or designated representative may elect to advise the Fund with regard to amendments to the Agreement, the amount and number of annual scholarship awards, the specific Scholarship Guidelines, or the selection of scholarship award recipients, subject to the provisions of applicable law and Internal Revenue Code Regulations. JRF is under no requirement to act on such advice, and the Founding Contributor or designated representative shall not exercise control, or the appearance of control, over any deliberation or action of JRF with regard to the Fund. The designation of a representative by the Founding Contributor must be made in writing to the Foundation. The lack of contact by the Founding Contributor or designated representative with the JRF for a period of five years will result in the rescission of the original election to provide advice to the Fund.

4. **COMPONENTS.** Contributions totaling \$_____ have been received to establish the fund and shall be designated to be placed in the permanently restricted (which may not be expended) and/or temporarily restricted funds as set forth in the attached checklist.

Subject to the rights of JRF to approve or reject any particular gift, the Founding Contributor or other entities or individuals (hereinafter referred to as “Donor”) may make additional contributions to the Foundation for the purposes of the Fund.

Unless specifically designated and approved to supplement the permanently restricted component of the Fund, which may not be expended, all subsequent gifts to the Fund shall be added to the temporarily restricted component of the Fund, which may be expended. All gifts to this Fund shall be irrevocable once accepted by the Foundation.

5. INVESTMENT. The Foundation shall manage the investment and earnings of the Fund under the direction of the JRF Investment Advisory Committee and the Board of Trustees (hereinafter referred to as the "Board"). While the Fund is a component part of the Foundation, the assets may be commingled for investment purposes and invested in units of any common investment of the Foundation. The Foundation reserves the right to convert any contributed property to securities or other assets of a common fund. Investment Income shall include interest and dividend income, realized appreciation, and unrealized appreciation, less investment management fees and shall be included in the temporarily restricted component of the Fund. It is understood and agreed that the Fund shall share a pro-rata portion of the investment management fees or other investment-related fees charged to the Foundation by its investment advisors, managers, custodians, and others. Those costs annually charged against the Fund shall be determined in accordance with the then current fee schedule identifiable by the Foundation as applicable to funds of this type.

JRF investment of the fund entails risks and uncertainty and that there can be no guarantee of a positive return. While JRF endeavors to make well-informed investment decisions, the Founding Contributor acknowledges and accepts that a negative return which would reduce the balance or value of the permanently restricted component, as well as the temporarily restricted component is always a possibility.

6. DISTRIBUTION. The Foundation shall make the initial and subsequent annual scholarships solely from the temporarily restricted component of the Fund in accordance with the purpose identified in Item 2 above and the applicable specific scholarship guidelines of the Fund. In any year where there are not sufficient funds to award a scholarship, the Founding Contributor may provide supplemental funds to be placed in the non-interest bearing account. The amount and number of scholarships awarded by the Fund shall be determined by the Foundation with consideration given to the preference of the Founding Contributor. No award shall be made in excess of the balance in the temporarily restricted component of the Fund.

7. VARIANCE. If any gifts designated for the Fund are received and accepted by JRF subject to a Donor's conditions or restrictions as to the use of the gift or income therefrom, said conditions or restrictions will be honored, subject, however, to the authority of the Foundation's Board to vary the terms of any gift if continued adherence to any condition or restriction is in the judgment of the Foundation's Board unnecessary, incapable of fulfillment or inconsistent with the charitable or other exempt purposes of the Foundation or needs of the community served by the Foundation. In this regard, it is understood that the Foundation is explicitly granted unilateral variance power, which is the power to redirect the use of any gifts or assets to another beneficiary and to override the Founding Contributor's instructions without approval from the Founding Contributor, any Donor, or any other interested party. No distribution shall be made from the Fund to any individual or entity if such distribution will in the judgment of the Foundation endanger the Foundation's Code section 501(c)(3) status.

8. ADMINISTRATIVE PROVISIONS. This agreement is irrevocable. Nevertheless, solely to insure that the Fund is a qualified component of the Foundation for federal tax purposes, the Foundation, acting alone, shall have the power to modify the terms of this agreement to the extent not inconsistent with endowed fund tax laws. Notwithstanding anything herein to the contrary, the Foundation shall hold and manage the Fund, and all contributions to the Fund, subject to the provisions of the applicable Virginia law and the Foundation's Articles of Incorporation and Bylaws. The JRF Board shall monitor the distribution of the Fund to ensure it is used exclusively for charitable or other exempt purposes (within the meaning of Code section 170(c)(1) or (2)(B),

and shall have all powers of modification and removal specified in United States Treasury Regulations Section 1.170A-9(e)(11)(v)(B).

9. **PROCESSING AND ADMINISTRATIVE FEES:** For any scholarship established after January 1, 2013, the Foundation charges a Processing Fee of \$300.00 for each scholarship awarded in any given year regardless of the source of funding for the scholarship. Additionally, commencing with the fourth (4th) year after the establishment of the scholarship and continuing every year thereafter, the Foundation will charge an annual Administrative Fee of \$100.00.

10. **CONDITIONS FOR ACCEPTANCE OF FUNDS.** The Founding Contributor agrees and acknowledges that the establishment of the Fund herein created is made in recognition of, and subject to, the terms and conditions of the Articles of Incorporation and Bylaws of the Foundation and this agreement as from time to time amended, and that the Fund shall at all times be subject to such terms and conditions, including, but not by way of limitation, provisions for:

- a) Amendments by the Foundation acting in its sole discretion;
- b) Determination, presumption or variance of Founding Contributor's intent or direction

11. **CONTINUITY.** The Fund shall continue so long as assets are available in the fund and the purposes in the Fund can be served by its continuation. If the Fund is terminated, the Foundation shall devote any remaining assets in the Fund exclusively for charitable or other exempt purposes that:

- a) Are within the scope of the charitable or other exempt purposes of the Foundation's Articles of Incorporation; and,
- b) Most nearly approximate, in the good faith opinion of the Board, the original purpose of the Fund as envisioned by the Founding Contributor.

12. **NOT A SEPARATE TRUST.** The Fund shall be a component part of the Foundation's investments. All money and property in the Fund shall be held as general assets of the Foundation and not segregated as trust property of a separate trust; provided that for purposes of determining the share of the Foundation's earnings allocable to the Fund and the value of the permanently restricted component of the Fund, the interest of the Fund in the general assets of the Foundation shall be a percentage determined by dividing the total Fund, including permanently restricted and temporarily restricted components, by the then value of the total investment assets of the Foundation, such percentage interest being subject to adjustment at the time of each addition to or reduction of the assets of the Foundation. The receipts and disbursements of this Fund, however, shall be accounted for separately and apart from those of other gifts to the Foundation.

IN WITNESS WHEREOF, the Founding Contributor and the Foundation have executed this Agreement on the date specified below.

FOUNDING CONTRIBUTOR

Date: _____

By: _____

JOHN RANDOLPH FOUNDATION, INC.

Date: _____

By: _____