DISCRETIONARY SCHOLARSHIP NONPERMANENT FUND AGREEMENT
BETWEEN
LEGACY FOUNDATION, INC.,
AND
_______________________________________________ (“DONORS”)

THIS AGREEMENT (the “Agreement”) is made and entered into as of
______________, 20__, by and between Legacy Foundation, Inc. (“Legacy Foundation”), and
__________________________________ (“Donors”).

Recitals

WHEREAS, Donors desire to establish a discretionary scholarship nonpermanent fund
in Legacy Foundation; and

WHEREAS, Legacy Foundation is an Indiana nonprofit corporation exempt from federal
income taxes under Internal Revenue Code (“Code”) section 501(c)(3), a public charity
described in Code section 170(b)(1)(A)(vi), and accordingly an appropriate institution within
which to establish such a discretionary scholarship nonpermanent fund; and

WHEREAS, Legacy Foundation is willing and able to hold and administer such a
discretionary scholarship nonpermanent fund, subject to the terms and conditions hereof.

General Provisions

NOW THEREFORE, the parties agree as follows:

1. GIFT AND FUND DESIGNATION. Donors hereby transfer irrevocably to Legacy
Foundation the property (cash, publicly traded securities, or other assets) described in the
attached Exhibit A to establish a discretionary scholarship nonpermanent fund to be known as
the ____________________________ Fund (the “Fund”). Subject to the right of Legacy
Foundation to reject any particular gift, from time to time Legacy Foundation may accept
additional irrevocable gifts of property from Donors or from any other source to be added to the
Fund, all subject to the provisions hereof. All gifts, bequests, and devises to this Fund shall be
irrevocable once accepted by Legacy Foundation.

2. PURPOSE. The purpose of the Fund shall be to provide support as directed by the
Board of Directors (the “Board”) of Legacy Foundation for educational scholarships for students
who are accepted into and attend accredited two- or four-year public or private institutions of
higher learning as described in Code section 170(b)(1)(A)(ii), and in particular to such students
who meet the following qualifications [such as students who graduate from a particular high
school, district, or county, students enrolled in a particular field of study, etc.]:

In the event that the above criteria are too restrictive (because no student acceptable to Legacy
Foundation meets the criteria, or for other reasons), the purpose of the Fund shall include the
support of educational scholarships for deserving students who most closely satisfy the criteria.
All support provided from the Fund shall further the educational, charitable, or other exempt
purposes of Legacy Foundation within the meaning of Code section 170(c)(1) or 170(c)(2)(B)
and shall be consistent with the mission and purposes of Legacy Foundation.

3. DISTRIBUTIONS. The ordinary income, capital appreciation (realized and
unrealized), and principal (both historic dollar value and any principal contributions,
accumulations, additions, or reinvestments) allocable to the Fund, net of the fees and expenses
set forth in this Agreement, may be committed, granted, or expended solely for the purposes
described in this Agreement. In addition, all Fund assets shall be available to make payments in
support of previously approved educational scholarships (for example, a four-year scholarship
awarded with the understanding that scholarship payments will continue as long as the recipient
remains in good standing with a particular grade point average).

If any gift to Legacy Foundation for the Fund is accepted subject to conditions or
restrictions as to the use of the gift or income therefrom, such conditions or restrictions will be
honored, subject, however, to the authority of the Board to vary the terms of any gift if continued
adherence to any condition or restriction is in the judgment of the Board unnecessary, incapable
of fulfillment, or inconsistent with the educational, charitable, or other exempt purposes of
Legacy Foundation or the needs of the community served by Legacy Foundation. No
distribution shall be made from the Fund that may in the judgment of Legacy Foundation
jeopardize or be inconsistent with Legacy Foundation’s Code section 501(c)(3) status or result in
the imposition of any excise tax, penalty, or other tax, fine, or assessment under the Code.

4. ADMINISTRATIVE PROVISIONS. Notwithstanding anything herein to the
contrary, Legacy Foundation shall hold and administer the Fund, and all contributions and assets
allocable to the Fund, subject to the provisions of applicable law and Legacy Foundation’s
Articles of Incorporation and Bylaws, as amended from time to time. The Board shall oversee
distributions from the Fund and shall have all powers of modification and removal specified in
United States Treasury Regulation section 1.170A-9(f)(11)(v)(B) or corresponding provisions of
any subsequent federal tax laws.

The Board agrees to provide Donors a copy of any annual examination of the finances of
Legacy Foundation as reported by independent certified public accountants.

This Agreement and all related proceedings shall be governed by and interpreted under
the laws of the State of Indiana. Any action with respect to this Agreement shall be brought in or
venued to a court of competent jurisdiction in Indiana.
5. CONDITIONS FOR ACCEPTANCE OF GIFTS. Donors agree and acknowledge that the establishment of the Fund is made in recognition of, and subject at all times to, applicable law and the terms and conditions of the Articles of Incorporation and Bylaws of Legacy Foundation, as amended from time to time, 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. Presumption of Donors’ intent;

b. Variance from Donors’ direction; and

c. Amendments.

6. CONTINUITY OF THE FUND. The Fund shall continue so long as assets are available in the Fund and the purposes of the Fund can be served by its continuation. If the Fund is terminated, Legacy Foundation shall use any remaining assets in the Fund exclusively for educational, charitable, or other exempt purposes that:

a. are within the scope of the educational, charitable, and other exempt purposes of Legacy Foundation; and

b. most nearly approximate, in the good faith opinion of the Board, the original purpose of the Fund.

7. NOT A SEPARATE TRUST. The Fund shall be a component part of Legacy Foundation. All money and property in the Fund shall be held as general assets of Legacy Foundation and not segregated as trust property of a separate trust.

8. ACCOUNTING. The receipts and disbursements of the Fund shall be accounted for separately and apart from those of other gifts to Legacy Foundation.

9. INVESTMENT OF FUND ASSETS. Legacy Foundation shall have all powers necessary, or in its judgment desirable, to carry out the purposes of the Fund including, but not limited to, the power to retain, invest, and reinvest the assets of the Fund and the power to commingle the assets of the Fund for investment purposes with those of other funds or Legacy Foundation’s general assets. **Funds may be invested in uninsured securities and are subject to investment risks that may result in loss of value.**

10. COSTS OF THE FUND. It is understood and agreed that the Fund shall share a fair portion of the total investment and administrative costs and expenses of Legacy Foundation. Those costs and expenses charged against the Fund shall be determined in accordance with the then current fee schedule identified by Legacy Foundation as applicable to funds of this type, as such schedule may be amended by Legacy Foundation from time to time. Any costs and expenses incurred by Legacy Foundation in accepting, transferring, or managing property donated to Legacy Foundation for the Fund, including without limitation Legacy Foundation’s costs and expenses (including reasonable attorneys fees) of any claim or proceeding with respect to the Fund in which Legacy Foundation is prevailing party, also shall be paid from the Fund.
Execution

IN WITNESS WHEREOF, Donors and Legacy Foundation, by a duly authorized officer, have executed this Agreement as of the day and year first above written.

DONORS:

_________________________________
Donor

_________________________________
Donor

LEGACY FOUNDATION, INC.:

By: ________________

Title: ________________

Board Approval Date: ___________________________
EXHIBIT A

LIST OF INITIAL DONATIONS TO FUND

Cash: ________________________________

Publicly Traded Securities:

Other:

Governance Committee: 1/20/2016
Board Approval of Template: 2/2/2016