

INSTRUMENT OF TRANSFER TO THE COMMUNITY FOUNDATION OF MOUNT VERNON & KNOX COUNTY

SCHOLARSHIP FUND

_____ (Donor) hereby gives to the COMMUNITY
FOUNDATION OF MOUNT VERNON & KNOX COUNTY (the "Foundation")
\$ _____, subject to the following provisions. The Donor desires to
establish, in cooperation with the Foundation, a Scholarship Fund to be known as the
"_____ Scholarship Fund" (hereinafter referred to as the "Fund").

Delivery of property to the Fund shall constitute an irrevocable gift to the Foundation
upon acceptance by the Foundation subject to the following terms and conditions:

1. It is acknowledged by the Donor that the establishment and administration of the
Fund is subject to the resolutions and policies of the Foundation, as amended from
time to time, governing scholarship funds. Distributions of net income of the
Fund, within limitations set forth below, shall be made for the purpose of
awarding scholarships, which shall be known as the "_____
_____ Scholarships" (hereinafter referred to as the "Scholarships").
The donor specifically desires principal of the fund to remain intact. Terms of the
_____ Scholarships are as follows:

*(The following three paragraphs are for illustration only. There are several
options available pertaining to the selection of scholarship recipients.)*

Eligibility: Eligibility for scholarships is limited to graduating seniors of
_____ High School (or its successors). Scholarships will be
awarded to students with demonstrated financial need, enrolled at an accredited
college or university. Preference is given to qualifying candidates who are
pursuing a career in _____.

Frequency, Number and Amount of award(s): One new scholarship shall be
awarded each year and will be renewable for three additional years, contingent
upon the honoree's maintenance of full-time student status in good standing. The
minimum scholarship amount shall be _____ per year, subject to increase as
fund income may permit.

Selection Committee: Recipients for the _____ Scholarship
shall be recommended to the Foundation board of directors by its duly appointed
scholarship selection committee.

2. The Fund shall at all time be the property of the Foundation owned by it in its
normal corporate capacity. In such capacity, the Foundation shall have the
ultimate authority and control over all property in the Fund, and the income
derived therefrom, for the charitable purposes of the Foundation.

3. The Fund shall include the property this day received from the Donor(s), such property as may from time to time be transferred to the Foundation by the Donor for inclusion in the Fund, such property as may from time to time be received by the Foundation from any other source and accepted by it for inclusion in the Fund, and all income from the foregoing property. **Donor(s) furthermore reserve the right to make additional contributions to the Fund for the purpose of supplementing Fund income, in the event Fund income is insufficient to make scholarship award(s) in any given year.**
4. Contributions to the Fund shall vest in the Foundation upon receipt and acceptance by it. The Fund shall be the property of the Foundation and shall be held by it in its normal corporate capacity. The Fund shall not be deemed a trust fund and shall not be held by the Foundation in a trust capacity.
5. Each donor by making contribution to the Foundation for inclusion in the Fund accepts and agrees to all of the terms of the Articles of Incorporation and Constitution and Bylaws of the Foundation together with the Policies of the Foundation (including the Policies and Procedures related specifically to scholarship funds) and that the Fund shall be subject to the provisions for the presumption of a donor's intent, for variance from a donor's desires, and for amendment and termination, and to all other terms of the Articles of Incorporation and Constitution and Bylaws, and Policies and Resolutions of the Foundation, each as from time to time amended.
6. The property of the Fund may be co-mingled for investment purposes and the Foundation may delegate investment management of the property to Foundation committees, officers, or Foundation employees, or contract with independent third parties to invest and reinvest the Foundation's Funds.
7. The Fund shall be presumed to be intended (a) to be used only for scholarship purposes, (b) to be productive of a reasonable return of net income which is to be distributed at least annually, and (c) to be used in such manner as not to disqualify any contribution from deduction as a charitable contribution, gift, or bequest in computing any federal income, gift, or estate tax of a donor or a donor's estate and not to disqualify the Foundation from exemption from federal income tax as a qualified charitable organization described in Section 501(c)(3) and 509(a)(1) of the Internal Revenue Code of 1986 and shall not be otherwise applied.
8. If at any time the fund balance may become insufficient to award a scholarship, and there are no additional contributions to the Fund for the purpose of supplementing Fund income; or whenever the Foundation determines that any restriction or condition on the distribution of the Fund has become, in effect, unnecessary, incapable of fulfillment, or inconsistent with the original intent of the donor(s), that balance may be transferred to a general scholarship fund of the Foundation. The Board of Directors of the Community Foundation of Mount Vernon & Knox County is given full authority to resolve any questions regarding the use of income generated from this fund or principal.

9. Nothing herein shall cause the Foundation to be treated other than as a single entity and the fund shall at all times be treated as a component part of the Foundation. The Fund may not be directly or indirectly subjected by any donor to any material restriction or condition within the meaning of Internal Revenue Regulation Section 1.507-2(a)(8) with respect to transferred assets to the Fund.

10. It is intended that the Fund shall be a component part of the Foundation and not a separate trust, and nothing in this Transfer Document shall affect the status of the Foundation as an organization described in Section 501(c)(3) of the internal Revenue Code of 1986 and as an organization which is not a private foundation within the meaning of Section 509(c) of the Internal Revenue Code. This Agreement shall be interpreted in a manner consistent with the foregoing provisions of the Internal Revenue Code of 1986 and any regulations issued pursuant thereto. The Foundation is authorized to take whatever steps may be necessary to conform the Fund to the provision of any applicable law or government regulation in order to carry out the foregoing intention. References herein to provisions of the Internal Revenue Code of 1986 shall be deemed reference to the corresponding provisions of any future Internal Revenue Law.

11. The Foundation shall be entitled to an annual fee for the investment and administration of the Fund, said fee to be established by the Foundation board annually. (For example only, the total of these fees for 2003 was 1.04%)

Donor Name

Donor Address

Accepted this _____ day of _____ 200____.

COMMUNITY FOUNDATION OF
MOUNT VERNON & KNOX COUNTY

By: _____
Samuel Barone, Executive Director

Accepted this _____ day of _____ 200____.