



COMMUNITY FOUNDATION *of Calhoun County*

HARRY M. AND EDEL Y. AYERS SCHOLARSHIP FUND

Tribute: *The Hot Blast* and *The Star* were the survivors of some 30 to 40 newspapers that sprang up in Anniston during the late 1800's. One writer of former days described the local journalistic struggle as a "fertile field of failures." The merging of *The Hot Blast* and *The Star* under the corporate title of Consolidated Publishing Company, Inc. (the "Company") in 1912 marked the beginning point of a successful newspaper.

In appreciation of the service of past employees and the contributions of current employees, the Company has established the Harry M. and Edel Y. Ayers Scholarship Fund (hereinafter referred to as "the Fund"). The Fund is named in honor of the Company's founders.



Objectives: The Fund provides educational grants ("Awards") to Scholarship Recipients (hereinafter defined). The Fund is a component fund of the Community Foundation of Calhoun County, which manages and administers the Fund pursuant to the following guidelines.

Awards: Awards are granted as scholarships. These scholarships provide full or supplemental funding for Qualified Applicants (hereinafter defined) who have been selected as Scholarship Recipients (hereinafter defined). Scholarship Recipients may attend any accredited college, university, technical or trade school located in Alabama either on a full-time or part-time basis. Awards are available for undergraduate, graduate or post-graduate studies to assist the Scholarship Recipient in pursuing a degree or certificate in a field of his or her election and for his or her personal benefit.

Taxability of Awards: Whether or not an Award is taxable depends upon whether the Fund complies, in any particular year, with applicable Internal Revenue Service requirements. If the Foundation determines that Awards are taxable in any particular year, the Foundation will notify the Scholarship Recipients for

that year and will report the Award amount as wages of each Scholarship Recipient's Qualifying Company Employee (as hereinafter defined). Additionally, if the Foundation determines that Awards are or may be taxable in any particular year, the Foundation may elect not to make any Awards that year.

Assets Available: Depending on the Fund's annual income, the Foundation will project and allocate the assets available for Awards each year. The Foundation's Scholarship Review Committee will assess each Qualified Applicant's financial need, academic background and any extenuating circumstances to determine a final Award amount. Depending on assets available, the Award may include qualified tuition and related expenses as defined by the Internal Revenue Service: "tuition and fees required for the enrollment or attendance of a student at an educational organization described in section 170(b)(1)(A)(ii) and fees, books, supplies, and equipment required for courses of instruction at such an educational organization." Each Award will be valid for one academic term (semester or quarter).

Initial Eligibility: In order to be eligible to apply for an Award, an initial applicant (that is, an applicant other than a Scholarship Recipient applying for renewal of his or her current Award) must meet any one of the following criteria: i) he or she must be a current full-time employee with one year of completed service at the Company; or ii) he or she must be a child or grandchild of a current full-time employee with one year of completed service at the Company; or (iii) he or she must be a child or grandchild of a Company retiree (as defined and updated from time-to-time by the Company). An applicant who meets any one of these criteria is a Qualified Applicant. An applicant who is not a current full-time employee is eligible, as stated above, based on his or her familial relationship with a current full-time Company employee or a retired Company employee (hereinafter referred to as the "Qualifying Company Employee"), determined as of the applicant's application date.

An applicant's initial eligibility is not tied to his or her Qualifying Company Employee's position, services, duties or any other employment-related factors other than those stated above. Children and grandchildren of deceased employees or retirees are not eligible to apply. However, if an Award was made prior to the death or termination of employment of a Scholarship Recipient's Qualifying Company Employee, the Award will not be cancelled or revoked due to the death or termination of employment of such Scholarship Recipient's Qualifying Company Employee.

Renewal Eligibility: An applicant for renewal of an Award need not, at the time of the renewal application, be a Qualified Applicant. Renewal Applicants must reapply annual with all other Qualified Applicants. The Scholarship Committee shall not be informed as to whether or not a renewal applicant is a Qualified Applicant. The Committee shall select new Award recipients based on the annual pool of new or reapplying applicants. All renewal applications are due by January 5 of each year. A Scholarship Recipient who fails to reapply for renewal status for one or more academic quarters or semesters must reapply as a Qualifying Applicant.

General Eligibility Requirements: At the time of application, whether for an initial Award or for a renewal Award, the applicant must be: i) a high school senior, ii) a graduate from an accredited secondary school, or iii) a recipient of a General Education Development (GED) diploma. Priority will be given to Scholarship Recipients with i) financial need, ii) discernible academic ability, iii) strong moral character, and iv) and recognized school and or community service. Applicants are eligible without regard to race, age, religion, sex, national origin, or disability. Applicants seeking undergraduate degrees will receive priority over applicants seeking funding for graduate and post graduate degrees.

Ineligible Persons: Members of the H. Brandt Ayers, P.A. Sanguinetti and Robert Jackson families are ineligible to apply for an Award or to serve as a Qualifying Company Employee. Officers and directors of the Company are ineligible to apply for an Award or to serve as a Qualifying Company Employee. In addition, the Foundation's Board of Trustees, former trustees, staff and Scholarship Committee members,

including their spouses, children, adopted children, grandchildren and great-grandchildren, are prohibited from applying or receiving any scholarship, grant or financial award from the Foundation. Based on IRS regulations, this disqualifying exclusion continues for five (5) years after concluding volunteer service or employment.

Publication: Guidelines and applications are available from the High School guidance department or the Community Foundation of Calhoun County. The Community Foundation will maintain and revise as necessary the guidelines and application documents. Applications must be submitted to the Community Foundation by February 1. There are no exceptions to this due date and the Scholarship Review Committee will not consider incomplete applications. The Fund shall also be publicized in a widely available Company employee policy manual and/or through a special written announcement available to all Company employees and retirees. Applications will be available from the personnel office and from the Foundation. The Fund shall not be used as a device to recruit new employees. The Foundation will maintain and revise as necessary the guidelines and application documents. Only the Foundation or the Scholarship Committee shall announce or publish the Awards and/or the names of the Scholarship Recipients.

Review Committee: The Foundation's Scholarship Committee (made up of school officials, educators, and community foundation representatives) will review all applications and make recommendations to the Foundation's Board of Trustees for final approval. The committee members will comply with the Foundation's Conflicts of Interest Policy. In keeping with federal guidelines, no current or former owner, officer, director or employee of the Company or of the Foundation will participate in the review or recommendation process.

Review Process: Each applicant will submit his or her application packet to the Foundation by February 1 of each year. Foundation staff will review the application for clarity and completeness. Then copies of applications, follow-up reports, and funding parameters will be forwarded to the Foundation's Scholarship Committee. Committee members will have four weeks to review the applications, conduct interviews if necessary, and make a final recommendation based on ranking each application.

The Committee's recommendations will then be submitted to the Foundation's Board of Trustees for verification of eligibility requirements and selection criteria. The Board may decrease the number of Awards based solely on the financial condition of the Fund. The Board may not increase the number of Awards. If the Board decreases the number of Awards, they will be decreased in order of the original ranking submitted by the Scholarship Committee. The Board may not increase or decrease the amount of any specific Award recommended by the Committee. A person who receives an Award is a Scholarship Recipient.

Distribution of Awards: Payment is made to the Scholarship Recipient's educational institution at the beginning of each academic term (quarter or semester), once the Foundation has received from the institution official proof of the Scholarship Recipient's registration as a full-time or part-time student. Distributions will not be made until the Foundation receives the (i) signed letter of acceptance provided by the Foundation, (ii) certified proof of enrollment from the institution and (iii) confirmation that the recipient is enrolled. Checks are made directly to the financial administration office at the college or institution. No distribution will be made to any individual for any reason.

It is the hope of the Company that Scholarship Recipients will continue to qualify for an Award. Moreover, if the total income determined by the Foundation to be available to fund Awards in any year is less than the full amount of Awards approved for such year by the Foundation's Scholarship Committee, Awards to eligible renewal applicants will be fully funded prior to awarding new scholarships. Further, an Award, whether new or renewal, may not be terminated due to a Scholarship Recipient's Qualifying

Company Employee's termination, elected separation from the Company, or death during the Award period. In order to be eligible for a renewal or subsequent Award, each Scholarship Recipient must reapply for each subsequent Award and must be a Qualified Applicant at the time of such reapplication.

The following factors are used to evaluate renewal or termination of scholarship and fellowships based on the Scholarship Recipient's performance and financial need:

- Maintaining high personal standards and moral character.
- Meeting a 2.5 minimum academic requirement based on a 4.0 evaluation scale.
- Remaining enrolled as a full-time or part-time Scholarship Recipient.
- Completing all courses of study.
- Progressively completing academic courses of substance aligned with a specific major or course of study.
- A change in financial resources or supplemental educational funds.
- Providing the Foundation with accurate, certified and timely records.

Each Scholarship Recipient must immediately notify the Foundation of any additional educational or financial aid grants or awards awarded to or received by him or her. Also, each Scholarship Recipient must immediately notify the Foundation if there is any change in the Scholarship Recipient's financial support.

An Award may not be renewed beyond the customary time period required for the completion of a degree: two years for an associate degree and four years for a bachelor's degree. An Award to a part-time Scholarship Recipient may not be renewed beyond six years of progressive study. In addition, the Scholarship Recipient must provide the Foundation with an official transcript at the end of each academic term (quarter or semester). Failure by a Scholarship Recipient to maintain the above standards will result in the ineligibility of such Scholarship Recipient to renew the Award.

Responsibility of Recipient: Each Scholarship Recipient is responsible for fulfilling requirements for admission to the educational institution of his or her choice. The Scholarship Recipient must enter or be enrolled in a post-secondary institution no later than the term (semester or quarter) following his or her selection. Awards are valid for six months following the award date; they may not be extended. Scholarship Recipients not completing the full academic course or term must request that the school reimburse the Community Foundation of Calhoun County for any funds eligible for refund because of separation from the academic program.

No Repayment or Future Obligations: No person, including Scholarship Recipients and Qualifying Company Employees, will be required to repay any Award received by or on behalf of a Scholarship Recipient, even if the Scholarship Recipient does not complete the full academic course or term, or if the Scholarship Recipient's Qualifying Company Employee dies, is terminated, or elects to separate from the Company. Moreover, no person, including Scholarship Recipients and Qualifying Company Employees, has any future commitments, understandings or obligations to the Company.

Assumptions: The Harry M. and Edel Y. Ayers Scholarship Guidelines are not a contract. No obligation or liability of any kind other than those expressly stated in this document will be imposed upon a Scholarship Recipient. Likewise, the Community Foundation of Calhoun County and Consolidated Publishing Company assume no obligation or liability, except as expressly stated in this document.

The Community Foundation will not (i) accept applications that are presented after the due date; (ii) contact students to locate missing documents such as letters of recommendation (iii) contact students to return the Letter of Acceptance form and (iv) contact students to provide proof of enrollment in order to receive payment.

Changes: These guidelines are subject to change; therefore, applicants should inquire if revised guidelines have been issued. This may include the due date of the application documents or other supporting information.

Revised September 2008