

**SIGMA PHI EPSILON EDUCATIONAL FOUNDATION
(NAME OF FUND)
MASTER AGREEMENT**

THIS AGREEMENT (the "Agreement") made and entered into this ___ day of _____, (Year), by and between Sigma Phi Epsilon Educational Foundation (the "Foundation") and the Initial Donor (as defined below) and shall constitute an agreement between the Foundation, the Initial Donor and each person who makes a donation that is accepted by the Foundation and that the donor specifies in writing is to be administered as part of the Chapter Educational Fund (the "Fund"), WITNESSES:

RECITALS

A. The Foundation desires to establish a designated fund within the Foundation for the purpose of making grants from the Fund for: (delete any not applicable for the purpose of this agreement, as well as other related language throughout the document)

(1) Leadership training and other educational programs for all members of the Local Chapter (as defined below),

(2) Scholarships that further the educational development of the members of the Local Chapter, and

(3) Qualified Housing Grants (as defined below).

B. The Foundation desires to enhance the level of giving for educational purposes in order to further benefit the tax-exempt purposes for which it was created.

C. The parties now desire to enter into this Agreement in order to establish a designated fund to provide scholarships, student loans and other leadership and educational assistance to the members of the Local Chapter.

NOW, THEREFORE, in consideration of the mutual covenants set forth herein, the parties hereby agree as follows:

AGREEMENT

ARTICLE I

Definitions

Whenever used in this Agreement, the following terms shall have the meanings assigned to them in this Article I.

"Alumni Corporation" means any corporation that is recognized by Sigma Phi Epsilon Fraternity, Inc. as an Alumni Corporation that is associated with the Local Chapter.

"Alumni Corporation Board" means the Board of Directors of the Alumni Corporation.

"Code" means the Internal Revenue Code of 1986, as amended from time to time or any successor statute thereto.

"Educational Fund" means the designated fund established by the Foundation pursuant to Article II hereof.

"Foundation" means the Sigma Phi Epsilon Educational Foundation, a Virginia corporation.

"Foundation Management Fee" means the amount allocated to the Foundation's unrestricted assets pursuant to Section 3.5.

"Fund Income" means, with respect to any relevant accounting period, the total gifts, interest, dividends and other amounts earned with respect to the assets of the Educational Fund (excluding unrealized appreciation and capital gains), without reduction for the Foundation Management Fee.

"Initial Donor" means the party who executed this Agreement as the Initial Donor or the Alumni Corporation.

"Local Chapter" means the _____ Chapter of the Fraternity and any successor chapter of the Fraternity, the undergraduate members of which consist primarily of students at _____ University.

"Proceeds Policy" means the amount of the fund available for distribution as determined by the policy of the Sigma Phi Epsilon Educational Foundation Trustees on an annual basis.

"Qualified Housing Grants" means a grant that (a) in the judgment of the Foundation would not jeopardize its exempt status or result in the imposition of any penalties or taxes on the Foundation or any of its officers or Directors, (b) is consistent with the purposes for which the Foundation was organized and is operated, and (c) is made for the purpose of constructing or renovating the areas of the Local Chapter's chapter house that are used for educational purposes or for the purchase of computers, equipment, study desks and chairs, or other property used for educational purposes. The Foundation may require the Local Chapter and such other entities as the Foundation deems appropriate to enter into such grant agreements and provide such information as the Foundation deems appropriate as a condition to a Qualified Housing Grant.

"Trustees" means the governing body of the Sigma Phi Epsilon Educational Foundation or its authorized representative, which may be the Executive Committee of such

body or a designated Trustee or Staff member with responsibilities relevant and appropriate for the duty and or question.

ARTICLE II

Establishment and Purpose of the Educational Fund

2.1 Establishment of Educational Fund. The Foundation shall establish on its books and records a designated fund for the benefit of the Local Chapter, which shall be the "Educational Fund" known as _____. The Foundation shall properly segregate on its books of account all gifts of money or property received that are designated as gifts to the Educational Fund. The Educational Fund shall be managed and maintained by the Foundation in accordance with the terms of this Agreement. The Foundation acknowledges receipt from the Initial Donor of the amount set forth on Exhibit A as the initial contribution to the Educational Fund.

2.2 Purpose of the Educational Fund. The general purpose of the Educational Fund shall be to further the charitable, educational and other tax-exempt purposes of the Foundation by promoting scholarship, leadership, and providing educational facilities and equipment for the benefit of members of the Chapter. The specific purpose of this fund is

_____. The parties intend to accomplish these purposes by means of grants from the Foundation as provided in Article III.

2.3 Gifts to the Educational Fund. All acceptable gifts of cash, stock, and other property are to be received, acknowledged, held and administered as part of the Educational Fund and are subject to the provisions of this Agreement.

2.4 Distributions from the Educational Fund. Annual commitments, grants or other expenditures shall only be for purposes described in Section 170(c)(1) or (2)(B) of the Code, provided such purposes are consistent with the tax-exempt status and purposes of the Foundation. If any gifts to the Foundation designated for the Fund are received and accepted, the restrictions and conditions of this Agreement shall be honored, subject to the authority of the Foundation to vary the terms of this Agreement if continued adherence to any condition or restriction herein is, in the judgment of the Foundation, inconsistent with the charitable, educational or other tax-exempt purposes of the Foundation. No distribution shall be made from the Fund to any individual or entity if such distribution would, in the judgment of the Foundation, endanger the Foundation's tax-exempt status under Section 501(c)(3) of the Code or result in the imposition of any fine, penalty or tax on the Foundation or any of its officers or Directors.

Award distributions from the Educational Fund must be requested by the Initial Donor (or designated party) or the Alumni Corporation using the Sigma Phi Epsilon Educational Foundation Award Designation Form unless otherwise documented and agreed to in this document or in a way otherwise acceptable to the Executive Director of the Sigma Phi Epsilon Educational Foundation.

(a) Amount Available. The amount of the annual commitments or grants available for distribution shall be that amount that can be paid based on the Proceeds Policy designated by the Sigma Phi Epsilon Educational Foundation Board of Trustees rounded to the nearest \$25.00 increment of the market value of the Fund as of each December 31, with a minimum award of \$50.00.

(b) Eligibility Criteria. The following shall be the criteria for which a party applying for an award must meet to be considered for selection.

(1) List criteria here.

(c) Application Process. The following describes the proper process for application, including reference to any required forms (examples of which will be attached as addendums to this agreement).

(1) Describe process and timing here.

(d) Selection Procedure. The award recipient(s) will be selected in the following manner by the body defined herein.

(1) The Selection Committee is defined as _____.

(2) The procedure for selection shall be _____.

(3) The procedure for notifying award recipients and rejected candidates shall be _____.

(e) Award Procedure. Awards will be made in the following manner.

(1) Define process here.

(f) Notification. Special notification of the Initial Donor and/or other parties is defined here.

(1) Define special requirements here.

ARTICLE III

Administration and Operation of Educational Fund

3.1 Maintenance of Educational Fund. The Foundation shall invest the assets of the Educational Fund in any manner permitted by law consistent with prudent investment practices and its normal investment policy. To the extent the principal and income of the Educational Fund can be distinguished and properly accounted for, the Foundation may commingle the assets of the Educational Fund with other assets of the Foundation.

3.2 Limitation on Disbursements. During any fiscal year, the Foundation shall not disburse for grants and scholarships an amount in excess of that prescribed by the Proceeds Policy for the fiscal year without a specific written request from the Initial Donor or Alumni Corporation Board, as appropriate, and express written consent from the Trustees. For purposes of this limitation (a) distributions within sixty (30) days after the close of a fiscal year shall be treated as a distribution for the prior fiscal year except as otherwise determined by the Foundation and (b) Fund Net Income that is not distributed in any fiscal year shall not be added to the principal of the Educational Fund but shall be treated as Fund Net Income that is subject to distribution in subsequent fiscal years.

3.3 Accounting. Within one hundred twenty (120) days after the close of each fiscal year, the Foundation shall deliver to the Board of Directors of the Alumni Corporation a written statement of the financial position of the Educational Fund, prepared in accordance with generally accepted accounting principles applicable to nonprofit organizations, consistently applied, that describes the assets of the Educational Fund and, with respect to the relevant accounting period, sets forth the Fund Income, Fund Net Income and amounts disbursed for grants and scholarships pursuant to this Agreement. Also, periodic accounting for the Educational Fund will be available to the Board of Directors of the Alumni Corporation as provided by the Sigma Phi Epsilon Educational Foundation or upon request of the Board of Directors of the Alumni Corporation.

3.4 Foundation Management Fee. The following amount shall be allocated to the Foundation's unrestricted assets from the assets of the Educational Fund:

(a) An amount equal to one percent (1%) of the fair market value of the balance of the Educational Fund on each fiscal year end.

Amounts allocated to the Foundation pursuant to this section shall cease to be part of the Educational Fund and shall be treated as unrestricted assets of the Foundation which may be used for payment of investment expenses, administrative costs or for grants in furtherance of the foundation's exempt purposes.

3.5 Administrative Provisions. Notwithstanding anything in this Agreement to the contrary, the Foundation shall hold the Educational Fund, and all contributions to the Educational Fund, subject to the provisions of the applicable laws and the Foundation's Articles of Incorporation and Bylaws. The Foundation shall direct or monitor the investment and distribution of the Educational Fund to ensure it is used exclusively for charitable or other tax-exempt purposes within the meaning of Section 170(c)(1) or (2)(B) of the Code.

3.6 Not a Separate Trust. The Educational Fund shall be a component part of the Foundation. Subject to the terms of this Agreement, all money and property in the Educational Fund shall be held as general assets of the Foundation and not segregated as property of a separate trust.

ARTICLE IV

Grants

4.1 Primary Grants. Except as provided in Section 4.2, distributions shall be made by the Foundation exclusively for the following purposes (a) scholarships that are awarded in accordance with Section 4.3, and (b) Leadership and Educational Grants as awarded in accordance with Section 4.4.

4.2 Scholarships. Scholarships may be made to members of the Local Chapter and/or full time students of the college or university with which the Local Chapter is associated. In determining the individuals who should receive scholarships and the amount of the scholarship, the Foundation shall consider the recommendations of the Alumni Corporation Board. Except as otherwise determined by the Trustees, all such recommendations shall be made following the selection procedures and using the applicable documentation set forth in this Agreement.

4.3 Leadership and Educational Grants. The Foundation may award grants to members of a Local Chapter to enable recipients of such grants to attend educational programs (including leadership seminars sponsored by the Foundation or the Fraternity) to the extent that the grants (a) are consistent with the purposes for which the Foundation was organized and (b) would not, in the judgment of the Foundation, jeopardize its exempt status or result in the imposition of any fine, penalty or taxes on the Foundation or any of its officers or Directors. In determining the individuals who should receive such grants, the Foundation may consider the recommendations of the Alumni Corporation Board. Except as otherwise determined by the Trustees, all such recommendations shall be made following the selection procedures and using the applicable documentation set forth in this Agreement.

4.4 Secondary Grants. To the extent that the Foundation determines that use of Fund proceeds exclusively for the foregoing purposes would be inconsistent with the Foundation's educational and charitable purposes or to the extent that the Foundation determines that use of Fund proceeds exclusively for the foregoing purposes would jeopardize the Foundation's exemption under Section 501(c)(3) of the Internal Revenue Code of 1986 (or comparable provisions of any federal income tax statutes that are subsequently enacted), the Foundation may make disbursements for such other purposes that are consistent with the purposes for which the Foundation was organized and that would not jeopardize its tax exempt status. This includes Qualified Housing Grants. It is the intention of the parties that the Foundation shall consider whether grants can be made for any of the purposes specified in Section 4.1 before considering grants pursuant to other grants in this Section.

ARTICLE V

Miscellaneous

5.1 Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Virginia without regard to the principles of conflicts of law.

5.2 Arbitration. Any claim, controversy or dispute arising out of or relating to this Agreement shall, except as set forth herein, be settled by arbitration in accordance with the rules of the American Arbitration Association. This agreement to arbitrate shall survive the termination of this Agreement. Any arbitration shall be undertaken pursuant to the Federal Arbitration Act, and the decision of the arbitrators shall be final, binding and enforceable in any court of competent jurisdiction. In any dispute in which a party seeks in excess of \$50,000 in damages, three (3) arbitrators shall be employed. Otherwise, a single arbitrator shall be employed. All costs relating to the arbitration shall be borne equally by the parties, other than their own attorneys' fees. The arbitrators shall not award punitive damages.

IN WITNESS WHEREOF, this Agreement has been entered into by the undersigned as of the date first above written.

INITIAL DONOR:

By: _____ Date: _____

ALUMNI CORPORATION BOARD PRESIDENT:

By: _____ Date: _____

SIGMA PHI EPSILON EDUCATIONAL FOUNDATION EXECUTIVE DIRECTOR:

By: _____ Date: _____