

**DAVID'S FAITH & HOPE FOR LIFE FOUNDATION
GENERAL SCHOLARSHIP PROGRAM**

SCHOLARSHIP SELECTION CRITERIA & ADMINISTRATIVE PROCEDURES

David's Faith & Hope for Life Foundation (the "Foundation") sponsors a scholarship program under which the Foundation provides college scholarships to certain eligible high school graduates of schools within the Michigan counties of Genesee, Lapeer, Macomb, and Oakland (the "General Scholarship" program). This policy describes the selection criteria and administrative procedures that apply to the General Scholarship Program.

LEGAL BACKGROUND

The Foundation is organized as a Michigan nonprofit corporation, and has been granted an exemption from federal income tax under Internal Revenue Code ("Code") §501(c)(3). The Foundation is classified as "other than a private foundation" by the IRS (a "public charity").

Selection criteria and procedures for the General Scholarship program are described below, and are organized as follows: (i) scholarship eligibility requirements, (ii) selection criteria under which scholarship recipients are selected, and (iii) general administrative requirements relating to the scholarship program.

SCHOLARSHIP ELIGIBILITY REQUIREMENTS

1. Educational Experience. Each applicant must be a senior in high school at a school located in the Michigan county of Genesee, Lapeer, Oakland, or Macomb.
2. Minimum Grades. Each applicant must have earned a cumulative grade point average of 2.5. Each applicant must provide a certified or other official transcript as evidence of these grade requirements, or cause his or her school to directly provide such transcripts to the Foundation.
3. College Attendance. The applicant must be reasonably expected to attend a Qualifying Institution (defined below), and must actually plan to do so during the next academic year (for which grants will be paid).
4. Completion of Application. The applicant must complete the entire application required by the Foundation, including providing all documentation requested in the application or otherwise requested by the Foundation.
5. Prohibited Family Relationship. Each applicant must **not** have a family or business relationship with any director or officer of the Foundation.

SELECTION CRITERIA

The Foundation's Board of Directors is responsible for selecting scholarship recipients from all eligible applicants. The Board of Directors shall base its selection of General Scholarship recipients on the following:

6. Eligibility. Each General Scholarship recipient shall meet all eligibility requirements described above.

7. Objective and Nondiscriminatory Selection Procedure. The Board of Directors shall select General Scholarship recipients who, in the reasoned view of the Board of Directors, are the most deserving of scholarship awards based upon the objective criteria described below. The Board of Directors shall select General Scholarship recipients on an objective and non-discriminatory basis, without regard to gender, race, religion, national origin, or personal handicap.

8. Applicant Interviews; Essays. The Board of Directors may, but is not required, to interview General Scholarship applicants, and may require candidates to submit essays on topics relevant to the Board of Directors.

9. Objective Criteria. The Board of Directors may consider only the following objective criteria in selecting General Scholarship recipients:
 - a. Prior academic performance;
 - b. Performance on tests designed to measure ability and aptitude for college work, such as the ACT and SAT examinations;
 - c. Participation in school, extracurricular, athletic, and community activities;
 - d. Recommendations from instructors or members of the community;
 - e. Conclusions that the Board of Directors members draw from a personal interview, from essays, or from other written materials submitted in the application process that demonstrate the applicant's motivation, character, ability, and potential; and
 - f. Financial need, with an emphasis toward providing scholarships to students with financial need, but to whom other need-based assistance is unavailable.

The Board of Directors shall apply the criteria in a reasonable and objective manner. However, the Board of Directors is not required to place the same weight upon each criteria for each candidate, and need not determine that all criteria exist for each candidate.

GENERAL ADMINISTRATIVE REQUIREMENTS

10. "Qualifying Institution" means a vocational school, college, or university that is an educational organizations exempt from federal income tax under either Code §115 or Code §501(c)(3) and that is described in Code §170(b)(1)(A)(ii).

NOTE: Most public and tax-exempt private 4-year colleges and universities and 2-year vocational schools or community colleges meet this requirement, if they maintain a regular curriculum and schedule of classes. This is required under the federal tax laws for scholarship recipients to be able to avoid paying income tax on grant funds.

11. Scholarship Amount; Number of Scholarships. The number and amount of the General Scholarship awards granted will be determined by the Board of Directors in its sole discretion. Initially, each scholarship award will equal \$2,500 per recipient, per academic year, and the Foundation will grant one (1) new General Scholarship annually and may renew past scholarship awards for up to four (4) years.
12. Scholarship Duration. Each scholarship award is made for up to four (4) years in the sole discretion of the Board of Directors. The grant paid during the first academic year is based upon the recipient's initial application, and the grant may be renewed for up to three (3) additional academic years if the scholarship recipient meets the Foundation's continued eligibility requirements, described below.
13. Continued Eligibility Requirements. To be eligible to have any scholarship grant renewed for a subsequent year, each scholarship recipient must meet the following requirements:
- a. The scholarship recipient must be enrolled in a Qualifying Institution, be a full-time student that successfully completes at least 12 credit hours per semester, and be a candidate for a degree (or other certification in the case of a vocational school).
 - b. The scholarship recipient must have earned a cumulative grade point average of 2.5 or higher in the Qualifying Institution(s) they attend or have attended.
 - c. Annually, the scholarship recipient must provide the Foundation a certified or other official transcript as proof that the requirements in paragraphs (a) and (b) are met.
 - d. The Foundation must not have received credible information that scholarship recipient has used grant funds paid in prior years for any purpose other than tuition and fees required to enroll in or attend Qualifying Institutions, and fees,

books, supplies, and equipment required for courses of instruction at such Qualifying Institutions.

14. Direct Payment of Grants. All grant payments to a scholarship recipient shall be paid directly to a Qualifying Institution in which the scholarship recipient is enrolled, on the scholarship recipient's behalf. The Foundation will obtain information regarding scholarship recipient's academic progress directly from the educational institution, and educational institutions will apply grant funds only for those students who are in good standing.
15. Refund of Unused Grant Funds. Any grant funds not used for permitted expenses described in paragraph 16, shall be refunded to the Foundation. If the terms of a scholarship grant are violated, the Foundation shall use reasonable efforts to recover any scholarships inappropriately obtained, consistent with applicable IRS regulations.
16. Use of Grants. Grant funds shall be used solely for tuition and fees required to enroll in or attend Qualifying Institutions, and for fees, books, supplies, and equipment required for courses of instruction at such Qualifying Institutions.
17. Maintenance of Records. The Foundation shall maintain all records pertaining to scholarship grants applied for or paid during a year, for seven (7) years thereafter. These records shall include, at a minimum: (a) all information the Foundation obtains to evaluate qualifications of applicants, (b) the amount and purpose of each scholarship grant, (c) all information identifying applicants, including information regarding their relationship to Foundation officers and directors, and (d) any information the Foundation obtains to determine whether a scholarship recipient is eligible to renew his or her scholarship grant (including any information regarding whether the participant used the grant for its intended purposes).