



CHAPTER FUND AGREEMENT

THIS CHAPTER FUND AGREEMENT (this "Agreement") is made and entered into this _____ day of _____, 20____ by and between the Sinfonia Educational Foundation, a Kentucky nonprofit corporation, (the "Foundation") and _____, a chapter of Phi Mu Alpha Sinfonia Fraternity of America, Inc, (the "Chapter").

WHEREAS, the Chapter desires to establish or continue a chapter fund (the "Fund") to be used for the educational and charitable purposes of the Foundation through distributions for the educational or charitable benefit of the _____ Chapter of the Phi Mu Alpha Sinfonia Fraternity (the "Chapter");

WHEREAS, certain property has been or will be transferred to the Foundation to establish the chapter fund;

WHEREAS, the Foundation will hold, manage, administer and invest the monies deposited in the Fund;

NOW THEREFORE, in consideration of the promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties desiring to be legally bound, agree as follows:

1. **Establishment of Fund.** _____ dollars (\$_____) are hereby given to the Foundation to be held in the Fund.

2. **Name of Fund.** This gift and any additional gifts of cash, securities or property shall be held in an account to be known as the _____ Fund (the "Fund") by the Foundation. The Fund shall include this initial gift, additional property as may, from time to time, be transferred to and accepted by the Foundation for inclusion in the Fund, and all undistributed income and investment returns from such property. Gifts made to the Fund are irrevocable and become the exclusive property of the Foundation.

3. **Purposes.** Under any and all circumstances, the principal and income of the Fund must be used exclusively for charitable and educational purposes. To the extent practical, the Fund and its proceeds will be distributed by the Foundation for the educational or charitable benefit of the Chapter. Should such use become unnecessary or inappropriate at some future time as determined in the sole discretion of the Foundation, the Foundation shall be entitled to redirect all or any portion of the Fund or its proceeds to some other purpose or purposes consistent with the Chapter's basic interest and intent in creating the Fund. The specific use and distribution of monies and property within the Fund shall be governed by the Foundation's Chapter Fund Policy (the "Foundation's Policy"), which is hereby incorporated by reference herein. .

4. **Distributions.** The Chapter or other authorized and recognized body representing the Chapter may make written requests to the Foundation for distributions from the Fund pursuant to the Foundation's Policy . If the Foundation determines, in its sole discretion, that such distribution is for educational or charitable purposes, the Foundation shall distribute such requested amount from the Fund to the Chapter or other authorized body representing the Chapter.

5. **Written Reports.** The Foundation may request written reports from the recipient of a distribution concerning the use of such distribution to verify the educational or charitable use of the distribution. Such recipient shall promptly provide such reports to the Foundation. This monitoring of the use of distributions continues indefinitely only to ensure use of the distributed funds for educational or charitable purposes and not for any other purposes. The Foundation shall provide such written reports concerning the Fund as is provided for in the Foundation's Policy from time to time.

6. **Record Keeping Requirements.** The recipient of distributions from the Fund must keep adequate written documentation of the use of distributed funds to demonstrate that such distributions were used for educational or charitable purposes.

7. **Repayment.** If the Foundation reasonably determines that use of distributed funds has not been for educational or charitable purposes, the recipient of such distribution shall be liable for repayment of the amount of the distribution that was used for other than educational or charitable purposes.

8. **Termination of Fund.** The Foundation may terminate the Fund if, in the Foundation's sole discretion, the Foundation determines that the continued administration of the Fund is not economically reasonable or otherwise in the best interests of the Foundation. Upon termination, the Foundation shall distribute all assets then remaining in the Fund in accordance with the purposes set out in Section 3 above or in such manner as determined by the Foundation, in the Foundation's sole discretion.

9. **Administrative Fees.** From time to time, the Foundation may assess reasonable administrative fees against the Fund for compensation for its services pursuant to the Foundation's Policies. These fees may be in addition to fees charged by any investment advisor or other agent retained by the Foundation in connection with the Fund. The Foundation shall be entitled to reimbursement for costs and expenses paid or advanced in connection with the administration of the Fund.

10. **Foundation Policies.** The Chapter shall comply with the Foundation's Policies as they may exist from time to time.

11. **Miscellaneous.** This agreement shall be governed by the laws of the State of Indiana. Should it be determined by a court of competent jurisdiction that any provision of this Agreement is a violation of law, the remaining terms of this agreement shall remain in full force and effect. If a term or provision of this Agreement is in conflict with the Foundation's Policy, the Foundation's Policy will control.

(Signatures follow on the next page.)

IN WITNESS WHEREOF, the parties have signed this Agreement as of the date first written above.

[Insert name of Chapter]

SINFONIA EDUCATIONAL FOUNDATION

name: _____

name: _____

title: _____

title: _____