SCHOLARSHIP SELECTION CRITERIA

Maryland State Golf Association

Background

The Maryland State Golf Association (MSGA) Scholarship was organized for exclusively charitable and educational purposes, including to award educational scholarships to individuals employed by MSGA member clubs/courses and/or their children, and to students having completed junior year of high school with a bonafide connection to golf.

Publicity as to Scholarship Availability

The MSGA will announce the availability of the scholarship program by making a public announcement at the annual meeting and on the MSGA website (<u>www.msga.org</u>). All publicity concerning the scholarship program must make it clear that the MSGA is the grantor of the scholarships. Application forms will be made available by the MSGA to any interested applicant. The forms will be available at the Maryland State Golf Association office at 1777 Reisterstown Road Suite 145, Baltimore, MD 21208, telephone: 410-653-5300.

<u>Eligibility</u>

The scholarship program will be open to those individuals who have provided services as employees and/or their children to MSGA member clubs/courses for a minimum of two (2) years, and/or students who have completed their junior year of high school with a bonafide connection to golf. Scholarship applicants will be evaluated on uniform objective standards. The same application form and evaluation system will be used for all applicants. <u>All applicants must meet the minimum admissions standards of an educational institution (college, university, junior college, or vocational school) and must reasonably be expected to attend such an educational institution. All eligible applicants must be considered without regard to race, sex, religion, or national origin.</u>

Scholarship Committee

Scholarship applications will be evaluated and the scholarship finalists will be chosen by the independent Scholarship Selection Committee appointed by the MSGA. In the event that a relative of a member of the Scholarship Selection Committee applies for the scholarship, that member of the Scholarship Selection Committee, who is related to the applicant, must recuse himself or herself from the Scholarship Selection Committee for that year. The remaining

members of the Scholarship Selection Committee should then select a replacement committee member by majority vote.

It is anticipated that each member of the Scholarship Selection Committee will serve for a three (3) year term. Upon resignation of a member of the committee or upon expiration of the term of the member, the committee will select their successors, subject to the aforementioned guidelines. Members of the committee can re-elect themselves as members of the committee, but may not serve more than six (6) consecutive years. Members of the Scholarship Selection Committee are composed of community leaders, possessing experience in the field of education, through participation on various other scholarship committees.

The Scholarship Selection Committee will be responsible for verifying the eligibility of each applicant, including employment at a member club for at least two (2) years at the time applications are evaluated.

Objective basis of selection and selection procedures

The scholarship recipients will be selected by the Scholarship Selection Committee based solely on objective standards related to the purposes of the scholarships.

Each applicant must submit a completed application form. Forms must also be completed by the applicant's school principal, if applicable. The applicants should be evaluated on objective standards such as past academic performance, performance on tests designed to measure ability and aptitude for higher education, the candidate's class rank, and financial need. Recommendations from instructors or other persons unrelated to the candidate, extra-curricular activities, and leadership contributions should also be considered. The school principal will submit the completed applications (other than the Candidate's Statement, which will be submitted by the applicant) directly to the Scholarship Selection Committee in care of the MSGA.

The applications should be scored on a point system with 100 points being the highest score. The Scholarship Selection Committee will then determine the number of scholarships to be awarded based on financial data provided by the MSGA. The number of scholarships to be awarded shall then be awarded to the applicants in the order determined by their ranking in the overall applicant pool. More specific evaluation guidelines to be followed by the members of the Scholarship Selection Committee are attached hereto as Exhibit A.

The MSGA will determine the amount of funds available in the aggregate for scholarships on an annual basis and will notify the Scholarship Selection Committee of the aggregate available amount prior to the Scholarship Selection Committee's deliberations. The Scholarship Selection Committee will determine the dollar amount to be awarded to each recipient.

The Scholarship Selection Committee will forward its selections to the MSGA solely to verify the selection criteria. The MSGA may not increase the number of scholarships to be awarded, but in their discretion, may decrease the number to be awarded.

Awards/Announcements

The MSGA will award scholarships in the order and in the amount recommended by the Scholarship Selection Committee, although the MSGA has the discretion to decrease the number of scholarships to be awarded. The MSGA will publicly announce the scholarship recipients at the year-end annual banquet. The MSGA will be identified clearly as the grantor of the awards. Each scholarship recipient will be notified of his or her award pursuant to a letter from the MSGA.

Payment of Scholarship Awards

The MSGA will pay the scholarship award directly to a qualified educational institution as described in Section 170(b)(1)(A)(ii) of the Internal Revenue Code prior to the commencement of the school term, upon notice that the scholarship recipient has been accepted for enrollment at that institution and has undertaken the necessary steps to enroll. <u>All awards will be apportioned in amount by the academic year, on a semester or quarter basis</u>. The MSGA will request each educational institution, which receives a scholarship award to be used for the benefit of one of the MSGA's scholarship recipients, to apply the proceeds of the award first to defray from tuition and fees, then to apply the balance to books, supplies, and equipment, to the greatest extent possible.

Provision of Services

Once a scholarship is awarded, the scholarship may not be revoked or terminated in the event the recipient no longer is employed at a member club. At the time the scholarships are awarded, there will be no express or implied suggestion, condition, or requirement that the recipient render future employment.

Course of Study and other objectives

Scholarship recipients are free to select any course of study that they may choose and accordingly may pursue their educational studies solely for their personal benefit. The MSGA may not impose any conditions upon the award of the grant.

<u>Inducement</u>

The scholarship program for the benefit of individuals who provide employment services to member clubs will not be used either to recruit new employees or to induce employees to continue to provide service to the member club/course.

Retention of Records

The MSGA will keep a file under the name of each scholarship recipient containing the following materials: the original application, recommendations and supporting documentation as required by application, correspondence and documentation concerning enrollment and evidence of good standing from the educational institution, and a certified copy of transcript for academic year; ledger records showing amount of award and date paid to educational institution and purpose of the award. The MSGA will retain the forms and records completed by the Scholarship Selection Committee.