

**BLUE GRASS COMMUNITY FOUNDATION**  
499 East High Street, Suite 112  
Lexington, Kentucky 40507  
(859) 225-3343

**ESTABLISHMENT OF A NON-ENDOWED SCHOLARSHIP FUND**

This NON-ENDOWED SCHOLARSHIP FUND AGREEMENT ("Agreement") is made this 9 day of December 2025, between Blue Grass Community Foundation, Inc., a charitable community foundation, ("Foundation") and One Lexington, a department of the Lexington Fayette Urban County Government ("Donor") to create a Scholarship Fund of Foundation ("Fund").

- 1) Name of the Fund. The name of the Fund created hereby is:  
Be the Change Scholarship
- 2) Initial Contribution. Upon signing this Agreement, Donor will irrevocably transfer to Foundation the property described as follows: \$65,625
- 3) Purposes. The purposes of the Fund are to further carry out the charitable and educational purposes of Foundation and to provide scholarships to graduating high school seniors of Fayette County Public Schools who plan to pursue a two- or four-year degree at an accredited college or university in Kentucky.  
  
The scholarship recipients will be chosen by an outside Scholarship Committee, as approved by Foundation and in accordance with all applicable laws and regulations and the scholarship policies of Foundation based upon the objective and non-discriminatory criteria recommended by Donor.
- 4) Investment Pool Selection. Donor hereby requests that the Fund and any and all assets contributed to the Fund be invested in the **risk averse portfolio**. The Foundation shall have the right to make any and all investment decisions in the selected Pool regarding the Fund. All income and capital gains or losses will be allocated to the Fund on a monthly basis.
- 5) Management. Foundation hereby agrees to accept cash and other valuable property transferred to it by Donor and others who wish to participate in the Fund. Gifts to the Fund shall be subject to the same policies for investment, determination of current distribution amount, and allocation to cover Foundation's

administrative costs, as shall be adopted from time to time for such funds. The Fund is open-ended and can be added to at any time.

6) Distributions. Distributions from the Fund shall be made in accordance with the procedures for the administration and operation of such funds of Foundation as may be in effect from time to time and as provided in the description of the scholarship program in Schedule A. The Fund is prohibited from making grants, compensation, or similar payments to Donors, advisor(s), or persons related to them. Distributions from the Fund shall be made in the name of the Fund.

All distributions from the Fund shall be awarded on an objective and non-discriminatory basis pursuant to Foundation's guidelines and procedures for scholarship funds and the Policy and Procedures of Blue Grass Community Foundation for Awarding Scholarships, Fellowships and Other Grants to Individuals in effect at the time of the Agreement, and as amended from time to time by Foundation.

7) Compensation to Foundation. As compensation for its services, Foundation shall charge a community support fee for administration on the Fund. Foundation agrees to charge a one-time fee of \$5,625 for the facilitation of \$60,000 in scholarship awards. Should donor make additional contributions to facilitate scholarship award distributions above and beyond \$60,000, Foundation and Donor shall review the additional contributions and assess an administrative fee to be determined at that time. Investment fees are charged separately.

8) Variance Power. Foundation shall have the power to modify any restriction or condition on the distribution of funds for any specified charitable purposes or to specified organizations if in the sole judgment of Foundation such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community or area served. In that event, Foundation shall exercise its judgment to select a similar use for the funds that will most nearly fulfill the original charitable intent of the Fund.

It is intended that nothing in this Agreement shall affect the status of Foundation as a 501(c)(3) organization, as defined in the Internal Revenue Code. This Agreement shall be interpreted in a manner consistent with the foregoing intention and so as to conform to the provisions of any and all applicable law or government regulation. Foundation shall have all the powers provided in its charter, Articles of Incorporation and Bylaws or otherwise by law in connection with its administration of the Fund.

**Schedule A: Scholarship Criteria**  
**Be the Change Scholarship**  
At Blue Grass Community Foundation

**Description**

Established by ONE Lexington, the Be the Change Scholarship supports graduating high school seniors of Fayette County Public Schools who have previously faced limited opportunities. The mission of the scholarship is to help students pursue careers in fields where diverse voices and perspectives are underrepresented – such as criminal justice, mental health, education, nursing, and social work. ONE Lexington is dedicated to reducing violence in Lexington and through this scholarship, seeks to provide life-changing opportunities that empower the next generation of leaders to Be the Change that makes our community safer, stronger, and more equitable.

**Purpose**

To provide scholarships to graduating high school seniors of Fayette County Public Schools who plan to pursue a two- or four-year degree at an accredited college or university in Kentucky.

**Criteria**

- Must be a graduating high school senior enrolled in Fayette County Public Schools
- Must have demonstrated the potential for success in postsecondary studies
- Must be eligible to receive free/reduced lunch
- Must plan to attend a two- or four-year college/university in Kentucky
- Must plan to pursue a two- or four-year degree in criminal justice, police studies, social studies, pre-law, forensic science, emergency medical care, fire protection, homeland security, social work, psychology, nursing, or education

**Award Amount**

- Each recipient will be awarded a total of \$5,000. The total award will be disbursed in equal annual installments over two academic years (\$2,500 per year)
- Student must remain enrolled and maintain a GPA of 2.0 to be eligible for annual renewal of scholarship.

**Process**

- BGCF will create online application based on the stated criteria above
- BGCF will work with ONE Lexington and FCPS to promote the scholarship opportunity
- BGCF will process and verify eligibility of all scholarship applications
- ONE Lexington, in collaboration with and approval by BGCF, will appoint the scholarship selection committee
- BGCF sends notification of award to student
- BGCF makes payment directly to the recipient's school after the recipient submits required documentation, including proof of full-time enrollment at University of Louisville or University of Kentucky
- BGCF evaluates the recipient at the end of the academic year to see if he/she is eligible for renewal

DONOR

By Linda Gorton

Date 12/9/2025

BLUE GRASS COMMUNITY  
FOUNDATION

By   
President/CEO

Date 11.13.25