

**THE MCDANIEL CHARITABLE FOUNDATION
GALVESTON COUNTY SCHOLARSHIP PROGRAM**

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SCHOLARSHIP PROGRAM POLICIES AND PROCEDURES

The McDaniel Charitable Foundation (the "Foundation") is a Texas non-profit corporation established through the generosity of Moran K. McDaniel and Lola H. McDaniel of La Marque, Galveston County, Texas. The Directors of the Foundation have established a scholarship program (the "Program") to benefit students from Galveston County in honor of Mr. and Mrs. McDaniel. This document summarizes the Program and the conditions upon which awards may be made to qualified applicants.

To be eligible for an award, an applicant must have lived in Galveston County at the time they graduated from a public or private high school in or after 1996. The applicant is not required to reside or maintain a permanent address in Galveston County at the time of application. The applicant must enroll full-time (defined for university students as 12 semester hours or more) at a public or private university, trade school or other educational organization as defined in Section 170(b)(1)(A)(ii) of the Internal Revenue Code. The school must be located in the State of Texas, and the applicant must maintain full-time enrollment, complete a minimum of 12 semester hours, and maintain a minimum 2.50 GPA at the school throughout the school year to which the award applies. Before the end of each semester, it is the student's responsibility to request that an official or certified transcript containing this information be prepared and mailed to the Foundation at the address listed above. If the Foundation does not receive the student's transcript within thirty days after the conclusion of the last school period to which the award applies, the student may forfeit any remaining scholarship funds and may not qualify for future awards. Awards must be applied toward tuition, fees, textbooks, supplies, equipment and room and board for attendance at the school.

Applicants must submit a completed and signed application form along with official or certified college transcripts, all of which include the applicant's final grades. Scholarships may be awarded to individual, eligible persons at the sole discretion of the Foundation, based upon demonstrated merit and need. Persons related by blood or marriage to any member of the Board of Directors of the Foundation or to any selection committee member appointed by the Board are not eligible for an award.

Annual applications and all required documentation must be received by the Foundation at P. O. Box 2968, Texas City, Texas 77592-2968 postmarked no later than June 1 prior to the school year for which the award is requested in order to be considered. Applications will be considered during June of each year and the applicant will be notified of the decision by mail.

All decisions of the Foundation concerning scholarship awards shall be final. Students who discontinue full-time enrollment at the school specified in the application during the school year must notify the Foundation immediately, and may be required to refund all or a portion of the award.

Please do not contact the Foundation concerning the status of an application unless you have received no correspondence from the Foundation by July 30 of the year in question.

The Foundation reserves the right to amend the policies and procedures for the Program from time to time, but such amendments shall not affect scholarship applications received or awards made before the amendment.

Applicants should consult with their individual tax advisors concerning whether all or part of an award is excludable from the taxable income of the recipient. Awards will normally be in the form of a check payable to the school *and* the scholar, but recipients are required to produce receipts and verify in writing to the Foundation that awards were spent only for the purposes set forth in these policies. Such verification must be received by the Foundation not later than thirty days after the conclusion of the last school period to which the award applies. Students who fail to supply verification will be contacted and will not qualify for future awards.