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## EVANS LITIGATION SCHOLARSHIP FUND GUIDELINES

The Evans Litigation Scholarship Fund (the "Scholarship Fund") was established by Phelps Dodge Industries, Inc. ("PDI"), MW Custom Papers, LLC ("MWCP"), FMC Corporation and United Defense, LP ("FMC/UDLP"), and United States Pipe and Foundry Company, LLC ("USP") as part of a litigation settlement to provide financial assistance to qualified applicants from Calhoun County who seek to improve themselves and their communities through continuing their education. Any uncertainty or conflict as between these Guidelines and the litigation settlement shall be resolved pursuant to the terms of the Settlement Agreement.

The Scholarship Fund will be administered by the Community Foundation of Northeast Alabama (the "Community Foundation") or such other entity as approved by the United States District Court for the Northern District of Alabama.

Duration: Awards from the Scholarship Fund shall be available to eligible applicants for a term of five (5) years from [insert date of completion of Final Publication Notice] to [insert date five years from date of completion of Final Publication Notice], or such earlier period in the event no monies remain in the Scholarship Fund. Recipients must claim and expend any award within six (6) months after receiving notice and confirming his/her acceptance of the award.

Applicants: The award(s) is (are) allocated to individuals based on the following two geographic parameters:

Property Settlement Zone 1. Individuals who owned residential real property (or spouse, child, grandchild or dependent of such individual) located in the following designated areas from 1999 to 2010, as set forth in the attached set of maps (Exhibit G to the Settlement Agreement). These areas can be generally described as follows:

- (i) properties north of Highway 202 and west of Noble Street in Anniston that are also located within one-half mile of the center of any of the former MWCP facilities (Zone 1-A);
- (ii) properties that are located within one mile of the center of the former PDI facility on Golden Springs Road (Zone 1-B);
- (iii) properties north of Highway 202 in west Anniston that are also located within one-half mile of the center of the former FMC/UDLP facility on West 10<sup>th</sup> Street (Zone 1-C); and
- (iv) properties that are located within a polygon shaped area associated with the former USP facility on Front Street (Zone 1-D) and which are more specifically identified by parcel number or property address on the attached list of Zone 1-D eligible properties.

Properties located within Settlement Zone 1 are extended preference in applying for a scholarship from the Fund over those associated with Property Settlement Zone 2.

Property Settlement Zone 2. In any year of the Fund's duration, as defined above, where there are remaining funds not utilized by Property Settlement Zone 1 applicants, awards may be made to individuals who owned residential real property (or spouse, child, grandchild or dependent of such individual) located in Calhoun County (excluding Property Settlement Zone 1) from 1999 to 2010 based on the same criteria outlined in the Awards section of these Guidelines.

Applicants from both Property Settlement Zone 1 and Property Settlement Zone 2 who have a diploma from any accredited public or private high school or who have earned the General Education Development (GED) certificate and are individuals who owned residential real property located in Calhoun County (or spouse, child, grandchild or dependent of such individual) are eligible to apply for the scholarship without regard to race, religion, gender, national origin, or disability. In addition, the following priorities, in the enumerated order, shall be used to evaluate candidates:

- 1) Applicants from *Property Settlement Zone 1*
- 2) First-time member of his/her family to attend either a two- or four-year college
- 3) Candidates with documented financial need and demonstrated academic ability
- 4) High school seniors pursuing a two- or four-year degree
- 5) Returning student or adult pursuing an associate or bachelor's degree
- 6) Adults applying for a certification, certificate or continuing education credits

In addition, when considering applicants from Property Settlement Zone 2, the Scholarship Committee shall consider: (1) the proximity of the Eligible Property, as that term is defined in the Stipulation of Settlement and Compromise, upon which the application is based, to Property Settlement Zones 1-A, 1-B, 1-C, and 1-D; and (2) the length of ownership of the Eligible Property by the applicant or the person under whose ownership the applicant is claiming.

Awards are restricted to accredited institutions of higher learning or meeting industry recognized standards within the United States. The award is for either part-time or full-time enrolled students and may be renewable for two years for students pursuing an associate or bachelor degree or adults applying for a certification, certificate or continuing education credits providing that the recipient continues to maintain the standards of these Guidelines. Awards are restricted for the pursuit of career-related studies and cannot be used for recreational, hobby or cultural interests. In the event of any uncertainty of these Guidelines, the Scholarship Committee will make the final and absolute determination of an applicant's eligibility. The maximum available award per property address, irrespective of the number of different applicants or number of renewals for a single applicant, is \$500.

Award Amounts: During the first year of the Scholarship Fund, the Foundation may make awards in an aggregate amount not to exceed \$300,000.00. In each succeeding year, the Fund shall set aside \$150,000.00 for awards, plus any amount not awarded in the prior year, to the extent that Funds are available.

The Scholarship Committee of the Community Foundation (the "Scholarship Committee") will review all applications and make recommendations to the Foundation's Board of Trustees as to the amount of each scholarship to be awarded. The range of award amounts to be considered by the Scholarship Committee is \$250 to \$500. In the event that an Applicant is from Property Settlement Zone 1-D and relates to a property that received a cash payment (whether or not received by the Applicant), the amount of any award shall be reduced by the amount of the cash payment. During the first year of the Scholarship Fund, no recommendation or decision will be

made as to the amount of a scholarship awarded to an Applicant from Property Settlement Zone 1-D until the period of payment of Cash Claims under the Stipulation of Settlement and Compromise has expired. Even though a scholarship is listed as "renewable" to the limited pool listed above, this does not guarantee a future award.

Application: These Guidelines and the Application Packet will be distributed to the guidance counselors at high schools in Calhoun County and will be publicized to specific organizations and institutions based on the Fund's class of applicants. Information concerning all available scholarships at the Community Foundation are available directly from our office or website ([www.yourcommunityfirst.org](http://www.yourcommunityfirst.org)).

To be considered for the scholarship, applicants must submit the completed documentation to the Community Foundation by February 1. The Scholarship Committee will not consider incomplete applications.

Verification of Eligibility: Each applicant is required to verify eligibility as an Applicant from Property Settlement Zone 1 or Applicant from Property Settlement Zone 2, using the form "Verification of Eligibility" attached to the Application Packet.

Essay: An essay is not required for continuing education, certification courses and career training. An essay is required for all applicants seeking a scholarship award. The applicant is asked to describe his or her personal aspirations, educational, and career goals. Significant weight will be given to essays that provide i) examples of community service and ii) illustrate the applicant's motivation, drive or determination. The applicant should conclude the statement with the main reason why the committee should award him/her the scholarship. This composition should be typed and be no longer than three double-spaced pages.

Ineligible Persons: Employees of Phelps Dodge Industries, Inc., MW Custom Papers, LLC, FMC Corporation, United Defense, LP, and United States Pipe and Foundry Company, LLC, including any subsidiaries or affiliates, and their extended family members are "disqualified persons" as defined by the IRS and are ineligible to receive a scholarship from the Fund. In addition, the Foundation's Board of Trustees, former trustees, employees and Scholarship Committee members, including their spouses, children, adopted children, grandchildren and great-grandchildren, are prohibited from applying or receiving any scholarship, grant or financial award from the Foundation. Based on IRS regulations, this disqualifying exclusion exists for five (5) years after concluding volunteer service or employment.

Review Committee: The Scholarship Committee has the sole authority to review all applications and make recommendations to the Foundation's Board of Trustees.

Review Process: Staff will review the application for clarity and completeness; copies of applications and all documentation will be forwarded to the Scholarship Committee. Committee members will have four weeks to review the applications, conduct interviews, if necessary, and hold a final determination meeting. This recommendation is submitted to the Foundation's Board of Trustees for final approval. Ideally, awards will be finalized and made public in April.

Availability and Payments: Due to the set time duration of the Fund, it may not be awarded every year. Please check with the Foundation office regarding award availability.

The Foundation will make scholarship payments at the beginning of each academic semester or prior to enrollment or attendance depending on the course of study. Distributions will not be

made until the Foundation receives the (i) signed letter of acceptance by the applicant provided by the Foundation and (ii) certified proof of enrollment from the institution, association or program. Checks are made directly to the financial administration office at the college, association or institution. No distribution will be made to any individual for any reason.

Students must inform the Community Foundation of any additional educational or financial aid grants or awards immediately upon notification. Failure to do so may result in the termination of this scholarship. In addition, the scholarship recipients must provide the Community Foundation with an official copy of their transcript, certificate or credit award at the end of each academic term (semester), session or course. For degree students, failure in any single term to maintain a 2.5 overall grade point average or better on a 4.0 scale will result in the termination of the scholarship award.

Responsibility of Recipient: Each award recipient is responsible for fulfilling requirements for admission to the college, institution of higher learning or course of study. The scholarship recipients must enroll within six (6) months following their selection; otherwise, they forfeit the award. No award shall be carried over beyond nine (9) months from the date of acceptance. Recipients not completing the full academic term must request that the school reimburse the Community Foundation for any funds eligible for refund.

Assumptions: These *Scholarship Fund Guidelines* are not a contract. The Community Foundation is the sole owner of the Fund as Scholarship Fund Settlement Administrator and its Board of Trustees has absolute control of the assets in the Fund subject to the requirements of the Stipulation of Settlement and Compromise and continuing authority of the Court. Phelps Dodge Industries, Inc. MW Custom Papers, LLC, FMC Corporation, United Defense, LP, and United States Pipe and Foundry Company, LLC do not have any ownership, oversight or authority in matters related to awards other than the Foundation's obligation to meet the standards of these *Guidelines* and as set forth in the Stipulation of Settlement and Compromise Agreement.

No obligation or liability of any kind will be imposed upon the Community Foundation by any applicant or recipient. These *Guidelines* are subject to change provided that such changes are not inconsistent with the Settlement Agreement; therefore, applicants should inquire if revised *Guidelines* have been issued. This may include the due date of the application documents, the award amounts or requirements related to supporting documents.

The Community Foundation will not (i) accept applications that are presented after the due date; (ii) contact applicants to locate missing documents such as letters of recommendation; (iii) contact recipients to return the Letter of Acceptance form; or (iv) contact recipients to provide proof of enrollment in order to receive their scholarship award.

October 25, 2010