

CHARLES M. BAIR MEMORIAL SCHOLARSHIP Administrative Rules and Procedural Guidelines

The following Administrative Rules and Procedural Guidelines (the “Rules”) have been prepared by the Trustee of the Charles M. Bair Memorial Trust, the administrative body with the sole responsibility for the management and supervision of the Charles M. Bair Memorial Scholarship that has been awarded to you. You will be provided with a set of the Rules at the time you are awarded a Charles M. Bair Scholarship. You should read and familiarize yourself with these Rules. These Rules are not meant to be exhaustive or all-inclusive, and the Trustee reserves the right to amend the Rules from time-to-time, consistent with the terms of the Charles M. Bair Memorial Trust. All changes to Rules will be posted at the Internet Location: www.charlesmbairtrusts.org. It is the responsibility of each scholar to read and review Rules posted there at the beginning of each semester. The administrative rules and procedural guidelines for all Charles M. Bair Memorial Scholarship Grants are as follows:

1. General Provisions. As the recipient of a Charles M. Bair Memorial Scholarship (the “Scholarship”) you are the recipient of an award for all Colleges and Universities approved by the Trustee, subject to the provisions below. This Scholarship will pay for tuition, room and board, and textbooks and course fees required by the educational institution for the particular curriculum or major and minor courses of study that you have chosen for the Scholarship period awarded to you.
2. Approved Expenses and Fees. Your Scholarship will pay tuition or fees charged to you by the college, university, trade vocational or other industrial or training school. In addition, the Scholarship will pay for approved on campus housing and university board expenses. Dormitories and married student housing are considered “on-campus housing”. Your housing allowance will be limited to the cost of a double occupancy room only. If you elect to reside in a single room, you must pay the difference between single and double occupancy. For graduates beginning in 2012, the scholarship will provide a one-time allowance of \$1,000.00 toward the purchase of computer hardware or software needed for Scholar’s education during the first semester of school. The Scholar will need to provide receipts to receive the lesser of the actual cost for the purchase of hardware/software or \$1,000.00 to assist with the cost of hardware/software.

Should you choose to live in an off-campus facility during any portion of the period of the Scholarship, this choice will not revoke or adversely affect your Scholarship. If you decide to live in an off-campus facility, however, the housing allowance is limited to an allowance set forth above and a maximum allowance is determined periodically by the trustee. Currently the off-campus allowance is the lesser of your actual rental share or \$2,000 per semester. Meals are limited to the lesser of the equivalent of a 21 meal plan offered by the school or no more than \$1,475 per semester. No housing will be paid to a Scholar in months that the Scholar is not attending school on the scholarship.

The Scholarship may pay for reasonable extraordinary charges, fees or expenses that are incidental (required) expenses of your chosen curriculum and major or minor courses of study. Extraordinary charges, fees or expenses related to courses of study that are recreational, leisure-type or other electives will not be eligible for reimbursement or payment

by the Scholarship. Any student wishing the Trustee to consider payment of eligible charges needs to provide documentation that those charges are requirements (not recommendations) for the courses and, further, that these courses are pertinent to the degree being sought by the Scholarship recipient. The Trustee reserves the right to make the approval/denial of each eligible expense on a case-by-case basis.

3. Limitation of Fees and Expenses. The Scholarship will pay for approved fees and expenses for any public or private post-secondary college, university, trade or vocational or other industrial or training institution or facility. The Trustee will not pay for travel, lodging or other similar expenses to or from the educational institution or facility, except as set forth below. The scholarship does not pay for student orientation or any function prior to the beginning of classes. Under no circumstance is a Bair Scholar entitled to a refund from the Scholarship for personal benefit. In the event an educational institution or other entity issues a refund to a Bair Scholar, the Scholar must reimburse The Charles M. Bair Memorial Trust. In the event a Bair Scholar has been awarded other scholarships, **grants or benefits (such as Pell Grants)**, the Charles M. Bair Memorial Trust will pay only the net difference between total other awards (including cash stipends) and total tuition, room and board, and textbooks and Approved Expenses allowed pursuant to these Guidelines. The Bair Scholar bears the responsibility to determine the advantages of disadvantages of accepting the Bair Scholarship in cases of other awards. At the end of each semester, the Scholar is required to fill out and turn in the Additional Awards Form indicating the amount of other awards received by the Scholar and how those funds were applied to schooling expenses. Any Scholar receiving other awards and failing to properly report those items will be terminated from the Scholarship Program. The purpose of the Scholarship is to provide an undergraduate degree or certification in a field of study and is limited to students seeking a degree or certification. Non-degree education is not funded by the Charles M. Bair Memorial Trust.
4. Scholarship Period. This scholarship grant is valid and effective for a period of four (4) academic years beginning the term, semester or quarter immediately following the grant. Except as noted below, the Scholarship recipient must successfully complete the four (4) post-secondary academic years within five (5) years of the award. Example: A Scholarship award made in May 2013 must be completed by the summer term, semester or quarter of 2018. The Trustee of the Charles M. Bair Memorial Trust encourages all Scholarship recipients to pursue their four-year post-secondary education without interruption, but the Trustee recognizes that facts and circumstances may arise that warrant a limited leave of absence from the academic and Scholarship program. Leaves of absence are controlled by the provision set forth below. There is no circumstance of award of scholarship beyond eight (8) semesters or the equivalent period of time. The Bair Scholarship funds only undergraduate programs. Graduate or post Bachelor degree funding is not available through the Bair Scholarship.
5. Leaves of Absence. Upon written submission of a request for a leave of absence, a Scholarship recipient may receive such leave from the Trustee for a cumulative period not to exceed twelve (12) months during the Scholarship period unless the reason for the leave of absence is an injury or illness of the recipient in which case it can be longer than twelve (12) months. The twelve-month period does not include summer semester months, unless the scholarship recipient has chosen curriculum and major or minor courses of study requiring

such student's attendance during the summer semester months. The twelve-month period need not be consecutive for purposes of this restriction.

Any leave of absence must be approved in writing by the Charles M. Bair Memorial Trust Trustee, and must be approved in advance by the Trustee except in the cases of illness or injury. In the event of illness or injury that precludes or substantially hinders the student from continuing his or her studies consistent with the Scholarship, a leave of absence greater than twelve months during the Scholarship period may be considered by the Trustee if the facts and circumstances warrant the extension. In no cases does the Scholarship pay for additional semesters or repeat semesters as a result of illness or injury. All leave requests related to illness require physician's reports substantiating the circumstances and the possible date the recipient might be well enough to return to school for consideration by the Trustee.

All requests for leaves of absence must be in writing and sent to the following address:

Charles M. Bair Memorial Scholarship
U. S. Bank Trust
P O Box 30678
Billings, MT 59115

The requests for leaves of absence must state the reason for the Scholarship extension or leave of absence, the period of absence contemplated, and their request must be signed by the student.

6. Payment of Fees and Expenses. The Trustee of the Charles M. Bair Memorial Trust will establish a billing arrangement with your school and the bookstore and, therefore, you are directed not to prepay your fees or textbook and other approved fees and expenses. Request assistance as a Scholarship recipient from the financial aid office. Necessary direction and assistance will be given to you at that time.
7. Grade Reports or Transcripts. The Trustee is required to keep current copies of grade reports or transcripts in your Scholarship file. Therefore, you are required to send, or direct the school registrar or other responsible person to send a copy of your grade reports or transcripts at the end of each term. Your file must contain the current copies of the grade reports or transcripts for the Scholarship to continue in good standing. Once annually (typically in spring) the transcript must be an official transcript of the school. Unofficial transcripts may be accepted at the end of the fall semester, but an official transcript is required at the end of each spring semester. Any Scholar failing to turn in a transcript timely (20 days after available) can be terminated from the Scholarship Program without further notice.
8. Academic Standards. As a Scholarship Recipient, you must at all times maintain high academic and scholarship standards. **You are required to carry a normal full time class load (12 credit hours each semester) throughout the eight (8) semesters that you attend your undergraduate degree program. In the event that you fail to carry a full time class load throughout each semester term, your Scholarship shall be placed under review by the Trustee and it shall be closely monitored. If you fail to sign up for a normal full time class load or if you drop one or more classes during the semester term, you must**

notify the Trustee and provide the reason(s) for such action. Failure to carry or maintain a normal full time class load is not grounds for extending the Scholarship beyond eight (8) semesters. Continued failure to carry a normal full time class load may result in scholarship termination.

At no time may your non-cumulative grade-point average fall below a 3.00 (a B average). In the event your grade-point average or its equivalent shall fall below 3.00 for any one (1) term, your Scholarship shall be placed under review by the Trustee and it shall be closely monitored. At that time, the Trustee may request additional information from the Scholarship recipient in order to determine what circumstances may have caused the decline in academic standards. The Scholarship recipient must receive a non-cumulative GPA of at least 3.00 for all remaining reporting periods of the Scholarship. If for any reason the Scholarship recipient elects to discontinue education, please write the Trustee of this decision. A complete transcript must be provided to the Trustee as soon as possible after the latter term, so that the Trustee may evaluate the Scholarship award.

All students are encouraged to utilize all resources available through their college or university. Tutorial programs, and elective labs, often assist students in classes (although tutorial programs are not paid for by the Scholarship, it often assists with difficult classes). Students may also get additional help and recommendations from college professors or other professionals at the university regarding difficult classes.

Scholars will be asked to submit their degree plan the summer after completion of their freshman year, and are required to submit a plan no later than registration deadline of spring semester of their sophomore year.

9. Scholarship is a Privilege/Review Procedures. As a Scholarship recipient, you understand that the Scholarship grant and award is a privilege, not a property right. As a privilege, it may be revoked and withdrawn or terminated by the Trustee of the Charles M. Bair Memorial Trust in the event that you do not comply with the intent and purpose of the Scholarship award. Your Scholarship grant and award may be placed under review by the Trustee if the facts and circumstances of your performance, whether scholastic or otherwise, during the academic or Scholarship period does not meet with the educational, moral and other purposes of the Scholarship grant. In the event that your Scholarship grant or award is terminated or withdrawn for any reason other than a grade-point average below 3.00, you shall be allowed to make a written request to the Trustee for reinstatement of the Scholarship within thirty (30) days of written notice to you by the Trustee that your Scholarship has been terminated or withdrawn. No hearing will be conducted, but your request for reinstatement must state the facts, explanation and circumstances to justify reinstatement. No promise of reinstatement is made after the Trustee has determined that the Scholarship will be terminated or withdrawn.
10. High Moral Character and Citizenship. As a Scholarship recipient, you have demonstrated yourself as an academic achiever, a good citizen of high moral character, and a person with leadership and other skills that justify the award. It is important that you maintain this integrity and high moral character during all Scholarship periods, and continue the leadership and other skills that you have demonstrated in the past. The Trustee of the Charles M. Bair

Memorial Trust expects that you will make the Trustee, yourself and family and friends proud of your achievements, and will apply the resources of this Scholarship grant to the educational and other purposes of this grant.

You must at all times conduct yourself in a law-abiding manner, and show a commitment to apply yourself to the educational opportunity that is being provided by this Trust. At no time will violation of any law or ordinance be tolerated, and the conviction or the entry of a plea of guilty or nolo contendere to any felony criminal act shall be grounds for immediate revocation of the Scholarship. Such conviction or plea to a misdemeanor may also be grounds for revocation if the Trustee deems the circumstances to warrant it, in its sole and absolute discretion.

Except in the case of non-moving traffic violations and speeding citations, the Scholarship recipient shall notify the Trustee of any such infraction, conviction or plea.

11. Insurance. The Charles M. Bair Memorial Trust does not pay the cost of any health, disability, life or other insurance policy or premiums. We suggest that you consult the registrar of your college university about the group plans that may be available to you as a student of that facility or educational institution. We encourage you to maintain health and hospitalization insurance during all periods of the Scholarship award.
12. Foreign Studies. If a scholarship recipient chooses to pursue foreign studies in a fully accredited program offered by the college or university attended by the scholarship recipient, the Trust shall reimburse the Scholar for tuition, room and board and Approved Expenses in an amount equal to the amount the Trust would have paid for such items had the scholar attended school in the United States at his or her chosen college or university. Additionally, the Trust will reimburse the recipient for the cost of a single, round-trip commercial airline ticket to a foreign country for study. The ticket must be purchased by the recipient at least 21 days prior to travel and be for the least expensive class of travel. The election to participate in a foreign study will not extend or decrease your scholarship period. Bair Scholars interested in foreign studies should provide the Trustee of the Charles M. Bair Memorial Trust all information regarding the program at least one semester prior to the intended foreign study. **The Charles M. Bair Memorial Trust allows each Scholar the maximum of one semester for exchange student status.** In no case does the Bair Scholarship take into consideration the exchange of currency as an expense to be paid by the Scholarship. The Bair Scholarship will not pay for the Scholar's Passport expense or other expenses associated with travel. Bair Scholars should anticipate this election is costly and will require personal savings.
13. Communication with Trustee. Please remember at all times that we are proud of your past achievements, as recognized by the award of this Scholarship to you. We are interested in following your accomplishments and endeavors during this Scholarship period, and you are encouraged to communicate regularly with the Trustee regarding your progress during your post-secondary education. You are also encouraged and invited to present any problems you may be encountering in school to the Trustee and the Trustee will assist in any way it can. In the event your academic performance or grade-point average starts to decline and puts your Scholarship in jeopardy, it is important that you address the problems with the Trustee and

your school advisors so that the problem can be remedied and the Scholarship remain in good standing. Most of the communication with the Trustee is accomplished by use of email and it is requested that the two assigned staff members to your Scholarship be addressed or copied on each email communication to assure communication is received timely. **Failure to keep assigned staff notified may delay funding of your Scholarship.** You must at all times give the Trustee your current telephone contact number, your current email address(es) and your current physical address. In the event the Trustee is unable to reach you at a new or additional email address, your Scholarship can lapse for failure to appropriately keep the Trustee updated with current information.

CHARLES M. BAIR MEMORIAL TRUST,
U. S. Bank, Trustee