

## GRANT AGREEMENT

**AGREEMENT**, made as of the 6<sup>th</sup> day of March, 2012, by and between the J. Epstein Virgin Islands Foundation, Inc., a/k/a Enhanced Education, a USVI non-profit corporation (the "Grantor"), and The [REDACTED] United Fund, a trust organized under the laws of the State of New York (the "Grantee").

### WITNESSETH:

**WHEREAS**, the Grantor has conducted a pre-grant inquiry, including inquiries regarding the identity, prior history and experience of the Grantee's trustee, and has given due consideration to all information available to the Grantor concerning the management and policies of the Grantee, as described in the Grantee's application materials on IRS Form 1023;

**WHEREAS**, the Grantee represents to the Grantor that the Grantee has been organized to qualify for and has applied for status as an exempt organization, qualified under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), and the Grantee has provided the Grantor with copies of all filings made by the Grantee in connection therewith;

**WHEREAS**, the Grantor desires to make a grant to the Grantee, for the purpose of furthering the Grantee's charitable purposes, and the Grantee desires to receive such grant from the Grantor; and

**WHEREAS**, the Grantor and the Grantee desire to set forth the terms and conditions upon which the Grantor is making the grant to the Grantee, including inter alia, the parties' obligations under the "expenditure responsibility" provisions contained in the Code and the regulations promulgated thereunder;

**NOW, THEREFORE**, in consideration of the foregoing premises and the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, as agree as follows:

1. Making of Grant. After the execution hereof, the Grantor shall make one or more transfers to the Grantee which in the aggregate total Twenty-Five Thousand (\$25,000) Dollars (the "Grant"). For the purposes of this Agreement, the term "Grant" shall include any earnings of the Grantee attributable to the Grant.
2. Purpose of Grant. The purpose of the Grant is to further the Grantee's charitable purposes. The Grant may not be used for any other purpose.
3. Terms of the Grant. The Grantee agrees as follows:
  - (a) to use the full amount of the grant as provided herein by not later than March 6, 2014 or to repay to the Grantor any portion of the Grant which is not so used by that date;

- (b) To submit a full and complete annual report, by not later than April 31, 2014 on the manner in which the funds are spent and the progress made in accomplishing the purposes of the Grant;
- (c) For so long as any portion of the grant has neither been spent nor returned to the Grantor, to maintain records of receipts and expenditures and to make its books and records available to the Grantor at reasonable times; and
- (d) not to use any of the Grant;
  - (i) to carry on propaganda, or otherwise attempt to influence legislation (within the meaning of Section 4945(d)(1) of the Code);
  - (ii) to influence the outcome of any specific public election, or to carry on, directly or indirectly, any voter registration drive (within the meaning of Section 4945(d)(2) of the Code);
  - (iii) to make any grant which does not comply with the individual grant requirements of Section 4945(d)(3) of the code or the organization grant requirements of Section 4945(d)(4) of the Code; or
  - (iv) to undertake any activity for any noncharitable purpose (i.e., a purpose not specified in Section 170(c)(2)(B) of the Code).

4. Additional Covenants of the Grantee.

- (a) The Grantee shall provide to the Grantor any and all information, documents and reports required to satisfy the “expenditure responsibility” requirements of Sections 4945(d) and (h) of the Code and the corresponding Treasury Regulations and promulgated thereunder (including, but not limited to, Treas. Reg. Sec. 53.4945-5). In the event of any changes in the laws and regulations governing expenditure responsibility with respect to the Grant, the Grantee agrees to comply with such changes and to provide to the Grantor any additional information, documents and reports as may be required.
- (b) The Grantee need not keep the Grant physically segregated from its other assets, but agrees to account for the Grant separately on its books and records.
- (c) Without limiting the generality of Section 4(a) above, the Grantee agrees to maintain records of receipts and expenditures under the Grant, as well as copies of reports submitted to the Grantor, for at least four years following completion of such receipts and expenditures.

5. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York, without regard to its choice of laws doctrine.

6. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which shall constitute one and the same agreement.
7. Modifications. This Agreement may not be modified or amended, nor may any provisions hereof be waived, except in writing signed by the parties hereto.
8. Headings. The headings in this Agreement shall not be construed as substantive provisions and are included only for the convenience of reference.

**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement effective as of the day and year first above written.

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For The J. Epstein Virgin Islands  
Foundation, Inc., a/k/a Enhanced  
Education

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For The [REDACTED] United Fund