

STANDARD PEF GRANT AGREEMENT

THIS GRANT AGREEMENT (the “**Agreement**”) is made as of this __ day of _____, 20__ by and between [**name of donor**] (“**Donor**”) and P.E.F. Israel Endowment Funds, Inc. (“**PEF**”).

WHEREAS, Donor is an organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “**Code**”), and was organized and is operated exclusively for charitable, educational, religious, and scientific purposes, including the making of distributions to organizations that qualify for exemption under Section 501(c)(3) of the Code; and

WHEREAS, PEF is an organization exempt from federal income tax pursuant to Section 501(c)(3) of the Code and was organized and is operated exclusively for charitable, educational, religious, and scientific purposes, particularly to support Israeli charitable organizations and purposes; and

WHEREAS, Donor wishes to make one or more charitable grants to PEF in furtherance of Donor’s charitable purposes together with recommendations that such grants be distributed by PEF for the benefit of certain Israeli charitable organizations (“**Israeli Grantees**”); and

WHEREAS, PEF desires to receive the grants and to consider Donor’s recommendations with respect thereto in furtherance of PEF’s charitable purposes.

NOW THEREFORE, in consideration of the grants to be provided hereunder, and of the mutual agreements contained herein, Donor and PEF, intending to be legally bound, agree as follows:

1. **Duties and Responsibilities of Donor.**

- a. Donor may periodically make grants to PEF in furtherance of Donor’s charitable purposes.
- b. In the case of each grant, Donor will remit the grant together with a transmittal letter, in the form attached hereto as **Exhibit A**, to communicate its recommendations with respect to the distribution of such grant for the benefit of Israeli Grantees.
- c. Donor understands and acknowledges that all recommendations must be consistent with PEF’s charitable mission and further recognizes that all distributions of grant funds by PEF are subject to the approval of PEF’s Board of Directors (the “**PEF Board**”), which shall retain the exclusive discretion and control with respect to the use of all grant funds.
- d. Donor acknowledges and agrees that Donor shall have no right to instruct an Israeli Grantee with respect to the use, disbursement and/or reporting of any funds distributed by PEF to such Israeli Grantee upon the recommendation of Donor, and that this Agreement supersedes any agreement Donor may have had with such Israeli Grantee with respect thereto. Donor further acknowledges that PEF’s standard grant agreement with Israeli Grantees precludes an Israeli Grantee from accepting any such instructions from a donor to PEF. Notwithstanding the forgoing, Donor may instruct PEF to deliver to an Israeli Grantee, in the form attached hereto as **Exhibit B**, a letter requiring the Israeli Grantee to deliver certain reports or other information to PEF, which PEF shall, in turn, promptly forward to Donor for its review.

2. **Representations of PEF.** PEF hereby represents that:

a. It has been recognized by the IRS as an organization exempt from federal income tax pursuant to Section 501(c)(3) of the Code and was organized and is operated exclusively for charitable purposes as defined in Section 501(c)(3) of the Code;

b. The copies of PEF's Certificate of Incorporation, Bylaws and IRS Determination Letter if provided to Donor upon Donor's request (the "**Organizational Documents**") are true and correct; and

c. The copies of PEF's Form 990 and audited financial statements for the years ending November 30, [**3 most recent years**] if provided to Donor upon Donor's request are true and correct in all material respects.

3. **PEF Duties and Responsibilities.** PEF agrees that it shall:

a. Convene a meeting of the PEF Board to consider Donor's recommendations with respect to grants to Israeli grantees;

b. Exercise complete discretion over the use of grant funds, including, without limitation, the terms and conditions of disbursing grant funds to grantees, if any;

c. Within thirty (30) days of disbursing any part of the grant funds to a grantee, notify Donor in writing of the name of PEF's grantee, the amount paid to the grantee and the use to which the grantee has committed to use the funds;

d. If the PEF Board determines not to follow a recommendation of Donor with respect to all or part of any grant, PEF may, in the PEF Board's sole discretion, return all or part of such grant to Donor, provide Donor with the opportunity to recommend one or more alternate Israeli Grantees or disburse the grant funds to other grantees or for other charitable purposes as the PEF Board determines in its sole discretion with written notice to Donor;

e. Obtain and maintain copies of each Israeli Grantee's organizational documents, including its Certificate of Amutah, Articles of Association, Certificate of Financial Accountability, current financial statement, Proof of Section 46 status (applicable for organizations with at least two years of existence) and a report in English describing the organization's activities (the "**Israeli Organizational Documents**");

f. Confirm that each Israeli Grantee:

i. Is operated exclusively for charitable purposes as defined in Section 501(c)(3) of the Code;

ii. Is not permitted by law or the Israeli Organizational Documents to distribute its assets to benefit private parties;

iii. Is required to distribute any of its remaining assets for charitable and public purposes upon dissolution; and

iv. Is not permitted by law to engage in substantial lobbying or any political activity; and

g. Obtain permission to make field visits to Israeli Grantee's offices and/or facilities to confirm that each Israeli grant is being used for the charitable purposes intended, it being understood that

PEF makes randomly selected field visits and may not visit each or any Israeli Grantee.

4. **Term.** The term of this Agreement shall be one (1) year, beginning as of the date first above written (the "Term"). The Term of this Agreement may be renewed for an additional one (1) year by mutual written consent of both parties at or prior to the end of the Term. The initial Term and any renewal terms are together referred to as the "Term" of the Agreement.

5. **Independent Contractor.** Nothing contained in this Agreement shall be construed to create any partnership, agency, or joint venture relationship between Donor and PEF, and neither party to this Agreement shall make any representations to the contrary.

6. **Entire Agreement.** This Agreement constitutes the sole agreement between the parties with respect to the subject matter hereof and may only be amended in writing by the parties.

7. **Assignment.** Neither party shall assign or otherwise transfer this Agreement without the other party's written consent.

8. **Notices.** Any notice herein required or permitted to be given by either party shall be deemed given if and when mailed by U.S. certified or registered mail, postage prepaid, return receipt requested, to the following addresses or any other address designated by either party in writing:

If to PEF:

If to Donor:

P.E.F. Israel Endowment Funds, Inc.
630 Third Avenue, 15th Floor
New York NY 10017 USA

9. **Authority.** Donor and PEF each represents and warrants to the other that it has the full and unencumbered right to enter into this Agreement and to perform its obligations hereunder.

10. **Counterparts.** This Agreement may be executed in counterparts, each of which shall constitute an original and both of which shall constitute one and the same instrument.

11. **Severability.** The various provisions of this Agreement are severable from each other and from the rest of the Agreement, and in the event that any part of this Agreement shall be held invalid or unenforceable by a court of competent jurisdiction, the remainder of this Agreement shall be fully effective, operative, and enforceable.

12. **Governing Law.** This Agreement shall be governed by, interpreted, and enforced in accordance with the laws and in the courts of New York State, without reference to the conflict of laws doctrine. Any dispute or claim arising out of or relating to this Agreement shall be heard and resolved by a court of the State of New York or the Federal courts of the United States of America located in the State of New York, in each case in the borough of Manhattan (the "**Chosen Courts**"). The parties hereby irrevocably submit to the exclusive jurisdiction of the Chosen Courts in respect of the interpretation and enforcement of this Agreement. The parties hereby consent to and grant the Chosen Courts exclusive jurisdiction over the person of such parties and over the subject matter of such dispute and agree that mailing of process or other papers in connection with any such action or proceeding in such manner as may be permitted by law shall be valid and sufficient service thereof. The parties hereby irrevocably waive all right to trial by jury in any action or proceeding arising out of or relating to this Agreement

13. **No Third-Party Beneficiaries.** Nothing herein expressed or implied is intended or shall be construed to confer upon or give to any person, other than the parties hereto and their respective permitted successors and assigns, any rights or remedies under or by reason of this Agreement, such third parties specifically including, without limitation, Israeli Grantees.

Signature Page Follows

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement on the date written below.

P.E.F. ISRAEL ENDOWMENT FUNDS, INC.

[NAME OF DONOR]

By:
Title:
Date:

By:
Title:
Date:

Exhibit A: Form of Transmittal Letter

Exhibit B: Form of Letter to Israeli Grantee Regarding Deliverables

EXHIBIT A

FORM OF TRANSMITTAL LETTER

[DONOR LETTERHEAD]

RECOMMENDATION FOR USE OF GRANT FUNDS

Date: _____

Name of Organization: _____

Address: _____

Contact Name and Title: _____

Purpose: _____

I understand that final decisions about this recommendation rests with the Board of Directors of P.E.F. Israel Endowment Funds, Inc.

Name (print)

Signature

Date

EXHIBIT B

FORM OF LETTER TO ISRAELI GRANTEE REGARDING DELIVERABLES

[PEF Letterhead]

[Name and Address of Israeli Grantee]

Dear Sir or Madam:

P.E.F. Israel Endowment Funds, Inc. ("PEF") is considering awarding a grant to your organization. As a condition to making the grant, in addition to certain other conditions set forth in our standard Grantee Certificate, PEF requires that your organization agree to deliver the following reports or other information to PEF:

- 1.
- 2.
- 3.

PEF may share these reports or other information with any donor whose support to PEF funds your grant.

Please acknowledge your agreement to the foregoing by executing this letter in the space provided below.

P.E.F. ISRAEL ENDOWMENT FUNDS, INC.

By:
Title:
Date:

[Name of Israeli Grantee]

By:
Title:
Date: