

2013 GRANT AGREEMENT

The New Israel Fund agrees to make grants to Friendship Village during calendar year 2013.  
Grantee agrees and consents to the following grant conditions:

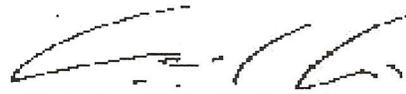
1. Grantee shall use funds granted solely for charitable and educational purposes, as set forth in grant authorization letters and according to the approved grant request plan of work. Grantee shall repay to the Grantor any portion of the funds granted which are not used for the purposes of the grant.
2. Grantee will conduct itself according to NIF's principles and guidelines as published on NIF's website:  
<http://www.nif.org.il/about/faqs> <http://www.nif.org.il/about/guidelines>
3. Grantee shall submit reports to the Grantor on a regular basis, when specified so in grant authorization letters. Such reports shall describe the progress that Grantee has made toward achieving the purposes for which the grant was made and shall detail all expenditures made from the granted funds.
4. Grantee shall keep records to substantiate all expenditures, and shall make all such books and records available to the Grantor at reasonable times. Grantee shall keep copies of all books and records to Grantor for at least six (6) years after completion of the grant funds.
5. Grantee shall submit to the Grantor financial reports from 2012 by July 2013 and at the end of all subsequent calendar years in which grant funds are received. These reports shall be certified by an independent public accountant or by the Controlling Committee of the organization, as specified by Israeli law.
6. Grantee that was informed of a grant due to be paid, and did not complete its reporting duties to NIF within 6 months of notification, its grant will be nullified.
7. Grantee hereby undertakes to conduct all of its affairs pursuant and subject to Israeli law: As quoted in section 3 of the Amutot Law 5740, 1980: "An Amuta shall not be registered if any of its objectives negates the existence of the democratic character of the state of Israel, or if there are reasonable grounds for concluding that the Amuta will be used as cover for illegal activities".
8. Grantee shall not use any portion of funds granted to contribute to political parties or to candidates or party lists for elective office or to participate in or intervene in any political campaign on behalf of or in opposition to any candidate or party lists for public office. Grantee shall not use any portion of funds granted to carry on propaganda or otherwise to attempt to influence specific legislation, either by direct or grassroots lobbying.
9. Grantee understands that grants to be made by NIF in calendar year 2013 are subject to availability of funds and approval by the NIF Board of Directors. All grants shall be subject to the conditions set forth in this agreement and to any additional conditions set forth in grant authorization letters.
10. Grantee shall mention the name of the Grantor in any public exposure of its activities, when specified so in the grant authorization letter and attached information papers, which are hereby an integral part of this contract.
11. Grantee shall update NIF Israel- donors' relations about any trip of staff / board members to the USA / UK.
12. Grantee confirms and agrees that the grant is given at the absolute discretion of NIF and NIF shall be entitled not to make the grant, in whole or in part, if, *inter alia*, circumstances arise which, in NIF's opinion, justify not making the grant or not making any part thereof: in any case, Grantee shall not have any cause of action against NIF relating to any matter arising from and/or related to the grant and/or making the grant (in whole or in part).

Agreed to by:

\_\_\_\_\_  
Officer, Director or Trustee's signature Rachel Liel, Director  
New Israel Fund

\_\_\_\_\_  
Name and Position

*Jonatan Peled - General Director*

  
\_\_\_\_\_  
Rachel Liel, Director

\_\_\_\_\_  
Date Date 2 January, 2013

