GRANT AGREEMENT
Nazareth Academic Institute

GRANT AMOUNT: The Mandell L. and Madeleine H. Berman Foundation (the Foundation) agrees to a grant totaling $10,000 to Nazareth Academic Institute (the Agency), with the understanding and agreement of the points described below.

GRANT PERIOD: The grant period of one year, effective October 1, 2013.

PURPOSE: The purpose of this grant is to provide funding for 12 scholarships (@ ILS 3,000 each, for a total of ILS 36,000) to the Nazareth Academic Institute's short graphics course starting in October/November 2013.

STIPULATIONS: This grant is presented on the assumption that the objectives described in the grant proposal can and will be accomplished within the grant period. If delays in accomplishing the objectives are experienced or expected, the Foundation shall be notified immediately.

In addition, the Agency agrees:

1. To ensure that all grant-funded activities are strictly nonpartisan and do not consist of participating in political campaigns or campaigns for public office.

2. To use the grant funds solely for the purposes of the specific project as described above. Any significant changes in the purposes for which grant funds are spent must be approved in writing by the Foundation before implementation.

3. To return any portion of the funds granted which are not used solely for the purpose of the grant stated above.

4. To maintain its books to show these grant funds separately. All expenditures made in furtherance of the purposes of the grant shall be charged off against the grant and shall appear on those books. The Agency shall keep adequate records to substantiate such expenditures. The Agency shall make such books and records available to the Foundation at reasonable times for review and audit, if requested by the Foundation.

5. To acknowledge the Foundation in any public releases, credits or publications that mention the project funded, and to send copies of them to the Foundation. Grantees are asked to clear written statements about the Foundation with the Foundation before publication.

6. To notify the Foundation immediately if the Internal Revenue Service proposes to revoke or alter the grantee's tax exempt status, which under I.R.S. tax classification is currently described under the Tax Code sections 501(c)(3) and/or 509(a)(1),(2), or (3).

PAYMENTS: Financial fulfillment of this grant shall be made in one payment of $10,000 during the month of October, subject to receipt of a signed agreement by the Foundation and an interim report.

REPORTS: The interim report, due September 20, 2013, should list scholarship recipients and provide short bios. The final report, due May 2014, should summarize the program and list jobs or employment plans of each of the graduates of the course (including those who are not funded by the Foundation).

In the event that the Foundation determines, in its sole discretion, that the Agency has breached or failed to carry out any material provision of this Agreement, the Foundation may, in addition to any other legal remedies it may have, including the termination of this Agreement, refuse to make any further grant payments to the Agency, and the Foundation may demand in writing return of all or part of the unexpended grant funds, which the Agency shall immediately repay to the Foundation. The amount of such unexpended

grant funds to be repaid to the Foundation shall not include funds needed to meet obligations incurred by the Agency to third parties, in good faith, for the purposes of the specific project described above, prior to the Agency's receipt of the Foundation's written demand for repayment.

Finally, this agreement in its entirety between the parties hereto supersedes prior discussion or agreements that may have existed between the parties and may be modified only in writing and signed by both parties.

Mandell L. Berman, Trustee — Date: 8/22/13

Sarai Brachman Shoup, Director — Date: 8/22/13

المؤسسة الأكاديمية-الناصرة
המוסד האקדמי נצרת
Nazareth Academic Institute
580386084 ע"ר

Signature of Responsible Officer — Date: 08/20/2013
Nazareth Academic Institute

Dr. Naif Khaldy, Head of the Extra-Curricular Department
Print name and title