GRANT AGREEMENT
Tsofen

GRANT AMOUNT: The Mandell L. and Madeleine H. Berman Foundation (the Foundation) agrees to two grants, one for $40,000 and the other up to $3,750 to Tsofen (the Agency), with the understanding and agreement of the points described below.

GRANT PERIOD: The grant period of one year, effective August 1, 2012.

PURPOSE: The purpose of the first grant, for $40,000, is to provide funding for Tsofen's "employment track," consisting of recruitment, training and placement of college graduates of Arab origin for employment in high tech companies, to take place in Nazareth in Fall 2012. For this course and others that Tsofen runs in 2012-13, The Foundation encourages a link between Tsofen and Emek Yezreel College's Department of Information Technology. The second grant provides 3000 shekel scholarships per individual for up to 5 Arab graduates from Emek Yezreel's Department of Information Technology who participate in and finish Tsofen courses in 2012-13.

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 two payments: the first, $40,000, will e paid during the month of August 2012, subject to receipt of a signed agreement by the Foundation; the second, up to $3750, will be paid in response to a interim report (email is fine) confirming the participation of up to 5 students from Emek Yezreel, that includes their bios and new place of employment, if possible.

REPORTS: The interim report should provide the information listed above under "payments" and may be issued at any point during the year. The final report, due May 2013, should provide an overview of Tsofen activities in 2012-13 as well as a specific summary of the specific course funded by the Foundation

(including number of graduates, background of participants and employment information) and a review of the Emek Yezreel partnership.

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

Sarai Brachman Shoup, Director — Date: September 7, 2012

Signature of Responsible Officer — Date: 8/28/2012
Tsofen

SMADAR NEHAB, Executive Director

Print name and title