

**Grant Agreement**

**NOTICE: THIS GRANT AGREEMENT IS SUBJECT TO ARBITRATION PURSUANT TO THE SOUTH CAROLINA UNIFORM ARBITRATION ACT, SECTION 15-48-10 ET SEQ. OF THE CODE OF LAWS OF SOUTH CAROLINA**

\_\_\_\_\_, 2023

[insert name/ address.]

Dear [insert contact name],

On behalf of The LS3P Foundation (the “*Foundation*”), we are pleased to inform you of the Foundation’s decision to grant [insert name of grant program] (the “*Grant*”) to [insert name of grantee] (“*Grantee*”) for the purposes contemplated herein, subject to the following terms and conditions.

**GRANT AGREEMENT**

1. **Grant Term.** This Grant will be effective as of the date of the last signature below and the period of performance of Grantee shall commence on [insert date] (the “*Commencement Date*”) and conclude on [insert date], unless otherwise extended by the Foundation, in writing and in its reasonable discretion (such period referred to herein as the “*Grant Performance Period*”).

2. **Grant Purpose and Activities.** The purpose of the Grant is to [insert brief description]. Grantee shall undertake the following activities as contemplated and provided in Attachment 1 hereto.

3. **Grant Funding.** Provided Grantee is in compliance with all of the terms and conditions of this Agreement at all times during the Grant Performance Period, the Grant funds will be paid as follows:

[insert schedule and amount]

4. **Reporting of Grantee.** The Grantee shall provide the following reports to the Foundation as of the time indicated below:

[insert reporting requirements and schedule. Please note that the final report should be delivered prior to the conclusion of the Grant Performance Period as defined above.]

5. **Representations of Grantee.** Grantee represents and warrants that (i) Grantee is, and at all times during the Grant Performance Period, shall be a tax exempt public charity, in good standing, as contemplated in Internal Revenue Code section 501(c)(3); (ii) Grantee shall perform all activities as contemplated in this agreement, including Attachment 1, with a high degree of care and professionalism; (iii) Grantee has all requisite power and authority to enter into this Grant and to perform its obligations under this Grant, (iv) the execution of this Grant agreement and the performance by Grantee of its obligations hereunder have been duly authorized, and (v) the performance of this Agreement by it does not create or constitute a breach or default under any other agreement to which Grantee is a party or otherwise violate any applicable laws.

6. **LIMITATION OF LIABILITY/ INDEMNIFICATION/ INSURANCE.**

<b>Grant Agreement</b>

a. IN CONNECTION WITH THIS GRANT AND THIS GRANT AGREEMENT, NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY IN ANY MANNER, UNDER ANY THEORY OF LIABILITY, WHETHER IN CONTRACT, TORT (INCLUDING WITHOUT LIMITATION NEGLIGENCE), BREACH OF WARRANTY OR OTHER THEORY FOR ANY INDIRECT, CONSEQUENTIAL, INCIDENTAL, EXEMPLARY, OR PUNITIVE, STATUTORY OR SPECIAL DAMAGES, REGARDLESS OF WHETHER SUCH PARTY WAS ADVISED OR WAS AWARE OF THE POSSIBILITY OF SUCH DAMAGES. In addition, the total liability of one party to the other party arising out of this Grant agreement or Grant, and the activities contemplated herein, shall be capped at the amount of funding expressly provided by the Foundation to Grantee in Section 3. Notwithstanding any of the foregoing, this limitation of liability shall neither cap nor limit the obligation of Grantee to indemnify the Foundation as provided herein.

b. **Indemnification of the Foundation.** Grantee irrevocably and unconditionally shall defend, indemnify, and hold harmless the Foundation and each of its officers, directors, employees, and representatives, from and against any and all claims, liabilities, losses, and expenses arising out of, related to, or in connection with any breach of applicable law by Grantee or any third party claims arising from or in connection with any act or omission of Grantee related to, in connection with, or arising out of the Grant, the activities and performance obligations of Grantee, or any breach of the Grant, including all terms herein, by Grantee.

c. **Insurance.** Grantee shall carry automobile, comprehensive general liability, and other insurance sufficient in amount to cover the performance of its obligations hereunder, as determined by the Foundation in its reasonable discretion. If requested by the Foundation, the Grantee shall cause such insurance to list the Foundation as additional insured thereunder.

[insert any specific insurance requirements.]

Upon reasonable request of the Foundation, Grantee shall furnish the Foundation with a certificate or certificates of insurance evidencing that appropriate insurance coverages are in full force and effect.

7. **Termination.** This Grant agreement, and the Grant itself, may be terminated at any time by the mutual agreement of the Foundation and Grantee. This Grant, and the Grant itself, including all future funding of the Foundation to the Grantee, may be terminated immediately by the Foundation in the event of a breach of any term hereof by Grantee, including, without limitation, failure to comply with any reporting requirements in section 4, breach of any representations of Grantee during the Grant Performance Period, or failure to obtain adequate and reasonable insurance coverage. In the event of termination due to breach of the Grant agreement, Grantee shall immediately return any unexpended funds to the Foundation. This Grant may be terminated by Grantee at any time prior to the Commencement Date. Sections 6, 7, and 8.d, g, h, k, and m shall survive termination of this Grant agreement.

8. **Grant Terms and Conditions:**

a. **Use of Funds.** The tax laws that govern public charities provide that the Grant funds, and income earned on those funds, may be spent only for charitable, religious, scientific, or educational purposes. The Grant is made only for the purposes stated in this Agreement and may not be used for any other purpose, as defined in the Purpose, without the Foundation's prior approval in writing. Moreover, Grantee agrees not to use any of the Grant funds or the interest or income earned thereon to provide a tangible economic benefit to any "disqualified person" with respect to the Foundation, as that term

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is defined by Section 4946<sup>1</sup> of the Internal Revenue Code of 1986, as amended (the “**Code**”). Grantee shall maintain financial reports with details and evidence of how the Grant funds are expended. Evidence (e.g., invoices, receipts, financial statements, etc.) of the use of the Grant funds will be provided to the Foundation or a Foundation representative upon request within thirty (30) days of such request. Grantee shall only expend Grant funds for direct costs and expenses related to the activities hereunder; however, Grantee may be permitted to apply up to, but not exceeding [redacted] % of the Grant funds towards indirect costs in connection with performance under the Grant.

b. **Record Maintenance and Inspection.** In connection with the Grant, Grantee must maintain records of receipts and expenditures and make books and records available to the Foundation for inspection at reasonable times during the Grant Performance Period and for two (2) years thereafter.

c. **Prohibited Activities.** In order that the Foundation may comply with the tax laws set forth in the Code and the Treasury Regulations promulgated thereunder, it is understood that the Grant funds will not be used for any of the following purposes:

- 1) To carry on propaganda, or otherwise attempt to influence any legislation within the meaning of Section 4945(d)(1) of the Code;
- 2) 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;
- 3) To make any grant to any other organization; or
- 4) To undertake any activity for any purposes other than the charitable purposes specified in Section 170(c)(2)(B) of the Code.

d. **Return of Unused Funds.** Any Grant funds, and any income earned on those funds, that are not spent or committed for the purposes of the Grant, must be returned to the Foundation at the conclusion of the Grant Performance Period.

e. **Attribution.** In all publications of Grantee whereby it will publish its results arising out of the Grant, as is reasonably possible, Grantee shall attribute to the Foundation that the Foundation provided a grant to Grantee to undertake the activities and work contemplated herein.

f. **Assignment of Rights and Delegation of Obligations.** Grantee will not assign or otherwise transfer its rights or delegate any of its obligations under the Grant, without prior approval from the Foundation.

g. **Amendments.** This Grant agreement may be amended by written agreement signed by authorized representatives of both parties.

h. **Governing Law.** This Grant shall be governed by the laws of the State of South Carolina, without regard of its choice of laws provisions.

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<sup>1</sup> Generally, the term “disqualified person” includes directors, officers, trustees, substantial contributors, persons with a 20% or greater interest in an entity that is a substantial contributor, the family members of all such individuals, and certain entities partially or wholly owned by disqualified persons.

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i. **No Agency.** Grantee is solely responsible for all activities supported by the Grant funds. This Agreement does not create any agency relationship, partnership, or joint venture between the parties, and Grantee will make no such representation to anyone.

j. **Waivers.** The failure of the Foundation to exercise any of its rights under this Agreement will not be deemed to be a waiver of such rights.

k. **Non-Disparagement.** During the Agreement term, and thereafter, Grantee, its directors, officers, employees, and affiliates, agree to take no action which is intended to, or does, harm the Foundation or its reputation or which would lead to unwanted or unfavorable publicity to the Foundation.

l. **Entire Agreement.** This Grant Agreement, including any attachment, is the entire agreement between the parties in connection with the subject matter contemplated herein and supersedes any prior written or oral agreements between the parties hereto and may be modified only in a written document duly approved and executed by an authorized representative of the Foundation.

m. **Dispute Resolution.** Each party agrees first to enter into good faith negotiations at an executive level to resolve any controversy, claim, or dispute arising out of or relating to the Agreement (a “*Dispute*”). In the event that an executive level meeting fails to resolve the Dispute within thirty (30) days after the first meeting of executives, the parties shall seek to resolve the Dispute pursuant to nonbinding mediation. In the event that nonbinding mediation does not achieve a mutually agreeable resolution of the Dispute, the Dispute shall be settled by arbitration in accordance with the South Carolina Uniform Arbitration Act, Section 15-48-10 et seq. of the Code of Laws of South Carolina. All such mediation and arbitration proceedings shall be held in Charleston, South Carolina, U.S.A.

\* \* \*

If this Grant agreement correctly describes your understanding of the terms of the Grant, please sign below and return the Grant agreement to [insert contact name] at the following address:

Thank you for your assistance, and best wishes for continued success!

Sincerely,  
The LS3P Foundation  
By: \_\_\_\_\_  
Its: \_\_\_\_\_

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If not accepted and agreed by [insert date], 2023, the Foundation reserves the right to revoke this Grant agreement.

**Accepted and Agreed by Grantee:**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name

\_\_\_\_\_

\_\_\_\_\_  
Title/Position

\_\_\_\_\_  
Official Address