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EXTENDED TO NOVEMBER 15, 2016

Return of Private Foundation

or Section 4947(a)(1) Trust Treated as Private Foundation

OMB No. 1545-0052

2015

Open to Public Inspection

Form 990-PF

Department of the Treasury Internal Revenue Service

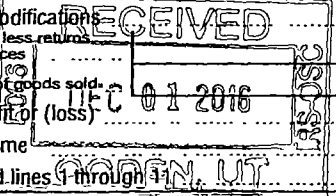
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For calendar year 2015 or tax year beginning , and ending

Name of foundation: GRAY MATTERS CHARITABLE FOUNDATION, INC.
Employer identification number: 58-2147850
Telephone number: 404-458-4153
City or town, state or province, country, and ZIP or foreign postal code: ATLANTA, GA 30306
Check all that apply: Address change, Section 501(c)(3) exempt private foundation
Fair market value of all assets at end of year: \$ 29,429,341
Accounting method: Cash

Table with 5 columns: (a) Revenue and expenses per books, (b) Net investment income, (c) Adjusted net income, (d) Disbursements for charitable purposes. Rows include Revenue (Contributions, Interest, Dividends, etc.) and Operating and Administrative Expenses (Salaries, Pension, Legal fees, etc.).

SCANNED DEC 06 2015



523501 11-24-15

LHA For Paperwork Reduction Act Notice, see instructions.

Form 990-PF (2015)

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only		
		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash - non-interest-bearing	14,375,701.	8,798,321.	8,798,321.
	2 Savings and temporary cash investments			
	3 Accounts receivable			
	Less: allowance for doubtful accounts			
	4 Pledges receivable			
	Less: allowance for doubtful accounts			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons			
	7 Other notes and loans receivable			
	Less: allowance for doubtful accounts			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments - U.S. and state government obligations			
	b Investments - corporate stock			
	c Investments - corporate bonds			
	11 Investments - land, buildings, and equipment basis			
Less: accumulated depreciation				
12 Investments - mortgage loans				
13 Investments - other	STMT 8	7,055,764.	10,738,666.	20,631,020.
14 Land, buildings, and equipment basis				
Less: accumulated depreciation				
15 Other assets (describe)				
16 Total assets (to be completed by all filers - see the instructions. Also, see page 1, item I)		21,431,465.	19,536,987.	29,429,341.
Liabilities	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable			
22 Other liabilities (describe STATEMENT 9)		69,498.	176,141.	
23 Total liabilities (add lines 17 through 22)		69,498.	176,141.	
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31. <input type="checkbox"/>			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here <input checked="" type="checkbox"/>			
	27 Capital stock, trust principal, or current funds		0.	0.
	28 Paid-in or capital surplus, or land, bldg., and equipment fund		0.	0.
29 Retained earnings, accumulated income, endowment, or other funds		21,361,967.	19,360,846.	
30 Total net assets or fund balances		21,361,967.	19,360,846.	
31 Total liabilities and net assets/fund balances		21,431,465.	19,536,987.	

Part III Analysis of Changes in Net Assets or Fund Balances

1 Total net assets or fund balances at beginning of year - Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	21,361,967.
2 Enter amount from Part I, line 27a	2	<2,001,121.>
3 Other increases not included in line 2 (itemize)	3	0.
4 Add lines 1, 2, and 3	4	19,360,846.
5 Decreases not included in line 2 (itemize)	5	0.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	19,360,846.

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.)		(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a	GRAY GHOST MICROFINANCE FUND, LLC	P	VARIOUS	12/31/15
b	VILCAP INVESTMENTS, LLC	P	VARIOUS	12/31/15
c				
d				
e				

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a 688,800.			688,800.
b 1,598.			1,598.
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	
a			688,800.
b			1,598.
c			
d			
e			

2 Capital gain net income or (net capital loss)	{ If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }	2	690,398.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). If (loss), enter -0- in Part I, line 8		3	N/A

Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income.)

If section 4940(d)(2) applies, leave this part blank.

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period?

Yes No

If "Yes," the foundation does not qualify under section 4940(e). Do not complete this part.

1 Enter the appropriate amount in each column for each year; see the instructions before making any entries.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2014	1,443,560.	10,067,718.	.143385
2013	1,374,247.	707,247.	1.943093
2012	2,390,588.	1,861,289.	1.284372
2011	289,483.	2,249,423.	.128692
2010	649,075.	2,809,139.	.231058

2 Total of line 1, column (d)	2	3.730600
3 Average distribution ratio for the 5-year base period - divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	.746120
4 Enter the net value of noncharitable-use assets for 2015 from Part X, line 5	4	13,154,913.
5 Multiply line 4 by line 3	5	9,815,144.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	14,180.
7 Add lines 5 and 6	7	9,829,324.
8 Enter qualifying distributions from Part XII, line 4 If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions.	8	6,031,023.

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 - see instructions)

1a	Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1. Date of ruling or determination letter: _____ (attach copy of letter if necessary-see instructions)		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b	1	28,361.
c	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).		
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	2	0.
3	Add lines 1 and 2	3	28,361.
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	4	0.
5	Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-	5	28,361.
6	Credits/Payments:		
a	2015 estimated tax payments and 2014 overpayment credited to 2015	6a	64,000.
b	Exempt foreign organizations - tax withheld at source	6b	
c	Tax paid with application for extension of time to file (Form 8868)	6c	50,200.
d	Backup withholding erroneously withheld	6d	
7	Total credits and payments. Add lines 6a through 6d	7	114,200.
8	Enter any penalty for underpayment of estimated tax. Check here <input checked="" type="checkbox"/> if Form 2220 is attached	8	282.
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	85,557.
11	Enter the amount of line 10 to be: Credited to 2016 estimated tax <input type="checkbox"/> 85,557. Refunded <input checked="" type="checkbox"/>	11	0.

Part VII-A Statements Regarding Activities

	Yes	No
1a		X
1b		X
1c		X
2		X
3		X
4a		X
4b		
5		X
6	X	
7	X	
8a		
8b	X	
9		X
10		X

Part VII-A Statements Regarding Activities (continued)

11 At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)
12 Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)
13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address N/A
14 The books are in care of LAURA W. PUTZ Telephone no. 404-458-4153 Located at 1162 NORTH HIGHLAND AVENUE, ATLANTA, GA ZIP+4 30306
15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the year 15 N/A
16 At any time during calendar year 2015, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? See the instructions for exceptions and filing requirements for FinCEN Form 114. If "Yes," enter the name of the foreign country

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.

1a During the year did the foundation (either directly or indirectly):
(1) Engage in the sale or exchange, or leasing of property with a disqualified person?
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?
(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.)
b If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? Organizations relying on a current notice regarding disaster assistance check here
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2015?
2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):
a At the end of tax year 2015, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2015? If "Yes," list the years
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement - see instructions.) N/A
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here.
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?
b If "Yes," did it have excess business holdings in 2015 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969; (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2015.)
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2015?

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required (continued)

5a During the year did the foundation pay or incur any amount to:

- (1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? Yes No
- (2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive? Yes No
- (3) Provide a grant to an individual for travel, study, or other similar purposes? Yes No
- (4) Provide a grant to an organization other than a charitable, etc., organization described in section 4945(d)(4)(A)? (see instructions) Yes No
- (5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? Yes No

b If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)? **5b** X
 Organizations relying on a current notice regarding disaster assistance check here

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? Yes No
 If "Yes," attach the statement required by Regulations section 53.4945-5(d).

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes No

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No **6b** X
 If "Yes" to 6b, file Form 8870.

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? Yes No

b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction? Yes No **7b** N/A

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors

1 List all officers, directors, trustees, foundation managers and their compensation.

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
SEE STATEMENT 10		98,156.	7,798.	0.

2 Compensation of five highest-paid employees (other than those included on line 1). If none, enter "NONE."

(a) Name and address of each employee paid more than \$50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
NONE				

Total number of other employees paid over \$50,000 **0**

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors *(continued)*

3 Five highest-paid independent contractors for professional services. If none, enter "NONE."

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		

Total number of others receiving over \$50,000 for professional services

0

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.

	Expenses
1 N/A	
2	
3	
4	

Part IX-B Summary of Program-Related Investments

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.

	Amount
1	
SEE STATEMENT 11	1,500,000.
2	
SEE STATEMENT 12	869,860.
All other program-related investments. See instructions.	
3	
SEE STATEMENT 13	277,138.
Total. Add lines 1 through 3	2,646,998.

Form 990-PF (2015)

Part X

Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see instructions.)

1 Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:			
a	Average monthly fair market value of securities	1a	0.
b	Average of monthly cash balances	1b	12,570,754.
c	Fair market value of all other assets	1c	784,488.
d	Total (add lines 1a, b, and c)	1d	13,355,242.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0.
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	13,355,242.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	200,329.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	13,154,913.
6	Minimum investment return. Enter 5% of line 5	6	657,746.

Part XI

Distributable Amount (see instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here and do not complete this part.)

1	Minimum investment return from Part X, line 6	1	657,746.
2a	Tax on investment income for 2015 from Part VI, line 5	2a	28,361.
2b	Income tax for 2015. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	28,361.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	629,385.
4	Recoveries of amounts treated as qualifying distributions	4	378,435.
5	Add lines 3 and 4	5	1,007,820.
6	Deduction from distributable amount (see instructions)	6	0.
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	1,007,820.

Part XII

Qualifying Distributions (see instructions)

1 Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:			
a	Expenses, contributions, gifts, etc. - total from Part I, column (d), line 26	1a	3,384,025.
b	Program-related investments - total from Part IX-B	1b	2,646,998.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3 Amounts set aside for specific charitable projects that satisfy the:			
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	6,031,023.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	5	0.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	6,031,023.

Note. The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years.

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2014	(c) 2014	(d) 2015
1 Distributable amount for 2015 from Part XI, line 7				1,007,820.
2 Undistributed income, if any, as of the end of 2015:				
a Enter amount for 2014 only			0.	
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2015:				
a From 2010	508,618.			
b From 2011	176,012.			
c From 2012	2,292,524.			
d From 2013	1,359,487.			
e From 2014	1,227,684.			
f Total of lines 3a through e	5,564,325.			
4 Qualifying distributions for 2015 from Part XII, line 4: ▶ \$	6,031,023.			
a Applied to 2014, but not more than line 2a			0.	
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2015 distributable amount				1,007,820.
e Remaining amount distributed out of corpus	5,023,203.			
5 Excess distributions carryover applied to 2015 (If an amount appears in column (d), the same amount must be shown in column (a).)	0.			0.
6 Enter the net total of each column as indicated below:	10,587,528.			
a Corpus Add lines 3f, 4c, and 4e. Subtract line 5				
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
e Undistributed income for 2014. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2015. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2016				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (Election may be required - see instructions)	0.			
8 Excess distributions carryover from 2010 not applied on line 5 or line 7	508,618.			
9 Excess distributions carryover to 2016. Subtract lines 7 and 8 from line 6a	10,078,910.			
10 Analysis of line 9:				
a Excess from 2011	176,012.			
b Excess from 2012	2,292,524.			
c Excess from 2013	1,359,487.			
d Excess from 2014	1,227,684.			
e Excess from 2015	5,023,203.			

Part XIV Private Operating Foundations (see instructions and Part VII-A, question 9) N/A

1 a. if the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2015, enter the date of the ruling ..

b Check box to indicate whether the foundation is a private operating foundation described in section ... 4942(j)(3) or 4942(j)(5)

Table with 5 columns: (a) 2015, (b) 2014, (c) 2013, (d) 2012, (e) Total. Rows include: 2 a Enter the lesser of the adjusted net income...; 2 b 85% of line 2a; 2 c Qualifying distributions from Part XII...; 2 d Amounts included in line 2c not used directly for active conduct of exempt activities; 2 e Qualifying distributions made directly for active conduct of exempt activities; 3 Complete 3a, b, or c for the alternative test relied upon: 3 a "Assets" alternative test - enter: (1) Value of all assets; (2) Value of assets qualifying under section 4942(j)(3)(B)(i); 3 b "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed; 3 c "Support" alternative test - enter: (1) Total support other than gross investment income; (2) Support from general public and 5 or more exempt organizations; (3) Largest amount of support from an exempt organization; (4) Gross investment income.

Part XV Supplementary Information (Complete this part only if the foundation had \$5,000 or more in assets at any time during the year-see instructions.)

1 Information Regarding Foundation Managers:

a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than \$5,000). (See section 507(d)(2).)

ROBERT A. PATTILLO

b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest.

NONE

2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:

Check here [X] if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc. (see instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.

a The name, address, and telephone number or e-mail address of the person to whom applications should be addressed:

N/A

b The form in which applications should be submitted and information and materials they should include:

N/A

c Any submission deadlines:

N/A

d Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors:

N/A

Part XV Supplementary Information (continued)

3 Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a Paid during the year				
NONE				
Total			▶ 3a	0.
b Approved for future payment				
NONE				
Total			▶ 3b	0.

Schedule B

(Form 990, 990-EZ, or 990-PF)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.
▶ Information about Schedule B (Form 990, 990-EZ, or 990-PF) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2015

Name of the organization

Employer identification number

GRAY MATTERS CHARITABLE FOUNDATION, INC.

58-2147850

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

501(c)() (enter number) organization

4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, contributions totaling \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II. See instructions for determining a contributor's total contributions.

Special Rules

For an organization described in section 501(c)(3) filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), that checked Schedule A (Form 990 or 990-EZ), Part II, line 13, 16a, or 16b, and that received from any one contributor, during the year, total contributions of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.

For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 *exclusively* for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. Complete Parts I, II, and III.

For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions *exclusively* for religious, charitable, etc., purposes, but no such contributions totaled more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc., contributions totaling \$5,000 or more during the year . . . ▶ \$ _____

Caution. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on its Form 990-PF, Part I, line 2, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF. Schedule B (Form 990, 990-EZ, or 990-PF) (2015)

Name of organization GRAY MATTERS CHARITABLE FOUNDATION, INC.	Employer identification number 58-2147850
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Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	<p>AMERICAN JEWISH WORLD SERVICE</p> <p>45 WEST 36TH STREET</p> <p>NEW YORK, NY 10018</p>	\$ <u>62,500.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization GRAY MATTERS CHARITABLE FOUNDATION, INC.	Employer identification number 58-2147850
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Part II Noncash Property (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$ _____	
		\$ _____	
		\$ _____	
		\$ _____	
		\$ _____	
		\$ _____	
		\$ _____	

Name of organization GRAY MATTERS CHARITABLE FOUNDATION, INC.	Employer identification number 58-2147850
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Part III Exclusively religious, charitable, etc., contributions to organizations described in section 501(c)(7), (8), or (10) that total more than \$1,000 for the year from any one contributor. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of \$1,000 or less for the year (Enter this info once) ▶ \$ _____
Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	

FORM 990-PF INTEREST ON SAVINGS AND TEMPORARY CASH INVESTMENTS STATEMENT 1

SOURCE	(A) REVENUE PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME
OTHER INTEREST	31,045.	31,045.	31,045.
THROUGH ACCELERON GROUP K-1	38.	38.	38.
THROUGH VILCAP INVESTMENTS K-1	993.	993.	993.
TOTAL TO PART I, LINE 3	32,076.	32,076.	32,076.

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
GRAY GHOST MICROFINANCE FUND, LLC	885,431.	0.	885,431.	885,431.	885,431.
TO PART I, LINE 4	885,431.	0.	885,431.	885,431.	885,431.

FORM 990-PF LEGAL FEES STATEMENT 3

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
LEGAL FEES	48,303.	0.	0.	48,303.
TO FM 990-PF, PG 1, LN 16A	48,303.	0.	0.	48,303.

FORM.990-PF	ACCOUNTING FEES			STATEMENT	4
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
TAX PREPARATION AND PLANNING FEES	8,100.	1,620.	0.	6,480.	
TO FORM 990-PF, PG 1, LN 16B	8,100.	1,620.	0.	6,480.	

FORM 990-PF	OTHER PROFESSIONAL FEES			STATEMENT	5
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
OTHER PROFESSIONAL FEES	755.	0.	0.	755.	
TO FORM 990-PF, PG 1, LN 16C	755.	0.	0.	755.	

FORM 990-PF	TAXES			STATEMENT	6
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
OTHER TAXES	97,643.	0.	0.	0.	
FOREIGN TAXES	118.	118.	0.	0.	
TO FORM 990-PF, PG 1, LN 18	97,761.	118.	0.	0.	

FORM 990-PF	OTHER EXPENSES			STATEMENT	7
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
OFFICE EXPENSES	16,006.	3,201.	0.	12,805.	
LICENSES & PERMITS	30.	6.	0.	24.	
FROM GGMF K-1 - PORTFOLIO LOSS	13,038.	13,038.	0.	0.	
FROM GGMF K-1 - PORTFOLIO DEDUCTION 2%	14,952.	14,952.	0.	0.	

FROM GGMF K-1 - INVESTMENT INTEREST EXPENSE	65,401.	65,401.	0.	0.
BANK FEES	71.	71.	0.	0.
FROM ACCELERON GROUP K-1 - ROYALTY DEDUCTIONS	68,941.	68,941.	0.	0.
TO FORM 990-PF, PG 1, LN 23	178,439.	165,610.	0.	12,829.

FORM 990-PF OTHER INVESTMENTS STATEMENT 8

DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
PRI: N/R - IMPACTASSETS, INC.	COST	1,500,780.	1,500,780.
PRI: GRAY GHOST MICROFINANCE FUND, LLC	COST	7,288,476.	17,180,830.
PRI: VILCAP INVESTMENTS, LLC	COST	74,277.	74,277.
ACCELERON GROUP, LLC	COST	784,488.	784,488.
PRI: N/R - DONKOH	COST	170,785.	170,785.
PRI: SPEAKWELL	COST	869,860.	869,860.
PRI: INSTITUTO	COST	50,000.	50,000.
TOTAL TO FORM 990-PF, PART II, LINE 13		10,738,666.	20,631,020.

FORM 990-PF OTHER LIABILITIES STATEMENT 9

DESCRIPTION	BOY AMOUNT	EOY AMOUNT
DUE TO M&O	69,443.	24,443.
DUE TO GMC	50.	34,018.
DUE TO WWV	5.	112,463.
DUE TO WELLS FARGO CREDIT CARD	0.	5,217.
TOTAL TO FORM 990-PF, PART II, LINE 22	69,498.	176,141.

FORM 990-PF PART VIII - LIST OF OFFICERS, DIRECTORS TRUSTEES AND FOUNDATION MANAGERS STATEMENT 10

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
ROBERT A. PATTILLO 1162 NORTH HIGHLAND AVENUE ATLANTA, GA 30306	PRESIDENT/DIRECTOR 0.10	78,750.	5,021.	0.
CLAY REESE 1162 NORTH HIGHLAND AVENUE ATLANTA, GA 30306	SECRETARY 0.10	0.	0.	0.
LAURA W. PUTZ 1162 NORTH HIGHLAND AVENUE ATLANTA, GA 30306	VICE PRESIDENT 0.10	13,969.	782.	0.
JENNIFER F. SOLTIS 1162 NORTH HIGHLAND AVENUE ATLANTA, GA 30306	VICE PRESIDENT 0.10	5,437.	1,995.	0.
ERIKA NORWOOD 1162 NORTH HIGHLAND AVENUE ATLANTA, GA 30306	DIRECTOR 0.10	0.	0.	0.
JOSEPH J. IAROCCHI 1162 NORTH HIGHLAND AVENUE ATLANTA, GA 30306	DIRECTOR 0.10	0.	0.	0.
TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII		98,156.	7,798.	0.

FORM 990-PF SUMMARY OF PROGRAM-RELATED INVESTMENTS STATEMENT 11

DESCRIPTION

INVESTMENT IN IMPACT ASSETS, INC. - IMPACT ASSETS INVESTS IN GROWER COOPERATIVES AND AGRICULTURAL ENTERPRISES PROMOTING SUSTAINABLE AGRICULTURE PRACTICES THAT IMPROVE ENVIRONMENTAL PERFORMANCE AND BUILD FOOD SYSTEMS WHILE BENEFITING SMALL TO MID-SIZE FARMERS.

TO FORM 990-PF, PART IX-B, LINE 1

AMOUNT

1,500,000.

FORM 990-PF

SUMMARY OF PROGRAM-RELATED INVESTMENTS

STATEMENT 12

DESCRIPTION

INVESTMENT IN SPEAKWELL - SPEAKWELL FOCUSES ON DEVELOPING THE SKILLS OF THE YOUTH OF INDIA THROUGH CENTERS THAT PROVIDE ENGLISH LANGUAGE TRAINING ALONG WITH OTHER VOCATIONAL TRAINING.

AMOUNT

TO FORM 990-PF, PART IX-B, LINE 2

869,860.

FORM 990-PF OTHER PROGRAM-RELATED INVESTMENTS STATEMENT 13

DESCRIPTION	AMOUNT
DONKOH LOAN - THE PURPOSE OF THE LOAN TO KEN & LISA DONKOH WAS FOR THE FUNDING OF THEIR SCHOOL CURRICULUM COMPANY IN GHANA THAT WOULD THEN CARRY OUT OPERATIONS IN NIGERIA IN ORDER TO SERVE LOW INCOME SCHOOLS.	200,000.

DESCRIPTION	AMOUNT
INVESTMENT IN INSTITUTO - INSTITUTO 50 SA DA CV IS A MEXICAN COMPANY FOCUSED ON DEVELOPING A DISRUPTIVE EDUCATIONAL PLATFORM AND ECOSYSTEM TO PROVIDE ACCESSIBLE FIRST CLASS HEALTH AND ELDERLY CARE EDUCATION TO WOMEN WITH LIMITED OPPORTUNITIES AND UNFULFILLED EMPLOYMENT IN MEXICO.	50,000.

DESCRIPTION	AMOUNT
INVESTMENT IN VILCAP INVESTMENTS, INC. - THIS COMPANY WORKS TO CREATE THE SPACE FOR ENTREPRENEURS TO WORK TOGETHER ACROSS THE BOUNDARIES OF THEIR ORGANIZATIONS, TO HELP LIFT ONE ANOTHER'S PERFORMANCE THROUGH INVESTMENTS IN SOCIAL ENTERPRISES.	27,138.

TOTAL TO FORM 990-PF, PART IX-B, LINE 3	277,138.
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Gray Matters Charitable Foundation, Inc
 EIN 68-2147860

Grants and Contributions Paid

1		Use 'Detail' tab for Full View and Edit										
Recipient Name	Recipient Type	Street	City	State	Zip or Postal Code	Province	Country	Payment Code 1 * Current Year 2 = Future	Foundation Status of Recipient	Purpose of Grant or Contribution	Relationship of Recipient	Amount
Gray Matters Capital, Inc.	Individual	6200 North Highland Avenue	Atlanta	GA	30306			1	FCP	General Operating & Investment Support TO FUTURE WEALTH CREATION TO UNLOCK THE POTENTIAL OF millions of people through the use of digital books in places where access to reading materials is very limited.	None	2,950,010
Worldreader.org		40 Rhyndford Street	San Francisco	CA	94103			1	FC	To provide scholarships for 2 InvestWise fellows to participate in the IDEX Fellowship program TO BUILD NEW TEACHING CONTENT, CURRICULUM & SUPPORT NEW materials to further the mission to leverage engaging and relevant learning content and curriculum	None	80,000
IDEX Accelerator, Inc		50 Peachtree St NW, Box 705	Atlanta	GA	30303			1	NC	To ensure continuity of education in two schools for one year	None	112,500
Reavess (Better World Bd)		5 Calder Drive	Ashland	MA	1721			1	NC	Operational scaling & development of Voice 4 Girls Camps	None	10,000
Kasturi Trust		218, 4th Cross Hen War Colony, J P Nagar IV Phase	Bangalore		560 078	Karnataka	India	1	NC	To improve educational opportunities for low-income communities by researching methods to improve early childhood education	None	52,500
VOICE, Inc		101 Beane Street	Providence	RI	02906-1500			1	NC		None	3,000
Comoro SAPI de C V		Colima 220 Int 101, Colonia Roma Norte	Mexico City		06700		Mexico	1	NC		None	

FISCAL SPONSORSHIP AGREEMENT EXTENSION

THIS FISCAL SPONSORSHIP AGREEMENT EXTENSION (the "Extension") is entered into as of February 18, 2015, by and between Gray Matters Charitable Foundation, Inc., a Georgia nonprofit corporation, (the "Sponsor"), and Vital Opportunities in Creative Empowerment (VOICE), Inc., a Georgia nonprofit corporation, the principal office of which is at 101 Keene Street, Providence Rhode Island, United States of America ("VOICE"), with tax identification number 80-0747069. GMC and VOICE are collectively referred to herein as the "Parties" and sometimes individually as "Party."

WHEREAS, the Parties entered into that certain Fiscal Sponsorship Agreement dated March 1, 2014 (the "Agreement"); and

WHEREAS, the Parties desire to add an Extended Term to the Agreement as provided in Section 4 – Effective Date; Term of the Agreement.

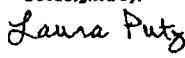
NOW, THEREFORE, in consideration of the forgoing and intending to be legally bound, the Parties hereby extend the Agreement as follows pursuant to Section 4 of the Agreement:

1. Extension of Term. The Parties agree to extend the Agreement for the Extended Term beginning on February 18, 2015 ending on April 19, 2015.
2. Counterparts. This Amendment may be executed in counterpart originals each of which shall constitute an executed original and together shall constitute a fully-executed document.
3. Nothing in this Extension shall alter the terms of the Agreement except for those specifically mentioned herein.
4. Unless otherwise defined herein, capitalized terms shall have the same meaning as ascribed to them in the Agreement.

IN WITNESS WHEREOF, the Parties have executed this Extension as of the date first above written.

GRAY MATTERS CHARITABLE
FOUNDATION, INC.:

VITAL OPPORTUNITIES IN CREATIVE
EMPOWERMENT (VOICE), INC.:

DocuSigned by:

F22B05F1670E4B2
Laura W Putz
Vice President

DocuSigned by:

3850A0290EF947A
Averil Spencer
Program Director

FISCAL SPONSORSHIP AGREEMENT

THIS FISCAL SPONSORSHIP AGREEMENT (the "Agreement") is entered into as of March 1, 2014, by and between Gray Matters Charitable Foundation, Inc., a Georgia nonprofit corporation, (the "Sponsor"), and Vital Opportunities in Creative Empowerment (VOICE), Inc., a Georgia nonprofit corporation, the principal office of which is at 101 Keene Street, Providence Rhode Island, United States of America ("VOICE"), with tax identification number 80-0747069. GMC and VOICE are collectively referred to herein as the "Parties" and sometimes individually as "Party."

TERMS AND CONDITIONS

1. Terms and Conditions of the Program.
 - a. Purpose and Use of Funds. VOICE desires to refine a girls' summer camp model that improves girls' English skills, like skills and self confidence based on the pilot assessment (the "Program"). The activities planned for the Program are described in the Proposal in Exhibit A attached hereto and incorporated herem. VOICE has proposed that the Sponsor serve as the fiscal sponsor for the Program. The Sponsor has determined that the Program is consistent with its goals and wishes to make arrangements with VOICE for the implementation and operation of the Program.
 - b. Conditions. The Agreement is subject to the following conditions:
 1. Use of Funds. VOICE shall use the funds provided under this Agreement exclusively for the purpose described in Section 1(a) of this Agreement, and any amount not so used shall be repaid by VOICE to the Sponsor.
 2. Records. VOICE shall maintain records of receipts and expenditures relating to this Agreement and shall make its books and records available to the Sponsor, as more specifically described in Section 1(e).
 3. Reports. VOICE shall submit to the Sponsor full and complete annual reports on the manner in which the funds are spent and the progress made in accomplishing the purposes of this Agreement, as more specifically described in Section 1(f).
 4. Expenditure Prohibitions. VOICE shall not use any of the funds received through the Sponsor, nor permit any of the implementing agencies to use any such funds:
 - A. to carry on propaganda or otherwise attempt, to influence legislation (within the meaning of IRC § 4945(d)(1));
 - B. to influence the outcome of any specific public election, or to carry on, directly or indirectly, any voter registration drive

(within the meaning of IRC § 4945(d)(2));

C. to make any grant that does not comply with the requirements of IRC § 4945(d)(3) or (4);

D. to undertake any activity for any purpose other than the one specified in IRC § 170(c)(2)(B); or

E. to provide material support or resources to any individual or entity that it knows, or has reason to know, is an individual or entity that advocates, plans, sponsors, engages in, or has engaged in terrorist activity.

c. Further Assurances. VOICE shall take all such actions reasonably requested by the Sponsor, and shall comply with the provisions of any future regulations promulgated under Sections 4942 or 4945 of the Internal Revenue Code that are applicable to this Agreement, to ensure that this Agreement (a) will constitute a “qualifying distribution” by the Sponsor by the meaning of Section 4942(g) of the Internal Revenue Code, (b) will not constitute a “taxable expenditure” by the Sponsor within the meaning of Section 4945 of the Internal Revenue Code, and (c) will not violate the USA PATRIOT Act, Executive Order 13224, or any other applicable law, regulation or order.

d. Overhead Fees VOICE represents and warrants to the Sponsor that funds used for overhead and administrative expenses are likewise solely for charitable or educational purposes under the Internal Revenue Code.

e. Accounting and Records. During the period in which any portion of the funds remains unexpended, VOICE shall continuously maintain the funds in a separate fund dedicated to the purpose described in Section 1(a) and shall separately account for the funds on its books and records. VOICE shall maintain records and accounts consistent with generally accepted accounting principles and sufficient to provide for such fiscal control as necessary to assure proper disbursement of, and accounting for, all funds. VOICE shall obtain and return receipts for all disbursements. VOICE represents and warrants that accounts and supporting documentation relating to expenditures will be adequate to permit an accurate and expeditious audit. The Sponsor or its designated representative may make an audit during regular business hours upon seven days notice to VOICE. VOICE shall retain all relevant books, documents, papers, and records pertaining to this Agreement for a period of four years following the end or termination of the term of this Agreement, and permit the Sponsor access to, and ability to photocopy, these documents for purposes of assuring that funds were properly expended.

f. Reports. VOICE warrants to the Sponsor that:

1. The reports required by Section 1(b)(3) shall report on the use of the funds, compliance with the terms of this Agreement, and progress

made by VOICE toward achieving the purpose of why this Agreement was made. VOICE shall make such reports as of the end of its annual accounting period within which the funds or any portion thereof is received, and all such subsequent periods until the funds are expended in full or this Agreement is otherwise terminated. Such reports shall be furnished to the Sponsor within a reasonable period time after the close of the actual accounting period of VOICE for which such reports are made. Within a reasonable period of time after the close of its annual accounting period during which the use of funds is completed, VOICE shall make a final report with respect to all expenditures made from such funds (including salaries, travel and supplies) and indicating the progress made toward the goals of this Agreement. VOICE and/or its implementing agencies will submit to the Sponsor all such additional interim, annual and/or final reports for all funds awarded no less than 30 days prior to a recurring payment date (as indicated in Exhibit A). In addition, VOICE and/or implementing agencies shall, upon request, collaborate with the International Center for Research on Women (ICRW) to integrate a standard list of indicators into their monitoring and evaluation plans. ICRW will provide technical assistance as needed. VOICE and/or implementing agencies agree to report periodically on agreed-upon indicators to assist the Sponsor in evaluating comparability across programs.

- g. Program Evaluation. The Sponsor, by itself or through a third party, may evaluate and monitor the Program. Such evaluation and monitoring may include meetings with Program staff and/or site visits to review the Program's systems, operations and accomplishments. VOICE shall cooperate and assist with any such evaluations and monitoring.

2. Nature of Agreement.

- a. Fiscal Sponsor. The Sponsor hereby agrees to act as the fiscal sponsor for the Program and hereby engages VOICE to implement and operate the Program in accordance with the terms of this Agreement. The Sponsor's relationship to VOICE shall be that of a fiscal sponsor. This Agreement does not constitute a contract of employment between the Sponsor or any individual. This Agreement shall not be deemed to create any relationship of agency, partnership, or joint venture between the Sponsor and VOICE or the Program, and VOICE and the Program shall not make such representation. The Sponsor shall not withhold on behalf of VOICE any sums of income tax, unemployment insurance, social security or any other withholding or benefit.

- b. Changes to Purpose or Activities. The Program shall be operated in a manner consistent with the Sponsor's tax-exempt status and as described by VOICE in Exhibit A. No changes to the purposes or activities of the Program shall be made without prior written consent from the Sponsor, nor shall VOICE carry on activities or use funds in any way that jeopardizes the Sponsor's tax-exempt status.

c. Worker's Compensation. VOICE agrees to hold harmless and indemnify the Sponsor for any and all claims arising out of any injury, disability or death any of VOICE's employees, assistants or agents. If VOICE hires employees, then VOICE agrees to maintain a policy for Worker's Compensation Insurance within the statutory requirements of the state or states in which VOICE or any of VOICE's employees, assistants or agents are performing services for the benefit of the Program.

d. State and Federal Taxes. VOICE is solely responsible for paying any and all required local, state and federal taxes and insurance with respect to any payments received hereunder. In particular:

- The Sponsor will not withhold FICA (Social Security) and Medicare taxes from payments.
- The Sponsor will not make state or federal unemployment contributions on behalf of VOICE or its staff.
- The Sponsor will not withhold state or federal income tax from payments made to VOICE or its staff.
- The Sponsor will not make disability insurance contributions on behalf of VOICE or its staff.
- The Sponsor will not obtain worker's compensation insurance on behalf of VOICE or its staff

The Sponsor will reflect the activities of the Program to the extent required on its Georgia and federal government tax returns and financial reports. All disbursements from the Program Fund (as defined in Section 4(a)) shall be treated as payments made to or on behalf of VOICE to accomplish the purpose of the Program. VOICE shall provide the Sponsor with proper documentation to accomplish this, including VOICE's Federal Employer Identification Number. VOICE is responsible for the tax implications of receiving these monies. Except to the extent specifically set forth in this Agreement, the Sponsor shall have not responsibility to prepare or file any returns or reports with any governmental agencies with respect to the activities of the Program or VOICE.

3. Fundraising. VOICE may solicit gifts, contributions and grants on behalf of the Program. VOICE must inform the Sponsor of potential contributors and receive approval from the Sponsor before submitting requests for funding. VOICE may prepare fundraising materials subject to prior approval by the Sponsor, and must allow a minimum of two weeks for the Sponsor's staff or consultants to review such fundraising materials and requests for funding prior to distribution or submission. The Sponsor will make available on request a letter for potential contributors that explains the relationship between the Program and the Sponsor (the "Fiscal Sponsor Letter").

a. Documentation. VOICE will provide the Sponsor with copies of all correspondence, proposals, solicitation materials, contracts, agreements and other associated documents relating to all grants, loans, and contributions to be made payable to the Sponsor on behalf of the Program.

b. Reports for Funders of the Program. VOICE will prepare all interim and final reports as required by funders or contributors of the Program. VOICE will submit all interim and final reports to the Sponsor for review and approval at least two weeks prior to the due date. The Sponsor will submit approved interim and final reports to funders or contributors. The

Sponsor will acknowledge to donors all contributions of cash in the amount or \$250 USD or more received by and made payable to the Sponsor on behalf of the Program.

4. Services.

a. Financial Services. The Sponsor will deposit and track any funds received for the Program under the name of the Program (the "Program Fund"). The Sponsor will disburse monies from the Program Fund only as instructed in writing by VOICE and only as authorized by this Agreement. Disbursements shall be restricted to the implementation and operation of the Project and as may be otherwise provided herein. The Sponsor will maintain financial records for the funds received and disbursed by the Sponsor on behalf of the Program according to general accepted accounting principles, retain records as long as required by law, and make records available to auditors as required by law.

b. Advisory Services. The Sponsor will provide VOICE with advisory services for the Program. The Sponsor shall advise VOICE on strategy and options by providing knowledge, input, recommendations and advice for the Program.

3. Fees and Charges. VOICE will pay the following fees, charges and expenses:

a. The Sponsor will retain all interest earned on the Program Fund.

b. The Sponsor will charge VOICE or the Program Fund directly for any liabilities or direct expenses it incurs on behalf of the Program, including, but not limited to, bank charges.

4. Effective Date; Term. This Agreement shall be effective as of March 1, 2014, and shall end on December 31, 2014, unless earlier terminated as provided herein ("Initial Term"). The Sponsor may extend the terms of this Agreement for one (1) sixty (60) day period ("Extended Term") if agreed to in writing by the Parties.

5. Termination Rights. If VOICE disburses any portion of the funds provided under this Agreement for purposes not included in the terms of this Agreement, or if VOICE ceases to be a Georgia nonprofit corporation, the Sponsor may terminate this Agreement immediately, orally or in writing. Within 30 days after receiving notice from the Sponsor of such termination, VOICE shall return all unexpended funds to the Sponsor or pay such funds over to charitable organization designated by the Sponsor. The funds remaining in the Program Fund upon termination shall be transferred to a charitable organization designated by the Sponsor.

6. Indemnification. VOICE agrees to indemnify and hold harmless the Sponsor, its directors, officers, employees, agents, and affiliates from and against any and all rights, claims, demands, causes of action, losses, liabilities, obligations, damages, and expenses (including attorneys' fees and expenses), whether the same be now known or unknown, anticipated or unanticipated, which they may incur or be obligated to pay in any action, claim, or proceeding against them or any of them, for or by reason of any acts, whether of omission or commission, that may be committed or suffered by the VOICE or any of its servants, agents, or employees, in connection with VOICE's performance of any part of this Agreement. The provisions of this Section 6 and the VOICE's obligations hereunder shall survive any expiration, termination, or

rescission of this Agreement. If either the Sponsor or the VOICE becomes aware of any suit or claim against the Sponsor (which term includes any director, officer, employee, agent, or affiliate of the Sponsor) covered by this Section 6, such Party will promptly notify the other Party in writing. In the event that a judgment, levy, attachment, or other seizure is entered against the Sponsor arising from any claim covered by this indemnification, the VOICE shall promptly post surety bond issued by an insurer reasonably approved by the Sponsor in an amount no less than the amount of such judgment, levy or attachment to prevent execution against any property of the Sponsor.

8. Ownership of Property and Intellectual Property. All rights and titles to intellectual property ownership interests in the Program shall belong to VOICE. VOICE represents to the Sponsor that it is the owner of all intellectual and other property rights with respect to the Program and/or shall obtain the necessary permissions or clearances to use such materials.

11. Use of Name. VOICE is permitted to use the Sponsor's name and reference this Agreement, and the Sponsor is permitted to use VOICE's name and reference this Agreement, in annual reports and financial accounts covering the period of the Program. Any use of a party's name, trademark, logo or tagline requires the owner's prior written approval, which approval shall not be unreasonably withheld. Each party shall use its best efforts to advise the other of its approval or disapproval of the sample or concept within five (5) business days of its receipt thereof. VOICE agrees to ensure that the Implementing Agencies will not reference the Sponsor in any way, unless prior approval is obtained from the Sponsor.

12. Representations and Warranties.

a. VOICE represents that VOICE has the qualifications and ability to perform the services provided under this Agreement in a professional manner, without the control or supervision of the Sponsor. Failure to perform the services in a professional manner and with the degree of skill and judgment normally exercised by recognized professionals performing the same or substantially similar services shall constitute a material breach of this Agreement.

b. VOICE agrees that in the event of any breach of the foregoing warranty, VOICE shall, at its own expense, in the discretion of the Sponsor either: (1) re-perform the non-conforming services to conform to this standard; or (2) refund to Program Fund that portion of the amounts received by VOICE attributable to the non-conforming services. The Sponsor will redirect the funds to a different beneficiary who is able to perform the services in a professional manner and with the degree of skill and judgment normally exercised by recognized professionals performing the same or substantially similar services.

13. Waivers. The failure of either Party to exercise any of its or his/her rights under this Agreement shall not be deemed to be a waiver of such rights.

14. Amendment. VOICE shall notify the Sponsor in writing of any changes proposed by VOICE to the Program, purposes, goals, population served, timing, activities, or expenditures described in this Agreement, and the Sponsor may accept or reject such changes in its sole discretion.

15. No Assignment. This Agreement shall not be assignable by either Party without the prior written consent of the other.

16. Notice of Changes. VOICE shall promptly notify the Sponsor in writing within 30 days after the occurrence of any of the following:

- Change in the key personnel of the Program or VOICE;
- Change in address or phone number;
- Change in name of VOICE (and submit to the Sponsor letter from the IRS noting the change);
- Change in the nonprofit or tax status of the VOICE; or
- Any other development that significantly affects the operating of the Program or VOICE.

17. Notice. All notices, requests, waivers, approvals, consents, demands and other communications hereunder shall be in writing and shall be deemed received when delivered personally, or three (3) days after being deposited with the United States Postal Service, or one (1) day after being deposited for delivery with a nationally recognized overnight delivery service, with all charges, fees and first-class postage prepaid, properly addressed, as follows:

If to the Sponsor, at: 2200 Century Parkway, Suite 100, Atlanta, GA 30345
Attention: Jennifer Soltis
Telephone: (678) 399-2904
Email: jsoltis@graymatterscap.com

If to VOICE, at: 101 Keene Street, Providence, Rhode Island
Attention: Averil Spencer
Email: averil@voice4girls.org

18. Statutory References. All references to the Internal Revenue Code in this Agreement are to the Internal Revenue Code of 1986, as amended, shall be interpreted in a manner consistent with the Treasury Regulations promulgated under the Internal Revenue Code of 1986, as amended, and shall be deemed to include the corresponding provisions of any future federal tax laws or regulations that are applicable to the grant. References to the USA PATRIOT Act are to Public Law No. 107-56.

19. Governing Law and Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of Georgia and the venue for legal action hereunder shall be DeKalb County, Georgia.

20. Entire Agreement; Amendments to Agreement. This Agreement shall supersede any prior oral or written understandings or communications between the Parties and constitutes the entire agreement of the Parties with respect to the subject matter hereof. This Agreement may not be amended or modified, except in writing signed by both Parties hereto.

IN WITNESS WHEREOF, the Parties have executed this Agreement effective as of the date first above written.

GRAY MATTERS CHARITABLE FOUNDATION, INC.:

DocuSigned by:
Jennifer F. Soltis
8C8285A905C94CB

Jennifer F. Soltis, Program Manager

March 1, 2014

Date

VITAL OPPORTUNITIES IN CREATIVE EMPOWERMENT (VOICE), INC.:

DocuSigned by:
Averil Spencer
A8CF0A9D048344C

Averil Spencer, Program Director

March 1, 2014

Date

EXHIBIT A

**PROPOSAL FOR FISCAL SPONSORSHIP AGREEMENT
BETWEEN**

GRAY MATTERS CHARITABLE FOUNDATION, INC.

and

VITAL OPPORTUNITIES IN CREATIVE EMPOWERMENT (VOICE), INC.

This Proposal for a Fiscal Sponsorship Agreement is by and between **Gray Matters Charitable Foundation, Inc.** ("GMCF") and **Vital Opportunities in Creative Empowerment (VOICE), Inc.** ("VOICE"). All capitalized terms not defined herein shall have the same meaning as set forth in the Fiscal Sponsorship Agreement (the "Agreement"). The terms set forth below shall be effective for the Agreement's Initial Term. Unless otherwise agreed to in writing by the Parties, this Proposal shall apply to any Extended Terms, except as to the Agreement's start date and end dates which shall be amended by the Parties.

Vital Opportunities in Creative Empowerment (VOICE), Inc.

VOICE's Tax ID#: 80-0747069

(a) Agreement Start Date: March 1, 2014
(b) Agreement End Date: December 31, 2014
(c) GMC Contact: **Jennifer Soltis**

BUDGET & PAYMENT TERMS:

GMCF will make funds available and payable as funds are released from donors. Funds shall be released monthly on or around the 30th day of each month. GMCF can only guarantee the release of funds up to amount of funds received from donors.

PURPOSE: To refine a girls' summer camp model that improves girls' English skills, life skills and self-confidence based on the pilot assessment (the "Program").

- **Targeted demographic of adolescent girls:** In-school 12 to 16 year old girls in Hyderabad, India
- **Primary program activities (the core model):** The VOICE project is a 4-week summer camp that trains girl students at affordable private schools (APS) in English communication, life skills, gender roles and career development. An assessment of the pilot revealed the need to refine the camp curriculum to accommodate various campers age and learning levels, improve the camp training so that it is both streamlined and cost effective, and refine the camp outreach, delivery and implementation model.
- **Definition of success during and at end of Agreement:** An improved and refined VOICE Camp model that builds girls' English skills, self-confidence, and safety.

SCOPE OF WORK:

GMCF seeks VOICE to perform the following tasks in accordance with GMC's mission and mode of operating:

- **Curriculum:** Revise student ad training handbook to include multi-tracked units.
- **Training:** Develop efficient, cost-effective training modules for camp instructors.

- **Quality Control:** Develop efficient and cost-effective processes to track quality across multiple camps locations and implementing partners
- **Impact Assessment:** Identify third party consultant/partner to refine and execute impact assessment.
- **Management:** Streamline management support and resource model that leverages a core team and implements a partnerships model for flexible scale and growth.
- **Sustainability:** Develop affordable, low-cost model that builds upon parents willingness to pay to establish a sustainable program that has the ability to cover a portion of operations

**EXPENDITURE RESPONSIBILITY GRANT AGREEMENT
("Agreement")**

Date: June 20, 2015

To: Germán Zubía Salazar
Connovo, SAPI de C.V.

From: Jennifer Soltis
Gray Matters Charitable Foundation, Inc.

Re.: General travel support for Connovo, SAPI de C.V.

I am writing to confirm the details of the funding agreement between Gray Matters Charitable Foundation, Inc. and Connovo, SAPI de C.V. ("Grantee") with regard to the proposal for funds to support the travel to India of a Grantee's employee to research methods to improve early childhood education (attached to and incorporated into this Agreement). They are as follows:

1. Gray Matters Charitable Foundation, Inc. ("Foundation") is a private foundation based in Atlanta, Georgia, U.S.A., having as one of its charitable purposes to improve educational opportunities for low-income communities.
2. Grantee represents and warrants to the Foundation that it is a SAPI company registered in Mexico, and that Grantee's mission is to develop unique partnerships with successful businesses to scale their impact, through a tailored social venture building process to solve pressing social and environmental challenges, and create value for successful entrepreneurs, impact investors and professionals who want to make the world a better place.
3. The Grant Proposal describes the charitable activity for which the Grant contemplated by this Agreement is to be exclusively dedicated ("Charitable Project"). The Charitable Project strives to research methods to improve early childhood education.
4. The Foundation has approved a grant to the Grantee in the amount of \$3,000 USD, in support of the Charitable Project described in the Grant Proposal (the "Grant"). The full amount of the Grant will be distributed in a single-up-front payment and will be deployed for the purpose of underwriting all expenses outlined in the Grant Proposal. The Grant is being provided to the Grantee on the terms and conditions set forth in this Agreement.
5. Grantee agrees to submit the following reports to the Foundation:

A final progress report containing two parts outlining what was accomplished by the expenditure of the Grant funds.

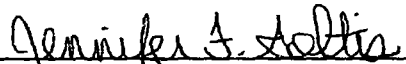
- i. The Narrative Account will include an update on findings in India, describe any potential adaptations to the Mexican market and an assurance that the activities under the Grant have been conducted in conformity with the terms of this Agreement.
- ii. The Financial Account should provide a financial record, in US dollars, of all expenditures of Foundation Grant funds and any income earned on those funds. The financial record should include only Foundation funds received and expended under the Grant during the period covered by the report.

The final progress report will be due within three (3) months following the return from India of Grantee's employee, and can be in simple PowerPoint or Word presentation format.

6. Grantee agrees to maintain all Grant funds in a separate fund dedicated to the charitable purposes described in this Agreement. The separate fund may be either (i) a physically separate bank account restricted to the charitable purposes described in the Grant Proposal, or (ii) a separate bookkeeping account (limited to the charitable purposes described in the Grant Proposal) maintained as part of the Grantee's financial records. The Grantee is encouraged, whenever feasible, to deposit Grant funds in an interest-bearing account.
7. Grantee agrees to use these funds exclusively for paying the costs of the charitable activity described in the Grant Proposal. Under no circumstances will any of the Grant funds be used (a) in an attempt to carry on propaganda or influence legislation in any country, (b) in an attempt to influence the outcome of any election or carry on any voter registration drive in any country, (c) to make a grant to another organization or to any individual, , or (d) for any purpose not set forth in the Grant Proposal, or for purposes other than those specified in Section 170(c)(2)(B) of the United States Internal Revenue Code.
8. Grantee agrees to provide the Foundation with documentation of all expenditures related to the Grant including quarterly financial reports if available, maintaining records of all Grant funds received and expended, and making those records available to the Foundation at reasonable times.
9. Grantee agrees to return to the Foundation any unused portion of the Grant funds, together with any interest earned thereon, when all expenses relating to the charitable purposes of the Grant have been paid. Grantee agrees to use the Grant funds only for the charitable purposes specified within this Agreement. No modification in the use of the Grant funds may be made without prior written agreement from the Foundation. Any Grant funds not expended for the purposes agreed to by the Foundation shall be returned to the Foundation. The

Foundation reserves the right, in its sole discretion, to discontinue funding of the Grant if it is not satisfied with the progress of the Charitable Project or it determines that continued funding would violate the Foundation's status as a private foundation under the applicable provisions of the United States Internal Revenue Code.

10. This Agreement shall be governed by the laws of the State of Georgia, United States of America, and the parties submit to the jurisdiction of the courts of Dekalb County, Georgia with respect to any dispute arising from this Agreement.



For Gray Matters Charitable Foundation

June 22, 2015
Date



For Connovo, SAPI de C.V.
Germán Zubía Salazar

June 20, 2015
Date

MEMORANDUM

June 18, 2015

TO: Jennifer Soltis, Grant Officer, Gray Matters Charitable Foundation, Inc.

FROM: Laura Wilson Putz, In-house Counsel, Gray Matters Charitable Foundation, Inc.

RE: Grant Agreement with Connovo, SAPI de C.V.

Compliance with Executive Order 13224 and the U.S.A. Patriot Act

This memorandum is to verify that the following actions were taken for the specific purpose of complying with the Patriot Act and Executive Order 13224 in reference to a grant agreement between Gray Matters Charitable Foundation, Inc. (GMCF) and Connovo, SAPI de C.V.

- 1) These four lists were downloaded to GMCF's network server on June 18, 2015:
 - a. Department of Treasury's Office of Foreign Assets Control Specially Designated Nationals List <http://www.ustreas.gov/offices/enforcement/ofac/sdn>
 - b. UN list pursuant to UN Security Council Regulations 1267 and 1390
 - i. Resolution 1267. THE NEW CONSOLIDATED LIST OF INDIVIDUALS AND ENTITIES BELONGING TO OR ASSOCIATED WITH THE TALIBAN AND AL-QAIDA ORGANISATION AS ESTABLISHED AND MAINTAINED BY THE 1267 COMMITTEE
http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml
 - ii. Resolution 1390
<http://usinfo.state.gov/regional/nea/sasia/afghan/text/0117unsc.htm>
 1. Decides to continue the measures imposed by paragraph 8 (c) of resolution 1333 (2000) and takes note of the continued application of the measures imposed by paragraph 4 (b) of resolution 1267 (1999) in accordance with paragraph 2 below, and decides to terminate the measures imposed in paragraph 4 (a) of resolution 1267 (1999);
 2. Decides that all States shall take the following measures with respect to members of the Al-Qaida organization and the Taliban and other individuals, groups, undertakings and entities associated with them, as referred to in the list created pursuant to resolutions 1267 (1999) and 1333 (2000) to be updated regularly by the Committee established pursuant to resolution 1267 (1999) hereinafter referred to as "the Committee";
 - c. European Union list pursuant to EU Regulation 2580
http://eeas.europa.eu/cfsp/sanctions/consol-list/index_en.htm
 - d. U.S. Government's Terrorist Exclusion List
<http://www.state.gov/j/ct/rls/other/des/143210.htm>

I confirm that these are the most recent lists to the best of my knowledge.

- 2) I confirm that on June 18, 2015 I checked the names Connovo, SAPI de C.V.'s Board of Directors to the best of my ability. I went through each list and checked the first and last name of the director and founder. The names are as follows:

Board of Directors

Tania Rodriguez Sánchez

Nicolas Demeilliers

Germán Zubía Salazar

- 3) I confirm that none of the above-mentioned names were on any of the four lists.

GRAY MATTERS CHARITABLE FOUNDATION, INC.
E.I.N. 58-2147850
STATEMENT REQUIRED BY REG 53.4945-5(d)

**EXPENDITURE RESPONSIBILITY GRANT AGREEMENT
("Agreement")**

Date: January 1, 2015

To: Robert A. Pattillo, President & Executive Director
Gray Matters Capital, Inc.

From: Laura W. Putz, Vice President
Gray Matters Charitable Foundation, Inc.

Re.: General operating support for Gray Matters Capital, Inc.

I am writing to confirm the details of the funding agreement between Gray Matters Charitable Foundation, Inc. and Gray Matters Capital, Inc. ("Grantee") with regard to the proposal for funds to support the operations of the Grantee to further the Grantee's vision of an education and purposeful life for 100 million women by 2036 (attached to and incorporated into this Agreement). They are as follows:

1. Gray Matters Charitable Foundation, Inc. ("Foundation") is a private foundation based in Atlanta, Georgia, U.S.A., having as one of its charitable purposes to improve educational opportunities for low-income communities.
2. Grantee represents and warrants to the Foundation that it is a Private Operating Foundation under Section 501(c)(3) of the United States Internal Revenue Code, as amended, and that Grantee's mission is to increase the amount of, the efficient allocation of, and the effective use of human and financial capital that is given to and invested in the service of persons who are impoverished and underserved by existing capital markets.
3. The Grant Proposal describes the charitable activity for which the Grant contemplated by this Agreement is to be exclusively dedicated ("Charitable Project"). The Charitable Project strives to help 100 million women get an education leading to employability a purpose filled life by 2036 in the developing world.
4. The Foundation has approved a grant to the Grantee in the amount of \$4,260,135, in support of the Charitable Project described in the Grant Proposal (the "Grant"). The Grant will be distributed in several tranches as requested by the Grantee during the 2015 calendar year and will be deployed for the purpose of underwriting all expenses outlined in the Grant Proposal. The Grant is being provided to the Grantee on the terms and conditions set forth in this Agreement.
5. Grantee agrees to submit the following reports to the Foundation:

GRAY MATTERS CHARITABLE FOUNDATION, INC.
E.I.N. 58-2147850
STATEMENT REQUIRED BY REG 53.4945-5(d)

a. Semi-annual progress report

The report will contain two parts outlining what was accomplished by the expenditure of the Grant funds.

- i. The Narrative Account will describe the progress made toward achieving the goals of the Grant and an assurance that the activities under the Grant have been conducted in conformity with the terms of this Agreement. The Financial Account should provide a financial statement reporting, in US dollars, all expenditures of Foundation Grant funds and any income earned on those funds, together with a description of how expended funds were applied to the Charitable Project. The financial statement should include only Foundation funds received and expended under the Grant during the period covered by the report. It is assumed that the financial statement will be prepared from books and records maintained on a fund-accounting (accrual) basis. Only expenditures made in support of the Grant purposes should be charged against the Grant and records should be maintained of such expenditures adequate to enable the use of such funds to be checked readily.

Reporting formats for both Narrative and Financial accounts will be agreed on by the Foundation and the Grantee.

b. Final Report

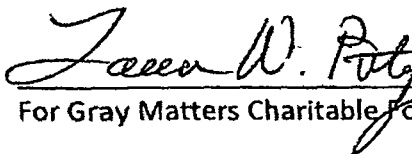
This report is to be delivered to the Foundation at the close of each calendar year during which the Grantee receives and spends funds from the Foundation, and upon the completion or termination of the Charitable Project. Each report is to be signed by an officer of the Grantee and will include the same items as the Semi-Annual Reports, and also provide an overview of accomplishments, lessons learned and an analysis on the impact the project has had on the development of the charitable objectives described in the Grant Proposal. Each report will be due within three (3) months following the close of calendar year for which the report is applicable.

6. Grantee agrees to maintain all Grant funds in a separate fund dedicated to the charitable purposes described in this Agreement. The separate fund may be either (i) a physically separate bank account restricted to the charitable purposes described in the Grant Proposal, or (ii) a separate bookkeeping account (limited to the charitable purposes described in the Grant Proposal) maintained as part of the Grantee's financial records. The Grantee is encouraged, whenever feasible, to deposit Grant funds in an interest-bearing account.
7. Grantee agrees to use these funds exclusively for paying the costs of the charitable activity described in the Grant Proposal and any operation costs that

GRAY MATTERS CHARITABLE FOUNDATION, INC.
E.I.N. 58-2147850
STATEMENT REQUIRED BY REG 53.4945-5(d)

may occur. Under no circumstances will any of the Grant funds be used (a) in an attempt to carry on propaganda or influence legislation in any country, (b) in an attempt to influence the outcome of any election or carry on any voter registration drive in any country, (c) to make a grant to another organization or to any individual, , or (d) for any purpose not set forth in the Grant Proposal, or for purposes other than those specified in Section 170(c)(2)(B) of the United States Internal Revenue Code, as amended.

8. Grantee agrees to provide the Foundation with documentation of all expenditures related to the Grant including quarterly financial reports, maintaining records of all Grant funds received and expended, and making those records available to the Foundation at reasonable times.
9. Grantee agrees to return to the Foundation any unused portion of the Grant funds, together with any interest earned thereon, when all expenses relating to the charitable purposes of the Grant have been paid. Grantee agrees to use the Grant funds only for the charitable purposes specified within this Agreement. No modification in the use of the Grant funds may be made without prior written agreement from the Foundation. Any Grant funds not expended for the purposes agreed to by the Foundation shall be returned to the Foundation. The Foundation reserves the right, in its sole discretion, to discontinue funding of the Grant if it is not satisfied with the progress of the Charitable Project or it determines that continued funding would violate the Foundation's status a private foundation under the applicable provisions of the United States Internal Revenue Code.
10. This Agreement shall be governed by the laws of the State of Georgia, United States of America, and the parties submit to the jurisdiction of the courts of Dekalb County, Georgia with respect to any dispute arising from this Agreement.


For Gray Matters Charitable Foundation, Inc.

11/1/2015
Date


For Gray Matters Capital, Inc.

1/1/2015
Date

**EXPENDITURE RESPONSIBILITY GRANT AGREEMENT
("Agreement")**

Date: November 17, 2014

To: Dr. G.K.Jayaram, Managing Trustee
Kasturi Trust

From: Jennifer Soltis, Vice President
Gray Matters Charitable Foundation, Inc.

Re.: General operating support for the Kasturi Trust

I am writing to confirm the details of the funding agreement between Gray Matters Charitable Foundation, Inc. and Kasturi Trust (the "Grantee") with regard to the proposal for funds to ensure continuity of education in two (2) schools for one (1) year (attached to and incorporated into this Agreement). They are as follows:

1. Gray Matters Charitable Foundation, Inc. (the "Foundation") is a private foundation based in Atlanta, Georgia, U.S.A., having as one of its charitable purposes to improve educational opportunities for low-income communities.
2. Grantee represents and warrants to the Foundation that it is a Public Charitable Trust registered in India, and that Grantee's mission is to support schools in India.
3. The Grant Proposal describes the charitable activity for which the Grant contemplated by this Agreement is to be exclusively dedicated ("Charitable Project"). The Charitable Project strives to ensure continuity of education in two (2) schools for one (1) year.
4. The Foundation has approved a grant to the Grantee in the amount of \$150,000 USD, in support of the Charitable Project described in the Grant Proposal (the "Grant"). The half of the amount of the Grant (\$75,000 USD) will be distributed in an up-front payment upon receipt of the first Bi-annual Report and the remaining amount (\$75,000 USD) will be distributed in an up-front payment six (6) months after receipt of the first Bi-annual Report. The Grant will be deployed for the purpose of underwriting all expenses outlined in the Grant Proposal. The Grant is being provided to the Grantee on the terms and conditions set forth in this Agreement.
5. Grantee agrees to submit the following reports to the Foundation:
 - a. Bi-annual Report

The report will contain two parts outlining what was accomplished by the expenditure of the Grant funds.

- i. The Narrative Account will describe the progress made toward achieving the goals of the Grant and an assurance that the activities under the Grant have been conducted in conformity with the terms of this Agreement. Report should include data on the fund's outreach process and the program applicants as measured by: 1) Total number of students enrolled, 2) Gender breakdown of all students, 3) Number of students passed (SSLC Exam), 4) Gender pass percentage (SSLC Exam), 5) Disclosure of donations received, 6) Fees collected, 7) Operating costs, and 8) Funds from PUPIL being used to fund schools.
- ii. The Financial Account should provide a financial statement reporting, in US dollars, all expenditures of Foundation Grant funds and any income earned on those funds, together with a description of how expended funds were applied to the Charitable Project. The financial statement should include only Foundation funds received and expended under the Grant during the period covered by the report. It is assumed that the financial statement will be prepared from books and records maintained on a fund-accounting (accrual) basis. Only expenditures made in support of the Grant purposes should be charged against the Grant and records should be maintained of such expenditures adequate to enable the use of such funds to be checked readily.

Reporting formats for both Narrative and Financial accounts will be agreed on by the Foundation and the Grantee.

b. Final Report

This report is to be delivered to the Foundation after November 17, 2015 or upon the completion or termination of the Charitable Project. Each report is to be signed by an officer of the Grantee and will include the same items as the Bi-Annual Reports, and also provide an overview of accomplishments, lessons learned and an analysis on the impact the project has had on the development of the charitable objectives described in the Grant Proposal. Each report will be due within three (3) months following the close of calendar year for which the report is applicable.

6. Grantee agrees to maintain all Grant funds in a separate fund dedicated to the charitable purposes described in this Agreement. The separate fund may be either (i) a physically separate bank account restricted to the charitable purposes described in the Grant Proposal, or (ii) a separate bookkeeping account (limited to the charitable purposes described in the Grant Proposal) maintained as part of

the Grantee's financial records. The Grantee is encouraged, whenever feasible, to deposit Grant funds in an interest-bearing account.

7. Grantee agrees to use these funds exclusively for paying the costs of the charitable activity described in the Grant Proposal. Under no circumstances will any of the Grant funds be used (a) in an attempt to carry on propaganda or influence legislation in any country, (b) in an attempt to influence the outcome of any election or carry on any voter registration drive in any country, (c) to make a grant to another organization or to any individual, , or (d) for any purpose not set forth in the Grant Proposal, or for purposes other than those specified in Section 170(c)(2)(B) of the United States Internal Revenue Code.
8. Grantee agrees to provide the Foundation with documentation of all expenditures related to the Grant including quarterly financial reports, maintaining records of all Grant funds received and expended, and making those records available to the Foundation at reasonable times.
9. Grantee agrees to return to the Foundation any unused portion of the Grant funds, together with any interest earned thereon, when all expenses relating to the charitable purposes of the Grant have been paid. Grantee agrees to use the Grant funds only for the charitable purposes specified within this Agreement. No modification in the use of the Grant funds may be made without prior written agreement from the Foundation. Any Grant funds not expended for the purposes agreed to by the Foundation shall be returned to the Foundation. The Foundation reserves the right, in its sole discretion, to discontinue funding of the Grant if it is not satisfied with the progress of the Charitable Project or it determines that continued funding would violate the Foundation's status as a private foundation under the applicable provisions of the United States Internal Revenue Code.
10. This Agreement shall be governed by the laws of the State of Georgia, United States of America, and the parties submit to the jurisdiction of the courts of Dekalb County, Georgia with respect to any dispute arising from this Agreement.

DocuSigned by:
Jennifer F. Soltis
8C8285A905D94CB
For Gray Matters Charitable Foundation

11/10/2014
Date

DocuSigned by:
Dr. G. K. Jayaram
910EDB89FDA84C3
For Kasturi Trust

11/17/2014
Date

MEMORANDUM

June 4, 2015

TO: Jennifer Soltis, Grant Officer, Gray Matters Charitable Foundation, Inc.

FROM: Laura Wilson Putz, In-house Counsel, Gray Matters Charitable Foundation, Inc.

RE: Grant Agreement with Kasturi Trust

Compliance with Executive Order 13224 and the U.S.A. Patriot Act

This memorandum is to verify that the following actions were taken for the specific purpose of complying with the Patriot Act and Executive Order 13224 in reference to a grant agreement between Gray Matters Charitable Foundation, Inc. (GMCF) and Kasturi Trust.

- 1) These four lists were downloaded to GMCF's network server on November 4, 2014:
 - a. Department of Treasury's Office of Foreign Assets Control Specially Designated Nationals List <http://www.ustreas.gov/offices/enforcement/ofac/sdn>
 - b. UN list pursuant to UN Security Council Regulations 1267 and 1390
 - i. Resolution 1267. THE NEW CONSOLIDATED LIST OF INDIVIDUALS AND ENTITIES BELONGING TO OR ASSOCIATED WITH THE TALIBAN AND AL-QAIDA ORGANISATION AS ESTABLISHED AND MAINTAINED BY THE 1267 COMMITTEE
http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml
 - ii. Resolution 1390
<http://usinfo.state.gov/regional/nea/sasia/afghan/text/0117unsc.htm>
 1. Decides to continue the measures imposed by paragraph 8 (c) of resolution 1333 (2000) and takes note of the continued application of the measures imposed by paragraph 4 (b) of resolution 1267 (1999) in accordance with paragraph 2 below, and decides to terminate the measures imposed in paragraph 4 (a) of resolution 1267 (1999);
 2. Decides that all States shall take the following measures with respect to members of the Al-Qaida organization and the Taliban and other individuals, groups, undertakings and entities associated with them, as referred to in the list created pursuant to resolutions 1267 (1999) and 1333 (2000) to be updated regularly by the Committee established pursuant to resolution 1267 (1999) hereinafter referred to as "the Committee";
 - c. European Union list pursuant to EU Regulation 2580
http://eeas.europa.eu/cfsp/sanctions/consol-list/index_en.htm
 - d. U.S. Government's Terrorist Exclusion List
<http://www.state.gov/1/ct/rls/other/des/143210.htm>

I confirm that these are the most recent lists to the best of my knowledge.

- 2) I confirm that on June 4, 2015 I checked the names of Kasturi Trust's Board of Trustees and Officers to the best of my ability. I went through each list and checked the first and last name of the director and founder. The names are as follows:

Board of Trustees

Mrs. Kumari Shibulal
Mrs. Mrinalini Jayaram
Mr. Vijay Mahajan
Dr. G. K. Jayaram (Managing Trustee)
Mr. C.R. Murrall, Chief Financial Officer

- 3) I confirm that none of the above-mentioned names were on any of the four lists.