

## **GRANT AGREEMENT**

**Grantee Legal Name:** PSL Foundation

**Grant ID:** 24-11708

Dear Authorized Representative:

It is my pleasure to inform you that the Board of Directors of the Laura and John Arnold Foundation (the “*Foundation*”) has authorized a grant to PSL Foundation (“*Grantee*”) in an amount up to \$94,800.00 (ninety-four thousand eight hundred dollars) (the “*Grant*”), payable as set forth below, subject to Grantee’s acceptance of, compliance with or the making of, as the case may be, the terms, conditions, agreements, warranties, representations, and other provisions set forth in this agreement (this “*Agreement*”).

The Grant shall be used for the purpose of supporting Grantee’s fiscally sponsored project, PolicyEngine, in the development of a publicly-available state and local tax (“*SALT*”) and alternative minimum tax (“*AMT*”) policy calculator, showing how various post-Tax Cuts and Jobs Act (“*TCJA*”) reform options affect individuals and the United States (collectively, the “*Purpose*”). The Foundation acknowledges that Grantee is serving as the fiscal sponsor for PolicyEngine regarding the Grant and that PolicyEngine will be carrying out certain activities in fulfillment of the Purpose, as will be overseen by Grantee and as subject to a separate fiscal sponsorship agreement (the “*Fiscal Sponsorship Agreement*”).

Grantee and the Foundation acknowledge, agree, and consent to the following terms, conditions, agreements, warranties, representations, and other provisions, which either relate to or are attached to the Grant:

1. ***Term.*** The term of this Agreement will commence as of the date the last party executes this Agreement as set forth on the signature page hereto (the “*Effective Date*”) and will expire three months after the completion of the final milestone or report described in Exhibit A, unless terminated earlier as provided herein (the “*Term*”). Notwithstanding the foregoing, Grantee shall adhere to the Grant spending timeline set forth in Exhibit A.
2. ***Payment of Grant Funds.*** Until the earliest of such time as the Grant has been paid in full, the end of the Term, or the termination of this Agreement pursuant to Section 7 (Termination) of this Agreement, and provided Grantee is in full compliance with the terms of this Agreement, the Foundation shall pay Grantee the Grant in installment payments (each an “*Installment Payment*” and collectively, the “*Installment Payments*”) in accordance with Exhibit A. Notwithstanding the foregoing, all Installment Payments pursuant to this Agreement will be contingent on Grantee’s full compliance with the milestones set forth in Exhibit A, attached hereto and incorporated herein, in a manner satisfactory to the Foundation. The Foundation

shall not be obligated to make any Installment Payment if the Foundation determines in its sole discretion that Grantee is not in full compliance with the terms of this Agreement, including Exhibit A. If the Foundation does not make an Installment Payment because Grantee is not in full compliance with the terms of this Agreement, including, but not limited to, full compliance with Exhibit A, the Foundation shall not later be obligated to make such Installment Payment, even if Grantee subsequently cures such breach or becomes fully compliant with the Agreement, including, but not limited to, Exhibit A.

3. ***Representations, Warranties, and Covenants.*** Grantee makes the following representations, warranties, and covenants:
- a. Grantee is a nonprofit corporation duly formed, validly existing, and in good standing in the state of its formation or incorporation with all power, authority, and permits necessary to carry on its activities, including the Purpose of the Grant. The execution and performance of this Agreement have been duly authorized by all necessary action on the part of Grantee.
  - b. Grantee is currently, and at all times during the Term will be, a Qualifying Grantee. For purposes of this Agreement, a “*Qualifying Grantee*” is an organization which at all times meets the following criteria of the Internal Revenue Code of 1986 (as amended, including any corresponding provisions of predecessor or successor federal tax laws, “*Code*”): (i) it is a charitable organization described in Code Section 501(c)(3), a governmental unit defined in Code Section 170(c)(1), or an integral part of or an instrumentality of a governmental unit defined in Code Section 170(c)(1), (ii) it is not a “private foundation” within the meaning of Code Section 509(a), (iii) it is not a Type III Supporting Organization within the meaning of Code Section 509(a)(3), and (iv) it is an organization pursuant to which the acceptance of the provisions of this Agreement or of the Grant will not adversely affect Grantee’s status under subsections (i) – (iii) above. Grantee is not aware of any threat or challenge to its status as a Qualifying Grantee. Furthermore, if Grantee is a publicly supported charity within the meaning of Code Section 170(b)(1)(A)(iv) or (vi) or Section 509(a)(2), Grantee represents that the Grant will not cause Grantee to lose its status as a publicly supported charity.
  - c. The Purpose of the Grant is charitable, educational, and/or scientific as such purposes are generally defined by those authorities interpreting the provisions of Code Section 501(c)(3), and the Grant will only be used for such charitable, educational, and/or scientific purposes and will not be used to carry on propaganda, influence legislation, fund any political campaign, influence the outcome of any election, carry on any voter registration drives, or violate any applicable local, state, federal, or foreign law. Further, the Grant is not earmarked for influencing legislation within the meaning of Code Section

4945(e), and there has been no agreement, written or oral, to that effect between the Foundation and Grantee. Grantee agrees that the Grant shall be used solely for the Purpose, unless approved otherwise by prior written consent of the Foundation.

- d. The parties acknowledge that the Foundation will not direct or control Grantee's interactions with any government officials or employees. Grantee agrees that it will advise the Foundation if it or any of its agents engage in activity that could give rise to any disclosure of the Grant or the Foundation under federal, state, or local lobbying disclosure rules and/or campaign finance laws.
- e. Grantee complies with, and will continue to comply with, all applicable local, state, federal, and foreign laws, statutes, rules, and regulations, including all anti-bribery and anti-corruption laws, as amended from time to time.
- f. Grantee may select subgrantees of its choice to assist Grantee in furtherance of the Purpose. Grantee confirms that the Foundation has not required either in writing or orally that Grantee select any specific subgrantee, and Grantee shall retain full discretion and control over the selection of subgrantees. Grantee is responsible for ensuring that all subgrantees use Grant funds solely in a manner that is consistent with this Agreement.
- g. All information relating to the Grant heretofore provided to the Foundation or Arnold Ventures LLC ("*Arnold Ventures*") by Grantee or to be provided to the Foundation by Grantee during the Term has been, and for the duration of the Term (and for so long as any obligations pursuant to Sections 4 (Records) and 5 (Reporting and Information) of this Agreement remain outstanding) will at all times continue to be true, accurate, and complete in all material respects.
- h. Grantee is acting as a fiscal sponsor of PolicyEngine for the Purpose of the Grant. Grantee and PolicyEngine have separately entered into the Fiscal Sponsorship Agreement, which shall remain in effect during the Term of this Agreement. Grantee agrees to exercise appropriate oversight over the disbursement of any funds from the Grant to PolicyEngine and over PolicyEngine's use of the Grant funding for charitable, educational, and/or scientific purposes within the meaning of Code Section 501(c)(3) and for the sole purpose of fulfilling the Purpose. Grantee acknowledges that it, not PolicyEngine, is the Grantee for purposes of this Agreement and for federal income tax purposes. Grantee agrees that it will exercise control and discretion over the use of the Grant funding, enforce the Fiscal Sponsorship Agreement, and take all actions necessary to recover any portion of the Grant from PolicyEngine that is not used consistently with this Agreement. Moreover, Grantee agrees that it will provide prior written notice to the Foundation before it materially amends the Fiscal Sponsorship Agreement.

- i. Neither Grantee nor any of its representatives has or will, directly or indirectly, offer, pay, promise, or authorize the giving of money or anything of value to any government official or other person or entity, while knowing or having reason to believe that some portion or all of the payment or thing of value is for the purpose of influencing any act or decision of such government official or such person or entity in violation of their lawful duties or proper performance of functions in order to obtain or retain business for, direct business to, or secure an improper advantage for Grantee or anyone acting on Grantee's behalf.
4. ***Intellectual Property.*** Grantee grants the Foundation a non-exclusive, non-commercial, perpetual, worldwide, transferable, royalty-free license (the "*License*") to:
  - (i) any and all work product, source code, computer programs, applications, writings, other works of authorship, copyrights, inventions, designs, utility models, patents, trademarks, and trade secrets;
  - (ii) applications or derivatives of or related to any of the foregoing; and
  - (iii) any other intellectual property rights;

that (x) arise or result from Grantee's use of the Grant, or (y) are created by or for Grantee in furtherance of the Purpose (collectively, the "*Grant-Related Intellectual Property*"). The License includes at least the following rights: (i) to make or have made, use, import, or provide any service, product, method, or apparatus, covered by the Grant-Related Intellectual Property; (ii) to reproduce, prepare derivative works of, make improvements to, perform, display, and distribute any work, process, or service, covered by the Grant-Related Intellectual Property; and (iii) a limited right to sublicense the Grant-Related Intellectual Property to third-parties either for use by any such third party solely to support the Foundation's non-commercial use of the Grant-Related Intellectual Property, or for non-commercial use by any such third party.

5. ***Records.*** Grantee will maintain and preserve, as applicable: (i) accurate and complete records of receipts and expenditures made from Grant funds and (ii) all back-up files, papers, software code, instructions, specifications, materials, and documentation relating to, comprising, constituting, and/or necessary for the use of the Grant-Related Intellectual Property during the period covered by Grantee's reporting obligations specified in Section 6 (Reporting and Information) of this Agreement and for at least three (3) years thereafter. During the Term, and for three (3) years thereafter, upon the request of the Foundation, Grantee shall make such records available for inspection by the Foundation and its representatives during normal business hours, and Grantee shall cooperate and assist the Foundation's review of such records. In the event of termination of this Agreement, the Foundation may, in writing, request

that Grantee provide it with such records or access to such records, and Grantee will provide all such materials to the Foundation or access to such materials within ten (10) business days of the Foundation's written request.

**6. *Reporting and Information.***

- a. Grantee has provided or will immediately provide the Foundation with (i) if applicable, a copy of Grantee's current, valid determination letter from the Internal Revenue Service recognizing Grantee's status as a tax-exempt organization, and (ii) upon request by the Foundation, copies of Grantee's financial statements, and Forms 990, as applicable, with respect to Grantee's fiscal years occurring during the Term.
- b. Grantee will promptly provide the Foundation with the grant report (the "*Grant Report*") described in Exhibit A. The Grant Report will utilize the applicable template provided by the Foundation and will include (i) a confirmation that the Grant funds have been spent exclusively toward the Purpose, (ii) a full, detailed accounting of expenditures of Grant funds, and (iii) a narrative of what was accomplished by the use of such funds during the reporting period (including a description of progress made in fulfilling the Purpose of the Grant). Grantee shall also inform the Foundation of any material change in its operating budget and expenses. Moreover, the Grant Report shall include any other information requested by the Foundation reasonably in advance of the due date of the Grant Report.
- c. If the Grant funds are not fully expended by Grantee in accordance with the spending period set forth in Exhibit A, Grantee will disclose this in the Grant Report, and the Foundation will make a determination about such funds upon receipt of such information, including whether Grantee shall be required to return unspent funds to the Foundation. Grantee may not reallocate any unspent funds and may not spend or retain unspent funds after the spending period end date, without prior written approval from the Foundation.
- d. Grantee will (i) immediately furnish the Foundation with any information concerning a threatened, proposed, or actual change in Grantee's tax status, and (ii) provide the Foundation prompt written notice (1) if any of the events in Section 7 (Termination) of this Agreement occurs, (2) of each and every event which, at the giving of notice or lapse of time, could reasonably be expected to constitute an event described in Section 7 (Termination) of this Agreement, and (3) if any civil or criminal complaint, demand, claim, investigation, or adversarial proceeding is asserted or threatened against Grantee, any other entity engaged in the Purpose, or any of their respective employees, contractors, or subgrantees.

7. **Termination.** This Agreement may be terminated by the Foundation if any of the following has occurred, it being understood and agreed that the determination of whether any such condition or event has occurred will be made by the Foundation in its sole discretion:
- a. Any of the warranties or representations made by Grantee in this Agreement is or becomes untrue in any respect;
  - b. There is a material change in the purpose, character or method of operation of Grantee or PolicyEngine, a material change in the leadership of Grantee or PolicyEngine, or a material change in Grantee's or PolicyEngine staff responsible for carrying out the Purpose of the Agreement;
  - c. Grantee uses any portion of the Grant for any purpose other than the Purpose without the prior written consent of the Foundation;
  - d. The Internal Revenue Service makes a determination, preliminary or otherwise, that the Grant does not constitute a qualifying distribution by the Foundation within the meaning of Code Section 4942(g)(1)(A) or (B);
  - e. Grantee, or any representative thereof, has materially misrepresented to the Foundation or Arnold Ventures its or PolicyEngine's activities or financial condition;
  - f. Grantee fails to comply with any of the provisions of this Agreement; or
  - g. The Grant or its Purpose does not contribute to the accomplishment of Grantee's charitable mission as originally anticipated.

The effective date of the Foundation's termination of this Agreement (the "*Termination Effective Date*") shall be the earlier of (a) the date notice is given by the Foundation to Grantee of the termination, and (b) if so elected by the Foundation, the date on which the event triggering the right of termination occurred. The delay in, or failure of, the Foundation to exercise its right to terminate at any time shall not be a waiver of such right, either with respect to the cause giving rise thereto or any other cause for termination, and the payment by the Foundation of any portion of the Grant after notice of an event giving rise to a right to terminate shall not be a waiver of the right to terminate or any rights of the Foundation upon termination, and in no event will such delay, failure or payment give rise to any argument for novation, ratification, estoppel, laches, or any other equitable or legal defense if the Foundation later elects to exercise its right of termination.

8. **Payment Obligation; Return of Funds.** In the event that the Foundation terminates this Agreement pursuant to the terms hereunder:

- a. Any remaining payment obligation of the Foundation to Grantee shall be null and void as of the Termination Effective Date;
  - b. If the Foundation terminates this Agreement pursuant to any provision hereunder other than subsections (a) or (e) of Section 7 (Termination) of this Agreement, Grantee shall promptly return to the Foundation any amounts of the Grant previously paid to Grantee which have not yet been expended as of the Termination Effective Date or which were not used for the Purpose. In the case of a termination pursuant to any such provision, Grant funds irrevocably committed to pay to a third party in furtherance of the Purpose under a non-cancellable agreement may be retained and paid to the third party in fulfillment of obligations under such agreement upon approval of the Foundation; however, such non-cancellable agreements should be avoided whenever reasonably possible; and
  - c. If the Foundation terminates this Agreement pursuant to either subsections (a) or (e) of Section 7 (Termination) of this Agreement, Grantee shall promptly return to the Foundation an amount equal to the amount of the Grant previously paid to Grantee.
9. **Indemnity; Liability.** Grantee shall indemnify, defend, and hold harmless the Foundation, Arnold Ventures, and each of their associated entities, and their officers, directors, founders, managers, employees, and agents (collectively, the “*Indemnified Parties*”), from and against, any liability, damage, loss or expense (including reasonable attorneys’ fees and expenses of litigation) incurred or imposed upon the Indemnified Parties in connection with any claims, suits, actions, demands or judgments, arising out of or related to (a) any act or omission of Grantee, or PolicyEngine employees or agents in applying for or accepting the Grant; (b) the expending of Grant funds furnished pursuant to this Agreement; or (c) the carrying out of any programs or projects funded by the Grant. The Foundation shall not be liable for any losses, damages, claims or other liabilities arising out of Grantee’s or PolicyEngine’s activities. It is expressly understood that the Foundation, by making the Grant and entering into this Agreement, has no obligation to provide other or additional support to Grantee.
10. **Grant Publicity.** Arnold Ventures administers all of the Foundation’s giving and the Foundation encourages Grantee to reference Arnold Ventures when identifying Grantee’s supporters in public forums. Grantee may include the name and logo of Arnold Ventures in a general list of Grantee’s supporters without prior permission, provided that Grantee treats Arnold Ventures in the same manner that it treats its other similarly situated donors and supporters, and provided further that Grantee complies with the terms of Arnold Ventures’ trademark usage guidelines as provided by Arnold Ventures from time to time. Grantee may disclose the Grant as required by IRS requirements such as disclosure in Grantee’s Form 990 and as otherwise

required by law or regulation.

Except as otherwise set forth above, if Grantee desires to use the name or logo of Arnold Ventures or the name of the Foundation, or link to Arnold Ventures, directly or indirectly (*i.e.*, speaking events, press interviews, press release, professional or trade publication, website, advertisement, or other public document or announcement), Grantee shall obtain prior written consent from Arnold Ventures for such use, reference, or link. Grantee shall seek such consent at least three (3) business days in advance of Grantee's proposed publicity, and shall provide the Grant ID, content to be approved, as well as the timing and outreach strategy. Grantee shall send all such information to [Communications@ArnoldVentures.org](mailto:Communications@ArnoldVentures.org), and shall designate a Grantee point of contact with email address and telephone number for such request and future requests.

Notwithstanding the foregoing, the parties recognize that this Section does not affect Grantee's rights to publish any materials or research funded with this Grant or to release public statements or information about activities or research funded with this Grant to the extent such materials, research, statements, or information do not mention the Grant, this Agreement, and/or the Foundation or Arnold Ventures.

11. ***Governing Law and Venue.*** This Agreement shall be governed by the laws of the State of Texas and shall be performable and enforceable in Harris County, Texas. The sole and exclusive jurisdiction for any dispute arising under or related to this Agreement shall be in the state district courts of Harris County, Texas, and Grantee irrevocably submits in advance to personal jurisdiction in the state district courts of Harris County, Texas. EACH PARTY TO THIS AGREEMENT HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT.
12. ***Entire Agreement.*** This Agreement supersedes any prior oral or written understanding or communications between the parties or any representative thereof, and constitutes the entire agreement of the parties with respect to the subject matter hereto. This Agreement may not be amended or modified, nor any of its provisions waived, except in a written document (which may include electronic mail) signed by an authorized representative of Grantee and the Foundation Grants Manager or other authorized representative.
13. ***Waiver.*** Any waiver of any kind by either party of a breach of this Agreement shall not operate or be construed as a waiver of any subsequent or other breach. Either party's delay or omission in exercising any right, power, or remedy pursuant to a breach or default by the other party shall not impair any right, power, or remedy which that party may have.



14. **Severability.** If any provision of this Agreement becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable, or void, such provision shall be ineffective only to the extent of such illegality or unenforceability. The remainder of this Agreement shall remain in full force and effect, and the parties shall amend or otherwise modify this Agreement to replace the affected provision or portion thereof with an effective and valid provision that gives effect to the intent of the parties to the maximum extent possible.
15. **Assignment.** This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective permitted successors, assigns, heirs, and legatees; *provided, however*, Grantee cannot assign, or otherwise transfer, its rights or delegate any of its obligations, without the prior written consent of the Foundation, which consent the Foundation may withhold, condition or delay in its sole discretion.
16. **No Third Party Rights.** Except for the Indemnified Parties as set forth in Section 9 (Indemnity; Liability) of this Agreement, it is the explicit intention of the parties that no person or entity other than the parties is or shall be entitled to bring any action to enforce any provision of this Agreement and that the covenants and agreements set forth herein shall be solely for the benefit of and enforceable only by the parties or their respective successors and assigns as permitted hereunder.
17. **Remedies.** The rights and remedies provided in this Agreement are cumulative in nature and shall be in addition to any such other rights and remedies available at law or in equity. Grantee acknowledges and agrees that there can be no adequate remedy at law for any breach by Grantee of this Agreement, that any such breach may result in irreparable harm to the Foundation for which monetary damages would be inadequate to compensate the Foundation, and that the Foundation shall have the right, in addition to any other rights available under applicable law, to seek injunctive relief to restrain any breach or threatened breach of, or otherwise to specifically enforce, any covenant or obligation of Grantee under this Agreement, without the necessity of posting any bond or security.
18. **Independent Parties.** This Agreement shall not be deemed to create any relationship of agency, partnership, or joint venture between the parties hereto. Grantee acknowledges and agrees that it will conduct all activities funded by the Grant in its own name and that Grantee's employees and agents are not, and will not hold themselves out to be, agents or representatives of the Foundation for any purpose.
19. **Survival.** The provisions of Sections 4 (Intellectual Property), 5 (Records), 6 (Reporting and Information), 8 (Payment Obligation; Return of Funds), 9 (Indemnity; Liability), and 10 (Grant Publicity) shall survive any expiration or termination of this Agreement, and each party shall remain obligated under any other provisions that expressly or by their nature survive any expiration or termination of this Agreement.

20. ***Multiple Counterparts; Electronic Execution.*** This Agreement may be signed in multiple counterparts, which may be signed by the parties separately, but together shall constitute a single agreement. This Agreement may be executed using electronic signatures.

21. ***Contact Information.***

For information regarding the Grant:

Laura and John Arnold Foundation  
c/o Quang Vu, Grants Manager  
1717 West Loop South, Suite 1800  
Houston, Texas 77027  
Phone: (713) 554-1923  
E-mail: [quvu@arnoldventures.org](mailto:quvu@arnoldventures.org)

For any notice, request, or demand:

Arnold Ventures LLC  
1717 West Loop South, Suite 1800  
Houston, Texas 77027  
Attention: General Counsel

PSL Foundation  
Max Ghenis, Chief Executive Officer  
701 2nd St NE #742  
Washington, DC 20002  
E-mail: [max@policyengine.org](mailto:max@policyengine.org)

We look forward to our Grant assisting your organization in accomplishing its mission and charitable goals.

*[Signature Page Follows]*

Sincerely,

LAURA AND JOHN ARNOLD FOUNDATION

By: 

DocuSigned by:

*Kristen Flack*

7033870E4C2E45B...

Name: Kristen Flack

Title: Authorized Signatory

Date: July 29, 2024

ACCEPTED AND AGREED:  
PSL FOUNDATION

Grantee

By: 

DocuSigned by:

*Jason DeBacker*

0AE2DD09A19345E...

Name: Jason DeBacker

Title: President

Date: July 27, 2024

**EXHIBIT A**  
**SPENDING, MILESTONES, REPORTING, AND PAYMENT SCHEDULE**

**Grant Spending Period:** *All Grant spending must be concluded by no later than January 14, 2025.* The Foundation acknowledges that Grantee began work related to the Purpose on July 15, 2024. Accordingly, Grant funds may be used for costs that were incurred between July 15, 2024 and the Effective Date if such costs were used exclusively for and directly related to the Purpose and are in strict compliance with the terms of this Agreement. The Foundation and Grantee acknowledge that any work related to the Purpose that was undertaken by Grantee and that occurred between July 15, 2024 and the Effective Date is fully covered by the terms of this Agreement.

**Project Background:** With this Grant, Grantee will support its fiscally sponsored project PolicyEngine in the development of a publicly-available SALT and AMT policy calculator, showing how various post-TCJA reform options affect individuals and the United States.

*All milestones and reports will be completed by Grantee as soon as practicable and in no event later than the deadlines specified below, unless Grantee has received the Foundation’s prior written consent to amend these deadlines.*

Milestones and Reports		Completion Date
1.	Grantee will set up quarterly check-in calls or meetings over the Grant period with AV Public Finance staff.	September 2024, January 2025
2.	PolicyEngine will complete the enhancement of its tax-benefit microsimulation model, including validation against TAXSIM, property tax imputation, and extended microdata forecasts, and publish a technical memo summarizing these improvements.	10/15/2024
3.	PolicyEngine will develop and launch the custom SALT/AMT policy calculator app, integrated into the main PolicyEngine platform, and provide the Foundation with access for testing.	12/1/2024
4.	PolicyEngine will complement a comprehensive technical report on SALT and AMT interactions, including the modeling approach and behavioral responses for capital gains realizations, submit it to the Foundation for review, and publish.	1/15/2025
Grants Management		
5.	Grantee will provide a Grant Report to the Foundation as required by Section 6(b) of this Agreement.	2/15/2025

**Payment Schedule:** Provided Grantee has timely submitted the relevant documentation (e.g., Grant Report, analysis plan, etc.) evidencing its completion of the corresponding milestones or reports as described above, and is otherwise in full compliance with the terms of this Agreement, the Foundation shall pay Grantee the Grant in accordance with the table below.

Installment Payments	Amount	Expected Date
1.	\$94,800.00	Within 30 days of the Effective Date.
TOTAL	\$94,800.00	