EIN 39-6037928

EXCEPTION TO TAX ON TAXABLE EXPENDITURES

The Foundation claims exemption from the tax on taxable expenditures contained in Section 4945(d)(4)(B) of the Internal Revenue Code for the grants listed below because it maintained expenditure responsibility for such grants. The attached schedule provides the information about such grants required by Regulations Section 53.4945-5(d). To the knowledge of the Foundation, and based on reports received from grantees, none of the grant funds reported in the attached schedule were diverted from the purpose for which the grant was made. The Foundation has no reason to doubt the accuracy or reliability of the grantee reports; therefore, no independent verification of the report was made.

Grantee Name and Address	Purpose	Grant Date	Grant Amount	Amounts Reported as Expended	Payment Date	Dates Received	Report Request Date/Status
53.4945-5(d)(2) (i)	(iii)	(ii)	(ii)	(iv)		(vi)	(vii)
ACI Senior Development Corp. P.O. Box 353 Garrison, NY 10524	To support general operations	02/26/13	250,000	\$0	10/27/14	01/30/15	Request sent 1/23/15. Report states \$250,000 remains
Charter Growth Fund 350 Interlocken Boulevard, Suite 390 Broomfield, CO 80021	To support general program activities	08/19/14	225,000	\$0	09/17/14	06/10/15	Request sent 1/23/15, report states that \$225,000 remains
Encounter for Culture and Education, Inc. 900 Broadway, Suite 601 New York, NY 10003-1239	To support Encounter Books during 2014	01/05/14	1,000,000	\$800,000	various in 2014		Request sent 10/13/14, 11/14/14, 1/23/15. report states \$200K remains
Encounter for Culture and Education, Inc. 900 Broadway, Suite 601 New York, NY 10003-1239	To support marketing and publicity	04/22/14	275,000	\$275,000	05/21/14		Request sent 10/13/14. Report states all funds expended.
Foundation for Excellence in Higher Education 16 Stockton Street Princeton, NJ 08540	To support the University Project	08/19/14	50,000	\$50,000	09/03/14		Request 10/3/14, 1/23/15. Report states \$12,871.50 remains, report states all funds expended
Foundation for Excellence in Higher Education 16 Stockton Street Princeton, NJ 08540	To support the University Project	11/11/14	3,000,000	\$1,000,000	12/17/14	02/12/15	Request sent 1/15/15. Report states \$357,263.79 remains
John W. Pope Civitas Institute 100 South Harrington Street Raleigh, NC 27603	To support general operations	02/25/14	100,000	\$100,000	04/02/14		Request sent 10/3/14. Report states all funds expended complete.
John W. Pope Civitas Institute 100 South Harrington Street Raleigh, NC 27603	To support general operations	02/25/14	100,000	\$100,000	07/16/14		Request sent 10/3/14. Report states all funds expended complete.
John W. Pope Civitas Institute 100 South Harrington Street Raleigh, NC 27603	To support a legal center	02/25/14	60,000	\$60,000	04/02/14		Request sent 10/3/14. Reports states all funds expended complete.