



GRANT AGREEMENT

Agreement dated and effective as of September 13, 2013 between AVINA AMERICAS, (hereinafter called "AVINA AMERICAS") a not-for-profit entity organized and existing under the laws of the United States of America, having its principal offices at 1314 Rhode Island Ave. NW, #2, Washington, District of Columbia, 20005, and FUNDACIÓN CIUDADANO INTELIGENTE (hereinafter called the "GRANTEE"), a not-for-profit entity organized and existing under the laws of Chile, having its principal offices at Holanda 895, Providencia, Santiago 7510321, together referred to as "THE PARTIES".

Whereas THE PARTIES share a common vision for sustainable development in Latin America;

Whereas, AVINA AMERICAS has decided to provide USD \$25,000 (Twenty-five Thousand USD) to the GRANTEE to be spent in support of the following charitable project: APOYO A INCUBACIÓN REGIONAL DESARROLLANDO AMÉRICA LATINA 2013 (the "project");

Whereas, THE PARTIES engaged in the project have agreed that the GRANTEE will be the primary responsible for ensuring the project is executed according to its established objectives;

Whereas, the purpose of this agreement is to:

- Set up the conditions and terms for the relationship between AVINA AMERICAS and the GRANTEE and;
- Define the GRANTEE's responsibilities for the proper use and accountability for the funds to be transferred by AVINA AMERICAS.

NOW THEREFORE, in consideration of the mutual covenants and agreements of THE PARTIES hereto, as set forth herein below, it is agreed as follows:

ARTICLE 1. AVINA AMERICAS will transfer a total of USD \$25,000 (Twenty-five Thousand USD) to the GRANTEE in one single installment, as follows:

	Estimated Date	Amount	Contingent upon
1	September 2013	USD \$25,000	Receipt of this countersigned agreement

ARTICLE 2. This term of this Agreement shall commence on September 13, 2013 and shall continue until December 31, 2013.

ARTICLE 3. Funds and any income earned on those funds shall be used only for the approved project (Exhibit A – Project Matrix) and in accordance with the approved budget (Exhibit B - Budget). If there are funds remaining at the termination of this Agreement, the GRANTEE must repay to AVINA AMERICAS any portion of the funds which has not been spent, assigned or committed for the project by the grant

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end date or date of termination, whichever is earlier, unless the GRANTEE requests in writing and AVINA AMERICAS approves a new use of the funds in furtherance to the original project or for similar charitable purposes. Any significant changes in the project for which funds are awarded must be approved in writing by AVINA AMERICAS before the funds are spent or committed.

ARTICLE 4. The GRANTEE shall not use any portion of the funds:

- a. To attempt to influence legislation, within the meaning of Section 4945 (d)(1) or 501(h) of the Internal Revenue Code ("IRC"), as interpreted by their accompanying regulations;
- b. To influence the outcome of any specific election for candidates for public office, or to carry on, directly or indirectly, a voter registration drive within the meaning of IRC Section 4945 (d)(2), as interpreted by its accompanying regulations;
- c. To make a grant to any other organization, unless the grant is restricted to furthering the purposes of the project pursuant to a written grant agreement that includes terms at least as restrictive as those imposed by Articles 2 through 13 of this Agreement and that will not impair GRANTEE's ability to comply with its obligations under this Agreement;
- d. To undertake an activity for any purpose other than religious, charitable, scientific, literary, educational, or other purpose specified in IRC Section 170 (c)(2)(B);
- e. To induce or encourage violations of law or public policy, to cause any private inurement or improper private benefit to occur, or to take any other action inconsistent with IRC Section 501 (c)(3).

Furthermore, the GRANTEE shall not conduct any activity in, or travel to or from, the United States of America.

ARTICLE 5. AVINA AMERICAS may suspend, postpone, curtail, or discontinue funding, and require any advances or misspent funds to be repaid if at any time AVINA AMERICAS reasonably determines that (i) the terms or conditions of this Agreement have been or likely will be violated, (ii) the purposes of the grant are unlikely to be met, or (iii) that doing so is necessary to preserve the good name, tax-exempt status, or reputation of AVINA AMERICAS.

ARTICLE 6. To enable AVINA AMERICAS to evaluate the effectiveness of this grant and the progress of the project, the GRANTEE shall submit to AVINA AMERICAS written narrative and financial reports in accordance with AVINA AMERICAS' guidelines (Exhibit C – Reporting Guidelines) on the following dates:

	Date	Type	Guidelines (see Exhibit C)
1	January 15, 2014	Final – Narrative and Financial	"Reporte Narrativo - Final" "Reporte Financiero"

ARTICLE 7. The GRANTEE must maintain a record of expenditures of the funds awarded, based on the following rules:

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- i) The record of expenses must be reflected on the GRANTEE's books separately from other funds raised by the GRANTEE and must be maintained in a manner consistent with generally accepted accounting practices. All expenditures made in furtherance of the project shall be charged off against the grant and shall appear on the GRANTEE's books.
- ii) The GRANTEE must keep books and ledgers duly documented with all invoices and receipts in their original form in order to a) keep an independent accounting of the funds received under this Agreement; b) identify the purpose and the manner in which the financing funds have been spent; and c) substantiate its expenditures of all awarded funds. The GRANTEE shall place its books and records at the disposal of AVINA AMERICAS or a person designated by AVINA AMERICAS whenever required, for the purpose of auditing or reviewing the expenses incurred, and shall comply with all reasonable requests of AVINA AMERICAS for information and interviews regarding use of the funds. The GRANTEE shall keep copies of all relevant books and records and all reports to AVINA AMERICAS from the beginning of the financing until at least four (4) years after termination of the Agreement or the completion of the use of the funds, whichever is later.
- iii) The GRANTEE will also have an independent annual audit of its financial statements.

ARTICLE 8. The GRANTEE agrees that it will use the grant funds in compliance with all applicable anti-terrorist financing and asset control laws, regulations, and executive orders. The GRANTEE also agrees to take all reasonable precautions to ensure that it will neither make any payment nor provide any material support to any person on any United States government list of suspected terrorists (such as the list of Specially Designated Nationals maintained by the U.S. Treasury Department's Office of Foreign Assets Control) or to any person having one or more directors or key personnel included on any such list.

ARTICLE 9. THE PARTIES will maintain the confidentiality of all private information that may be obtained in the course of the contractual relationship, unless prior written consent is given. THE PARTIES will not disclose this information in any form, in part or fully, to third parties. THE PARTIES will not use this information to gain personal benefits. THE PARTIES will also implement reasonable measures to prevent that their employees, business partners, affiliates, agents or others who can gain access to the information because of their relationship with THE PARTIES, from disclosing the information to third parties.

ARTICLE 10. THE PARTIES authorize one another, with no obligation of compensation, to make reference to each PARTY and to the Agreement in its publications or other communications related to its activities, including use of photographs, videos, films and any other means of expression in which either of THE PARTIES and/or its representatives, beneficiaries and other participants in its initiatives may appear, as far as the those publications and communications are related to project indicated above. AVINA AMERICAS requests the opportunity to review, comment and approve any reports, press releases or other publications which make reference to AVINA AMERICAS and this grant.

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ARTICLE 11. Any information contained in publications, studies, or research funded by this grant shall be made available to the public following such reasonable requirements or procedures as AVINA AMERICAS may establish from time to time. The GRANTEE grants to AVINA AMERICAS an irrevocable, nonexclusive license to publish any publications, studies, or research funded by this grant at its sole discretion. While the GRANTEE retains ownership of such works, it will ensure that all such publications, studies, or research, or any other materials or communications funded with the grant shall be used first and primarily in bona fide non-lobbying public education efforts in furtherance of the purposes of the grant. In no case shall it allow any subsequent use of such materials in lobbying communications for at least six months following their creation, unless the non-lobbying use of such materials is clearly more extensive (both in terms of the size of audience reached and in terms of expense and staff time devoted to such use) than any subsequent lobbying use.

ARTICLE 12. The GRANTEE will notify AVINA AMERICAS immediately, in writing, of any change in its Board membership, executive staff or key staff or consultants responsible for implementing the project. The GRANTEE will also notify AVINA AMERICAS in writing, as soon as possible, of any developments that may materially impair or impact the objectives, progress, or schedule of the project. Should the GRANTEE find it necessary to modify any Article of this Agreement, the GRANTEE should send AVINA AMERICAS a request in writing, pursuant to Article 20 of this Agreement.

ARTICLE 13. This Agreement may be terminated at any time by mutual agreement of THE PARTIES. In addition, the following may be causes for termination of this Agreement:

- a) If the GRANTEE uses part or all of the funds received from AVINA AMERICAS for any purpose other than that pursued by the Agreement.
- b) If the GRANTEE fails to perform any of its obligations under this Agreement.
- c) If doing so is necessary to preserve the good name, tax-exempt status, or reputation of AVINA AMERICAS.

In addition, AVINA AMERICAS is fully entitled to rescind this Agreement unilaterally if the GRANTEE should default on any of the articles hereof, or if there should be gross negligence of the obligations imposed on it by this Agreement. In the case of a unilateral termination by AVINA AMERICAS for any of the foregoing reasons, notification in writing at least thirty (30) days before the date on which rescission of this Agreement is to take place shall be sufficient, with no additional payment and no claim made for damages by GRANTEE.

As soon as this Agreement is terminated by mutual agreement, or as soon as AVINA AMERICAS provides written notification of unilateral termination, the GRANTEE must immediately suspend performance of the Agreement and must provide to AVINA AMERICAS a detailed report of the money invested, disbursed, or committed to that date. AVINA AMERICAS may decide whether to demand repayment of some or all of the funds to the extent Articles 3 and 13 of this Agreement entitle it to do so.

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ARTICLE 14. Any question or conflict that may arise in the performance or interpretation of this Agreement shall be settled by mutual agreement between THE PARTIES.

ARTICLE 15. Any dispute related to this Agreement that is not settled by mutual agreement between THE PARTIES shall be submitted to an arbitration proceeding between the GRANTEE and AVINA AMERICAS.

ARTICLE 16. This Agreement is governed in all respects, including validity, interpretation, and effect, by the internal laws of the State of Delaware, without regard to the conflict-of-laws principles thereof.

ARTICLE 17. AVINA AMERICAS shall not be liable for losses, damages, claims, or other liabilities arising out of the GRANTEE's activities. It is expressly understood that AVINA AMERICAS, by making this grant, has no obligation to provide other or additional support to the GRANTEE for this project or any other purposes. The GRANTEE must hold AVINA AMERICAS and its respective officials, employees, directors and representatives harmless and free of any and all lawsuits of any type or nature by any person or entity that may arise from, result from or relate to any acts and/or omissions of the GRANTEE and its officials, employees and representatives in relation to activities in connection with the Agreement and/or the use of the grant funds. This obligation shall continue after the termination or expiration of this Agreement.

ARTICLE 18. No partnership, joint venture, or agency relationship whatsoever is established by this Agreement between the PARTIES or between either PARTY. Neither PARTY is authorized or commissioned to act as agent, employee or representative of the other PARTY, nor to negotiate or assume obligations in the name of or on behalf of the other PARTY. Neither PARTY shall be circumscribed by any actions, representations or behavior of the other. The GRANTEE is solely responsible for all activities supported by the funds, the content of any product created with the awarded funds, and the manner in which any such product may be disseminated. However, AVINA AMERICAS retains the right to review the activities of the GRANTEE in order to monitor compliance with the terms of this Agreement and to determine whether continued funding under this Agreement is appropriate.

ARTICLE 19. This Agreement and the attached Exhibits constitute the entire agreement between THE PARTIES relating to their operating relationship and supersedes all prior and contemporaneous negotiations, correspondence, understandings, and agreements between THE PARTIES, written, electronic or oral, relating to such services.

ARTICLE 20. This Agreement may be modified or amended only by mutual written consent of THE PARTIES. The GRANTEE may submit to AVINA AMERICAS a written request for modification(s) to this Agreement on the GRANTEE's letterhead, including the Grant Number assigned by AVINA AMERICAS, an

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