



*A Partner With Communities Where Children Come First*  
One Michigan Avenue East  
Battle Creek, Michigan 49017  
(269) 968-1611

Project ID: P3021020

THIS GRANT AGREEMENT IS ENTERED INTO "AS OF MAY 3, 2012, BY AND BETWEEN W.K. KELLOGG FOUNDATION, ONE MICHIGAN AVENUE EAST, BATTLE CREEK, MICHIGAN 49017, HEREBY REPRESENTED BY ITS LEGAL REPRESENTATIVE, ANN C. SHERZER, HEREINAFTER REFERRED TO AS THE "FOUNDATION," AND THE INSTITUTO DE INVESTIGACIONES DOCTOR JOSÉ MARÍA LUIS MORA, PLAZA VALENTÍN GOMEZ FARÍAS NO. 12, COLONIA SAN JUAN MIXCOAC D.F. 03730, MEXICO, HEREBY REPRESENTED BY ITS LEGAL REPRESENTATIVE, LUIS ANTONIO JÁUREGUI FRÍAS, HEREINAFTER REFERRED TO AS THE "GRANTEE," IN ACCORDANCE WITH THE FOLLOWING RECITALS AND CLAUSES:

#### RECITALS

- I. The Foundation declares through its legal representative:
  - a. That it is a private non-operating foundation as defined by United States Internal Revenue Code Section 509(a) and duly organized and existing under the laws of the State of Michigan, United States of America.
  - b. That its legal representative has the necessary corporate authority to bind the Foundation pursuant to this Agreement, and that said corporate authority has not been limited nor revoked in any manner whatsoever.
  - c. That it desires to make a grant to Grantee to be used for the purposes stated herein as more fully described below (the "Project").
- II. The Grantee represents through its legal representative:
  - a. That it is an organization in good standing and is either a governmental unit or a not-for-profit organization duly registered and existing pursuant to the laws of the jurisdiction in which it is domiciled and is the equivalent under the relevant laws of its domicile of an organization described in Section 501(c)(3) of the United States Internal Revenue Code (the "Code") and is not a "private foundation" within the meaning of Section 509(a) of the Code.
  - b. That its legal representative has the necessary authority to bind the Grantee pursuant to this Agreement and that said authority has not been limited nor revoked in any manner whatsoever.
  - c. To have considered all the elements that will be required to implement the Project and fulfill the purpose of the grant in accordance with Foundation requirements and to possess the human, economic, and material resources necessary to fulfill all of its obligations under this Agreement.



III. Both parties declare:

- a. That there is no fraud, duress, unconscionable bargain, or any other impairment of consent in this Agreement.
- b. That it is their will to execute this Agreement in accordance with the following:

CLAUSES

1. **Grant:** The Foundation is awarding Grantee a grant in the amount of \$150,000 to be used by the Grantee from April 1, 2012, through October 31, 2013 (the "Grant Period"), to strengthen the emergence of youth as leaders and agents in community transformation in Mexico through a development program involving education, research, and internships with community foundations. Grant funds shall be used solely as specified in the proposal submitted on April 2, 2012, which is attached hereto and incorporated herein by reference (the "Project") and in accordance with the terms and conditions of this Agreement. In the event of a conflict between the terms of this Agreement and those of the Project, the terms of this Agreement shall prevail.
2. **Budget, Reporting Period(s), and Expenditures:** Grant funds shall be used solely for the purpose of the Project and only as indicated in the line items of the approved line-item budget submitted by Grantee as specified below. Grantee must obtain advance written approval from the Foundation Program Officer for disbursements substantially deviating from this budget. Expenses directly tracked to the grant are allowed. Indirect costs are not permitted. Indirect costs are expenditures for activities or services that are not directly tracked to the Project, but rather are an allocation or percentage of organization-wide expenses. Expenses must be incurred against the budget and Reporting Period(s) as follows:

	4/1/12-3/31/13	4/1/13-10/31/13	Total
Personnel			
--Office of the Academic Program	\$ 9,230	\$0	\$ 9,230
--Executive Coordination	\$ 8,620	\$0	\$ 8,620
--Administrative and Logistics Assistant	\$ 6,155	\$0	\$ 6,155
--Taxes on Fees	\$ 14,445	\$0	\$ 14,445
Contractual Services			
--Teacher staff preparing for a degree	\$ 9,230	\$0	\$ 9,230
--Social Psychologist	\$ 1,540	\$0	\$ 1,540
--Tutor of the Formation Program	\$ 3,075	\$0	\$ 3,075
--Designing member of the virtual component of the P	\$ 3,085	\$0	\$ 3,085
--Member in charge of new technology training	\$ 770	\$0	\$ 770
Project Supplies			
--Paper, netbooks, folders, pens, toner, USB	\$ 1,340	\$0	\$ 1,340
Travel	\$ 85,609	\$0	\$ 85,609
Other			
--Production of an electronic methodology notebook	\$ 3,491	\$0	\$ 3,491
--Other fees	\$ 3,410	\$0	\$ 3,410
Grand Total	\$150,000	\$0	\$150,000



3. **Payment:** Upon receipt of Grantee's signed acceptance of this Agreement, payment of \$150,000 will be made to Grantee.
4. **No Earmarking:** Beyond the rights and obligations specifically stated in this Agreement, the Foundation disclaims any right to control or otherwise influence Grantee's use of these funds. Accordingly, the Foundation will not engage in earmarking any funds under this Agreement.
5. **Subgranting:** Subgranting occurs when Grantee provides Foundation funds in the form of a grant to one or more organizations that are selected by the Grantee. Grantee agrees that any subgrant shall be made pursuant to terms and conditions that bind the subgrantee to those set forth in the following clauses of this Agreement: Accounting and Audit, Legal and Tax Requirements, Patriot Act Compliance, Ownership and Royalties, Termination/Repayment of Grant Funds, Release and Indemnity, Use of Logo/Letterhead/Copyright, and Governing Law and Compliance. Except as provided in the preceding sentence, the Foundation retains no rights to select or veto ultimate recipients. Financial reporting on subgrants must be done on a cash basis.
6. **Accounting and Audit:** Grantee must maintain separate accounting records for this grant. This should be accomplished through the establishment of a separate general ledger account, fund, or cost center. Grantee is required to use all interest earned on grant funds to further the Project; however, a formal accounting of such income is not required. Grantee shall (i) maintain complete and accurate separate accounting, detailing receipts and expenditures made under the grant, and (ii) retain these records during the Grant Period and continuing at least four (4) years after receipt and acceptance of the Final Report. During this time, Grantee shall make such records available to the Foundation (or its designated representatives) for inspection or audit at the Foundation's expense and on reasonable notice to Grantee. The Foundation may also, at its expense and on reasonable notice to Grantee or any subgrantee, monitor and evaluate operations under this grant, including on-site visits to observe Grantee's/subgrantee's procedures and talk with Grantee's/subgrantee's personnel.
7. **Reporting:** Within 45 days following the end of each Reporting Period, the Grantee will furnish to the Foundation Program Officer an Annual Report. The Annual Report will contain (i) a narrative report of what was accomplished by expenditure of the grant funds (including a description of progress toward achieving the evaluation questions, if any, established for the grant as outlined in the Evaluation section below) and (ii) a financial statement reporting expenditures according to the approved grant budget. This reporting should be done using consistent accounting practices (cash or accrual) and should be certified only by an agent of the Grantee authorized to submit financial accounting on behalf of the Grantee. Failure to submit timely reports will result in delay in processing any subsequent payments to Grantee. A Final Report (which includes a narrative report and a financial statement of expenditures) is to be provided to the Foundation no later than three (3) months after the close of the final Reporting Period. Any unexpended funds remaining at the end of the final Reporting Period must be immediately returned to the Foundation, unless an extension has been approved in writing by the Foundation. Grantee agrees to provide the Foundation, upon request, a copy of all information relating to the results, findings, or methods developed under the grant.
8. **Evaluation:** The Foundation views evaluation as an important management and learning tool. Therefore, unless otherwise prohibited, any evaluation reports created regarding the Project are to



be submitted by the Grantee in their entirety, in electronic format, on an annual basis to your Foundation Program Officer.

9. **Legal and Tax Requirements:** Grantee represents and warrants to the Foundation that:
- A. Grant funds shall be expended only for charitable, educational, literary, or scientific purposes. In no event will Grantee use grant funds or any income earned thereon:
    - a. to carry on propaganda or otherwise to attempt to influence legislation (within the meaning of Section 4945(d)(1) of the Code),
    - 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 Section 4945(d)(2) of the Code),
    - c. to make grants to individuals or to other organizations for travel, study, or similar purpose that do not comply with the requirements of Section 4945(d)(3) or (4) of the Code,
    - d. to undertake any activity other than for a charitable, educational, literary, or scientific purpose specified in Section 170(c)(2)(B) of the Code.
  - B. Grantee agrees that any subgrant made with funds from this grant must only be made to a governmental unit or a not-for-profit organization that is equivalent to an organization described in Section 501(c)(3) of the United States Internal Revenue Code and not a "private foundation" within the meaning of Section 509(a) of the Code."
  - C. Grantee will comply with all applicable laws and regulations of the country in which it is registered and/or operates.
  - D. No part of the grant can inure to the benefit of any private person or entity in violation of Section 501(c)(3) and 4941 of the Code, including but not limited to any Foundation Trustee, Officer, employee, or his/her spouse, children, grandchildren, and great grandchildren or their respective spouses for any purpose.
10. **Patriot Act Compliance:** Grantee certifies that Foundation funds will be used in compliance with all applicable anti-terrorist financing and asset control laws, regulations, rules, executive orders, and similar legal requirements of its home country and of the United States of America, including but not limited to, the USA Patriot Act of 2001 and Executive Order No. 13224. Furthermore, Grantee agrees to ensure that no Foundation funds, either directly or through a subgrant, will be provided to any organization or individual listed on the United States Government's Terrorist Exclusion List or the Office of Foreign Assets Control (OFAC) Specially Designated Nationals & Blocked Persons List. Accordingly, Grantee takes reasonable steps to ensure that its board, staff, subgrantees and volunteers have no dealings whatsoever with persons or entities whose names appear on any of these lists or who are known terrorist or terrorist organizations.
11. **Ownership and Royalties:** Grantee shall retain all rights, title, and interest in any Intellectual Property to include, but not limited to, literary and artistic works, products, materials, information, and computer software created or developed as a result of this grant. Grantee hereby grants to the Foundation a perpetual, worldwide, royalty-free, non-exclusive right and license to use, publish, distribute, reproduce, copy, and modify any Intellectual Property developed as part of the Project for non-commercial purposes. Any moneys realized by the Grantee or subgrantee from sales or licenses of the Intellectual Property created or developed from this grant must be utilized exclusively for the Project or for educational and charitable purposes and shall not inure to the personal benefit of individual(s) or noncharitable entities.



12. **Termination/Repayment of Grant Funds:** If the Foundation, in its sole discretion, determines that grant funds are not being used by Grantee or any subgrantee in an effective and efficient manner to further the grant's purpose or that Grantee or any subgrantee has otherwise failed to comply with the terms of this Agreement, the Foundation may (i) discontinue any further payments to Grantee (under this or any other agreement the Foundation may have with Grantee), (ii) direct Grantee or subgrantee to repay to the Foundation any grant funds not used in accordance with this Agreement, and (iii) set-off any funds owing to Foundation by Grantee under this Agreement against funds Foundation may owe Grantee under any other agreement.
13. **Release and Indemnity:** Unless prohibited by law, Grantee shall release, indemnify, defend, and hold harmless the Foundation and its trustees, officers, employees, and agents from and against all claims, damages, or injuries to person or property of the Foundation, Grantee, or any third party arising out of (directly or indirectly) or related in any way to the negligent or wrongful actions or omissions of Grantee, its directors, officers, employees, or agents, under this grant or Project, except to the extent the claims, damages, or injuries are caused by the negligent or wrongful acts or omissions committed by the Foundation. Grantee agrees to require any subgrantee or subcontractor to indemnify the Foundation in a manner consistent with this paragraph.
14. **Equal Opportunity:** The Foundation gives high priority to the realization of equality of opportunity for all members of society and strongly encourages diversity by the Grantee in all aspects of the Project and throughout all levels of the organization.
15. **Assignment Clause:** This Agreement, or any of the rights, obligations, or funds awarded under this Agreement, may not be assigned without the Foundation's prior written consent. An assignment includes (i) any transfer of the Project; (ii) an assignment by operation of law, including a merger or consolidation; (iii) the sale or transfer of all or substantially all of Grantee's assets; or (iv) the expropriation or taking by any governmental entity, whether de jure or de facto, for any reason, of the ownership, assets, or control over the operation of Grantee.
16. **Use of Logo/Letterhead/Copyright:** The name, logo, letterhead, or any item copyrighted by the Foundation may not be used by Grantee or any subgrantee without prior written permission from the Foundation's Vice President of Communications.
17. **Governing Law, Dispute Resolution, and Compliance:** This Agreement will be governed by and construed in accordance with the laws of the United Mexican States. For the interpretation and performance of this Agreement, the parties hereby expressly and irrevocably submit themselves to the jurisdiction of the competent courts of Mexico City, Federal District, waiving any other jurisdiction they may be entitled to by reason of their present or future addresses or by any other reason. Grantee or any subgrantee will comply with all applicable local, state, and federal laws and regulations.
18. **Entire Agreement, Severability, and Amendment:** This Agreement contains the entire agreement between the Foundation and the Grantee relating to the subject matter hereof, and supersedes all prior and contemporaneous negotiations, correspondence, understandings, and agreements between the parties relating to the subject matter hereof. This Agreement may be modified or amended only by mutual written agreement of the parties. In the event of any conflicting terms between this Agreement and the attachment to this Agreement (proposal), the terms of this Agreement will supersede and govern. The Foundation's waiver or failure to enforce the terms and



conditions of this Agreement in one instance shall not constitute a waiver of its rights hereunder with respect to other violations of this Agreement.

19. **Grantee Contact Information:** Grantee has indicated the following individuals hold key roles for this Project. Grantee shall provide written notification to the Foundation of any changes:

Legal Designee: Luis Antonio Jáuregui Frías, Director General

Financial Designee: Enrique García Martínez, Jefe del Departamento de Administración de Proyectos

Project Director: Maria Gabriela G. Sánchez Gutiérrez, Profesora Investigadora

20. **Foundation Information:** Your Foundation contact information for this grant is as follows:

Project ID: **P3021020** (Please refer to this P number in ALL correspondence/reports)

Program Officer: Alejandro Villanueva, alejandro.villanueva@wkkf.org

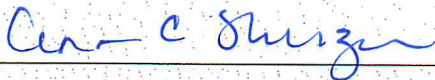
Grant Support: Emma Brecheisen, emma.brecheisen@wkkf.org, (269) 969-2355

21. This Agreement is signed in the English language. In the event of any dispute between the signed English version of this Agreement and any translation made to another language, the English version shall prevail.

If you have any questions about the terms or conditions of this Agreement, please contact me directly at (269) 969-2330. On behalf of the Foundation, I extend every good wish for the success of this effort.

Through its duly authorized legal representative, Ann C. Sherzer, J.D., Program Services Manager, whose signature appears below, the W.K. Kellogg Foundation hereby agrees to the terms and conditions of this Agreement.

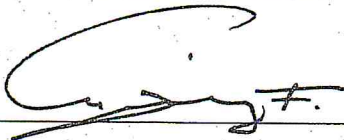
Signature of Ann C. Sherzer:



Date: 5/11/12

Through its duly authorized legal representative, Luis Antonio Jáuregui Frías, Director General, whose signature appears below, the Instituto de Investigaciones Doctor José María Luis Mora hereby agrees to the terms and conditions of this Agreement.

Signature of Luis Antonio Jáuregui Frías:



Date: MAY 7, 2012

Please return all pages of the signed Grant Agreement to the Foundation by one of the following methods:

1. Scan and email to [programservices@wkkf.org](mailto:programservices@wkkf.org) (to prevent the email and attachment from being blocked by spam filters, we recommend naming the scanned document "grant agreement"); OR
2. Fax to the attention of "Program Services" at (269) 969-2760.

15.05.2012 \$\*\*\*\*\*150.000,00\*

\*\*ONE HUNDRED FIFTY THOUSAND &amp; 00/100\*\*\*\*\*

INSTITUTO DE INVESTIGACIONES  
DOCTOR JOSE MARIA LUIS MORA  
PLAZA VALENTIN GOMEZ FARIAS NO 12  
DIRECTOR GENERAL  
COLONIA SAN JUAN MIXCOAC DF 03730 Mexico

## W.K. KELLOGG FOUNDATION

(PAYEE: INSTITUTO DE INVESTIGACIONES)

BATTLE CREEK, MICHIGAN

Invoice	Date	Purchase Order	Description	Amount
5105652352	14.05.2012	P3021020	A. Villanueva Instituto de Investigaciones Doctor	150.000,00
Total				150.000,00