

**WALLACE GLOBAL FUND II
PROJECT AGREEMENT**

This PROJECT AGREEMENT sets forth the terms and conditions for the grant made by Wallace Global Fund II (the "Fund") of up to \$30,000, to **Foundation for National Progress**, for a period of one year, from October 1, 2012, to September 30, 2013.

(A) We are providing this grant solely for use in connection with the project "General Support for the Media Consortium" (the "Project"), as described in the grant proposal. All grant funds (which hereinafter include any income arising from the grant) must be used exclusively for charitable, scientific, literary and educational purposes within the meaning of Section 170(c)(2)(B) of the Internal Revenue Code of 1986, as amended (the "Code"). You must promptly repay any funds not used for the purposes of the grant or otherwise approved by the Fund.

(B) You must submit to the Fund a comprehensive final narrative and financial report within 30 days of the one year period for which funds are provided. The narrative report should include an analysis of what has been accomplished, measured against the original objectives. The financial report should present expenditures against line items. If funds from sources other than the Fund are used for the Project, the sources and allocations of all such funds should be included.

You also agree to provide upon request any other written reports or information that the Fund believes is necessary to keep it fully apprised of the status or use of any grant funds, including any information regarding the ultimate effect of the grant.

(C) You must maintain written records of receipts and expenditures adequate to fully and completely substantiate the use of the grant funds. You must maintain these records of receipts and expenditures and copies of any reports submitted to the Fund for at least four years after completion of the grant. Your books and records must be made available to the Fund for its inspection at reasonable times.

(D) You must not use any of the grant funds to promote or engage in violence, terrorism or the destruction of property or to provide support or make payments to any person or entity that promotes or engages in such activities.

(E) You agree that (1) the selection of any secondary grantee, including any secondary grantee identified in the grant proposal, is in your complete discretion and control, (2) the Fund has not earmarked the use of the grant funds for any secondary grantee, and (3) there does not exist an oral or written agreement whereby the Fund may cause the selection of any secondary grantee.

(F) If you anticipate modifying projected expenditures by line item variations of more than 20%, you must obtain the Fund's prior approval in writing.

(G) The Fund's disbursement of payment is contingent upon its review of your work in connection with this grant and its determination that you are in compliance with all terms and conditions of this agreement and are making satisfactory progress toward the accomplishment of the Project. The Fund may modify its disbursements to you in response to such circumstances as approved revisions to the Project, in-kind or cash contributions from donors, adjustments based on any gains or losses due to exchange rate fluctuations or other events which alter budgeting requirements.

(H) Funding may be terminated, modified or withheld at any time and any unexpended grant funds must be repaid when, in the judgment of the Fund, such action is necessary due to unsatisfactory performance, lack of compliance with the terms of the grant, or other circumstances that call into question the ability of the Project to achieve the intended purposes.

(I) You agree that any research findings or results associated with the Project will acknowledge the support received from the Fund; provided, however, that the Fund shall have the right to require removal of its name and the fact of its support at any time, in its discretion. Except for simple statements indicating that the Fund has provided you with funding, the Fund's name and logo may be used only with the written permission of a representative of the Fund.

(J) You agree that the Fund may include information on this grant in its periodic public reports. In addition, the Fund may monitor and conduct an evaluation of your operations under this grant, which may include visits from the Fund's personnel to observe the Project, discuss the Project with your personnel, and review financial and other records and materials connected with the activities financed by this grant.

(K) You confirm that you are an organization described under Section 501(c)(3) of the Code that is classified as a public charity under Section 509(a)(1), 509(a)(2), or 509(a)(3) of the Code (other than a supporting organization that is controlled directly or indirectly by a disqualified person of the Fund or is not classified as a functionally integrated Type III supporting organization within the meaning of Section 4943(f)(5)(B)). You shall notify the Fund of any significant organizational changes during the term of the grant, including but not limited to changes in key personnel, changes in tax status or public charity classification, and changes in the project timing or goals. You agree to indemnify the Fund for any claims for damages arising out of the work supported by this grant.

(L) You agree that no payments, goods, or services have been provided to the Fund or its officers, directors or employees as consideration for this grant. Grant funds may not be used to provide payments, goods, or services to the Fund's officers, directors or employees, or their family members.

(M) You agree that equipment, supplies, materials and services will be procured by generally accepted good business practices. Furthermore, you agree to obtain bids from several alternate sources of supply whenever appropriate to assure the best combination of price, quality and availability. Reasonable preference is to be given to the purchase of nationally or regionally produced or manufactured goods.

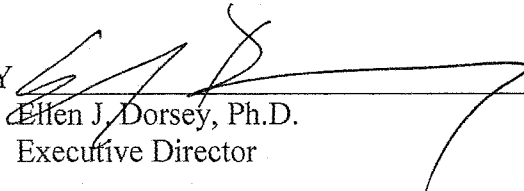
Please signify your agreement to the above terms of the grant by the signature below of the officer or officers who are, under your bylaws and the law governing you, authorized to execute contracts on your behalf.

Please return the executed original of this letter to us. The enclosed copy is for your records. By countersigning this letter, you certify that your organization does not employ or deal with any entities or individuals that are subject to sanctions by the Office of Foreign Assets Control of the U.S. Department of the Treasury Department (information about such entities and individuals may be found at <http://www.ustreas.gov>).

Upon receipt of the executed original of this letter, the Fund will make payment of the grant in full.

WALLACE GLOBAL FUND II

BY


Ellen J. Dorsey, Ph.D.
Executive Director

Agreed to and accepted on behalf of Foundation for National Progress,

this 2nd day of October, 2012.

BY

Name:


Madeleine Buckingham

Title:

President & CEO