

Approved by the Decision N 1 of
the “Urban” Foundation for
Sustainable Development

Irina Vanyan

9 April, 2004

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Registered at RoA State Registry
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April 24, 2004

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Director of the State Registry

----- G. Sargsyan

Signature:

CHARTER

Of the “Urban” Foundation for Sustainable Development

Yerevan, 2004

Approved by the Decision of the
Board of Trustees of the “Urban”
Foundation for Sustainable
Development as of December 1,
2011

Nune Ghazakhetsyan,
Executive Director

Signature:

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N 002.3 amendment to the Charter
(registered on 24.04.2004) is
registered by RoA State Registry
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Director of the State Registry on

----- A. Gevorgyan

Signature:

AMENDMENT to the CHARTER

Of the “Urban” Foundation for Sustainable Development

- a) Modify the clause 1.5 of the Charter of “Urban” Foundation for Sustainable Development
1.5. The “Urban” Foundation is located at 9 Alex Manoogian Street, 0070, Armenia

- b) Make a new amendment to the Charter of “Urban” Foundation for Sustainable Development by adding clauses 2.2.22 and 2.2.23:
2.2.22 Contribute to the strengthening of democracy in Armenian communities through increasing participation of community residents in the decision-making process by local self-government bodies, promoting good governance practices, increasing public awareness, supporting realization of their rights and protection from rights violation.
2.2.23 Carry out advocacy and protection of democratic values, human rights and fundamental freedoms, promote the strengthening of the Republic of Armenia’s European integration and Eastern Partnership processes.

Yerevan 2011

Approved by the Decision of the Board of Trustees of the “Urban” Foundation for Sustainable Development as of April 11, 2005

Irina Vanyan,
Executive Director

Signature:

13 April, 2005

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N 001.3 amendment to the Charter (registered on 24.04.2004) is registered by RoA State Registry Central body on 21.04.2005
Director of the State Registry on

----- G. Sargsyan

Signature:

AMENDMENT to the CHARTER

Of the “Urban” Foundation for Sustainable Development

The clause 7.2 and the second paragraph of the clause 7.8 of the Charter of the “Urban” Foundation for Sustainable development shall be composed as follows:

7.2 The supreme management body of the Foundation is the Foundation’s Board of Trustees. The Foundation’s Board of Trustees consist of 5 (five) members.

7.8 - second paragraph: the term of authorities of the members of the “Urban” Foundation’s Board of Trustees is not limited.

This amendments are inalienable part of the Foundation’s Charter registered as of 24.04.2008

Yerevan 2005

ARTICLE 1. GENERAL PROVISIONS

1.1. The “Urban” Foundation for Sustainable Development (hereinafter, the “Urban” Foundation) is a non-commercial, non-for profit organization, without any membership, which is created for the urban development, legal assistance, scientific, educational, health, cultural, economic and social, municipal development purpose, as well as for the public good, based on the voluntary property fees of the citizens.

1.2. The “Urban” Foundation was established and its activity is governed pursuant to the Constitution of the Republic of Armenia, the Civil Code of the Republic of Armenia (hereinafter, the Code), the RoA Law on Foundations (hereinafter, the Law), other legal acts of RoA and this Charter.

1.3. The name of the “Urban” Foundation :

In Armenian the full name is «Ուրբան» կայուն զարգացման հիմնադրամ

In Armenian the abbreviated name is « Ուրբան» Հիմնադրամ

In English the full name is ““Urban” Foundation for Sustainable Development”

In English the abbreviated name is ““Urban” Foundation

1.4. The term of activity of the “Urban” Foundation shall not be limited.

1.5. The place of location of the “Urban” Foundation is at the following address: Mashtots Avenue -49, apt. 7, Yerevan, Republic of Armenia.

ARTICLE 2. SCOPE OF ACTIVITIES, OBJECTIVES AND POTENTIAL BENEFICIARIES OF THE “URBAN” FOUNDATION

2.1. The purpose of the “Urban” Foundation shall be to contribute to the development and introduction of new solutions to address the problems related to the financing of the municipal economy of the Republic of Armenian, the “Urban” Foundation ing of the housing and municipal infrastructures, the municipal management, the municipal land use, the social protection of the population, the participation of the population in such processes and urban social-economic policies, the regular development of the municipalities, the future improvements in the local self-government.

2.2. The scopes of activity and the objectives of the “Urban” Foundation

2.2.1. to carry out humanitarian and development projects targeted at the future development reforms in the economic, urban development, municipal administration of the RoA municipalities;

2.2.2. to support the central and local-self government authorities in the development of the strategy and efficient approaches of the urban economy reform projects and their utilization;

2.2.3. to develop drafts dedicated to the housing policy and urban social economic development issues, to participate in their experts examination;

2.2.4. to improve the access of the population to the various computer programs and other high technologies, other information sources, scientific achievements for the purpose of implementation of urban development projects.

2.2.4. to conduct research dedicated to the solution of the social and economic problems in urban areas, to show scientific and methodological assistance to the municipalities, the legal and natural persons;

2.2.5. to develop and carry out urban development oriented measures and projects that are targeted at the increase of the awareness of the population;

2.2.6. to provide advice to the legal and natural persons about the urban economy and housing market development issues;

2.2.7. to increase the people's awareness in the recognition of their urban development rights, their free implementation and protection, particularly to provide know-how to the individual developers, land users, land surveyors, other subjects of the real property market;

2.2.8. to enhance the introduction of the new methods and mechanisms in the urban development activity, the capacity building of the employees in that sector and the training of specialists;

2.2.9. to carry out credit and grant projects targeted at the development of the urban economy, the implementation of the urban development projects;

2.2.10. to contribute to the preparation of the master plans for the municipalities, the zoning of the municipalities and the land use schemes;

2.2.11. to improve the computer know-how of the municipal staff, employees of the organizations delivering municipal services and other beneficiaries, their professional and other working skills to be competitive in the labor market;

2.2.12. to assist the non-commercial, non-state and municipal organizations in terms of ensuring their participation and leadership in the important decision making process on institutional and financial management, the key decision making processes;

2.2.13. to organize and conduct research, to publish or disseminate the results in any form;

2.2.14. to provide advice in relation to the procurement in the area of implementation of the urban development projects;

2.2.15. to provide grants to the natural and legal persons, to get grants and to manage grant projects with other organizations;

2.2.16. to carry out infrastructure rehabilitation and civil works assistance projects;

2.2.17. to promote and disseminate the valuable samples of worldwide scientific, literary thought, in particular about the urban economy management area;

2.2.19. to carry out target projects aimed at the general economic development of the RoA municipalities;

2.2.20. to carry out micro-financing and lending projects targeted at the increase of the living standards of the population and their income generation;

2.3 The potential beneficiaries of the "Urban" Foundation are the Republic of Armenia, the RoA municipalities, the RoA non-commercial organizations, and in certain cases also the commercial organizations and /or individual entrepreneurs, who perform activities in the areas of urban development, municipal development and /or their activity is consistent with the statutory objectives of the "Urban" Foundation .

ARTICLE 3. THE LEGAL STATUS OF THE “URBAN” FOUNDATION

3.1. The “Urban” Foundation , starting from the moment of the state registration, shall acquire a status of a legal person.

3.2. The “Urban” Foundation shall have an independent balance sheet. The “Urban” Foundation may open settlement and other accounts in the banks.

3.3. The “Urban” Foundation shall have a round seal with its name (Armenian and English), a stamp and forms. The “Urban” Foundation may also have a logo. The “Urban” Foundation , in the manner defined by RoA laws, shall have a right to possess its own resources and to defend them.

3.4. The “Urban” Foundation shall have its own separate property, may participate on its own behalf in the asset turnover, acquire and implement property and individual non-property rights, assume obligations and act in the court as a claimant or defendant.

3.5. The “Urban” Foundation shall have a right to independently generate its financial resources, to get grants, donations in the Republic of Armenia and other states, as well as acquire any property in the manner not prohibited by the law.

3.6. To sell, to lease the property belonging to the “Urban” Foundation with the ownership right.

3.7. In the manner established by the legislation of RoA, to export from the Republic of Armenia, as well as to import the property acquired in a legal manner abroad, to establish international relations, to cooperate with foreign and international organizations to achieve its statutory objectives, to deliver services and to carry out works for RoA, foreign and international organizations and citizens, to benefit from the work performed and services delivered by them.

3.8. To independently decide the organizational chart of the “Urban” Foundation , the number of divisions and the management system.

3.9. The “Urban” Foundation shall be liable for its obligations with the whole property belonging to itself with the right of ownership.

3.10. The property handed over to the “Urban” Foundation by the founders of the “Urban” Foundation shall be the ownership of the “Urban” Foundation . The “Urban” Foundation shall have the right to possess, to use and to manage the property belonging to itself for the objectives set by this Charter.

3.11. The “Urban” Foundation shall not carry any liability for the obligations of the founders, whereas the founders shall not be liable for the obligations of the “Urban” Foundation . The founders of the “Urban” Foundation shall hold joint and several liability for the obligations related to its establishment that have occurred prior to the state registration of the “Urban” Foundation .

3.12. The “Urban” Foundation shall be bound to publish within the terms and by the procedure established by law, a statement about the use of its property.

3.13. The proceeds gained as a result of the “Urban” Foundation ’s activities may not be handed over or passed to its founders.

3.14. The “Urban” Foundation shall have the right to establish representations, branches and institutions.

3.15. The “Urban” Foundation shall perform its activities on the basis of the democratic, lawful, justice, humanitarian, voluntary and publicity principles.

3.16. To achieve its statutory objectives, the “Urban” Foundation shall have the right to establish economic companies and (or) participate in them, to be a contributor to the association based on trust.

3.17. The “Urban” Foundation may carry out an entrepreneurial activity personally or may, for that purpose, establish economic firms or be a participant thereof.

3.18. The “Urban” Foundation shall have the right to be engaged in exclusively, the following types of entrepreneurial activities stipulated by this Charter, in particular:

- a) provide paid services and consulting;
- b) in the manner established by RoA legislation on Education, to organize paid training, apprenticeship and /or qualification improvement courses;
- c) carry out publishing activities and sale of the publications;
- d) to carry out independent expertise in the municipal development sector;
- e) to carry out activity targeted at the reforms in the RoA legal and institutional systems in the areas of urban development and municipal development;
- f) to create and to sell information applications and other programming staff, particularly targeted at the zoning of communities, the designing of the master plans and the urban development;
- g) to hold exhibitions, fairs, round tables, seminars, conferences, scientific workshops;
- h) to create and issue TV programs, to sell commercials;
- i) to acquire, to sell and to transport goods.

ARTICLE 4. THE BRANCHES, REPRESENTATIONS AND INSTITUTIONS OF THE “URBAN” FOUNDATION

4.1. The “Urban” Foundation shall have the right, pursuant to the requirements of the Code, the Law, other laws and legal acts of the RoA, to establish branches, representations and institutions.

4.2. The creation of the branches, representations and institutions by the “Urban” Foundation in the foreign states, shall be carried out pursuant to the laws and other legal acts of the country of the location of the branches, representations and institutions, unless otherwise stipulated by the international treaties of the Republic of Armenia.

4.3. The representation shall be a separate unit of the “Urban” Foundation that is located outside the place of location of the “Urban” Foundation, which shall represent the interests of the “Urban” Foundation and shall carry out their protection.

4.4. The branch shall be the separate unit of the “Urban” Foundation that is located outside the place of location of the “Urban” Foundation, which shall perform all its functions or one part thereof, including the functions of the representation.

4.5. The institution shall be an entity established by the “Urban” Foundation for undertaking administrative, social-cultural, educational or non commercial types of other activities.

4.6. The representations, the branches and the institutions shall not be legal persons and shall act on the basis of the charters approved by the Board of Founders of the “Urban” Foundation.

4.7. The assets of the representations, the branches and the institutions shall be provided by the “Urban” Foundation . The value of the assets of the representations, the branches and the institutions shall be reflected both in their individual balance sheets, as well as the balance sheet of the “Urban” Foundation and shall be considered to be the “Urban” Foundation ’s ownership.

4.8. The managements of the representations, the branches and the institutions shall be appointed by the Board of Trustees of the “Urban” Foundation and shall operate on the basis of the powers of attorney issued by itself.

4.9. The “Urban” Foundation shall hold a property liability for the activities of the representations, the branches and the institutions.

4.10. The “Urban” Foundation shall have the right to create a commercial organization or be a participant thereof.

4.11. To carry out its objectives adequately the “Urban” Foundation shall have the right to establish commissions and other advisory bodies.

ARTICLE 5. THE PROPERTY OF THE “URBAN” FOUNDATION

5.1. As a property, the “Urban” Foundation may possess buildings, premises, residential houses and apartments, equipment, transport means, cash “Urban” Foundations in AMD and foreign currency, securities and other immovable or movable property.

5.2. The value of the “Urban” Foundation ’s property shall be reflected in the individual balance sheet of the “Urban” Foundation .

5.3. The sources for the formation of the “Urban” Foundation ’s property shall be:

5.3.1. The regular and (or) lump sum property fees and (or) investments of the founder of the “Urban” Foundation .

5.3.2. The grant “Urban” Foundations received from the foreign states, foreign and Armenian organizations, as well as international organizations.

5.3.3. Donations by other persons.

5.3.4. Profit (interests) from securities, shares as well as deposits.

5.3.5. Revenues gained from entrepreneurial activities carried out by the “Urban” Foundation .

5.3.6. Other property acquired in the forms not prohibited by the legislation of the Republic of Armenia.

5.4. The initial amount of the property handed over to the “Urban” Foundation by the founders of the “Urban” Foundation shall be 50.000 /fifty thousand/ RoA Drams.

5.5. The property of the “Urban” Foundation shall be possessed and managed by the “Urban” Foundation ’s bodies in the manner defined by this Charter, as well as the RoA legislation.

ARTICLE 6. THE FOUNDERS OF THE “URBAN” FOUNDATION : THE RIGHTS AND OBLIGATIONS OF THE FOUNDERS OF THE “URBAN” FOUNDATION

6.1. The founders of the “Urban” Foundation are:

1. Irina Vanyan, passport: AA0366005, code: 010, issued: 17/04/1996, address: Yerevan , Mashtots avenue 49, apt. 7, tel. (3741) 56-28-98; (3749) 40-37-16; e-mail irinaV@freenet.am

6.2. The founder of the “Urban” Foundation shall have a right:

6.2.1. To get information about all the matters related to the activities of the “Urban” Foundation .

6.2.2. To get familiarized with the accounting statements and documents of the “Urban” Foundation upon the authorization of the Board of Trustees of the “Urban” Foundation .

6.2.3. To participate in the meeting of the “Urban” Foundation ’s Board of Trustees with the prior authorization gained from the Board of Trustees.

6.2.4. Upon the consent of the Board of Trustees of the “Urban” Foundation , to introduce in the agenda of the coming meeting of the Board of Trustees issues or drafts proposed by himself.

6.2.5. To be a member of the Board of Trustees of the “Urban” Foundation . In that case the “Urban” Foundation shall benefit from the rights defined for a member of the Board of Trustees and shall assume the obligations established for the member of the Board of Trustees of the “Urban” Foundation .

ARTICLE 7. THE MANAGEMENT BODIES OF THE “URBAN” FOUNDATION : THE BOARD OF TRUSTEES

7.1. The management bodies of the “Urban” Foundation shall be the Board of Trustees of the “Urban” Foundation and the Executive Director of the “Urban” Foundation .

7.2. The highest management body of the “Urban” Foundation shall be the Board of Trustees of the “Urban” Foundation . The Board of Trustees of the “Urban” Foundation shall consist of 3 (three) members

7.3. The Board of Trustees of the “Urban” Foundation shall be authorized to solve any matter related to the activities of the “Urban” Foundation .

7.4. The exclusive authority of the Board of Trustees shall encompass:

7.4.1. the approval of the strategy (programs) of the “Urban” Foundation ;

7.4.2. the approval of the “Urban” Foundation ’s budget and its amendments, the annual financial statements and the annual report on the activities of the “Urban” Foundation ;

7.4.3. the approval of the procedure for the possession of the assets of the “Urban” Foundation ;

7.4.4. the approval of the decision on the restructuring of the “Urban” Foundation ;

7.4.5. the election of the new members of the Board of Trustees of the “Urban” Foundation and the approval of the decisions on the earlier termination of the authorities of the members of the Board of Trustees of the “Urban” Foundation ;

7.4.6. the endorsement of the decisions on the election of the Chairman of the Board of Trustees of the “Urban” Foundation , the manager (executive director) and the other members prescribed by the Charter and on the early termination of their authorities;

7.4.7. the setting up of the other bodies of the “Urban” Foundation prescribed by the Charter;

7.4.8. the adoption of decisions on making amendments and supplements to the “Urban” Foundation ’s Charter and on the approval of the Charter with the new edition;

7.4.9. the adoption of the decisions on the creation of the companies or the participation in them, as well as on the creation of separate divisions and institutions and their Charters;

7.4.10. the supervision of the financial and economic activities of the “Urban” Foundation ;

7.4.11. the hearing of the reports of the Executive Director in the frequency defined by this Charter or the Board of Trustees;

7.4.12. the supervision over the process of its decision making;

7.4.13. the selection of the auditor of the “Urban” Foundation ;

7.4.14. The election and the dismissal of the Executive Director.

7.4.15. The implementation of the authorities not reserved by the Law, this Charter, as well as other bodies of the “Urban” Foundation .

7.5. The matters that are the authority of the Board of Trustees upon the decision of the Board of Trustees or this Charter may not be transferred to another body.

7.6. The Board of Trustees shall have the right to get familiarized with all the documents of the “Urban” Foundation .

7.7. The Board of Trustees of the “Urban” Foundation shall undertake supervision for the targeted use of the assets of the “Urban” Foundation , as well as the activities of the executive director of the “Urban” Foundation .

7.8. The members of the first staff of the Board of Trustees of the “Urban” Foundation shall be appointed by the Founder of the “Urban” Foundation (the founders, upon the mutual consent of all the founders). The members of the Board of Trustees of the “Urban” Foundation shall be appointed with the 3 (three) years of term.

The Board of Trustees of the “Urban” Foundation shall elect a Chairman of the Board from its staff with at least 1 (one) year of term, who shall coordinate the work of the Board and shall chair the Board meetings.

7.9. The meetings of the “Urban” Foundation’s Board of Trustees shall be held at least once a year with no later than within 40 (forty) days after the end of each fiscal year.

Upon the request of one of the members of the Board of Trustees, within 15(fifteen) days after the end of the quarter, a meeting of the Board of Trustees shall be convened.

7.10. Upon the request of the 1/3 of the members of the Board of Trustees of the “Urban” Foundation the Chairman of the Board of Trustees of the “Urban” Foundation, within 30(thirty) days shall convene and hold a special meeting.

7.11. The decisions in the Board of Trustees of the “Urban” Foundation shall be adopted in the manner defined by the Board with open or secret ballot, with the simple majority of votes.

7.12. Every member during the voting in the Board of Trustees of the “Urban” Foundation shall have a right to one vote.

7.13. The meetings of the Board of Trustees of the “Urban” Foundation shall be convened and held in the manner defined by the decision of the Board of Trustees of the “Urban” Foundation. The meetings of the Board of Trustees may be held through e-mail or other means of communication.

7.14. The authorities of the members of the Board of Trustees of the “Urban” Foundation may be terminated by the other members of the Board:

- 1) on the basis of his written request;
- 2) in the event of his default with upon at least $\frac{3}{4}$ of the votes of the remaining members of the Board of Trustees;
- 3) in the event of the end of the term of authorities (if there is such term defined by the Charter).

7.15. The authorities of the Chairman of the Board of Trustees of the “Urban” Foundation may be terminated by the members of the Board of Trustees of the “Urban” Foundation, if:

- 7.15.1. the term of his authorities defined by this Charter has expired;
- 7.15.2. he has filed a letter of resignation;
- 7.15.3. if he is not able to perform his authorities due to certain excuses.
- 7.15.4. there has been a decision made about the termination of the authorities of the Chairman of the Board of Trustees of the “Urban” Foundation by the members of the Board of Trustees of the “Urban” Foundation in the case of the latter’s disability or the lack of the required level of conscientiousness.

7.16. In the event of the absence of the Chairman of the Board of Trustees, his obligations, upon the decision of the Board of Trustees shall be assumed by one of the members.

ARTICLE 8. THE EXECUTIVE DIRECTOR OF THE “URBAN” FOUNDATION

8.1. The Executive Director of the “Urban” Foundation shall maintain the current files of the “Urban” Foundation and shall be accountable to the Board of Trustees of the “Urban” Foundation.

8.2. The Executive Director of the “Urban” Foundation , according to the management contract concluded between the Board of Trustees and himself shall have the right:

8.2.1. to act in the name of the “Urban” Foundation without the power of attorney;

8.2.2. to manage the assets of the “Urban” Foundation within the scopes of the management contract including the financial resources;

8.2.3. to conclude and make transactions in the name of the “Urban” Foundation within the scopes defined by the management contract;

8.2.4. to issue powers of attorney;

8.2.5. for the purpose of ensuring the regular flow of activities of the “Urban” Foundation , to set up its staff, to issue orders, to give instructions for the mandatory execution and to supervise their implementation;

8.2.6. to solve other problems related to the current activities of the “Urban” Foundation ;

8.2.7. upon the decision of the Board of founders of the “Urban” Foundation , by the management contract concluded between the Board of Trustees and the Executive Director, the Executive Director of the “Urban” Foundation may also assume other rights.

8.3. The Executive Director of the “Urban” Foundation shall be bound to:

8.3.1. furnish a report on the activities of the “Urban” Foundation to the Board of Trustees of the “Urban” Foundation ;

8.3.2. furnish to the approval of the Board of founders of the “Urban” Foundation the annual reports on the activities of the “Urban” Foundation and the accounting balance sheets;

8.3.3. provide upon the request of the Board of Trustees of the “Urban” Foundation any financial, accounting or other documents and (or) information about the activities of the “Urban” Foundation ;

8.3.4. in the cases and by the procedure defined by law, as well as upon the request of the Board of Trustees of the “Urban” Foundation and /or the founders, to publish an annual report through the mass media about the use of the assets of the “Urban” Foundation .

ARTICLE 9. THE AMENDMENT TO THE CHARTER OF THE “URBAN” FOUNDATION AND THE SUPPLEMENTS TO THAT

9.1. The amendments and the supplements in the Charter of the “Urban” Foundation shall be made upon the decision of the Board of Trustees of the “Urban” Foundation .

9.2. If the maintaining of the Charter of the “Urban” Foundation unchanged leads to such consequences, which were not possible to project when establishing the “Urban” Foundation , and the Board of Trustees of the “Urban” Foundation does not change the Charter of the “Urban” Foundation , then the amendments in the Charter of the “Urban” Foundation may be made by the Court, on the basis of the application of the Executive Director or the members of the Board of Trustees of the “Urban” Foundation .

ARTICLE 10. THE AGENDA OF THE MEETING OF THE BOARD OF TRUSTEES OF THE “URBAN” FOUNDATION

10.1. Every member of the Board of Trustees of the “Urban” Foundation , within 10(ten) days after the end of each quarter, shall have the right to furnish any number of proposals about the agenda of the meeting of the Board of Trustees of the “Urban” Foundation .

10.2. The proposals about the agenda shall be furnished in writing, mentioning the surname (name) of the member and the grounds for the proposal.

10.3. The Executive Director of the “Urban” Foundation shall compile and provide to all the members of the of the Board of Trustees of the “Urban” Foundation , the agenda of the quarterly meeting and the documents (the copies thereof) pertaining to the agenda, as well defining the year, month and date for the convention of the meeting.

10.4. The annual meetings of the Board of Trustees shall also convene in the manner defined by this Article.

ARTICLE 11. THE SPECIAL MEETINGS OF THE BOARD OF TRUSTEES OF THE “URBAN” FOUNDATION

11.1. The special meetings of the Board of Trustees of the “Urban” Foundation may convene upon the initiative of the Executive Director of the “Urban” Foundation , as well as upon the request of at least 1/3 of the members of the Board of Trustees according to the agenda of the initiator.

11.2. The special meetings of the Board of Trustees of the “Urban” Foundation shall convene no later than within 15 (fifteen) days after furnishing the request.

11.3. The agenda of the special meeting of the Board of Trustees of the “Urban” Foundation and the documents (the copies thereof) pertaining to the agenda shall be provided to the members of the Board of Trustees of the “Urban” Foundation by the initiator within five days after furnishing the request about the convention of the special meeting.

11.4. The special meetings of the Board of Trustees of the “Urban” Foundation shall convene pursuant to the requirements of this Charter.

ARTICLE 12. THE PROTOCOLS OF THE MEETINGS OF THE BOARD OF TRUSTEES OF THE “URBAN” FOUNDATION

12.1. The protocols of the meetings of the Board of Trustees of the “Urban” Foundation shall be compiled no later than within five days after their end.

12.2. The protocol of the meeting of the Board of Trustees of the “Urban” Foundation shall be signed by all the members of the Board of Trustees of the “Urban” Foundation .

12.3. The protocols of the meetings shall contain notes:

12.3.1. on the place, year, month and date of holding the meeting;

12.3.2. on the agenda of the meeting;

12.3.3. on the names, surnames of the members present at the meeting.

12.3.4. the brief presentations of the members of the Board of Trustees of the “Urban” Foundation , the issues that are put for voting, the results of the voting about those matters, and the decisions made;

12.3.5. the name (names), surname(s) of the member (s) absent from the meeting of the Board of Trustees of the “Urban” Foundation , his (their) position(s) on the matters put for voting, if available. The written answer (s) of the absent members shall be attached to the protocol of the meeting.

ARTICLE 13. ACCOUNTING THE FINANCIAL STATEMENT AND THE ADMINISTRATIVE EXPENSES

13.1. The “Urban” Foundation shall, in the manner defined by the legislation of the Republic of Armenia, maintain accounting and shall furnish financial and statistical statements.

13.2. The Executive Director of the “Urban” Foundation shall assume a liability for the status and the reliability of the account maintenance of the “Urban” Foundation , for the timely filing of the annual report, the financial and statistical statements to the public authorities, as well as for the information to be provided about the “Urban” Foundation to the Foundation’s creditors and the mass media.

13.3. To define the amount of the administrative- expenses of the “Urban” Foundation at 20% of the total expenses of the “Urban” Foundation .

13.4. The “Urban” Foundation shall have a financial and accounting book, shall summarize there the procedures, the processes applied in this area, as well as shall include the administrative and working guidelines.

ARTICLE 14. EMPLOYMENT RELATIONSHIPS

14.1. The employment relationships between the “Urban” Foundation employees and the “Urban” Foundation shall be governed by the requirements of the labor and/or civil legislation, and may be established both in the form of employment, as well as civil and legal agreements.

14.2. The “Urban” Foundation shall have the right to engage employees in the manner of job combination.

14.3. The Executive Director of the “Urban” Foundation shall ensure the minimum size of the job remuneration and satisfactory working conditions guaranteed by law.

ARTICLE 15. THE MAINTENANCE OF THE DOCUMENTS OF THE “URBAN” FOUNDATION

15.1. The Executive Director of the “Urban” Foundation shall be bound to maintain within the terms defined by the legislation of the Republic of Armenia:

15.1.1. the Charter of the “Urban” Foundation , as well as the amendments and supplements made in the Charter;

15.1.2. the protocols of the meetings of the Board of Trustees of the “Urban” Foundation ;

15.1.3. the documents assuring the state registration of the “Urban” Foundation ;

15.1.4. the documents assuring the right of the “Urban” Foundation towards the property that is in the balance sheet of the “Urban” Foundation ;

15.1.5. the Charters of the “Urban” Foundation ’s branches, representations and institutions;

15.1.6. the annual reports of the “Urban” Foundation ;

15.1.7. other documents prescribed by the legislation of the Republic of Armenia;

15.2. All the above listed documents shall be maintained in the “Urban” Foundation ’s office, under the responsibility of the Executive Director.

ARTICLE 16. THE RESTRUCTURING AND THE LIQUIDATION OF THE “URBAN” FOUNDATION

16.1. The “Urban” Foundation may be restructured and /or liquidated in the manner defined by the RoA Civil Code, the Law and this Charter.

16.2. By the liquidation of the “Urban” Foundation , its activities will terminate without the transfer of its rights and obligations to other persons in the manner of legal succession.

16.3. The judgment on the liquidation of the “Urban” Foundation may be only made in the Court, by law and by the application of stakeholders prescribed by this Charter.

16.4. The “Urban” Foundation may be liquidated, if:

16.4.1. the “Urban” Foundation ’s property is not adequate for the implementation of its activities and the possibility to get the necessary property is not realistic;

16.4.2. it is not possible to achieve the “Urban” Foundation ’s objectives and it is impossible to make necessary changes in those objectives;

16.4.3. in the case of the deviation from the objectives prescribed by the “Urban” Foundation pursuant to its Charter.

16.4.4. in the case of recognizing the registration of the “Urban” Foundation as invalid;

16.4.5. if the “Urban” Foundation has committed multiple breaches or blunders of the law or has regularly implemented certain activities that are in conflict with its statutory objectives.

16.4.6. other grounds prescribed by the legislation of the Republic of Armenia.

16.5. The Liquidation Commission of the “Urban” Foundation shall be appointed by the court.

16.6. The management authorities of the “Urban” Foundation shall be passed over to the Liquidation Commission from the moment of its appointment.

The Liquidation Commission shall act in the court in the name of the “Urban” Foundation .

16.7. The Liquidation Commission shall publish information through the mass media about the liquidation of the “Urban” Foundation , as well as about the timing and the procedure for the presentation of the claims of the creditors. That term may not be lesser than 2 (two) months.

16.8. After the expiry of the deadline to present the claims of the creditors, the Liquidation Commission shall draw up an interim liquidation balance sheet, which shall contain information about the assets of the “Urban” Foundation under liquidation, the claims of the creditors and the results of their discussion. The interim balance sheet shall be approved by the court.

16.9. The cash payments shall be made to the creditors by the Liquidation Commission pursuant to the interim balance sheet.

16.10. After having made the settlements with the creditors the Liquidation Commission shall compile the liquidation balance sheet which shall be approved by the court.

16.11. The property that remains under the disposal of the “Urban” Foundation after making the settlements with the creditors, shall be targeted by the Liquidation Commission to the objectives prescribed by the Charter of the “Urban” Foundation, and, if possible, shall be transferred to the state budget.

16.12. The “Urban” Foundation shall be considered liquidated, and its activities shall be considered terminated after the moment of making the relevant records in the state registration ledger of the legal persons.