

REPUBLIC
OF
PARAGUAY

Presidency of the Republic
Ministry of the Interior
Decree Nr. 1349

**BY WHICH THE AMENDMENTS INTRODUCED TO THE SOCIAL BY-LAWS
OF THE ENTITY CALLED "MICROSOL FOUNDATION" ARE APPROVED.**

Asunción, December 29, 2003.

SEEN: The presentation established before the Ministry of the Interior on August 13, 2003 (Dossier M.I. #2442/03), by Carlos Martín Núñez, B.S., on behalf of the entity called "Microsol Foundation", under sponsorship of Francisco Fleitas Argüello, Attorney at Law, holder of the Professional License #4947; and

CONSIDERING: That the appealing person requests the approval of the amendments introduced to the Social By-Laws of the above mentioned entity.

That the Resolution S.G. #392, dated July 3, 2000, of the Ministry of Public Health & Social Welfare, was fulfilled, since the "Microsol Foundation" was registered in the National Registry of Social Welfare Foundations, that renders non-profit services, which depends on the above mentioned Ministry.

That the State's General Attorney and the Juridical Management of the Ministry of the Interior drew up in a favorable manner in their respective Judgements, stating that it corresponds to approve the amendments introduced to the Social By-Laws, officially recorded by means of the Public Deed #7, dated June 21, 2003, before María Elena Granada (neé Villalba), a Notary Public, holder of the Professional License #371, pursuant to as established on Article 108 of the Act 388/94 and remaining concordants of the Civil Code.

(Signed: Illegible)

(Signed: Illegible)

Seal: MINISTRY OF THE INTERIOR - General Secretaryship
Javier D. Acosta Salcedo - Attorney at Law / Secretary General

GRANTED ON:...January 19, 2004**...**

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THEREFORE, exerting its constitutional attributions,

THE PRESIDENT OF THE REPUBLIC OF PARAGUAY

DECREES:

- Art. 1.- The amendments introduced to the Social By-Laws of the entity called "Microsol Foundation" are hereby approved.
- Art. 2.- This Decree will be endorsed by the Ministry of the Interior.
- Art. 3.- Communicate it, publish it and pass it to the Official Registry.

(Signed: Nicanor Duarte Frutos)
(Signed: Orlando Fiorotto)

Seal: MINISTRY OF THE INTERIOR - General Secretaryship
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SOCIAL BY-LAWS. TITLE I. NAME, OBJECT, ADDRESS AND DURATION Art. 1. UIT the name of MICROSOL FOUNDATION, it is constituted a Civil Entity, of Common Good, Non Profit, that will be governed by these Social By-Laws.- Art. 2. The object of MICROSOL FOUNDATION is mainly to develop those people that suffer some kind of social exclusion by itself or in association with other similar entities.- Art. 3. It will has its address at 3389 Teodoro S. Mongelos Street in the city of Asuncion, being able to open the necessary offices and locals for the accomplishment of its goals in any other place of the Republic and abroad.- Art. 4. The length time is indefinite and will remain while the objectives for which it has been created can be accomplished.- TITLE II. THE ENTITY PATRIMONY. Art. 5. The Entity patrimony is composed of: A) Patrimonial goods that owns at present for the value of G. 1,361,038,138.- (One billion, three hundred sixty one millions, thirty eight thousand one hundred thirty eight guaranies) and those that may acquire from now on by any title, as well as the profit they may produce; B) Contributions, subsidies or donations in cash money or goods, material or immaterial, these By-Laws grant to it, state or para-state entities or physical or juridical private persons, national or foreign, prior accomplishment in this case of legal dispositions in force in the matter, with knowledge and previous intervention of the competent Paraguayan authorities; C) Legates and donations agreed for the foundation interests; D) Incomes and fruits of its patrimonial goods; E) Contribution that come from convenes with national or foreign entities, and other voluntary contributions; F) Any other licit source of incomes for any concept. All the obtained incomes will be applied to the FOUNDATION activities, without a distribution of benefits or profit can be effected for the Foundation members.- Art. 6. MICROSOL FOUNDATION has full juridical ability to acquire, administer and dispose goods of any nature, such as movables and real estates, money, values, etc., that integrate the patrimony and contract obligations and celebrate every kind of juridical acts that, in the opinion of the authorities, may have relation with its objective and tend to assure its development and operation, being able to perform any kind of operations with Banks, Financial Institutions, and other Entities of the System, whether official, private or mixed, national or foreign according to the law and these By-Laws. TITTLE III, MEMBERS.- Art. 7. The following CATEGORIES OF MEMBERS are recognized: a) ACTIVES, b) BENEFACTORS and; c) HONORARIES.- Art. 8. The persons enabled for this category are Active Members, those who are up to date with their social obligations. They will enjoy the right to vote at the Assembly and to be elected to integrate the bodies foreseen in these By-Laws. The admission of

active members will be resolved by the Administration Counsel, that will establish the corresponding regulation. Art. 9. Those who are registered in order to help financially, or through their services to achieve the goals of the Entity, are Benefactor Members; they do not have right to vote, nor they are eligible for positions that these By-Laws foresee. However, the Administration Counsel will be able to invite them to attend the Meetings.- Art. 10. Those who due to their merits deserve this distinction are Honorary Members. They are named by the Meeting as proposed by the Administration Counsel. They do not have right to vote, nor they are eligible for the positions that these By-Laws foresee.- Art. 11. Members will cease by death, resignation or exclusion. The following are causes for exclusion: a) To unjustifiably fault to the accomplishment of the obligations established by the By-Laws or Regulations dictated by the Administration Counsel. b) To stop contributing or not to accomplish the social compromises necessary for the achievement of the entity goals, having been claimed its accomplishment by the Administration Counsel. c) To incur in voluntary damage to the patrimonial and social interests of the Entity. To cause disorders within the installations and to observe a behavior or act that is notably prejudicial to the interests of the Entity. Exclusions will be resolved by the Administration Counsel and the same can be appealed before the Assembly. The readmission or not of the excluded members can be considered by the Meeting of Members according to the present By-Laws.- Art. 12. These are obligations of the Entity members: a) To respect and accomplish this By-Laws, Resolutions of the Assembly, the Administration Counsel and dictated Regulations; b) To render the necessary support and cooperation the Entity may require for the best accomplishment of its goals; c) To accomplish with contributions and/or services to which he/she is committed; d) To participate, as far as possible, in all activities and/or acts the entity may carry out and render his/her cooperation to its authorities.- Art. 13. These are rights of the entity members: a) To enjoy the rights these By-Laws grant to them, whenever they accomplish the requirements established in the By-Laws or wit the respective regulations; b) Intervene in the deliberations of the Assemblies with voice and vote, according to the By-Laws. They cannot vote in matters referent to their person or that may have some compromised personal interest; c) to accede to oral or written reports on the performance of the Entity, to present projects o formulate observations and complaints individually or collectively to the Meeting or Administration Counsel; To elect and be elected to occupy positions established in these By-Laws and according to it; e) To participate of the Administration Counsel Meetings with voice but without vote.- TITLE IV DIRECTION AND ADMINISTRATION. Art. 14. The Entity will be directed and administered by an Administration Counsel integrated by one Chairman, one Secretary and one Treasurer. The mandate of the Counsel members is of three years, and they can be reelected. The Counsel Members election will be done directly by the Meeting and it can be nominal or secret. To be a candidate to positions in the Counsel, it is required to be an active member of the Entity with at least six month of anticipation to the Ordinary Elective Assembly meeting date.- Art. 15. The Administration Counsel will meet periodically. Meetings will celebrate validly with the presence of two of its members who integrate it and the vote of the majority of attending members will be required for resolutions. Corresponding acts will be signed by all of the attending persons.- Art. 16. The Administration Counsel will count with an Executive Director, who will be entitled to assume the functions the Administration Counsel has delegated to him/her and who will appear in the respective power, giving the report of his/her acts to the Counsel, in the meetings foreseen in the Art. 15 of this By-Laws.- Art. 17. These are attributions and duties of the Administration Counsel: a) To execute the resolutions of the Meeting; to accomplish and cause to be accomplished this By-Laws and Regulations, interpreting them in case of doubt; b) To direct the Administration of the Entity; c) To summon to ordinary or extraordinary Meetings; d) To resolve the admission or not of those who applied to enter as active members; e) To admonish, suspend or exclude the members, dictating the necessary regulations; f) To present to the General Ordinary Meeting an Annual Report of the activities, the social year balance, the Expenses and Resources Demonstrative Chart and any other issue related to the management of the Counsel; g) To establish commissions he/she may consider opportune and to promote, as necessary as deemed by him/her, the formation of boards or patronages for the social activities, for the execution of missions that are expressly attributed; h) to keep the records of all the members of the Entity with convenient indications and data; i) To collect the amount of voluntary contributions; j) To hire and delegate its faculties, totally or partially, to the Executive Director of the Entity, with faculty to consider the agreements as finished or suspended and to dictate the internal regulations; l) To open, operate and close accounts in Banks, Financial Institutions and other Entities

of Credit in the Financial System; to obtain credits, guarantees or securities and to get liabilities in the name of the Entity; m) To represent the Entity; n) The payment instruments or fund withdrawals, receipts and other treasury documents, should be signed according to regulations that may dictate the Administration Counsel.- Art. 18. These are attributions of the Chairman: a) To summon the Counsel and Member Meetings; b) To sign the Counsel Acts; c) To direct and maintain the order of discussions, to suspend and/or finish sessions when the order and the respect are altered; d) To care about the good performance and administration of the Entity, observing and causing to be observed the By-Laws, the Regulations, the Assembly and Administration Counsel Resolutions; e) To coordinate the commissions, programs or projects that may be established, as well as to name their executors.- Art. 19. These are attributions of the Secretary: a) To keep, in accordance with the Treasurer, the Members Register as well as the Meeting and Administration Counsel sessions minutes books.- Art. 20. These are attributions of the Treasurer: a) To care that the books be up to the date and in order; b) To present to the Administration Counsel in the required periodicity the necessary financial reports; c) To keep, in accordance to the Secretary, the Members Register; d) To report the financial situation of the Entity to the Administration Counsel, whenever this is deemed convenient.- TITLE V MEETINGS Art. 21. The Members Meeting is the highest authority of the Entity, its resolutions are mandatory for all the members, according the Civil Code and these By-Laws. Each member will have the right to a single vote. Two kind of General Meetings are established: Ordinary and Extraordinary. Ordinary will take place once a year, within four months after the year closing, which close date will be on December 31st, of each year. They shall: a) Consider the Administration Counsel Report. Discuss, approve or reject the General Balance, the expenses and resources account and the inventory; b) Appoint the members of the Administration Counsel, when it may correspond according to the Art. 14; c) To deal any matter mentioned in the summon.- Art. 22, Extraordinary Assemblies will be summoned whenever the Counsel considers necessary, or when 20% of the members with right to the vote request it. These requests shall be resolved within a term of thirty days. It shall be presided by the Administration Counsel Chairman or by the Executive Director.- Art. 23. Meetings will be summoned by circulars sent to the addresses of the members or by any other mean the Counsel esteems effective and sufficient, with at least fifteen days of anticipation.- Art 24. In cases when By-Laws amendments are submitted to the consideration of the Meeting, the project will be set at the disposition of the members with fifteen days of anticipation, and the presence of half plus one of the number of members with right to vote. At the Meetings it will be possible to treat other matters, but those indicated in the summon.- Art. 25. Meetings are validly celebrated whatever may be the number of attending members, one hour after the time fixed in the summon. Resolutions will be adopted by the majority of half plus one of the number of present members.- TITLE VI LIQUIDATION. Art. 26. An Extraordinary Meeting can decide at any moment the dissolution of the Foundation and the liquidation of its patrimony by decision adopted with the favorable vote of three fourth parts of the members who are part of it. In the case of a resolution for the dissolution, once paid the Foundation debts, with the intervention of the liquidators that may appoint the effect of the same Meeting, the goods will pass to the dominion of a common good non profit civil entity, with acknowledged legal capacity. Later, and after the deliberations and submitted for voting purposes, it is resolved to finish the mandate of the current Direction Counsel, proceeding to the appointment of the Administration Counsel members, as follows: Chairman: Carlos Martin Nuñez, Secretary: Ricardo Riveros, Treasurer: Ruben Pizzurno. They will last three years in their mandate which starts from the date of the present appointment.- Several matters: after the deliberations and submitted for voting purposes of the attending members, following persons were elected: Lic. Carlos Martin Nuñez and Lic. Ricardo Riveros, to perform the negotiations before a Notary Public and the corresponding institutions in order to protocol the partial amendments of the Social By-Laws and the presentation of it before the Administrative Authorities for its approval and pertinent inscription.-

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