

U.S. Department of Justice

Washington, DC 20530

**Exhibit B to Registration Statement****Pursuant to the Foreign Agents Registration Act of 1938, as amended**

**INSTRUCTIONS.** A registrant must furnish as an Exhibit B copies of each written agreement and the terms and conditions of each oral agreement with his foreign principal, including all modifications of such agreements, or, where no contract exists, a full statement of all the circumstances by reason of which the registrant is acting as an agent of a foreign principal. Compliance is accomplished by filing an electronic Exhibit B form at <http://www.fara.gov>.

**Privacy Act Statement.** The filing of this document is required for the Foreign Agents Registration Act of 1938, as amended, 22 U.S.C. § 611 *et seq.*, for the purposes of registration under the Act and public disclosure. Provision of the information requested is mandatory, and failure to provide the information is subject to the penalty and enforcement provisions established in Section 8 of the Act. Every registration statement, short form registration statement, supplemental statement, exhibit, amendment, copy of informational materials or other document or information filed with the Attorney General under this Act is a public record open to public examination, inspection and copying during the posted business hours of the Registration Unit in Washington, DC. Statements are also available online at the Registration Unit's webpage: <http://www.fara.gov>. One copy of every such document, other than informational materials, is automatically provided to the Secretary of State pursuant to Section 6(b) of the Act, and copies of any and all documents are routinely made available to other agencies, departments and Congress pursuant to Section 6(c) of the Act. The Attorney General also transmits a semi-annual report to Congress on the administration of the Act which lists the names of all agents registered under the Act and the foreign principals they represent. This report is available to the public in print and online at: <http://www.fara.gov>.

**Public Reporting Burden.** Public reporting burden for this collection of information is estimated to average .33 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to Chief, Registration Unit, Counterespionage Section, National Security Division, U.S. Department of Justice, Washington, DC 20530; and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, DC 20503.

1. Name of Registrant

HDMK, LLC

2. Registration No.

5966

3. Name of Foreign Principal

Republic of Georgia, Ministry of Education and Science

Check Appropriate Box:

4.  The agreement between the registrant and the above-named foreign principal is a formal written contract. If this box is checked, attach a copy of the contract to this exhibit.
5.  There is no formal written contract between the registrant and the foreign principal. The agreement with the above-named foreign principal has resulted from an exchange of correspondence. If this box is checked, attach a copy of all pertinent correspondence, including a copy of any initial proposal which has been adopted by reference in such correspondence.
6.  The agreement or understanding between the registrant and the foreign principal is the result of neither a formal written contract nor an exchange of correspondence between the parties. If this box is checked, give a complete description below of the terms and conditions of the oral agreement or understanding, its duration, the fees and expenses, if any, to be received.
7. Describe fully the nature and method of performance of the above indicated agreement or understanding.

Registrant will promote the Georgian education system in the U.S., offer counsel and outreach regarding the opening of a branch of an American university in Georgia, and promote English language programs in Georgian schools and make recommendations for their continuation and enhancement.

8. Describe fully the activities the registrant engages in or proposes to engage in on behalf of the above foreign principal.

Activities will include direct outreach to US media and government contacts to promote the Georgian education system in the U.S., discuss the opening of a branch of an American university in Georgia, and promote English language programs in Georgian schools and discuss plans for their continuation and enhancement.

9. Will the activities on behalf of the above foreign principal include political activities as defined in Section 1(o) of the Act and in the footnote below? Yes  No

If yes, describe all such political activities indicating, among other things, the relations, interests or policies to be influenced together with the means to be employed to achieve this purpose.

Activities will include direct outreach to US media and government contacts to promote the Georgian education system in the U.S., discuss the opening of a branch of an American university in Georgia, and promote English language programs in Georgian schools and discuss plans for their continuation and enhancement.

### EXECUTION

In accordance with 28 U.S.C. § 1746, the undersigned swears or affirms under penalty of perjury that he/she has read the information set forth in this Exhibit B to the registration statement and that he/she is familiar with the contents thereof and that such contents are in their entirety true and accurate to the best of his/her knowledge and belief.

Date of Exhibit B	Name and Title	Signature
January 31, 2012	Chad Kolton, Partner	/s/ Chad M Kolton eSigned

Footnote: Political activity as defined in Section 1(o) of the Act means any activity which the person engaging in believes will, or that the person intends to, in any way influence any agency or official of the Government of the United States or any section of the public within the United States with reference to formulating, adopting, or changing the domestic or foreign policies of the United States or with reference to the political or public interests, policies, or relations of a government of a foreign country or a foreign political party.

Agreement on State Procurement by Means of Simplified Acquisition #11-135/2

Tbilisi

"22" "11" "2011

**1. General Provisions of the Agreement**

- 1.1. The terms and expressions used in this Agreement have the same meaning as in the General Provisions of the Agreement.
- 1.2. The terms used in this Agreement have the following meaning:
  - 1.2.1. "Agreement on State Purchases" (hereinafter, the "Agreement") – an Agreement between the purchasing organization and an individual selected on the basis of negotiations, signed by the parties with all enclosed documents and additions, also with all documentation which is referred to in the Agreement.
  - 1.2.2. "Value of the Agreement" – a total amount that a purchasing organization shall pay for fulfilling obligations by a supplier in full and due manner
  - 1.2.3. "Purchasing organization" (hereinafter, the "Purchaser" ) – an organization (establishment) which exercises purchases
  - 1.2.4. "Supplier" – an individual who provides goods/services on the basis of negotiation within the limits of the Agreement
  - 1.2.5. "Day", "Week", "Month" – a calendar day, week, month.

**2. Contracting Parties/Parties to the Agreement**

- 2.1. The Ministry of Education and Science of Georgia represented by Mr. Giorgi Chakhnashvili, the Deputy Minister (hereinafter, the "Purchaser"), on the one hand, and Mr. Chad Michael Kolton (hereinafter, the "Supplier"), on the other hand, on the basis of Paragraph 3, Sub-Paragraph "b" of Article 10<sup>1</sup> of the Law of Georgia on States Purchases, with the finances (Organizational Code 32 01) of the Ministry of Education and Science of Georgia, are concluding the present Contract.

**3. Subject of the Agreement**

- 3.1. The subject of this Agreement is a procurement of services related to the promotion of Georgian education system in the United States of America; consultations regarding opening the branch of an American university in Georgia; recommendations on the

enhancement of English language programs in public schools of Georgia and planning future activities in this regard. (CPV 79300000)

#### 4. Value of the Contract

- 4.1. The total value of the Contract is 27,764.70 USD (twenty-seven thousand seven hundred and sixty-four dollars and 70 cents);
- 4.2. The value of the Contract includes all taxes established by the Georgian legislation that shall be paid by the Supplier.

#### 5. Hand-over Rules of an Object of the Procurement

- 5.1. A hand-over certificate shall be signed upon the receipt of the purchase object;
- 5.2. From the Buyer's side, Head of Public Relations Department of the Ministry of Education and Science of Georgia, Ms. Eka Chumburidze is authorized to sign a hand-over certificate.

#### 6. Payment Terms & Methods

- 6.1. The Supplier shall be paid through the bank transfer;
- 6.2. The basis of the payment is a hand-over certificate signed by authorized persons;
- 6.3. The payment shall be made within 10 (ten) days after the completion of the procedures stipulated in the Paragraph 6.2 of this Contract;
- 6.4. The payment shall not be made in case the hand-over certificate is absent.

#### 7. Rights of the Parties

7.1 The Supplier has the right:

- 7.1.1. To require timely payment within the limits of the Contract.

7.2. The Purchaser has a right:

- 7.2.1. To require the service is delivered of a quality and within the timeframe as defined in the Agreement.
- 7.2.2. To monitor execution of the provisions of the Agreement.

## 8. The Obligations of the Parties

### 8.1. The Supplier is obliged:

8.1.1. To provide the Purchaser with the services of a quality by December 15, 2011;

8.1.2. To discuss the problems concerning the implementation of the Agreement raised by the Purchaser in a timely manner;

8.1.3. To hold accountable for the quality of the services provided in accordance to this Agreement and Georgian Legislation.

### 8.2. The Purchaser is obliged:

8.2.1. To ensure the payment of the amount to the Supplier within 10 (ten) calendar days after signing a hand-over certificate;

8.2.2. To discuss the problems concerning the implementation of the Agreement raised by the Supplier in a timely manner.

## 9. Force Majeure

9.1. Suspension of the provision(s) or nonperformance of contractual obligations of either party shall be excused to the extent performance is rendered impossible by force majeure and shall not involve imposition of fine sanctions.

9.2. For the aims of this Article, the "Force Majeure" means irresistible circumstances or circumstances occurred independently from the Parties that are not connected to the mistakes and negligence of the Purchaser and/or the Supplier that could not be envisaged in advance. Such circumstances might be a result of war, natural disasters, epidemics, quarantine, imposition of embargo against goods/services supply, etc.

9.3 In case of Force Majeure, Contracting party that is unable to fulfill the obligations undertaken by the Contract, should inform the second party in the written form about the irresistible circumstances and its causes.

#### **10. Revision of Terms and Value of the Agreement**

10.1. No provisions of this Agreement may be amended except the cases foreseen under Article 398 of the Civil Code of Georgia;

10.2 Any amendment to the terms of the Agreement shall be done in the form of Agreement which shall be considered as indivisible part of this Agreement.

#### **11. Settlement of Disputes**

11.1 Any controversy or dispute arising out of or related to this Agreement shall be settled by negotiations.

11.2. In case it is impossible to resolve a dispute through negotiations, the Parties can apply to the Georgian Court and the law applicable is Georgian Law.

#### **12. Impediments Related to Execution of the Agreement**

12.1. If in the process of execution of this Agreement a party faces impeding circumstances that hinders the execution of the terms of this Agreement, this party shall immediately send a written notification to the second party about the fact that impedes execution of the Contract, its probable duration and causing factors. The party who receives notification shall notify his/her decision to another Party within (10) days.

12.2. In case the Parties agree to extend the validity of this Agreement due to the impediment preventing execution of the terms of this Agreement, the respective decision shall be done in the form of the Amendment to the Contract.

#### **13. Non-fulfillment of the Obligations by the Parties**

13.1. Except of the cases of Force Majeure, in case of non-execution or undue performance of the obligations of this Agreement, the Parties shall be subject to penalty impositions;

13.2. The Purchaser is authorized to impose a Penalty of 0.1% of the value of non-fulfilled obligations on the Supplier for each overdue day;

13.3. In case of non-execution or undue performance of the obligations of this Agreement, the Supplier shall be levied a fine of 5% of the total cost of the Agreement;

13.4. The Payment of the Penalty does not exempt the Supplier from the execution of the obligations undertaken under this Agreement.

13.5. In case the amount of the Penalty exceeds the total cost of the Agreement with 2 %, the Purchaser is entitled to terminate this Agreement.

#### 14. Monitoring and Execution of this Agreement

14.1 Monitoring and Execution of this Agreement shall be exercised by the respective inspection group of the Ministry of Education and Science of Georgia;

14.2 The Purchaser or his/her representatives have the right to carry out the control over the quality of the services;

14.3 The Supplier, with his own resources, is obliged to provide the Purchaser with the staff and other working conditions, necessary for conducting monitoring (inspection). In case the Purchaser uses his/her own or contracted staff for the purpose of carrying out the monitoring (inspection), the Purchaser shall bear these costs;

14.4 The supplier shall correct with his own resources all defects or shortcomings found as a result of monitoring (inspection);

14.5 Not a single paragraph of this Article shall be understood as exemption of the Supplier from his obligations.

#### 15. Language of Agreement

15.1 The Agreement and other related documentation and negotiations shall be extended between the Parties in Georgian and English Languages.

#### 16. Termination of Agreement

16.1 The Agreement may be terminated by:

- a) Completion of the work; Provision of Services
- b) Mutual Agreement;
- c) Other circumstances envisaged by the Georgian legislation and in this Agreement

17. Validity of the Agreement

17.1 The Agreement is valid until December 31, 2011.

18. Special Terms

18.1 The Agreement is made in 3 copies, each of them having equal legal force;

18.2 One copy of the Agreement is deposited to the Supplier, two copies- to the Purchaser.

Requisites:

Purchaser

Ministry of Education and Science of Georgia

Address: Tbilisi, D/Uznadze Str. №52

State Treasury

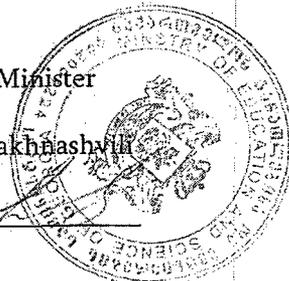
Code: [REDACTED]

Account № [REDACTED]

ID № [REDACTED]

Deputy Minister

Giorgi Chakhnashvili



Supplier

Chad Michael Kolton

Account: HDMK, LLC

1000 Vermont Avenue, NW | Suite 800

Washington, DC 20005

202-789-4365

Bank: Bank of Georgetown

1101 Connecticut Avenue, NW

Washington, DC 20036

202-742-1300

Chad Kolton

