

MEMORANDUM OF UNDERSTANDING
Between
KIWANIS INTERNATIONAL
And CALIFORNIA-NEVADA-HAWAII DISTRICT OF KIWANIS INTERNATIONAL
And KIWANIS CAL-NEV-HA FOUNDATION

1. This Memorandum of Understanding (MOU) sets out the basic areas of understanding and collaboration between Kiwanis International (KI), with its principal office located at 3636 Woodview Trace, Indianapolis, IN 46268 ("KI") and the California-Nevada-Hawaii District of Kiwanis International and Kiwanis Cal-NeV-Ha Foundation, with its principal office at 8360 Red Oak St., Ste. 201, Rancho Cucamonga, CA, 91730-0608 ("CNH"). KI and CNH collectively are referred to as the "Parties". CNH will serve as the lead organizer of The Kiwanis Rose Float (the "Project") for the implementation of the Project.
2. This MOU is a binding agreement but also recognized by all Parties as a "work in progress", and as such the Parties intend to consider modifications to the MOU as needed which will be effective when executed by all Parties ("Amendments"). All such modifications shall be attached to this MOU and become a part thereof.
3. Unless the terms of this MOU expressly change the existing terms of the Agreement between the Parties dated May 2, 2011 (the "Agreement"), this MOU is in addition to and not intended to supplant, override, or take the place of said Agreement, and said Agreement shall remain in full force and effect. The CNH Foundation, by its signature below agrees to the specific modifications incorporated herein and agrees to continue to honor its obligations under the terms of the existing Agreement.
4. It is understood that the KI family of organizations - with more than 500,000 members in 70 nations ranging in age from 8 to over 80 desires to assist CNH in funding the costs to design, build, and conduct the operation of the Project and KI wishes to adopt the Project as an International Program to be supported and promoted by KI.
5. Pursuant to KI Board Resolution, it has been resolved that KI fund a minimum of \$60,000 per year over the next five years commencing with 2013-2014 and ending with 2017-2018, with equal quarterly payments of \$15,000 being due commencing October 1 of each administrative year. For Year 1 (2013-2014), \$30,000 being due and payable upon October 1, 2013 and the balance being payable on December 1, 2013. The proceeds shall be made payable to the CNH District and shall be used exclusively for the engineering, design and construction costs associated with the Kiwanis Rose Parade float.
6. On an annual basis beginning in January 2014, the Parties will assess, evaluate, and, if necessary, modify this MOU as agreed by the parties.
7. In consideration for the aforementioned funding and support, KI shall be entitled to equal representation to attend and participate in the annual selection of the Float Theme and Design for the Kiwanis Float. The terms and provisions of this joint strategic alliance shall be further defined by the Task Force appointed by the Parties.
8. Further, in consideration for the aforementioned funding and support, KI shall be entitled to 80% of the Rider Spots on Kiwanis Float. Selection of Rider Spots shall be a collaboration between the Parties pursuant to terms and provisions to be further defined by the Task Force. In the year 2014, CNH shall be entitled to the four seats already sold in addition to their 20%. Further, it is agreed that the seat given to the KI President shall come from KI's 80% each year. If in determining this

percentage split, the calculation equates to a fraction of a rider, said fraction shall be rounded down from .4 or below and rounded up from .5 or above.

9. The Parties agree to establish one or more joint committees and/or councils, the purpose of which shall be to provide coordination, communication and representation from each Party. The Committees may include other individuals who are not representatives of any one Party based upon the development of fundraising, communications and other plans. Any such committees or councils shall be created upon and by approval of all Parties.

10. CNH will individually provide, at least on a quarterly basis, a "Budget to Actual" report with variances. The budget will be based upon the mutually agreed-upon annual plan and compared to actual revenues raised (cash and pledges), actual expenses incurred and grants made for the period. The variances will be shown in dollars and percentages with a brief explanation for material variances.

11. CNH and KI each represents and warrants that it has the full and unencumbered right to enter into and to perform fully its obligations under this MOU.

12. In performing its obligations under this MOU, each Party represents and warrants that it will comply with all applicable Federal, state and local laws and regulations including, but not limited to, all state charitable solicitation laws and all laws and regulations that regulate statements to the public concerning the amount of any Grant, contribution, or other donation.

13. KI shall release, defend, indemnify, and hold harmless CNH, its respective officers, directors, employees, agents, attorneys, representatives, volunteers, successors and assigns (collectively, the "CNH Indemnities") from and against all claims, liabilities, judgments, penalties, losses, costs, damages, and expenses (including reasonable attorneys' fees, whether or not litigation is instituted) paid or incurred by the CNH Indemnities by reason of any breach by KI of its obligations or representations and warranties under this MOU. Notwithstanding the foregoing, KI shall not be required to indemnify the CNH Indemnities to the extent that any such claim, liability, judgment, penalty, loss, cost, damage, or expense is found by a court of competent jurisdiction, or arbitration as defined in paragraph 19 of this MOU, to be the result of the negligence of willful misconduct of a CNH Indemnitee.

14. CNH shall release, defend, indemnify, and hold harmless KI, its respective officers, directors, employees, agents, attorneys, representatives, volunteers, successors and assigns (collectively, the "KI Indemnities") from and against all claims, liabilities, judgments, penalties, losses, costs, damages, and expenses (including reasonable attorneys' fees, whether or not litigation is instituted) paid or incurred by the KI Indemnities by reason of any breach by CNH of its obligations or representations and warranties under this MOU. Notwithstanding the foregoing, CNH shall not be required to indemnify the KI Indemnities to the extent that any such claim, liability, judgment, penalty, loss, cost, damage, or expense is found by a court of competent jurisdiction, or arbitration as defined in paragraph 19 of this MOU, to be the result of the negligence of willful misconduct of a KI Indemnitee.

15. Each Party shall have the right, but not the obligation, to participate at its expense in the defense of any suit instituted against the other with respect to the subject matter of this MOU. Each Party shall give the other Party prompt express written notice of any claims falling within the scope of the foregoing indemnification agreements which claims are not withdrawn within fifteen (15) days after the Party is informed of the claim, and shall not take any action with respect thereto or enter into any settlement thereof without the prior written consent of the other Party, which consent will not be unreasonably withheld. Each Party shall cooperate in good faith with the other Party in the defense of any such claim, and each Party shall keep the

other Party fully informed with respect to the progress of any suits in which the other Party is not participating. The above indemnification agreements shall survive the termination or earlier expiration of this MOU.

16. Nothing in this MOU shall be construed to make the Parties agents of each other, partners or joint venturers or to permit any Party to bind the other Party to any agreement.

17. Every notice or other communication required or contemplated by this MOU shall be delivered either by (1) personal delivery, (2) postage prepaid return receipt requested certified mail, or (3) facsimile confirmed as received, followed by postage prepaid mail, addressed as follows:

To CNH:

Cal-Nev-Ha District
Attn: Lori Butler, Executive
Director 8360 Red Oak Street,
Suite 201 Rancho Cucamonga,
CA 91730

Cal-Nev-Ha District
Attn: District Governor
8360 Red Oak Street, Suite
201 Rancho Cucamonga, CA
91730

Kiwanis Cal-Nev-Ha Foundation
Attn: Pete Horton, Executive
Director 8360 Red Oak Street,
Suite 201 Rancho Cucamonga, CA
91730

To KI:

Kiwanis International
Attn: Stan D. Soderstrom, Executive Director
3636 Woodview Trace
Indianapolis, IN 46268
Tel: (317) 217-6101
Fax: (317) 879-0204

Kiwanis International
Attn: President of Kiwanis International
3636 Woodview
Trace Indianapolis, IN
46268

or at such other address as the intended recipient subsequently shall designate in writing to the other party. Notice by certified mail shall be effective on the date it is officially recorded as delivered to the intended recipient by return receipt or equivalent. All notices and other communication required or contemplated by this MOU delivered in person or sent by facsimile shall be deemed to have been delivered and received by the addressee on the date of personal delivery or on the date sent, respectively.

18. Whenever possible, each provision of this MOU shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision or portion of any provision of this MOU should be invalid under applicable law, such provision or portion of such provision shall be ineffective to the extent of such invalidity without invalidating the remainder of such provision or the remaining provisions of this MOU.

19. The laws of the State of California shall govern the construction and validity of this MOU. Any controversy or claim arising out of this Agreement, the making hereof; performance hereunder; or, in the interpretation hereof, shall be settled by binding arbitration, to be held in the County of Los Angeles, State of California. Said binding arbitration, shall be conducted by an attorney (retired or active) with at least 5 years experience in commercial transactions or contracts, a retired judge, or an attorney or retired judge from any California arbitration service that is approved by the County of Los Angeles Superior Court or agreement of the Parties. The binding arbitration shall be conducted under all applicable California Codes, including Civil Code sections, Code of Civil Procedure sections, Evidence Code sections and Rules of Court. Discovery shall be as allowed under the California Code of Civil Procedures sections 94-98. The provisions of Code of Civil Procedure section 1281 et seq. shall be applicable. Parties to this Agreement waive any right to appeal the award of arbitration and waive any right to file any lawsuit in any Superior Court for any recovery that would arise from any dispute regarding this Agreement. Parties waive any California Code sections that would allow them the right to appeal the award of arbitrator or file any action for recovery under this Agreement. Costs of arbitration shall be shared by each party to this Agreement. Parties acknowledge and agree to the specific terms contained in this paragraph and evidence such acknowledgment and agreement by their initials below.

____ Kiwanis International



Cal-Nev-Ha District of Kiwanis International



Kiwanis Cal-Nev-Ha Foundation

20. This MOU shall commence on the day the last Party signs this MOU and unless earlier terminated pursuant to the terms of this MOU shall continue until January 15, 2018.

21. If any party breaches any of the terms of this MOU and the breaching party fails to cure the breach within ninety (90) days after receiving written notice from the injured party specifying the particulars of the breach, the injured party shall have the right to terminate this MOU by giving notice, as defined in paragraph 17, to the breaching party.

22. If either party files for bankruptcy, becomes insolvent, makes an assignment of the benefit of its creditors, is placed in the hands of a receiver or liquidates its business, the other party shall have the right to terminate this MOU by express written notice, as defined in paragraph 17, to the other, its receivers, trustees, assignees, agents, attorneys or other representatives.

23. Neither this MOU nor any right, license, or obligation of the parties is assignable by any party in whole or in part, whether by operation of law or otherwise, without the express written consent, as defined in paragraph 17, of the other parties. Any such attempted assignment shall be void.

24. All waivers must be in writing, as defined in paragraph 17, and failure at any time to require any other party's performance of any obligation under this MOU shall not affect the right subsequently to require performance of that obligation. No waiver of any breach of any provision of this MOU shall be construed as a waiver of any other breach of the same provision or a waiver or modification of any other provision of this Agreement.

25. This MOU cannot be modified except by the express written consent of all Parties.

26. The Parties agree that this Agreement is the product of mutual and bilateral negotiations between the Parties hereto. Any uncertainty or ambiguity shall not be interpreted or construed against either Party.

27. This MOU may be executed in any number of counterparts. Each counterpart shall constitute an original instrument, but all such separate counterparts shall constitute only one and the same instrument. An electronic pdf, facsimile or photocopy of the fully executed MOU may be used in place of the original for all purposes.

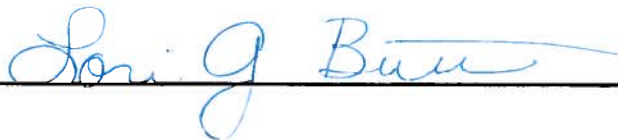
Kiwanis International

Date 20 APRIL 2013



Cal-Nev-Ha District of Kiwanis International

Date APRIL 4, 2013



Kiwanis Cal-Nev-Ha Foundation

Date APRIL 11, 2013