

STATE CHAPTER AGREEMENT
Adopted on July 27, 2006
(Address update January 2008, 8.14.08 & 1.6.10 revisions)

THIS STATE CHAPTER AGREEMENT (the "Agreement") is made effective as of the ____ day of _____, 20____ (the "Effective Date"), by and between Kairos Prison Ministry International, Inc., a Florida not-for-profit corporation, herein referred to as ("Kairos"), the members of the State Chapter Committee, and their successors, (the "Members") for Kairos operations in the State of _____ (the "State") and _____, as the Treasurer of Kairos operations in the State (The Treasurer) and, _____, as the Financial Secretary in the state, (The Financial Secretary), and their successors.

Background

A. Kairos has established and operates through its Board of Directors an international, interdenominational Christian ministry whose programs are designed to be implemented in correctional institutions, and through Kairos Outside for the families of the incarcerated. Kairos' ministry programs (the "Programs") are conducted by teams of volunteers, who are selected and trained by State Chapter Committees and advisory councils who exercise supervision over Kairos ministry activities in various States. The Members, as such may exist from time to time, who form the State Chapter Committee and advisory councils operate under the supervision and authority of the Kairos Board of Directors.

B. Kairos owns and has expended and may in the future expend considerable resources in developing and promoting the trademark "Kairos Prison Ministry (and design)," which is registered with the United States Patent and Trademark Office as Registration No. 1299957 and other trademarks, service marks and logos (collectively, the "Trademarks"). Kairos desires to control the use of the Trademarks in each State in connection with their activities on behalf of Kairos.

C. The parties desire to enter into this Agreement in order to set forth their various obligations to one another with respect to the operations of the Kairos Programs in the State, the Trademarks and the other matters set forth herein.

Agreement

In consideration of the promises and covenants described herein, Kairos, the Members, the Financial Secretary, and the Treasurer agree as follows:

1. **General.** Kairos hereby authorizes the Members to select, train teams and supervise volunteers to conduct the Programs in the State during the term of this Agreement, according to the terms and conditions of this Agreement and the written guidelines set forth in the manuals and policies provided from time to time to the Members by Kairos (the "Manuals and Policies"). The Members shall be authorized to act on behalf of Kairos in the State, but only in accordance with, and as specifically set forth in this Agreement and the Manuals, Policies, and Financial Practices.

2. Obligations of the Members. During the term of this Agreement, the Members shall:

- (a) Select and train team volunteers in accordance with the Manuals and Policies, and supervise all activities of advisory councils, area committees (councils) and volunteers in the State, to the extent undertaken for or on behalf of Kairos.
- (b) Subject to the Kairos Bylaws, select a volunteer of that state to serve on the Board of Directors of Kairos and to attend meetings of the Board of Directors of Kairos.
- (c) Cooperate with Kairos in connection with any local, state or federal filings required to be made by Kairos.
- (d) Deliver to the State Treasurer or, as directed by Kairos Financial Policy and Practice all Receipts (as defined in paragraph 3(a) below) received by any Member from a contributor, patron or a volunteer.
- (e) Notify Kairos of any unauthorized use, misuse or infringement of the Trademarks or the Programs, or any trademarks, names, or programs that are similar to the Trademarks or the Programs.
- (f) Require newly elected or appointed members of the State Chapter Committee to within 30 days of election or appointment execute a Joinder to this Agreement in the form attached hereto as Exhibit A, and to deliver all such executed Joinders to the Kairos national office promptly upon execution.
- (g) Not publicly distribute or disclose the contents of the Program materials and the Manuals and Policies, other than in connection with the conduct of the Programs for Kairos.
- (h) Not use the Program materials or any Trademark or conduct the Programs, except on behalf of Kairos and in accordance with the Manuals and Policies.
- (i) Report to the State Financial Secretary any and all Funds received as per item (d) above, and provide proper documentation for all disbursements to be made, in connection with any Kairos Program.
- (j) Comply with all requirements and restrictions set forth in the Manuals and Policies, Financial Practices and Bylaws of Kairos, and accept and comply with any changes in the Manuals and Policies, Financial Practices or Bylaws implemented by Kairos from time to time.
- (k) Not have any authority to bind or obligate Kairos to any debt, obligation or contract, except as may be specifically approved in the Manuals and Policies and Financial Practices or upon consent of the Board of Directors of Kairos.
- (l) Perform his or her duties for Kairos in good faith and in a manner reasonably believed to be in the best interests of Kairos.

- (m) Not permit the disposition or transfer of Kairos property without the consent of Kairos, except for property disposed of in the normal course of performing Programs for Kairos in the State.
- (n) Not permit the use of any Kairos automobiles, trailers, vans or other vehicles unless and until such vehicle has been insured for liability.
- (o) Not permit any cash or property to be used for the personal benefit of any Member or volunteer, including loans to such Member or volunteer.
- (p) Supervise and monitor the obligations and activities of the State Treasurer and State Financial Secretary, as set forth herein, and, as necessary, appoint replacements.
- (q) Appoint and, as necessary, remove those individuals who are authorized signatories on Kairos bank accounts in the State.

3. Obligations of the State Treasurer and the State Financial Secretary. During the term of this Agreement, the State Chapter Committee is obligated to ensure that the State Treasurer and the State Financial Secretary adhere to all policies contained in the most current version of the Kairos Ministry Financial Polices and Practices Manual including but not limited to the following:

TREASURER

- (a) Supervise the collection of all payments and donations of cash and property made to, for the benefit of, or in connection with the activities of Kairos in the State and received by or through the Members or any volunteers in the State, including any amounts received in connection with sales of goods (collectively, the “Receipts”).
- (b) Open, monitor and/or maintain one or more bank accounts in the State in the name of Kairos Prison Ministry International, Inc.
- (c) Act as an authorized bank signatory, and supervise other appointed signatories, for Kairos bank accounts in the State, and deposit or require the deposit of all cash and payments received into such accounts on behalf of Kairos.

FINANCIAL SECRETARY

- (d) Assure that monies are expended or disbursed in the State in a reasonable manner, in accordance with the Manuals and Policies and Financial Practices, and only in connection with legitimate and necessary expenses of Kairos, in connection with the operation of Programs or as otherwise permitted by the Manuals and Policies and Financial Practices.
- (e) Submit to the State Treasurer, on a quarterly basis, the Affiliation Contribution (as defined in paragraph 5 below) and the State Treasurer shall deliver to Kairos, along

with the Affiliation Contribution, a written report detailing the Financial Secretaries calculation of the Affiliation Contribution.

- (f) Maintain accurate financial records, as prescribed from time to time by the Kairos Board of Directors, with respect to all funds received and disbursed in the State.
- (g) Prepare (or have prepared) and deliver to Kairos on a quarterly basis a profit and loss statement and a balance sheet for Kairos activities in the State, along with such other financial reports as shall be required by the Board of Directors of Kairos.
- (h) Cooperate with Kairos in the preparation of Kairos' tax returns.

GENERAL

- (i) In the event the State Financial Secretary or State Treasurer resigns or is terminated pursuant to paragraph 8 below, cooperate fully in the transfer of all duties and documentation related to the position to the succeeding State Financial Secretary or State Treasurer. In the event that successor has not been chosen the transfer shall be to the State Chairperson.
- (j) Comply with all of the obligations applicable to a Member.

4. Obligations of Kairos. During the term of this Agreement, Kairos:

- (a) Shall provide the Members, at an appropriate cost, with copies of the following materials for distribution to volunteers in the State:
 - (i) Manuals, Policies and Practices, as such exist and may be amended from time to time, and
 - (ii) Any Program materials (including songbooks, crosses, guides, manuals, tapes, CD's and grouping cards), as such exist and may be amended from time to time.
- (b) Shall provide advice and support to the Members in connection with the training of volunteers and the operation of the Financial Policy and Practices and Programs within the State.

5. Affiliation Contribution; Ownership of Funds.

- (a) During the term of this agreement, the State Treasurer shall forward to the KPMI office the affiliation contribution as defined below: The "affiliation contribution" for the first, second and third quarters shall be 15% of all funds received in the state during the quarter. The "affiliation contribution" for the fourth quarter shall be the difference between the greater of (1) fifteen dollars (\$15) for each Kairos Inside resident, each Kairos Torch resident and each Kairos Outside Guest that completes a program in the state during the year, or (2) 15% of all funds received in the state for the year and the "affiliation contributions" paid in the first three quarters of the year.

For purposes of this Agreement, the term "Funds" shall mean all monetary donations, all monetary gifts and contributions received for a specific or "restricted" purpose, gross receipts from fund raisers, and the gross proceeds from the sale of donated equipment or property."

- (b) The Members, the State Financial Secretary and the State Treasurer acknowledge and agree that all "Funds" collected in the State shall belong to Kairos and that use of the "Funds" shall, at all times, be subject to the direction of the Board of Directors of Kairos.

6. Use of Trademark.

- (a) The Members may, as representatives of Kairos, use the Trademarks in connection with their obligations hereunder only for those purposes, and only in the manner, described in this paragraph 6, and all of its sub-parts.
- (b) The Members may use the Trademarks solely in connection with the Members' activities on behalf of Kairos, in a manner consistent with the use of the Trademarks by Kairos on a national basis and any policies, guidelines or restrictions published from time to time by Kairos. Prior to selling or distributing any goods bearing any of the Trademarks, the Members must first submit the proposed goods to Kairos for its approval. The Members agree that the nature and quality of services rendered and/or goods sold by the Members in connection with the Trademarks shall not, in the reasonable judgment of Kairos, fall below acceptable standards. The Members agree to use the Trademarks only in the form and manner and with the legends prescribed from time to time by Kairos.
- (c) The Members may not use any of the Trademarks except as expressly authorized herein, in any Manuals and Policies or with the written consent of Kairos. Each Member agrees not to apply for any registration of copyright, trademark or trade name that in any way concerns, mentions or uses the Trademarks or any similar marks or names without the express prior written consent of Kairos.
- (d) The Members acknowledge and agree that Kairos is the sole and exclusive owner of all right, title, and interest in and to the Trademarks, and that Kairos shall retain all trademark rights in the Trademarks. Each Member further agrees that he or she will take no action inconsistent with such ownership and that all use of the Trademarks by the Members shall inure to the benefit of and be on behalf of Kairos. The Members agree that nothing in this Agreement shall give the Members any right, title or interest in the Trademarks other than the right to use the Trademarks as set forth herein.
- (e) Kairos shall maintain and defend all actions with respect to protection and maintenance of the Trademarks, as it deems appropriate. The Members shall fully and completely cooperate with Kairos in the protection of the Trademarks and in any investigation, maintenance, defense and resolution of any action taken by

Kairos and shall supply Kairos with such information and materials requested by Kairos in connection therewith.

Additional Rights and Obligations.

- (f) Kairos, upon action by the Board of Directors, shall have the right to preclude any Member, volunteer, the Financial Secretary or the Treasurer from representing Kairos, conducting or participating in Programs and using the Trademarks at any time, in the exclusive discretion of Kairos. Members, volunteers, the Financial Secretary and the Treasurer shall not have any rights to own, possess or use any of the assets or properties of Kairos or to participate in the control or operation of the business of Kairos, except as may be specifically permitted from time to time by Kairos. No individual shall have any authority to represent Kairos, or act on behalf of Kairos, as a Member, Financial Secretary or Treasurer unless they and Kairos have executed this Agreement or the Joinder attached hereto as Exhibit A.
- (g) Kairos shall be the owner of all bank accounts into which “Funds” are deposited in the State. Kairos reserves the right to appoint one or more signatories for all bank accounts maintained in the state in addition to those signatories appointed by the Members.
- (h) Kairos may, at any time and from time to time and in its exclusive discretion, modify, amend or replace the Manuals and Policies, Financial Practices, and any Program materials.
- (i) All real and personal property acquired (whether by purchase, donation or otherwise) by or in the name of Kairos shall be owned exclusively by Kairos and, to the extent titled (such as land or vehicles), shall be titled in Kairos’ name. Any and all such property may only be used by or at the direction of the Members for Kairos activities in the State, unless otherwise approved in writing by Kairos. The Members shall promptly notify Kairos upon receipt of any property that will be used in connection with the activities of Kairos in the State or that otherwise cannot or will not be sold for cash within thirty (30) days. As to all such real and personal property, the Members shall promptly provide Kairos proof of adequate insurance for, or all information necessary to allow Kairos to insure, any insurable property, such as land or vehicles. If such insurance is obtained by the Members on behalf of Kairos, the Members shall notify Kairos at least thirty (30) days prior to the cancellation of such insurance.
- (j) Upon request by Kairos, the State Financial Secretary shall approve reimbursement to Kairos an amount equal to all insurance, license fees and other costs incurred by Kairos in connection with property used in the State or activities in the State. The State Treasurer shall then sign and mail the check prepared for the reimbursement of insurance and other fees paid by Kairos.

7. Term and Termination.

- (a) This Agreement shall commence on the Effective Date and shall continue indefinitely, subject to the termination provisions set forth herein.
- (b) Kairos, upon majority vote of the Board of Directors of Kairos, may terminate the right of any particular Member, Financial Secretary or the Treasurer to act on behalf of, and as a volunteer for, Kairos, in the exclusive discretion of Kairos, without notice to such individual by Kairos.
- (c) A Member, Financial Secretary or the Treasurer may resign from participation as a Kairos volunteer at any time by giving Kairos written notice.
- (d) Upon termination or resignation of a Member, Financial Secretary or the Treasurer in accordance with Section 8(b) or (c) above, (i) such Member, Financial Secretary, or Treasurer shall immediately cease all use of the Trademarks, as well as any and all confusingly similar names and marks, in any medium whatsoever and shall return to Kairos all materials containing the Trademarks, including but not limited to letterhead and brochures, (ii) such Member, Financial Secretary or Treasurer shall immediately cause the Transfer to the Financial Secretary, new Financial Secretary, the Treasurer, new Treasurer, State chairperson or Kairos, as the case may be, of all “Funds” and Financial Records in such Member’s, Financial Secretaries or Treasurer’s possession, and (iii) such Member, Financial Secretary or Treasurer shall continue to be bound by the applicable terms and conditions of this Agreement.

8. **Indemnification.** Kairos agrees to indemnify and hold each Member, Financial Secretary and the Treasurer harmless from and against any cost, expense, damage or liability (including reasonable attorneys fees) incurred by any such Member, Financial Secretary or the Treasurer as a result of or arising out of any services performed for the benefit of, or at the discretion of, Kairos, provided such services were performed in accordance with this Agreement and Manuals, Policies and Financial Practices in existence on the date such services were performed, and further provided that Kairos shall have no indemnification obligation to any Member, Financial Secretary or the Treasurer on account of any conduct or action by such Member, Financial Secretary or Treasurer that is illegal or outside the scope of their authority or duties with Kairos. In connection with any claim, demand or action against any Member, Financial Secretary or the Treasurer for which this indemnification obligation may apply, the Member, Financial Secretary or Treasurer must give prompt notice to Kairos of such claim, demand or action and Kairos shall have the right, at its option, to assume the defense of such claim, demand or action on behalf of such Member, Financial Secretary or Treasurer. Failure of a Member, Financial Secretary or Treasurer to give prompt notice to Kairos of any claim, demand or action will relieve Kairos of the indemnification obligation set forth herein.

9. **Miscellaneous.**

- (a) The Members, Financial Secretary and the Treasurer acknowledge and agree that Kairos may inspect the books and records relating to the operation of Kairos and/or the Programs in the State.
- (b) Except as otherwise provided in paragraph 9 above, each Member, Financial Secretary and the Treasurer shall be liable for all of his or her own acts and nothing contained herein shall be construed as creating the relationship of employer and employee, nor principal and agent, between Kairos and the Members, Financial Secretary or the Treasurer.
- (c) This Agreement shall be governed by and construed in accordance with the laws of the State of Florida.
- (d) The parties hereto submit to the jurisdiction of Florida courts and federal courts located in Florida. The parties agree that exclusive venue for any suit concerning this Agreement shall be Orange County, Florida.
- (e) No modification of this Agreement shall be binding unless it is in writing and signed by an authorized representative of the party against whom enforcement of the modification is sought.
- (f) Any notice required or permitted under this Agreement shall be in writing and delivered in person or sent by certified mail, return receipt requested, with proper postage affixed, overnight delivery or any other method in which delivery can be confirmed, to 6903 University Boulevard, Winter Park, Florida 32792, if to Kairos and to the last address known by Kairos, if to a Member, Financial Secretary or Treasurer. Notice shall be effective upon receipt.
- (g) In the event that any of the terms of this Agreement are or become or are declared to be invalid or void by any court or tribunal of competent jurisdiction, such term or terms shall be null and void and shall be deemed severed from this Agreement, and all the remaining terms of this Agreement shall remain in full force and effect.
- (h) This Agreement constitutes the entire agreement of the parties hereto with respect to the subject matter of this Agreement and supersedes any and all previous agreements between the parties, whether written or oral, with respect to such subject matter.
- (i) This Agreement shall be binding upon and shall inure to the benefit of the parties and their heirs, personal representatives, successors, and assigns (as the case may be) except as otherwise expressly provided for herein.
- (j) This Agreement may be signed in two or more counterparts, each of which shall be considered an original and all of which shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the date first above written.

KAIROS:

KAIROS PRISON MINISTRY
INTERNATIONAL, INC.

By: _____

Name: _____

Title: _____

MEMBERS:

Print Name: _____

Print Name: _____

Print Name: _____

Print Name: _____

Print Name: _____

Print Name: _____

Print Name: _____

TREASURER:

Print Name: _____

FINANCIAL SECRETARY

Print name: _____

Print Name: _____

Print Name: _____

Print Name: _____

Print Name: _____

Print Name: _____

Print Name: _____

Print Name: _____

EXHIBIT A

JOINDER TO STATE CHAPTER AGREEMENT

_____ *[name of state]*

By signing this Joinder, the undersigned hereby (a) becomes a party to the State Chapter Agreement dated as of _____, 20____ by and between Kairos Prison Ministry, Inc. and the other parties listed therein, and (b) agrees to abide by and to be bound by all the terms of the State Chapter Agreement applicable to Members or, if the undersigned shall be appointed Treasurer, applicable to the Treasurer.

Signature: _____

Print Name:

Date: _____