

**Memorandum of Understanding**

AGREEMENT dated this    day of July by and between RICHARD SAUL WURMAN ("RSW") and INSTITUTE FOR INTERNATIONAL RESEARCH, INC. ("IIR").

**BACKGROUND**

- A. RSW is developing a conference to be known as the www.conference (the "Event"), to be held on September 18-20, 2012 at [the auditorium at ESRI], Redlands, California. The Event will feature improvised, creative discourse among a number of extraordinary minds from a wide range of disciplines, with attendees sharing ideas through both formal discussion sessions at the auditorium and at meals and other social activities.
- B. The principal revenue sources for the Event will be attendance fees (\$16,000 per attendee) and promotional fees paid by sponsors of the Event.
- C. IIR is a leading organizer of conferences, and RSW and IIR desire to collaborate on the Event to their mutual advantage, as detailed herein. This Agreement sets forth the terms and conditions of that collaboration, which the parties intend to be a legally binding commitment.

**TERMS OF AGREEMENT**

**A. Purchase of Sponsorship Package**

1. IIR hereby agrees to purchase from RSW a sponsorship package for the Event for a price of Three Hundred Thousand Dollars (\$300,000)(the "Sponsorship Fee").
2. IIR shall pay 50% of the Sponsorship Fee within ten days after execution of this Agreement, and the remaining 50% of the Sponsorship Fee within ten days after conclusion of the Event.
3. In consideration for payment of the Sponsorship Fee, RSW shall provide to IIR the following benefits associated with the Event:
  - a. IIR (with logo featured) will be listed as a "Founding Partner" on all Event communications, including without limitation, marketing materials, web pages, advertisements, mailings, e-mail blasts or other promotional announcements or distributions. IIR shall supply to RSW the necessary graphics and artwork for inclusion in such materials, and IIR shall have final approval (not to be unreasonably withheld) over the size, location and appearance of all such listings.
  - b. IIR will receive three passes for the Event, each of which shall include a room at the Mission Hotel and Spa and all Event-related meals.
  - c. IIR shall be the sole and exclusive sponsor of the Event in its industry, and RSW shall not permit any IIR competitor (i.e.; any other event organizer/conference producer)

to have any role in the Event whatsoever; provided, however, that for purposes of this paragraph B 3 (c), International Data Group shall not be considered an IIR competitor.

4. If the Event is cancelled for any reason whatsoever, RSW shall refund to IIR the full Sponsorship Fee, without deduction or setoff, within ten days after cancellation.

#### **B. Sales of Event Passes and Sponsorships by IIR; Sales of Event Apps**

1. RSW hereby engages IIR as RSW's representative to sell Event passes and sponsorships for the Event (including dinner underwriting sponsorships). IIR shall use commercially reasonable efforts to promote such sales, and shall at all times conduct its activities in a professional manner in accordance with the highest standards in the industry. It is the hope and expectation of the parties that IIR's efforts will generate sales of 50 Event passes.
2. IIR shall collaborate with RSW to create marketing materials to complement IIR's sales activities. RSW shall supply to IIR all information reasonably required to produce such materials, including details concerning Event activities and the substance of conversational topics to be introduced at Event forums. IIR shall create such marketing materials in consultation with RSW, and RSW shall have final approval over such materials, which approval shall not be unreasonably withheld.
3. IIR and RSW shall consult with one another to create the components of Event sponsorship packages, which shall in any event be subject to RSW's final approval.
4. In consideration for IIR's sales efforts, RSW shall pay to IIR a commission of 15% of the gross amounts actually received by RSW (exclusive of any sales or service taxes) from sales of Event passes and sponsorships generated through IIR's efforts .
5. In determining whether a given sale was generated by IIR, the parties shall act fairly and reasonably, with any differences of opinion being resolved through direct discussion between RSW and IIR's CEO, Debra Chipman. IIR shall endeavor to keep RSW informed of its sales efforts throughout the process in order to minimize the chances of a misunderstanding between the parties in this regard.
6. Not later than 30 days after the conclusion of the Event, IIR shall send to RSW a statement listing the sales of Event passes and sponsorships commissionable to IIR in accordance with paragraphs B 4 and B 5 above, and RSW shall pay such invoice within 10 days after receipt.
7. IIR may also assist in the sale of an "app" covering the Event, which is being developed by RSW. While the Event app is expected to be supplied without additional charge to Event attendees, it is expected that non-attendees may purchase the app separately following conclusion of the Event, at a price to be determined by RSW in his sole discretion. Any sales of such app generated through IIR's efforts shall be similarly subject to a 15% commission, which shall be paid by RSW not later than 10 days after the end of each calendar month in respect of sales made during such month, for as long as such sales shall continue. The principles set forth in paragraphs B 5 and B 6 shall apply in determining whether a given sale is commissionable to IIR.

### **C. Share of Event Profit Payable to IIR**

1. As used in this paragraph C, the following terms shall have the meanings indicated below:
  - (a) "Event Revenue" shall mean all revenue actually collected by RSW in any way related to the Event, including without limitation, attendee fees, sponsorship payments, Event "app" sales or other revenues.
  - (b) "Total Event Costs" shall mean all out-of pocket costs actually incurred by RSW and paid to unrelated third parties in connection with the marketing, organization and/or production of the Event. "Total Event Costs" shall specifically include any commissions paid by RSW to IIR under this Agreement, but shall not include any allocated or internal costs of either party. For clarity, a list of all expenses to be included in Total Event Costs is set forth on Exhibit A attached hereto.
  - (c) "Event Profit" shall mean the amount, if any, by which Event Revenue exceeds Total Event Costs.
  - (d) "IIR Percentage" shall be a fraction, the numerator of which is \$300,000 and the denominator of which is the Total Event Costs.
2. In addition to any commissions payable to IIR hereunder, if the Event shall generate an Event Profit, RSW shall pay to IIR an amount (the "IIR Profit Share") equal to the Event Profit multiplied by the IIR Percentage. Within 60 days following conclusion of the Event, RSW shall deliver to IIR a true and correct statement (the "Event Profit Statement") of the Event Revenue, Total Event Costs and Event Profit, if any, and shall, simultaneously therewith, pay to IIR an amount equal to the IIR Profit Share, if any. RSW shall provide to IIR any supporting documentation reasonably requested by IIR in order to confirm the calculation of the IIR Profit Share.

### **D. Collaboration on Future Events**

Following completion of the Event, the parties agree to negotiate in good faith to collaborate on two other events owned by RSW, namely "Prophecy 2025" and "FEDMED". The form of such collaboration will be subject to mutual agreement, but the arrangement is expected to include (a) a true equity participation by IIR (proportionally based on invested capital), (b) a right of first refusal granted to IIR to purchase RSW's share should he decide to exit the business based on a formula to

be agreed upon and (c) a grant of exclusivity to IIR, such that no IIR competitor (i.e.; any other event organizer/conference producer) will be permitted to participate in such events in any way; provided, however, that for purposes of this paragraph D, International Data Group shall not be considered an IIR competitor.

IN WITNESS WHEREOF, the parties have duly executed this Agreement on the date and year first above written.

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Richard Saul Wurman

INSTITUTE FOR INTERNATIONAL RESEARCH, INC.

By \_\_\_\_\_  
Debra Chipman, CEO

**Exhibit A**

[Expenses to be included in Total Event Costs]