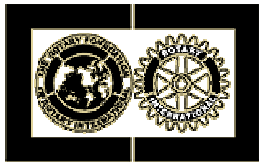


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**WORLD COMMUNITY  
SERVICE COMMITTEE**

**David M. Jennings, J.D.**  
International Service Chair

Past President  
FY 2006-2007

**Stillwater Rotary Club**  
Post Office Box 81  
Stillwater, MN 55082

**Please Respond To :**

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**PROJECT LETTER OF UNDERSTANDING**

December 8, 2007

**Bishop Dr. Owdenburg Mdegella**  
**Evangelical Lutheran Church of Tanzania**  
**Diocese of Iringa (“ELCT-DIRA”)**  
**P.O. Box 511**  
**Iringa, Tanzania**

**Email: saraowden@hotmail.com**  
**Cell: (011-255 US) 754-313173**

**RE : Project Letter of Understanding**

- **Project :** Bomalang’ombe Secondary School
  - **Location :** Bomalang’ombe, Tanzania
    - **Estimated Grant :** US\$25,000

Dear Bishop Dr. Owdenburg Mdegella :

Greetings from the Stillwater Rotary Club in Stillwater, Minnesota, USA. This Letter of Understanding (the “PLOA” or the “Letter”) will confirm our mutual understanding on matters which have been the subject of prior communications with you regarding the above referenced Project.

As you are aware, I am working on a proposed International Humanitarian Matching Grant through The Rotary Foundation (the “Grant”) during Rotary Fiscal Year 2007-2008. The Grant will fund the purchase of educational equipment, supplies and furniture for Bomalang’ombe Secondary School in Bomalang’ombe, Tanzania (the “Project”) as further described in this Letter.

The parties in interest with respect to the Grant are the following :

- Stillwater Rotary Club of Stillwater, Minnesota, U.S.A. (“Stillwater RC” or the “International Partner”)
- The “Primary Project Contact” for Stillwater RC is Rotarian David M. Jennings
- Rotary International District 5960 (“RID 5960”)
- Rotary Club of Iringa of Iringa, Tanzania (“Iringa RC” or the “Host Partner”)
- Rotary International District 9200 (“RID 9200”)



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- The “Primary Project Contact” for Iringa RC is Rotarian Alban Latambi
- The Rotary Foundation (“TRF”)
- Rotary International (“RI”)

Stillwater RC, Iringa RC, TRF, RI, RID 5960 and RID 9200 (jointly and severally referred to within this Letter as the “Grantor”) are jointly funding the Project. ELCT-DIRA is the recipient and beneficiary ( the “Grantee”) of the Project including Project Funds. It is Grantor’s understanding that Grantee is a non-profit organization. Please advise if this is not correct. Stillwater RC is located in RID 5960 and Irina RC is located in RID 9200.

The Project will include ONLY the items authorized by Grantor (the “Authorized Project Items”) as described in the Final Budget. Funds from the Grantor to fund the Project as finally approved by Grantor (the “Project Funds”) will be strictly governed and monitored by Grantor.

Attached to this Letter is a preliminary estimate of Project financing (“Preliminary Project Financing”) which states the how the Project is anticipated to be funded. The Preliminary Project Financing is part of the preliminary Grant Application to RID 5960 by Stillwater RC (the “Preliminary Application”) which I am preparing to obtain preliminary approval of the Project (the “Preliminary Approval”). The funding stated within the Preliminary Project Financing are only estimated means of funding for Authorized Project Items and those estimates may change before they are finally approved by the Grantor.

The final Project financing as finally approved by Grantor (the “Final Project Financing”) will be part of the final Grant Application (the “Final Application”) to RID 5960 and TRF which I will prepare to obtain final approval of the Project ( the “Final Approval”). The funding stated within the Final Project Financing will provide the Project Funds for the Authorized Project Items authorized by Grantor.

Attached to this Letter is a preliminary Project budget (Preliminary Budget”) totaling the sum of US\$25,000.00. The Preliminary Budget is tentative and not final. The Preliminary Budget is part of the preliminary Grant Application to RID 5960 by Stillwater RC (the “Preliminary Application”) which I am preparing to obtain preliminary approval of the Project (the “Preliminary Approval”). The items stated within the Preliminary Budget are only estimated item expenditures for Authorized Project Items and those estimates may change before they are finally approved by the Grantor.

The final Project budget as finally approved by Grantor (the “Final Budget”) will be part of the final Grant Application (the “Final Application”) to RID 5960 and TRF which I will prepare to obtain final approval of the Project ( the “Final Approval”). The items funded within the Final Budget are the final actual expenditures authorized by Grantor. Again, the Project will include ONLY the items authorized by Grantor (the “Authorized Project Items”) as described in the Final Budget.



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In order to induce Grantor to continue to pursue Final Approval of Grant Funds for the benefit of Grantee and the people served by Grantee, Grantee agrees to the following and understands that the following are required by Grantor, specifically including Stillwater RC, at all times during Project :

- Grantee Project Management. Grantee will authorize Bishop Dr. Owdenburg Mdegella as its Bishop to be the duly authorized representative of Grantee (the “Grantee Project Contact”). Grantee Project Contact will be authorized to act and speak on behalf of Grantee with respect to the Project.
- Cooperating Organization Documentation. Grantee will provide Grantor will all information and documentation required by Grantor relating to Cooperating Organization. Documentation required by Grantor relating to Cooperating Organization will include a Letter of Participation from Cooperating Organization to TRF which states the following to the satisfaction of Stillwater RC, RID 5960 and TRF : (1) the role of Cooperating Organization in the Project including its responsibilities and how it will interact with Rotarians, and (2) agreement by Cooperating Organization that it will cooperate in any review of the Project by Grantor, specifically including any financial review by TRF. In addition, Iringa RC as Host Partner must provide a Letter of Endorsement from Host Partner to TRF which confirms that Cooperating Organization operates, complies and works within the laws of the country of Tanzania to the satisfaction of Stillwater RC, RID 5960 and TRF.
- Project Funds Disbursement. Unless otherwise agreed by Grantor at a later date, Project Funds will be disbursed by TRF to Iringa RC which will then further disburse Project Funds to Grantee in due course depending on procurement and documentation matters.
- Accounting. Grantee will at all times use generally accepted accounting principles in accounting for Project Funds. Grantee will be held strictly accountable to Grantor for proper expenditure of Project Funds as approved by Grantor.
- Communication. Grantee will have immediately available for its use the services of at least person who is fluent in writing and speaking in the English language. Grantee will have immediately available for its use the services of at least person who has electronic mail through the internet.
- Procurement Compliance. Grantee will NOT be allowed to spend any Grant Funds on any purchases or procurements except for Authorized Project Items as stated in the Final Budget. Grantee will procure Authorized Project Items as agreed with Grantor. It is Grantor’s understanding that Authorized Project Items will be procured in the country or countries of United States and Tanzania.
- Project and Procurement Timing. Grantee will NOT commence any part of the Project, specifically including procurement of Authorized Project



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Items, until after Final Approval by TRF and until Grantee is authorized to do so by Grantor. Grantee understands that the Project will NOT receive Preliminary Approval or Final Approval and that Grantor will immediately halt all work on the Project if Grantee does NOT comply with these requirements.

- Budget Compliance. In no event will the Project expenditures by Grantee be allowed to exceed the amounts stated in the Final Budget. Grantee will not exceed expenditures on the Project as approved by Grantor in the Final Budget. It is Grantor's understanding that payment for Authorized Project Items will be paid in the currency or currencies of the country or countries of United States or Tanzania as further stated in the Final Budget.
- Documentation. Grantee will promptly provide all such documentation of all of its expenditures and activities with respect to the Project as may be required by Grantor, specifically including Stillwater RC or Iringa RC. Documentation specifically includes written price quotes and invoices for all Authorized Project Items. Documentation also specifically includes written proof of payment such as cancelled checks for all Authorized Project Items. All such documentation shall be retained by Grantee for a period of at least five years after the completion of the Project.
- Public Relations. Grantee will publicize and promote public awareness of the Project in Grantee's region as well as Grantor's role the Project. Grantee will assist Stillwater RC and Iringa RC to publicize and promote public awareness of the Project in their regions as well as Grantor's role the Project.

In addition to the forgoing, Grantee agrees to the following Project matters:

- Ownership. Ownership of all Authorized Project Items purchased with Project funds will at all times be vested solely in Grantee.
- Encumbrances. Grantee will never pledge any interest in Authorized Project Items to secure any obligations of Grantee and Authorized Project Items will always be kept free and clear of all liens, secured interests or other encumbrances whatsoever;
- Repair and Maintenance. Grantee will be responsible for all future repair and maintenance of Authorized Project Items during the normal useful life of those Authorized Project Items. Grantee will always keep Authorized Project Items in good operating condition in the future during the normal useful life of those Authorized Project Items.
- Security, Storage and Insurance. Grantee will be responsible for the security and safekeeping of all Project Funds after Grantee's receipt of Project Funds. Grantee will be responsible for security, storage and insurance of all Authorized Project Items after they are purchased or procured by Grantee, including during transit or shipping of those Authorized Project Items.



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- Training. Grantee will be responsible for all required training in the operation of the Authorized Project Items. Grantee will also be responsible for training in the maintenance and repair of Authorized Project Items if it can be done by laymen.
- Shipping and Customs. Grantee will be responsible for payment and logistical arrangements relating to shipment of all Authorized Project Items to their required final destination. Grantee will be responsible for all customs arrangements and clearances relating to procurement and shipment of all Authorized Project Items.
- Legal Matters. Grantee certifies, warrants and represents to Grantor that (1) Grantee is legally doing business within the Host Country, (i.e., Tanzania and is in good standing with all national, state or provincial, and local government units and agencies of Host Country, and (2) Grantee is and shall remain in compliance with all national, state or provincial, and local laws and regulations of Host Country.

There are many factors relating to the Project that will determine how quickly different phases of the Project are completed. It is beyond the control of any person to control the timing of Project events. However, an estimate of when certain Project events may occur are as follows but are subject to change :

- Preliminary Approval by RID 5960 : December, 2007
- Project Fundraising Completion : February, 2007
- Final Approval by RID 5960 : February, 2007
- Final Approval by TRF : April, 2007
- Project Funds Submitted to TRF : May, 2007
- Project Funds Disbursed by TRF : June, 2007
- Procurement of Authorized Project Items Commences : July, 2007
- Project Completion and Final Report to TRF : September, 2007

This Letter is not a legal contract. Grantee and Grantor are bound to this letter by their honor, integrity, honesty and good faith. This Letter is only a joint statement of understanding between Grantor and Grantee regarding the Project matters addressed in this Letter and the roles that the Grantor and Grantee are expected to undertake with respect to the Project. As Primary Project Contact for Stillwater RC, I only speak and act on behalf of Stillwater RC.

There is no guarantee that the Project will receive Preliminary Approval or Final Approval. If approved, there is no guarantee that the Final Budget will total any specific sum of money or that the Final Budget will include any specific Authorized Project Items. If approved, there is no guarantee that any Preliminary Approval or Final Approval will be achieved within any specific time period. If



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approved, there is no guarantee that any part of the Project will be executed or completed within any specific time period.

Based on this Letter, however, Stillwater RC will proceed to present and recommend this Project to RID 5960 and TRF for Preliminary Approval and Final Approval. I will proceed to do so upon my receipt of this Letter signed below by Grantee. Grantee's return of this signed Letter may be by scanning and emailing to it me or by faxing it to me if doing so is more convenient or practical than mailing it to me. After signing this Letter below, all required information for Grantee to mail, email or fax this Letter to me is stated on the bottom of the first page of this Letter. Questions regarding the Project should be directed to me or Rotarian Alban Lutambi as Primary Project Contacts for our clubs. I look forward to working with you on this Project.

Yours in Rotary service,  
**STILLWATER ROTARY CLUB**

**DAVID M. JENNINGS, J.D.**  
International Service Chair

Direct Dial Daytime : (651) 351-9693  
Email : [djennings@jenningsbank.com](mailto:djennings@jenningsbank.com)

DMJ/ps  
Enclosures  
Copy :

File  
Rtn. Alban Lutambi, Primary Project Contact, Rotary Club of Iringa  
Dr. Gretchen Stein, President, Stillwater Rotary Club  
Stillwater Rotary Club Board of Directors  
Rtn. Tom Thiets, Project Committee Member  
Rtn. Martha Naegli, Project Committee Member  
RID 5960 District Grants Subcommittee



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## **PROJECT LETTER OF UNDERSTANDING**

### **RE : Project Letter of Understanding**

- **Project** : Bomalang'ombe Secondary School
  - **Location** : Bomalang'ombe, Tanzania
    - **Estimated Grant** : US\$25,000

## **GRANTEE ACKNOWLEDGEMENT**

Grantee has read this Letter and understands it. Grantee agrees that this Letter correctly stated the roles of Grantor and Grantee undertaken or to be undertaken by Grantor and Grantee with respect to the Project. The undersigned person is the Bishop of Grantee and has been duly authorized by the Board of Directors or other governing body of Grantee to sign this Letter on behalf of Grantee.

**GRANTEE : Evangelical Lutheran Church of Tanzania, Diocese of Iringa  
("ELCT-DIRA") as Owner\Operator of Bomalang'ombe  
Secondary School**

Signature : \_\_\_\_\_

**By : Bishop Dr. Owdenburg Mdegella**

Its : Bishop

Date : \_\_\_\_\_



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## **PROJECT LETTER OF UNDERSTANDING**

### **RE : Project Letter of Understanding**

- **Project** : Bomalang'ombe Secondary School
  - **Location** : Bomalang'ombe, Tanzania
    - **Estimated Grant** : US\$25,000

## **HOST PARTNER ACKNOWLEDGEMENT**

Iringa RC as Host Partner has read this Letter and understands it. Host Partner agrees that this Letter correctly stated the roles of Grantor and Grantee undertaken or to be undertaken by Grantor and Grantee with respect to the Project. The undersigned person is the Primary Project Contact of Host Partner and has been duly authorized by the Board of Directors of Host Partner to sign this Letter on behalf of Host Partner.

### **HOST PARTNER : Rotary Club of Iringa**

Signature : \_\_\_\_\_

By : Rtn. Alban Lutambi

Its : Secretary and Primary Project Contact

Date : \_\_\_\_\_