STATE OF ALABAMA   )
TUSCALOOSA COUNTY   )

AFFILIATION AGREEMENT

THIS AGREEMENT is made and entered into between The Board of Trustees of The University of Alabama, a public educational and constitutional instrumentality of the State of Alabama, incorporated by statute (herein, the "Board"), for and on behalf of The University of Alabama (herein, the "University"), and The 1831 Foundation, an Alabama non-profit corporation (herein, the "Foundation").

WITNESSETH:

WHEREAS, the Foundation has been established and exists to engage in matters pertaining to real property for the benefit of the University and to help the University achieve its educational goals and objectives; and

WHEREAS, the Foundation has need of certain services and facilities, which the University is able to provide; and

WHEREAS, the parties believe that an arrangement under which such services are provided would facilitate the Foundation's carrying out of its purposes and would be in the best interest of both parties; and

WHEREAS, the parties have negotiated the terms and conditions for such an arrangement and are desirous of reducing the same to writing;

NOW, THEREFORE, in consideration of the mutual promises and covenants herein set forth, and other good and sufficient consideration, it is agreed by and between the parties as follows:

1. Financial Services. The University, through the Office of the Vice President for Financial Affairs and Treasurer, shall provide the Foundation the personnel and facilities necessary to collect, disperse (either as an expenditure or transfer), and report on all funds of the Foundation. Specifically and not by way of limitation, the University agrees to do the following:

   a. Assist the Foundation in receiving, recording, and accounting for all funds.

   b. Assist the Foundation in establishing appropriate accounts for accounting and reporting purposes.

   c. Assist the Foundation in handling banking functions in conformity with the Articles of Incorporation and Bylaws of the Foundation.

   d. Coordinate with the auditor appointed by the Board of Directors of the Foundation.

   e. Assist the Foundation in the preparation of all financial reports, including an annual financial report for its Board of Directors.

   f. Assist the Foundation in communicating and coordinating with the Board of Trustees of The University of Alabama and The University of Alabama System Office with respect to the University of Alabama Pooled Endowment Fund and with any outside investment managers appointed by the Foundation Board of Directors.

1
g. Assist the Foundation in accounting for other assets, such as land and securities not managed by outside firms or individuals.

2. Development and Administrative Services. The University, through the Office of the Vice President for University Advancement and under the general direction and supervision of the President of the University, shall provide the personnel and facilities necessary to assist the Foundation with respect to certain development functions. Specifically and not by way of limitation, the University agrees to do the following:

a. Assist with private fundraising efforts, including but not limited to annual giving programs, capital projects, and comprehensive campaigns.

b. Receive, acknowledge, and report gifts, pledges, and bequests in accordance with nationally accepted practices; establish and administer scholarship and endowment programs; and recognize donors, as appropriate.

c. Provide administrative support to the Foundation. This support shall include planning and organizing meetings of the Foundation Board of Directors and its standing committees; preparing, reviewing, and disseminating minutes of meetings of the Board and its standing committees; preparing the annual budget for consideration by the Board; and maintaining administrative, financial, and property files of the Foundation.

3. Use of University Trademarks. The University hereby grants to Foundation a non-exclusive, royalty free, revocable license to use University trademarks and indicia in connection with the Foundation’s purpose.

4. Remuneration. As consideration for the services provided to it by the University, as set forth herein, the Foundation shall support the University by engaging in matters pertaining to real property for the benefit of the University; by encouraging alumni and friends of the University to generously support the University by gifts, devises, and bequests; by organizing and promoting one or more funds for the use and benefit of the University and the Foundation; and by providing such other services and benefits to the University consistent with the purposes of the Foundation. The University and the Foundation shall maintain such records as may be reasonably necessary to document and support the remuneration agreed to hereunder.

5. Foundation Reporting, Accounting and Audit Responsibilities. The Foundation will annually obtain and provide to the University audited financial statements prepared in accordance with GAAP. The Foundation will also cooperate with the University in the preparation of IRS Form 990. As appropriate, the Foundation will comply with the provisions of Board of Trustees Rule 411 regarding Minimum Standards, Acceptance, and Reporting of Gifts and Use of Gift Revenue.

6. Conflict of Interest Policy. The Foundation will adopt a policy for the reporting and managing of conflicts of interest.

7. Term. The initial term of this Agreement shall begin October 1, 2013 and continue through September 30, 2016. Unless terminated by either party by written notice to the other given not less than ninety (90) days prior to the anniversary date, this Agreement shall continue automatically for one or more renewal terms of three (3) years each, without limitation.
8. **Dissolution.** Upon dissolution of the Foundation, all Foundation assets, after the deduction therefrom of any expenses of dissolution and liquidation shall be distributed to the University.

9. **Assignment.** This Agreement may not be assigned by either party without the express written consent of the other.

10. **Relationship of the Parties.**

   a. This Agreement shall not create the relationship of agency or employment between the parties, but each shall be considered an independent contractor with respect to the other.

   b. Nothing contained in this Agreement shall be understood or construed to allow the University to interfere in any way with or intrude upon the prerogative of the Board of Directors of the Foundation to control and manage its activities and affairs.

   c. This Agreement is premised upon the separate corporate identities of the parties, and the services provided hereunder shall at all times be carried out, and the relationship between the parties established hereunder shall at all times operate, in a manner that is fully consistent with the parties' separate identities. *Neither the University nor the Foundation shall have any liability for the obligations, acts, or omissions of the other party.* All accounts, documents, and other records of the Foundation maintained by the University under this Agreement shall retain their character as Foundation accounts, documents, and records, shall be kept confidential by the University, and shall not be subject to public inspection.

   d. The parties acknowledge that certain employees of the University may serve from time to time as corporate officers of the Foundation. No University employee serving as a Foundation officer shall receive or be entitled to receive any compensation from the Foundation for services performed in that capacity, except that such individual shall be entitled to reimbursement from the Foundation for actual expenses incurred in the discharge or his/her duties as an officer of the Foundation. The parties further acknowledge that the Foundation has no employees, and nothing contained in this Agreement shall be understood or construed as creating an employment relationship between any University employee and the Foundation. University personnel who provide services under this Agreement do so solely in their capacity as University employees and not as employees or agents of the Foundation. Moreover, the parties agree that the remuneration paid by the Foundation to the University under this Agreement shall not constitute nor be construed to be compensation to any University employee for services rendered to the Foundation as an officer thereof.

11. **Liaison.** The Vice President for Financial Affairs and Treasurer of the University shall serve as the principal contact for the liaison with the Foundation with respect to the financial services provided to the Foundation hereunder. The Vice President for University Advancement of the University shall serve as the principal contact for and liaison with the Foundation with respect to the development and administrative services provided to the Foundation hereunder.

12. **Standard of Performance.** The University shall exercise reasonable care and devote its best efforts to the performance of its duties under this Agreement.

13. **Guidelines.** The parties agree to comply with and follow any guidelines adopted by the Foundation and any amendments or additions that may from time to time be made thereto. To the extent such Guidelines conflict with the terms of this Agreement, the terms of this Agreement shall prevail.
Nothing in the Guidelines shall be deemed or construed to diminish the authority of the President of the University to coordinate and support fund-raising activities of the Foundation.

14. Entire Agreement. This Agreement states the entire contract between the parties with respect to the subject matter hereof and merges herewith all statements, representations, and covenants previously made. Any other agreements, including prior Affiliation Agreements, not incorporated herein are hereby replaced and superseded by this Agreement and are void and of no effect.

15. Amendments. Any changes, modifications, and amendments to this Agreement must be reduced to and approved in writing by both parties.

IN WITNESS WHEREOF, the parties have executed or caused to be executed this Agreement, in duplicate original, by their duly authorized officers on the dates indicated below.

THE BOARD OF TRUSTEES OF THE UNIVERSITY OF ALABAMA, FOR AND ON BEHALF OF THE UNIVERSITY OF ALABAMA

BY: [Signature] ITS: Vice President for Financial Affairs and Treasurer

DATE: November 26, 2013

THE 1831 FOUNDATION

BY: [Signature] ITS: Chairman and President

DATE: November 26, 2013