

**Affiliation Agreement
Between the
University of Mississippi Foundation
And the
University of Mississippi Research Foundation**

This agreement is made and entered into this 18th day of September, 2012 (the effective date) by and between UNIVERSITY OF MISSISSIPPI FOUNDATION, a corporation duly organized under the laws of the State of Mississippi (hereinafter referred to as “UMF”), and the UNIVERSITY OF MISSISSIPPI RESEARCH FOUNDATION, a corporation duly organized under the a laws of the State of Mississippi (hereinafter referred to as “UMRF”). Where appropriate, “UM” refers to the University of Mississippi in this Agreement.

PREAMBLE

WHEREAS, UMF and UMRF have been established as non-profit, education and charitable organizations under Section 501(c)(3) of the Internal Revenue Code of 1986 for the purposes outlined in their Articles of Incorporation;

WHEREAS, UMRF has the responsibility as non-profit corporations to use its resources in a responsible and effective manner to further the scientific, literary, charitable and educational programs of UM and to aid UM’s research activities as outline in its Articles of Incorporation attached hereto;

NOW, THEREFORE, in consideration of the premises and mutual covenants contained herein, UMF and UMRF do hereby agree, as follows:

ARTICLE 1. UMRF OBLIGATIONS

- 1.1 UMRF, in cooperation with UM, agrees to use its reasonable best efforts to Solicit and develop private and corporate support to encourage, promote and support activities related to the development of new technologies and research.
- 1.2 UMRF acknowledges and agrees that UMF shall receipt and account for all gifts, whether unrestricted, restricted or endowments, given to or received by UMRF.
- 1.3 UMRF acknowledges and agrees that all gifts whether unrestricted, restricted or endowments shall be received and accounted for consistent with policies and practices adopted by UMF and consistent with the affiliation agreement between UM and UMF.
- 1.4 UMRF acknowledges and agrees that all endowment accounts, both permanent and quasi, for the benefit of UMRF shall be managed by UMF in accordance with

policies and procedures approved by the Board of UMF upon recommendation of the Joint Committee on University Investments.

- 1.5 UMRF acknowledges and agrees that its primary investments will be in cash, cash equivalents, and other short-term investments, although it may also hold securities of entities in connection with its activities pursuant to its mission as provided for in the UMRF Articles of Incorporation.
- 1.6 UMRF shall adopt and maintain a conflict of interest policy.

ARTICLE 2. UMF OBLIGATIONS

- 2.1 UMF acknowledges and agrees that it shall receipt and account for all gifts for the benefit of UMRF, whether unrestricted, restricted or endowment.
- 2.2 UMF acknowledges and agrees that all gifts held for the benefit of UMRF, whether unrestricted, restricted or endowment, shall be receipted and accounted for consistent with policies and procedures adopted by UMF and consistent with the affiliation agreement between UM and UMF.
- 2.3 UMF acknowledges that all endowment gifts and accounts, both permanent and quasi, for the benefit of the UMRF shall be managed by UMF in accordance with policies and procedures approved by the Board of UMF upon the recommendation of the Joint Committee on University Investments.
- 2.4 UMF acknowledges and agrees that it will transfer to UMRF unrestricted and restricted gifts received for the benefit of UMRF.
- 2.5 UMF acknowledges and agrees that it will transfer quarterly the earnings from any UMRF endowment accounts to UMRF or to UM, whichever is appropriate.
- 2.6 UMF acknowledges and agrees that it will provide full accounting and access to all records pertaining to UMRF accounts.
- 2.7 UMF acknowledges and agrees that it will provide UMRF annually a copy of its audited financial statements and will cooperate fully with the auditors of UMRF.

ARTICLE 3. COMPLIANCE

UMRF and UMF shall comply with any and all federal and state laws and regulations and shall comply with any compliance and regulatory guidelines as may be required by UM's governing Board.

ARTICLE 4. LIABILITY

- 4.1 Neither UMF nor UMRF shall have any liability for the obligations, acts, or omissions of the other party.
- 4.2 To the extent permitted by the laws of the State of Mississippi, each party to this Agreement shall be responsible for its own obligations, acts and omissions,

ARTICLE 5. INSURANCE

- 5.1 UMRF and UMF shall maintain General Liability insurance providing insurance coverage of at least \$1,000,000 per occurrence and \$2,000,000 aggregate liability covering its employees and agents during the course and scope of their employment, providing protection from general liability risks, including, but not limited to, protections against claims of sexual harassment, discrimination or other violations of law.
- 5.2 Property Insurance is maintained an amount sufficient to provide full replacement of all insured property, and, in the event that UMRF owns any interest in real property during the life of this Agreement, sufficient property and casualty insurance is maintained to insure against the loss of the real property and any improvements or personal property associated with the insured premises.
- 5.3 Directors and Officers liability insurance is maintained on members of the Board of Directors and UMRF an UMF Officers, while performing as such.
- 5.4 Workers' Compensation insurance is maintained if required to do so by applicable law or such other insurance coverage is maintained as may be required by applicable law.

ARTICLE 6. REPORTING

UMRF shall, within one hundred and twenty (120) days following the close of its Fiscal Year, submit a detailed annual report of the financial condition of UMRF to the Chancellor of UM, and any other reports as required by this Agreement, by the Bylaws of UMRF, by the policies of UM's governing board or by other applicable law. UMF agrees to assist UMRF with the financial information necessary to comply with this reporting requirement.

ARTICLE 7. TERMINATION AND RENEWAL

- 7.1 This Agreement shall expire on June 30, 2017, if not renewed by mutual consent of the parties before that date.
- 7.2 This Agreement may be terminated for any reason by written approval and consent of UM and UMRF upon ninety (90) days written notice.

ARTICLE 8. MISCELLANEOUS PROVISIONS

- 8.1 This Agreement shall be construed, governed, interpreted and applied in accordance with the laws of the State of Mississippi.
- 8.2 The parties agree that UMRF or UMF is not the agent or employee of UM, and nothing in this Agreement creates an employment or other agency relationship between the parties.
- 8.3 UM, UMF, UMRF agree that UMF's and UMRF's donor and giving records and any other financial or commercial information possessed by UMF and UMRF or provided by UMF or UMRF to UM concerning individuals or corporations that provide UMRF financial support are confidential and proprietary. Unless required to disclose such information by applicable law, UM, UMF and UMRF agree not to disclose to third parties and to keep confidential the giving records, giving history and financial or commercial information of individuals and corporations that provide financial support to UMRF.
- 8.4 In the performance of this Agreement, UMRF and UMF shall not deny employment opportunities to any person on the basis of race, color, religion, ethnic group identification, sex, age, physical or mental disability, medical condition, or veteran's status.
- 8.5 The parties hereto acknowledge that this Agreement sets forth the entire Agreement and understanding of the parties hereto as to the subject matter hereof, and shall not be subject to any change or modification except by the execution of a written instrument subscribed to by the parties hereto.
- 8.6 The provision of this Agreement are severable, and in the event that any provisions of this Agreement shall be determined to be invalid or non-enforceable under any controlling body of the law, such invalidity or non-enforceability shall not in any way affect the validity or enforceable nature of the remaining provisions hereof.

8.7 The failure of either party to assert a right hereunder or to insist upon compliance with any term or condition of this Agreement shall not constitute a waiver of that right or excuse a similar subsequent failure to perform any such term or condition by the other party.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals and duly executed this Agreement the day and year set forth below.

UNIVERSITY OF MISSISSIPPI
FOUNDATION

By: Wendell Weatley

Name: Wendell Weatley

Title: President / CEO

Date: 9/19/2012

UNIVERSITY OF MISSISSIPPI
RESEARCH FOUNDATION

By: A. M. Clark

Name: Alice M. Clark

Title: President

Date: 9/18/2012